

## **MISSISSIPPI-ALABAMA RAILROAD AUTHORITY COMPACT**

The contracting states solemnly agree:

### **ARTICLE I.**

The purpose of this compact is to promote and develop trade, commerce, industry and employment opportunities for the public good and welfare in Mississippi and Alabama through the establishment of a joint interstate authority to acquire certain railroad properties and facilities which the operator thereof has notified the Interstate Commerce Commission of an intention to abandon and which are located in Mississippi or Alabama.

### **ARTICLE II.**

For the purposes of this compact the following terms shall have the following meanings unless the context clearly indicates otherwise:

- (a)** "Person" means an individual, a corporation, a partnership or any other entity.
- (b)** "Railroad" means a common carrier by railroad as defined in Section 1(3) of Part I of the Interstate Commerce Act (codified as 49 U.S.C.S. Section 1(3)).
- (c)** "Railroad properties and facilities" means any real or personal property or interest in such property which is owned, leased or otherwise controlled by a railroad or other person, including the authority, and which is used or is useful in rail transportation service, including the foregoing:
  - (i)** Track, roadbed and related structures, including rail, ties, ballast, other track materials, grading, tunnels, bridges, trestles, culverts, elevated structures, station, office buildings used for operating purposes only, repair shops, engine houses and public improvements used or useful in providing rail transportation service;
  - (ii)** Communication and power transmission systems for use by railroads;
  - (iii)** Signals and interlockers;
  - (iv)** Terminal or yard facilities and services to express companies, railroads and their shippers, including ferries, tugs, car floats and related shoreside facilities designed for the transportation of equipment by water; and
  - (v)** Shop or repair facilities or any other property used or capable of being used in providing rail transportation service or in connection with such service or for originating, terminating, improving and expediting the movement of equipment or goods.
- (d)** "Rail transportation service" means freight and/or passenger rail service.

### **ARTICLE III.**

The states which are parties to this compact (hereinafter referred to as the "party states") do hereby establish and create a joint interstate authority which shall be

known as the "Mississippi-Alabama Railroad Authority" (hereinafter referred to as the "authority"). The authority shall be governed and all powers thereof exercised by a board of directors (hereinafter referred as the "board"). The membership of the board shall consist of the Mayor of the Town of Belmont, Mississippi; two (2) other citizens of the State of Mississippi to be appointed by the governing authorities of the Town of Belmont, Mississippi; the Mayor of the City of Red Bay, Alabama, and two (2) other citizens of the State of Alabama to be appointed by the governing authorities of the City of Red Bay, Alabama. Each of the appointive members of the board shall be a qualified elector in a state named in Article I and shall serve for a term of four (4) years. Directors shall be eligible for reelection. If any director should die, resign or become incapable or ineligible to act as a director, a successor thereto for the remaining portion of the unexpired term shall be appointed by the governing body which appointed the director whose unexpired term is to be filled. The board shall hold such regular and special meetings as its business may require and as the board may determine. Any meeting of the board may be adjourned from time to time by a majority of the members present. A majority of the members of the board shall constitute a quorum for the transaction of any business. No vacancy in the membership of the board shall impair the right of a quorum to exercise all powers and duties of the authority. Members of the board shall receive no compensation for their services as directors; however, each member may be reimbursed for expenses actually incurred in the performance of his duties as provided by law. The authority shall adopt rules and regulations for the transaction of its business and the secretary shall keep a record of all its business and furnish copies thereof to each member of the board. The meetings and records of the board and of the authority shall be open to the public. The board shall establish the location of the principal office of the authority, which shall be in one (1) of the states named in Article I. The officers of the authority shall consist of a chairman, a vice chairman, a secretary, a treasurer and such other officers as the board shall deem necessary. The chairman and vice chairman shall be elected by the board from its membership and the chairmanship shall rotate each year among the party states in order of their acceptance of this compact. Neither the secretary nor the treasurer nor any other officer of the authority need be a member of the board. Each officer shall be elected by the board for a term of one (1) year. Officers shall be eligible for reelection. The duties of the officers of the authority shall be such as are customarily performed by such officers and as may be prescribed by the board.

#### **ARTICLE IV.**

**(1)** Subject to the provisions hereof, the authority shall have and may exercise all powers as may be necessary or appropriate to enable it to carry out the purposes of this compact, including the following powers:

- (a)** To have succession by its corporate name;
- (b)** To sue and be sued in its own name in civil suit and actions;

**(c)** To adopt and make use of a corporate seal and to alter the same at pleasure;

**(d)** To adopt and alter bylaws for the regulation and conduct of its affairs and business;

**(e)** To acquire, receive, take and hold, whether by purchase, gift, lease, devise, or otherwise, property of every description, whether real, personal or mixed, wherever located in any party state, and to manage such property, and to develop any undeveloped property owned, leased or controlled by it in a manner necessary or convenient to carry out the purposes of this compact;

**(f)** To make, enter into, execute and deliver such contracts, agreements, leases, applications, permits, notifications, security documents and other instruments and documents as may be necessary, proper, convenient or incidental to accomplish any purpose for which the authority was created or to carry out the purposes of this compact or to exercise any power granted hereunder, including contracts, agreements and other documents and instruments containing such covenants, terms and conditions as in the judgment of the board may be necessary, proper or advisable for the purpose of obtaining grants, loans or other financial assistance from any federal or state government or any department, branch or agency thereof for or in the aid of the acquisition or improvement of railroad properties and facilities and any and all licenses, leases, mortgages and deeds of trust and other agreements relating to the railroad properties and facilities and the construction, operation, maintenance, repair and improvement thereof, and to carry out and perform the covenants, terms and conditions of all such contracts, agreements and other documents or instruments;

**(g)** To plan, establish, acquire (by purchase, gift, lease or devise), construct, enlarge, reconstruct, improve, operate, maintain, replace, repair, extend, improve, regulate and protect railroad properties and facilities (whether or not then existing) wherever located or to be located within the boundaries of either or both of the party states;

**(h)** To make the use and services of its railroad properties and facilities available to others in furtherance of the purposes of this compact and upon such terms and conditions as the board shall deem proper, and to lease such railroad properties and facilities to others upon such terms and conditions as the board may determine;**(i)** To establish schedules of tolls, fees, rates, charges and rentals for the use of its railroad properties and facilities and to charge, alter and collect such tolls, fees, rates, charges and rentals in carrying out the provisions of this compact;

**(j)** To issue revenue bonds and notes at any time and from time to time, for any corporate purpose or purposes or in aid of any power under this compact, payable from the limited sources hereinafter referenced and to pledge for payment of such bonds and notes any revenues and funds from which such bonds and notes are made payable;

**(k)** To exercise, with respect to property located in Mississippi in the manner provided by the laws of Mississippi and with respect to property located in Alabama in

the manner provided by the laws of Alabama, the power of eminent domain with respect to any property, real, personal or mixed; provided, the authority may not acquire by eminent domain any real property or rights owned or held by railroads, transportation companies or utilities, either public or private;

**(l)** To appoint, employ, contract with and provide for compensation of such officers, employees and agents, including engineers, attorneys, consultants, fiscal advisers and such other employees as the business of the authority may require, including the power to fix working conditions by general rule and other conditions of employment, and at its option to provide a system of disability pay, retirement compensation and pensions, or any of them, and to hire and fire servants, agents, employees and officers at will;

**(m)** To provide for such insurance, including use and occupancy insurance, as the authority may deem advisable;

**(n)** To invest any funds of the authority that the board may determine are not presently needed for its corporate purposes in any obligations which are direct general obligations of the United States of America or which are unconditionally guaranteed as to both principal and interest by the United States of America, or in interest-bearing time deposits of any bank or savings and loan association organized under the laws of any party state or of the United States of America;

**(o)** To cooperate with any party state and any county, city, town, public corporation, agency, department or political subdivision of any party state and to make such contracts with them or any of them as the board may deem advisable to accomplish the purposes for which the authority was established;

**(p)** To sell and convey any of its properties that may have become obsolete or worn out or that may no longer be needed or useful;

**(q)** To accept, receive, receipt for, disburse and expend moneys or other financial assistance from the United States of America or any department or agency thereof, and from any party state or any department, agency or political subdivision thereof, and to receive and accept money, property, labor or other thing of value, from any source whatever, public or private, to be used for or in aid of the acquisition, construction, extension, improvement, maintenance and operation of railroad properties and facilities or to be used in furtherance or to accomplish (in whole or in part) any of the purposes of this compact. All federal moneys shall be accepted and expended by the authority upon such terms and conditions as are prescribed by the United States of America and as are not inconsistent with the laws of any party state, and all state moneys shall be accepted and expended by the authority upon such terms and conditions as are prescribed by the laws of the state making the same available;

**(r)** To purchase equipment and supplies necessary or convenient for the exercise of any power of the authority; and

**(s)** To take such action and do all things as may be necessary or convenient to carry out the purposes of this compact or the exercise of any power hereunder.

**(2)** Nothing contained in this compact shall operate or be construed to (a) permit or require any person to avoid or refuse compliance with any law, rule, regulation, order or other controlling directive or administrative guidance, now or hereafter existing or in force, of any federal or state government, department, branch, agency or other instrumentality or (b) impair, limit, diminish or otherwise affect any right, power or jurisdiction of the United States of America or any department, branch, agency, court, bureau or other instrumentality thereof with respect to any matter including commerce between the states, or (c) grant or confer any right or power to the authority or any officer, member of the board, or other representative thereof to regulate commerce between the states. The authority shall be subject to and shall comply with all applicable laws, regulations, rules, rulings, orders, decrees, judgments, decisions or other guidelines of the United States of America or any branch, agency, department, court or other instrumentality having jurisdiction over the authority or any of its activities or properties or of any person acting for the authority and all rights and powers provided by this compact may be exercised only to the extent the exercise thereof does not violate any of the foregoing. The provisions of this compact are subject to all provisions of federal law and other controlling federal directives applicable in the premises and to be limited to the extent necessary to comply therewith.

#### **ARTICLE V.**

For the purpose of aiding and cooperating with the authority in the planning, development, undertaking, construction, extension, improvement or operation of railroad properties and facilities, any county, city, town or other political subdivision, public corporation, agency or instrumentality of a party state may, upon such terms and with or without consideration, as it may determine:

- (a)** Lend or donate money to the authority;
- (b)** Cause water, sewer or drainage facilities, or any other facilities which it is empowered to provide, to be furnished adjacent to or in connection with such railroad properties and facilities;
- (c)** Donate, sell, convey, transfer or lease to the authority any land, property, franchise, grant, easement, license or lease, which it may own;
- (d)** Donate, transfer, assign, sell or convey to the authority any right, title or interest which it may have in any lease, contract, agreement, license or property;
- (e)** Furnish, dedicate, close, pave, repair, install, grade, regrade, plan or replan streets, roads, roadways and walks from established streets or roads to railroad properties and facilities of the authority; and

**(f)** Do any and all things whether or not specifically authorized in this compact and not otherwise prohibited by law in the applicable party state that are necessary or convenient to aid and cooperate with the authority in the planning, undertaking, construction, reconstruction, acquisition or operation of railroad properties and facilities.

#### **ARTICLE VI.**

No action or suit shall be brought or maintained against any administrator, executive, manager, officer or member of the board or the authority for or on account of the negligence of the authority or of any such person or its or his agents, servants or employees, in or about the construction, maintenance, operation, superintendence or management of any railroad properties and facilities or other property owned or controlled by the authority.

#### **ARTICLE VII.**

**(1)** All bonds issued by the authority shall be payable solely from, and may be secured by a pledge of, the revenues derived by the authority from the operation, leasing or sale of any or all of its railroad properties and facilities and other property, and/or from any other funds made available or to be made available to the authority if so permitted by the terms under which such funds are so made available to the authority. No bonds or notes issued or contracts entered into by the authority shall ever constitute or create an obligation or debt of any party state, or of any county, city or town within any party state or a charge against the credit or taxing powers of any party state or of any county, city or town within any party state.

**(2)** Bonds of the authority may be issued at any time and from time to time, may be in such form, either in bearer form with appurtenant coupons (and subject to registration as to principal or interest, or both, all as the board may determine) or in fully registered form without coupons, and in such denominations, may be of such tenor, may be payable in such installments and at such time or times not exceeding forty (40) years from their date, may be payable at such place or places whether within or without any party state, may bear interest at such rate or rates (which may be fixed or which may float or vary based on some index or other standard deemed appropriate by the board), and shall be payable and evidenced in such manner, all as shall not be inconsistent with the provisions of this compact and as may be provided in the proceedings of the board wherein the bonds shall be authorized to be issued. Any bond may be made subject to redemption at the option of the authority at such time or times and at such price or prices and upon such notice or notices and on such terms and in such manner as may be provided in the proceedings of the board wherein the bonds shall be authorized to be issued. Bonds of the authority may be sold at public or private sale in such manner and from time to time as may be determined by the board. The authority may pay all reasonable expenses, premiums, fees and commissions that the board

may deem necessary or advantageous in connection with the authorization, sale and issuance of its bonds. All bonds shall contain a recital that they are issued pursuant to the provisions of this compact, which recital shall be conclusive that they have been duly authorized pursuant to the provisions of this compact. Neither a public hearing nor the consent of any agency of any party state or any political subdivision thereof shall be prerequisite to the issuance of bonds by the authority. All bonds issued under the provisions of this compact are hereby made and shall be deemed negotiable instruments.

**(3)** All bonds shall be signed (either manually or by facsimile) by the chairman or the vice chairman and the secretary or the treasurer of the authority and the seal of the authority shall be affixed (either manually or by facsimile) thereto. Delivery of bonds so executed shall be valid notwithstanding any changes in said officers or in the seal of the authority after the signing and sealing of the bonds.

**(4)** Any bonds may be issued under and secured by an indenture between the authority and a trustee. Such trustee may be a private person or corporation, including any trust company or bank having trust powers, whether such bank or trust company is located within or without any party state. In such indenture or resolution providing for the issuance of bonds, the authority may pledge, for payment of the principal of and the interest on such bonds, any of its revenues to which its right then exists or may thereafter come into existence and may assign, as security for such payment, any of its leases, franchises, permits and contracts; and in any such indenture, the authority may mortgage or grant security interests in any of its properties, including any that may be thereafter acquired by it. Any such pledge of revenues shall be valid and binding from the time it is made and the revenues so pledged and thereafter received by the authority shall immediately become subject to the lien of such pledge without any physical delivery thereof or further act. The lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether the parties have actual notice thereof, from the time a statement is filed for record in each county in which is located any part of the property the revenues from which are so pledged. Such notice need state only the date on which the resolution authorizing the issuance of the bonds was adopted by the board, the principal amount of bonds issued, a brief description of the revenues so pledged and a brief description of any property the revenues from which are so pledged.

**(5)** In any indenture or resolution authorizing the issuance of bonds and pledging for the benefit thereof revenues from any of its railroad properties and facilities, the authority shall have the power to include provisions customarily contained in instruments securing evidence of indebtedness, including provisions respecting the collection, segregation and application of any rental or other revenue due to or to become due to the authority, the terms to be incorporated in any lease agreement respecting any property of the authority, the maintenance and insurance of any

building or structure owned by the authority, the creation and maintenance of special funds from any revenue of the authority and the rights and remedies available in the event of default to the holders of the bonds or the trustee under the indenture, all as the board shall deem advisable. If there be any default by the authority in payment of the principal of or the interest on the bonds or in any of the agreements on the part of the authority that may properly be included in any indenture securing the bonds, any holder of bonds, or the trustee under any indenture if so authorized in such indenture, in addition to any other remedies herein provided or otherwise available, may either at law or in equity, by suit, action, mandamus or other proceedings, enforce payment of such principal or interest and compel performance of all duties of the board and officers of the authority, and shall be entitled as a matter of right, and regardless of the sufficiency of any such security, to the appointment of a receiver in equity with all the powers of such receiver for the operation and maintenance of the property of the authority covered by such indenture and the collection, segregation and application of revenues therefrom. The indenture may also contain provisions restricting the individual rights of action of the holders of the bonds.

**(6)** The proceeds derived from the sale of any bonds other than refunding bonds may be used only to pay the costs of acquiring, constructing, improving, enlarging, equipping and operating the railroad properties and facilities, or other property with respect to which such bonds were issued, as may be specified in the proceedings in which the bonds are authorized to be issued. Such costs shall be deemed to include the following: the costs of any land or easements forming a part of such railroad properties and facilities or other property; the cost of labor, material and supplies used in any such construction, improvement or enlargement, including architects' and engineers' fees, and the cost of preparing contract documents and advertising for bids; the purchase price of and the cost of installing equipment for use in connection with such railroad properties and facilities or other property; the cost of constructing and installing roads, sidewalks, curbs, gutters, utilities and parking places in connection with such railroad properties and facilities or other property; the amounts of any debt service, maintenance and capital improvement and other similar reserves deemed advisable; legal, fiscal, credit enhancement or insurance, and recording fees, premiums and expenses incurred in connection with the authorization, sale and issuance of the bonds issued in connection with such railroad properties and facilities or other property; and interest on said bonds for a reasonable period prior to and during the time required for such construction, improvement, enlargement and equipment and not to exceed eighteen (18) months after completion thereof. If any of the proceeds derived from the sale of said bonds remains undisbursed after completion of such work and payment of all of the said costs and expenses, such balance shall be used for retirement of the principal of the bonds of the same issue.

**(7)** The authority may at any time and from time to time issue refunding bonds for the purpose of refunding the principal of and the interest on any bonds of the authority



theretofore issued hereunder and then outstanding, whether or not such principal and interest shall have matured at the time of such refunding, and for the payment of any expenses incurred in connection with such refunding and any premium necessary to be paid in order to redeem, retire or purchase for retirement the bonds to be refunded. The proceeds derived from the sale of any refunding bonds shall be used only for the purposes for which the refunding bonds were authorized to be issued. Any such refunding may be effected either by sale of the refunding bonds and the application of the proceeds thereof, or by exchange of the refunding bonds for the bonds to be refunded thereby. All provisions of this compact pertaining to bonds of the authority that are not inconsistent with the provisions of this subsection shall, to the extent applicable, also apply to refunding bonds issued by the authority. The authority may at any time and from time to time issue bonds for the purpose of so refunding the principal of and the interest on any of its bonds and for any other purpose for which it is authorized to issue bonds, in which event the provisions hereof respecting refunding bonds shall apply only to that portion of such combined issue authorized for refunding purposes and the provisions hereof respecting other financing shall apply to the remaining portion of such combined issue.

**(8)** The authority may, in addition to the other powers granted herein, borrow money for use for any corporate purpose described herein and, in evidence of such borrowing, issue from time to time revenue notes maturing not later than eighteen (18) months from the date of issuance and bearing such rate or rates of interest as the board may provide in the proceedings when the same are authorized to be issued. Such notes may be payable from the principal proceeds from the sale of bonds and/or, to the extent necessary, from any revenues of the authority which may be pledged to the payment of its bonds and such notes may be secured by a pledge of so much as may be necessary therefor of such revenues. Any such notes may be refunded or renewed or extended for additional periods of not more than eighteen (18) months each from the date of maturity of such notes being refunded or renewed or extended, but otherwise pursuant to the terms and conditions hereof. Any such notes may be sold either at public or private sale as the board may determine. All provisions of this compact pertaining to bonds of the authority that are not inconsistent with the provisions of this subsection shall, to the extent applicable, also apply to notes issued by the authority.

**(9)** The governing body of any county, city or town within any party state is authorized in its discretion to invest in bonds of the authority any money held in its treasury. Bonds issued under the provisions of this compact are hereby made legal investments for executors, administrators, trustees and other fiduciaries, unless otherwise directed by the court having jurisdiction of the fiduciary relation or by the document that is the source of the fiduciary's authority. Such bonds shall be legal investments for savings banks and insurance companies organized under the laws of any party state.

**(10)** The directors and officers of the authority shall not be subject to any personal liability by reason of the issuance of any bonds or notes of the authority.

### **ARTICLE VIII.**

The authority and all contracts made by it shall be exempt from (a) all laws (i) relating to the advertising and award of construction contracts and purchase contracts and (ii) limiting the duration of or requiring competitive bids in connection with any contract to be entered into by any municipality, county, public corporation or other instrumentality, and (b) from all laws relating to or governing usury or prescribing or limiting interest rates. The authority and its contracts and properties shall be exempt from all jurisdiction of and all regulation and supervision by the Public Service Commission or other successor or similar agency of any party state. All bonds or notes issued by the authority, the transfer thereof and the income therefrom shall be exempt from all taxation by each party state and any political subdivision thereof. The authority and all property and income of the authority shall be exempt from all state, county, municipal and other local taxation and from any assessment for public improvements; provided, however, that this exemption shall not be construed to exempt concessionaires, licensees, tenants, operators or lessees of the authority from the payment of any taxes, including licenses or privilege taxes levied by any party state or any county or any municipality in any party state. All documents or instruments of whatever nature or content to which the authority is a party shall be filed for record in any county in any party state without the payment of any tax or fee other than such fee as may be authorized by law for the recording of such documents and instruments. The authority shall be exempt from all income, privilege, license or excise taxes levied by any party state or any county, city, town or other political subdivision thereof in respect to the income, revenue or profits of the authority or the privilege of engaging in any of the activities or powers in which the authority may engage or which the authority may exercise. The authority shall be exempt from all privilege, license or excise taxes levied by any party state or any county, city, town or other political subdivision thereof with respect to tangible personal property purchased or used by the authority.

### **ARTICLE IX.**

Nothing in this compact shall be construed so as to conflict with any existing statute, or to limit the powers of any party state, or to repeal or prevent legislation, or to authorize or permit curtailment or diminution of any other railroad project, or to affect any existing or future cooperative arrangement or relationship between any federal agency and a party state.

### **ARTICLE X.**

This compact shall continue in full force and remain binding upon each party state. At any time when the authority does not have any bonds, notes or other obligations outstanding, including any leases under which the authority is either lessor or lessee, the Legislature of each or either party state may take action to withdraw from this compact; provided, that such withdrawal shall not become effective until six (6)

months after the date of the action taken by the Legislature. Notice of such action shall be given to the other party state and the authority by the Secretary of State of the party state which takes such action. Upon withdrawal of a party state from this compact becoming effective as to such party state, the authority shall cease to exist and all rights, title and interest of the authority in property located in the State of Mississippi shall be vested in the Town of Belmont, Mississippi, and all rights, title and interest of the authority in property located in the State of Alabama shall be vested in the City of Red Bay, Alabama.

**ARTICLE XI.**

The authority shall be a nonprofit corporation and no part of its net earnings remaining after payment of its expenses shall inure to the benefit of any person, except that in the event the board shall determine that sufficient provision has been made for the full payment of the expenses, bonds, notes and other obligations of authority, then any net earnings of the authority thereafter accruing shall be equally divided between the Town of Belmont, Mississippi, and the City of Red Bay, Alabama. The authority shall not be appropriated any monies nor shall the authority expend any monies from the State General Fund of Mississippi.

**ARTICLE XII.**

There is hereby granted to the Governor, to the members of the board of the authority for Mississippi and to any executives or administrators of this compact all the powers provided for in such compact. All officers of the State of Mississippi are hereby authorized and directed to do all things falling within their respective jurisdictions which are necessary or incidental to carrying out the purposes of such compact.

**ARTICLE XIII.**

The provisions of this compact are severable. If any part of this compact is declared invalid or unconstitutional, such declaration shall not affect the remaining parts thereof.

Miss. Code § 77-9-531

Laws, 1992, ch. 392, § 1, eff. 4/27/1992.