



February 3, 2016

To Our Valued Employees:

I wanted to take the opportunity to follow up with all of you about recent events, statements, and media stories surrounding the construction of our new Transload Facility in Shelburne. The railroad has been very open and candid about plans to build a Transload Facility in Shelburne in order to make way for the new City Market in Burlington's South End, and relocate our existing salt sheds from a residential area. We are proud of our reliable customer service record, helping to expand business in Vermont through projects such as this, and of our more than fifty year partnership with the State of Vermont.

We have worked carefully and collaboratively with our engineering team, contractors, and state and federal authorities to be in full compliance with relevant regulatory requirements and the environmental design of our new facility. Unfortunately, despite our best efforts going back more than seven months to answer questions and invite a cooperative approach with the Town of Shelburne, we have seen uninformed and inaccurate statements being made about the project in the media and elsewhere. The Town has even brought a lawsuit against the railroad to try to stop this project. Despite these circumstances, we are committed to this beneficial project for Chittenden County, and Vermont as a whole, and we are actively working with the Town of Shelburne to move forward in a constructive manner.

Over the course of the last week, our management team has been working diligently to get the facts out to the public and state and local leaders regarding this project. Inevitably, there will be rumors, speculation, and just plain wrong information out there as we move forward. Please feel free to reach out to myself, or our management team with any concerns, or if we can address anything you may have heard.

We know we are doing the right thing for the railroad, our customers, and most importantly our Vermont community. We look forward to the day when the first railcars are spotted at this new facility. Everyday our work puts us in the public spotlight and we as a team will continue to exemplify the values VRS takes pride in as we move forward.

Sincerely,

Selden Houghton
Assistant Vice President
Vermont Rail System