

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUEBEC
DISTRICT OF SAINT-FRANÇOIS
N°: 450-11-000167-134

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
C. C-36, as amended)

IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:

**MONTREAL, MAINE & ATLANTIC CANADA CO.
(MONTREAL, MAINE & ATLANTIQUE CANADA
CIE)**

Debtor-PETITIONER

-and-

**RICHTER ADVISORY GROUP INC. (RICHTER
GROUPE CONSEIL INC.)**

Monitor

-and-

RAILROAD ACQUISITION HOLDINGS LLC

Mise en cause

**MOTION FOR AN ORDER APPROVING THE THIRD AMENDMENT TO THE ASSET
PURCHASE AGREEMENT AND THE SALE OF CERTAIN RECEIVABLES
(Sections 11 and 36 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985,
c. C-36 ("CCAA"))**

**TO THE HONOURABLE JUSTICE MARTIN BUREAU OF THE SUPERIOR COURT, SITTING
IN COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF SAINT-FRANÇOIS, THE
PETITIONER RESPECTFULLY SUBMITS AS FOLLOWS:**

RELIEF SOUGHT

1. For the reasons more fully set out hereafter, Montreal Maine & Atlantic Canada Co. (the "**Petitioner**" or "**MM&A**") hereby seeks an order of this Court approving the Third Amendment to the Asset Purchase Agreement and the sale of certain accounts receivable;

BACKGROUND

2. On August 8, 2013, this Honourable Court issued an order extending the protection of the *Companies' Creditors Arrangement Act* ("**CCAA**") to MM&A pursuant to section 11.02 of the CCAA (as amended on August 23, 2013, the "**Initial Order**");

3. Pursuant to the Initial Order, Richter Advisory Group Inc. (Richter Groupe Conseil Inc.) was appointed as monitor of the Petitioner (the "**Monitor**");
4. MM&A's filing under the CCAA was precipitated by the tragic train derailment in Lac-Mégantic on July 6, 2013 (the "**Derailment**"). The Derailment also precipitated the filing of Chapter 11 bankruptcy proceedings by Montreal, Maine & Atlantic Railway Ltd ("**MM&AR**"), (the Petitioner's parent company), in the United States Bankruptcy Court, District of Maine (the "**Chapter 11 Case**");
5. On August 21, 2013, the United States trustee appointed Robert J. Keach to serve as trustee in the Chapter 11 Case (the "**Chapter 11 Trustee**");
6. On January 23, 2014, this Honourable Court entered an *Approval and Vesting Order* (the "**Sale Order**") approving the sale (the "**Sale**") of substantially all of the assets of MM&A and MM&AR (together, the "**Sellers**") to Railroad Acquisition Holding LLC (together with its assignee(s), the "**Purchaser**"), the whole as more fully appears from the Court record;
7. In connection therewith, the Sellers and the Purchaser executed an Asset Purchase Agreement dated December 12, 2013 (as the same may have been or may be modified or amended, the "**APA**"). A copy of the APA is attached as Schedule A to the Sale Order;

THE THIRD AMENDMENT TO THE APA

8. Since the entry of the Sale Order, the Sellers and the Purchaser have continued to work diligently towards a consummation of the Sale;
9. Faced with certain delays in obtaining the Canadian regulatory approval required under the APA, the Sellers and the Purchaser have agreed to not further delay the closing of the US portion of the previously approved Sale transaction and to provide additional liquidity to MM&AR's estate in order to help sustain MM&A's business operations pending Canadian regulatory approval until May 31, 2014;
10. In light of these issues relating to the Sale, the Sellers and the Purchaser have reached an agreement that resolves certain critical issues. The terms of this agreement are contained in the Third Amendment to Asset Purchase Agreement (the "**APA Amendment**"), the whole as appears from a copy of the APA Amendment filed in support hereof as **Exhibit R-1**¹. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the APA Amendment;
11. As set forth in greater detail in the APA Amendment, the proposed amendments to the APA are, in material part, as follows:
 - a) Section 2.1(b) of the APA is amended to provide for the sale to the Purchaser of certain MM&A receivables generated after May 9, 2014 (per the APA Amendment, the "Specified MMA Canada Receivables"), namely freight accounts

¹ Included in Exhibit R-1 are the attachments to the APA Amendment, as referenced therein, except for Attachment 2 which includes a description of the Derby Shops Property.

and miscellaneous accounts receivable relating to switching and land occupation rental income. This will help generate the funds required to maintain MM&A's operations;

- b) Section 2.2 of the APA is amended to further exclude additional assets of MM&AR from the Sale (without reducing the Purchase Price). Specifically, the real property identified as the Hermon Parcel and the facilities identified as the Derby Shops Property shall be excluded from the Sale. MM&AR will, however, enter into a lease with the Purchaser in relation to the Derby Shops Property;
 - c) The Closing Date of the Sale has been modified to reflect the dates for closing as set forth in the APA Amendment, with the Sale of the US assets possibly occurring in advance of the Sale of the Canadian assets due to delays in regulatory approval in relation to the assets of MM&A. As set forth below, the APA Amendment extends the May 15, 2014 deadline for the Closing to May 31, 2014 in light of the status of the Canadian regulatory approval process;
 - d) The APA Amendment requires Court approval of the APA Amendment;
 - e) The APA Amendment requires MM&AR and Purchaser to enter into certain agreements concerning the lease of the Derby Shops Property (as noted above);
 - f) Sections 10.1(b)(vi) and 10.1(c)(iii) of the APA are amended to provide that the Purchaser and the Sellers may terminate the APA and the transactions contemplated thereby if (1) the closing on the assets of MM&AR does not occur on or before May 15, 2014 (or on such other extended date upon which the parties mutually agree in writing); or (2) the closing on the assets of MM&A does not occur on or before May 31, 2014 (or on such other extended date upon which the parties mutually agree in writing);
12. In addition to the above, the APA Amendment provides for an allocation of The Purchase Price as follows: (i) approximately US\$11,050,000 for the MM&AR assets; and (ii) approximately US\$3,200,000 for the MM&A assets;
 13. This allocation was established by the Purchaser and shall not be binding on MM&A, nor shall it limit the rights of any lienholder to contest the allocation of the Purchase Price between the estates of MM&A and MM&AR. These rights shall be expressly preserved;
 14. As highlighted in the Monitor's Tenth Report, it had been reported in the Monitor's Fourth Report dated December 17, 2013, that, because the APA did not contain an allocation of the purchase price between MM&A and MM&AR, the Monitor, the Chapter 11 Trustee and Petitioner agreed at that time that for the purposes of bidding procedures as well as for an allocation of the final purchase price, one-third of the purchase price would be allocated to the assets of MM&A and two-thirds to the assets of MM&AR. If this allocation were used, this would serve to increase the amount paid for MM&A's assets by approximately US\$1.5 million. The Chapter 11 Trustee is of the view that the one-third, two-thirds allocation was solely for bidding purposes and that, as set out in the order from the US Bankruptcy Court approving the Sale, all parties reserved their rights as to the purchase price allocation;
 15. Petitioner respectfully submits that the APA Amendment is necessary in light of the

circumstances set out herein;

16. As highlighted in the Monitor's Tenth Report, time is of the essence to close the Sale due to limited financing as well as the expiry of Petitioner's insurance and operating certificate of fitness. The Monitor and the Province of Quebec (which claims a priority charge on the proceeds of sale) are supporting the APA Amendment and are expressly reserving their rights to contest that the allocation of the Purchase Price established by the Purchaser should govern for the purpose of dividing the total proceeds of the Sale between the estates of MM&A and MM&AR;
17. By staggering the closing of the Sale on the MM&A assets and MM&AR assets, the Sale of the MM&AR assets may be completed despite the regulatory delay occurring in Canada;
18. As court approval is required by the APA Amendment, similar relief is being sought in the Chapter 11 Case by the Chapter 11 Trustee;
19. In light of the forgoing, Petitioner respectfully requests that the Court enter an order:
 - a) authorizing Petitioner and the Purchaser to enter into the APA Amendment (R-1);
 - b) authorizing and empowering, but not requiring, Petitioner to execute, implement, and take any and all actions necessary to carry out and otherwise effectuate the terms, conditions, and provisions set forth in, and the transactions contemplated by, the APA Amendment;
 - c) authorizing Petitioner and the Purchaser, at their option and in accordance with the APA, to close the Sale either (i) in a simultaneous and unitary Closing or (ii) in a separate and bifurcated MMA Assets Closing and MMA Canada Assets Closing;
 - d) determining that the supplemental consideration provided by the Purchaser pursuant to the APA Amendment is fair and reasonable, and deeming such supplemental consideration to constitute reasonably equivalent value and fair consideration for the benefits to be derived from the APA Amendment;
 - e) authorizing Petitioner to sell the Specified MMA Canada Receivables in accordance with the APA Amendment;
 - f) in light of the allocation of the Purchase Price established by the Purchaser, as set out in the APA Amendment, reserving the rights of Petitioner and any lienholder to contest that said allocation should govern for the purpose of dividing the total proceeds of the Sale between the estates of MM&A and MM&AR;

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:

1. **ORDER** that the Motion is properly presentable on May 9, 2014;
2. **GRANT** the Motion;

3. **AUTHORIZE** Petitioner and the Purchaser to enter into the APA Amendment;
4. **AUTHORIZE**, empower, but not require, Petitioner to execute, implement, and take any and all actions necessary to carry out and otherwise effectuate the terms, conditions, and provisions set forth in, and the transactions contemplated by, the APA Amendment;
5. **AUTHORIZE** Petitioner and the Purchaser, at their option and in accordance with the APA, to close the Sale either (i) in a simultaneous and unitary Closing or (ii) in a separate and bifurcated MMA Assets Closing and MMA Canada Assets Closing;
6. **DECLARE** that the supplemental consideration provided by the Purchaser pursuant to the APA Amendment is fair and reasonable, and that such supplemental consideration constitutes reasonably equivalent value and fair consideration for the benefits to be derived from the APA Amendment;
7. **AUTHORIZE** Petitioner to sell the Specified MMA Canada Receivables in accordance with the APA Amendment;
8. **RESERVE** the rights of Petitioner and any lienholder to contest that the allocation of the Purchase Price established by the Purchaser, as set out in the APA Amendment, should govern for the purpose of dividing the total proceeds of the Sale between the estates of MM&A and MM&AR;
9. **GRANT** such further relief as this Honourable Court may deem appropriate;
10. **ORDER** the provisional execution of the Order notwithstanding any appeal, without the necessity of furnishing any security;
11. **THE WHOLE** without costs, except if contested.

MONTREAL, May 7, 2014

(s) Gowlings Lafleur Henderson LLP

GOWLING LAFLEUR HENDERSON LLP
Attorneys for Petitioner

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SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUEBEC
DISTRICT OF SAINT-FRANÇOIS
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Debtor-PETITIONER

and

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RAILROAD ACQUISITION HOLDINGS LLC

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NOTICE OF PRESENTATION

TO: **Service list**

TAKE NOTICE that the present *Motion for an Order Approving the Third Amendment to the Asset Purchase Agreement and the Sale of Certain Receivables* will be presented for adjudication before the Honourable Justice Martin Bureau of the Superior Court of Quebec on **May 9, 2014** in room 7 of the Courthouse located at 375 King St. West in Sherbrooke, at 10:00 am or so soon as counsel may be heard

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, May 7, 2014

(s) *Gowlings Lafleur Henderson LLP*

GOWLING LAFLEUR HENDERSON LLP
Attorneys for Petitioner

EXHIBIT R-1

(Motion for an Order Approving the Third Amendment to the Asset Purchase Agreement and the Sale of Certain Receivables)

THIRD AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS THIRD AMENDMENT TO ASSET PURCHASE AGREEMENT (this “Third Amendment”) dated as of May __, 2014, between ROBERT J. KEACH, AS CHAPTER 11 TRUSTEE (the “Trustee”) FOR THE ESTATE OF MONTREAL MAINE & ATLANTIC RAILWAY, LTD., a Delaware Corporation (“MMA”), MONTREAL MAINE & ATLANTIC CANADA CO., a Nova Scotia unlimited liability company (“MMA Canada”) (MMA and MMA Canada being referred to herein as “Sellers” and each individually as a “Seller”) and RAILROAD ACQUISITION HOLDINGS LLC (the “Purchaser”).

RECITALS

A. WHEREAS, on or about August 7, 2013, MMA filed a voluntary petition for relief commencing a case (the “MMA Chapter 11 Case”) under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), filed as Case No. 13-10670 in the United States Bankruptcy Court for the District of Maine (the “Bankruptcy Court”);

B. WHEREAS, Sellers have agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Sellers, certain assets located in the United States and Canada, tangible and intangible, associated with the business of Sellers on the terms and subject to the conditions set forth in that certain Asset Purchase Agreement between Sellers and Purchaser dated as of December 12, 2013 (the “Purchase Agreement”), in accordance with Sections 105, 363, 365, and 1161-1174 of the Bankruptcy Code and applicable or analogous provisions of the CCAA, including Sections 11.3, 32 and 36 of the CCAA;

C. WHEREAS, Sellers and Purchaser entered into that certain Amendment To Asset Purchase Agreement dated as of January 16, 2014, pursuant to which the parties agreed to certain modifications and amendments to the Purchase Agreement;

D. WHEREAS, Sellers and Purchaser entered into that certain Second Amendment To Asset Purchase Agreement dated as of April 10, 2014, pursuant to which the parties agreed to certain further modifications and amendments to the Purchase Agreement;

E. WHEREAS, the transactions contemplated by the Purchase Agreement (as amended) were authorized by orders issued by the Bankruptcy Court on January 24, 2014 and by the Superior Court for the Province of Quebec, District of Montreal (the “Quebec Court”) on January 23, 2014; and

F. WHEREAS, Sellers and Purchaser desire to amend certain terms of the Purchase Agreement, as set forth hereinafter;

NOW THEREFORE, Sellers and Purchaser, in consideration of the mutual benefits to be derived from the Purchase Agreement and this Third Amendment, and of the representations, warranties, conditions, agreements and promises contained herein, and other good and valuable consideration, hereby agree as follows:

I. Section 1.1 of the Purchase Agreement shall be amended by adding thereto the following definitions:

1. “Approved Budget” shall mean a cash flow budget prepared by the Financial Advisor (or such other officer, agent or representative of MMA Canada or the Trustee as shall be reasonably satisfactory to the Purchaser) setting forth all projected cash receipts and disbursements (by line item) of MMA Canada on a weekly basis, in form, scope and substance acceptable to the Purchaser, provided, however, that upon approval by the Purchaser of any updated cash flow budget delivered pursuant to Section 5.1(a)(i)(11), such updated forecast shall thereafter constitute an Approved Budget.
2. “Budget Period” shall mean the Period from the date of the MMA Assets Closing through and including June 13, 2014.
3. “Financial Advisor” shall mean the financial advisor retained by MMA in relation to the MMA Chapter 11 Case.
4. “Specified MMA Canada Receivables” shall mean those certain net freight accounts receivable and those miscellaneous accounts receivable relating to switching and land occupation rental income, as more specifically set forth on any Receivables Bill of Sale, that are generated by or owed to MMA Canada or otherwise arising from its business operations after May 9, 2014, together with all proceeds, products and cash collections in connection therewith, provided, however, that any freight amounts collected by MMA Canada on behalf of or for the benefit of third party carriers shall be excluded from the definition of Specified MMA Canada Receivables.
5. “Specified MMA Canada Receivables Purchase Price” shall mean, with respect to any Specified MMA Canada Receivable, an amount equal to 100% of the outstanding balance thereof (with no discount) or such other amount as may be agreed to by the parties and as set forth in the related Receivables Bill of Sale.
6. “Receivables Bill of Sale” shall have the meaning set forth in Section 2.8.

II. Section 2.1(b) of the Purchase Agreement shall be amended by adding at the end thereof the following:

“(xvii) The Specified MMA Canada Receivables, provided, however, that notwithstanding anything to the contrary herein, MMA Canada shall sell and deliver to the Purchaser the Specified MMA Canada Receivables in accordance with Section 2.8.”

III. Section 2.2(a) of the Purchase Agreement is deleted in its entirety. In lieu thereof, the parties hereby agree to insert the following:

(a) Except as set forth in Section 2.1(b)(xvii) hereof, cash, cash equivalents, accounts, accounts receivable, credits, rights of reimbursement, set off rights, and

rights of recoupment, including, without limitation, any reimbursement rights or other rights arising out of governmental programs; any amounts due for the sale of tax credits; waybills; ISS settlements; and other work in progress.

IV. Section 2.2 of the Purchase Agreement shall be further amended by adding thereto the following:

“(h) That certain parcel of land in the vicinity of Hermon, Maine, identified in Attachment 1 to this Third Amendment, upon which is situated a pile of used railroad ties that may contain creosote and/or other contaminants (the “Hermon Parcel”). The Quitclaim Deed to be delivered to Purchaser at the MMA Assets Closing (as defined in Paragraph VII below) shall exclude the Hermon Parcel from the real property conveyed to Purchaser. Purchaser and Sellers hereby agree to cooperate after the MMA Assets Closing, and when weather conditions permit, to make a final determination of the metes and bounds of the Hermon Parcel (which metes and bounds shall incorporate all real property upon which rail ties are situated and to which creosote or other contaminants may have migrated), and to amend the Quitclaim Deed to reflect such final metes and bounds, which amended Quitclaim Deed shall be effective as of the date of the MMA Assets Closing.

(i) Those certain facilities in the vicinity of Derby, Maine at which MMA and its predecessors performed maintenance of and repairs to locomotives and rail cars, including all buildings, structures, shops, land, parking and storage areas, tracks, switches, connecting tracks and other facilities located thereon, all as shown on Attachment 2 to this Third Amendment (collectively, the “Derby Shops Property”). The Quitclaim Deed to be delivered to Purchaser at Closing shall exclude the Derby Shops Property from the real property conveyed to Purchaser. In lieu thereof, in connection with the MMA Assets Closing, MMA and Purchaser shall enter into that certain Derby Facilities Lease Agreement in substantially the form attached hereto as Attachment 3. Purchaser shall not assume Sellers’ existing Resource Conservation and Recovery Act (RCRA) Identification Number or RCRA responsibilities with respect to the Derby Shops Property.”

V. Section 2.3(a)(ii) of the Purchase Agreement shall be amended by deleting the proviso beginning on the fourth line thereof and replacing such proviso with the following:

“provided, however, that Purchaser shall not assume or otherwise be liable for any claims, causes of action, regulatory actions, enforcement proceedings or liabilities (including without limitation Environmental Liabilities) relating to the Real Property prior to the

Closing Date; and provided further, that Purchaser shall not assume or otherwise be liable for any claims, causes of action, regulatory actions, enforcement proceedings or liabilities (including without limitation Environmental Liabilities) relating to the Hermon Parcel and the Derby Shops Property, except as otherwise provided in the Derby Facilities Lease Agreement.”

- VI. Section 2.3(a)(v) of the Purchase Agreement shall be amended by inserting the language “MMA Canada Assets” immediately before the reference to the “Purchase Price” in the last lines thereof.
- VII. Section 2.5 of the Purchase Agreement is hereby deleted in its entirety. In lieu thereof, the parties hereby agree to insert the following:

“Purchase Price. The purchase price for the Assets (the “Purchase Price”) shall consist of:

(a) For the MMA Assets, Eleven Million Fifty Thousand Dollars (\$11,050,000), plus the Assumed Liabilities to the extent that such liabilities relate to the MMA Assets and the operation of the MMA Assets from and after the MMA Assets Closing (the “MMA Assets Purchase Price”); provided, however, that the following amounts shall be credited to the Purchaser and deducted from the MMA Purchase Price at the MMA Assets Closing:

(i) Five Hundred Eighty-Five Thousand Dollars (\$585,000) of the Deposit previously paid by Purchaser pursuant to Section 2.4 of the Purchase Agreement;

(ii) Four Hundred Ninety Thousand Dollars (\$490,000) to reimburse the Purchaser for certain costs, expenses, advances and obligations paid, incurred or to be assumed by the Purchaser in connection with compliance with the Corrective Action Plan to Remediate Discharges at the Frankfort Trestle, Loggin Road, Frankfort, Maine, approved by the Maine Department of Environmental Protection on June 26, 2013, completion of certain real estate title work required in connection with the transactions contemplated by the Purchase Agreement, and certain other costs or expenses in connection with the Closing.

(b) For the MMA Canada Assets, Three Million Two Hundred Thousand Dollars (\$3,200,000), plus the Specified MMA Canada Receivables Purchase Price (which shall be payable upon the sale of the applicable Specified MMA Canada Receivable(s) in accordance with Section 2.8 hereof), plus Assumed Liabilities to

the extent that such liabilities relate to the MMA Canada Assets and the operation of the MMA Canada Assets from and after the MMA Canada Assets Closing (the “MMA Canada Assets Purchase Price”); provided, however, that the following amounts shall be credited to the Purchaser and deducted from the MMA Canada Assets Purchase Price at the MMA Canada Assets Closing (as defined in Paragraph VIII below):

- (i) One Hundred Sixty-Five Thousand Dollars (\$165,000) of the Deposit previously paid by Purchaser pursuant to Section 2.4 of the Purchase Agreement; and
- (ii) any amounts paid by Purchaser pursuant to Section 2.3(a)(v) of the Purchase Agreement.

Except as otherwise specified herein, all references to “Dollars” or “\$” as used in the Purchase Agreement and this Third Amendment refer to United States Dollars.”

VIII. Section 2.6 of the Purchase Agreement is hereby deleted in its entirety. In lieu thereof, the parties hereby agree to insert the following:

“Closing. The Closing of the transactions contemplated by the Purchase Agreement shall occur as follows:

- (a) The closing of the sale of the MMA Assets shall occur on the later of (i) May 13, 2014 and (ii) the date upon which all of the conditions precedent to the Closing set forth in Section 8.1 and Section 8.2 of the Purchase Agreement (to the extent such conditions precedent relate to the MMA Assets and the operation of the MMA Assets by Purchaser from and after the Closing) have been satisfied or waived by Purchaser or Sellers, as applicable (the “MMA Assets Closing”).
- (b) The closing of the sale of the MMA Canada Assets shall occur within five (5) business days after the date upon which all of the conditions precedent to Closing set forth in Section 8.1 and Section 8.2 of the Purchase Agreement (to the extent such conditions precedent relate to the MMA Canada Assets and the operation of the MMA Canada Assets by Purchaser from and after the Closing) have been satisfied or waived by Purchaser or Sellers, as applicable (the “MMA Canada Assets Closing”).
- (c) The MMA Assets Closing and the MMA Canada Assets Closing each shall take place at the offices of Bernstein, Shur, Sawyer & Nelson, P.A., 100 Middle Street, Portland, Maine, or such other place as Sellers and Purchaser shall agree. The MMA Assets Closing shall be effective as of 11:59 p.m. Portland, Maine

time on the date such Closing occurs, and the MMA Canada Assets Closing shall be effective as of 11:59 p.m. Portland, Maine time on the date such Closing occurs (in each case, a “Closing Date”).

(d) It is understood and agreed by the parties that references to “Closing” and the “Closing Date” set forth in the Purchase Agreement shall refer to the MMA Assets Closing, the MMA Canada Assets Closing, or both the MMA Assets Closing and the MMA Canada Assets Closing, as the context requires.

(e) Purchaser and Sellers each hereby covenant and agree that, following the MMA Assets Closing, they will cooperate in seeking to obtain any required Canadian Government Permits, authorizations or exemptions, and to satisfy all other conditions precedent to the MMA Canada Assets Closing.”

IX. The Purchase Agreement is hereby amended to add the following as Section 2.8:

2.8 Purchases of Specified MMA Canada Receivables. MMA Canada and Purchaser may agree from time to time, prior to the MMA Canada Assets Closing or the termination of the Purchase Agreement, to the sale of Specified MMA Canada Receivables by MMA Canada to Purchaser for consideration equal to the applicable Specified MMA Canada Receivables Purchase Price; provided, however, that the aggregate outstanding balance of the Specified MMA Canada Receivables sold hereunder shall not exceed \$750,000. Such sales shall be evidenced by a bill of sale (a “Receivables Bill of Sale”), substantially in the form attached hereto as Attachment 4, executed by each of MMA Canada and Purchaser (i) setting forth the related Specified MMA Canada Receivables and the related aggregate Specified MMA Canada Receivables Purchase Price and (ii) otherwise conforming to the form and substance of such exhibit.

X. Section 5.1(a) of the Purchase Agreement is hereby amended by adding the following as Section 5.1(a)(i)(7), Section 5.1(a)(i)(8), Section 5.1(a)(i)(9), Section 5.1(a)(i)(10), Section 5.1(a)(i)(11), and Section 5.1(a)(i)(12):

“(7) From and after the MMA Assets Closing until either the MMA Canada Assets Closing shall have occurred or the Purchase Agreement shall have been terminated pursuant to Section 10.1, Sellers shall (i) continue to operate the MMA Canada Assets in the normal course of business and in compliance with all applicable laws and regulations; and (ii) comply in all respects with the covenants set forth in Sections 5.1(a) of the Purchase Agreement with respect to the MMA Canada Assets. Sellers shall be solely responsible for all costs and expenses incurred by them in

complying with this covenant to the extent the costs and expenses do not exceed the Specified MMA Canada Receivables Purchase Price.

(8) From and after the MMA Assets Closing until either the MMA Canada Assets Closing shall have occurred or the Purchase Agreement shall have been terminated pursuant to Section 10.1, Sellers shall (i) continue to operate MMA's rail line between the U.S./Canada border at Milepost 26.25 near Richford, Vermont and Milepost 60.4 at Newport, Vermont in the normal course of business and in compliance with all applicable laws and regulations to the extent the costs and expenses do not exceed the Specified MMA Canada Receivables Purchase Price.

(9) From and after the MMA Assets Closing until the Effective Date of the Derby Facilities Lease Agreement, MMA shall continue to maintain and operate its locomotive and car repair facilities located on the Derby Shops Property, and shall provide such locomotive and rail car inspection, maintenance and repair services as the Purchaser may request from time to time pursuant to that certain Shop Services Agreement between MMA and Central Maine & Quebec Railway US, Inc. ("CMQR") in substantially the form attached hereto as Attachment 5 to this Third Amendment. Upon the Effective Date of the Derby Facilities Lease Agreement, MMA's obligations under this Section 5.1(a)(i)(9) shall terminate.

(10) Prior to the MMA Assets Closing, (a) MMA shall transfer to MMA Canada ownership of that certain MMA rail line (and underlying parcels of land) located between the U.S./Canada border at Milepost 32.63 of MMA's Newport Subdivision and the Canada/U.S. border at Milepost 43.32 of MMA's Newport Subdivision (the "MMA Quebec Line Segment"), all as described in detail in Attachment 6 to this Third Amendment, and (b) the Sellers shall provide to the Purchaser the deed of sale and related documentation relating to the transfer of the MMA Quebec Line Segment, including, but not limited to, evidence of the registration of the deed of sale at the appropriate land registry, as well as any other document which the Purchaser may reasonably require such as tax elections or forms. The MMA Quebec Line Segment shall be included in the Assets conveyed by MMA Canada to Central Maine & Quebec Railway Canada, Inc. ("CMQR Canada") in connection with the MMA Canada Assets Closing.

(11) From and after the MMA Assets Closing until either the MMA Canada Assets Closing shall have occurred or the Purchase Agreement shall have been terminated pursuant to Section 10.1, (i)

Sellers shall use the proceeds from the Specified MMA Canada Receivables Purchase Price exclusively for the purpose of paying the reasonable and necessary operating expenses of MMA Canada (including payroll) during the Budget Period in accordance with the terms of the Approved Budget, (ii) Sellers agree that the proceeds of the Specified MMA Canada Receivables Purchase Price shall not be used for any other purpose without the written consent of the Purchaser, and (iii) Sellers agree that the Approved Budget prepared by the Financial Advisor (or such other officer, agent or representative of MMA Canada or the Trustee as shall be reasonably satisfactory to the Purchaser) reasonably presents, in all material respects, on a pro forma basis, the projected financial operations and disbursements of MMA Canada for the period specified therein, and such projections in the view of the Financial Advisor (or such other officer, agent or representative of MMA Canada or the Trustee) are reasonably achievable based upon reasonable assumptions and other information available as of the first day of such period.

(12) From and after the MMA Assets Closing until the earlier of (x) the MMA Canada Assets Closing and (y) receipt by the Purchaser of payment in full of each Specified MMA Canada Receivable:

(a) MMA Canada shall send a notice in writing of the sale and delivery of the Specified MMA Canada Receivables to the debtors thereof.

(b) MMA Canada (or the Financial Advisor) shall, provided there is no cost to Sellers, take or cause to be taken all such actions as may be necessary or advisable to collect each Specified MMA Canada Receivable from time to time, all in accordance in all material respects with applicable laws, rules and regulations, with reasonable care and diligence. The Purchaser shall be entitled to take action, in its own name and at its own cost and expense, to effect collection of any Specified MMA Canada Receivable, and MMA Canada shall reasonably cooperate with the Purchaser in connection with any such action. MMA Canada (or the Financial Advisor) shall provide the Purchaser with copies of such records and such other information as the Purchaser shall reasonably request with respect to the Specified MMA Canada Receivables and the collection thereof.

(c) Any collections or other proceeds of any Specified MMA Canada Receivable received by any Seller

shall be held in trust for Purchaser and promptly paid over to Purchaser. MMA Canada shall not enter into any agreement with any account debtor providing for any reduction, cancellation or adjustment of any Specified MMA Canada Receivable. If the outstanding balance of any Specified MMA Canada Receivable is reduced, cancelled or adjusted as a result of any set-off (or compensation) in respect of any claim by the related account debtor against any Seller or any other Person (other than Purchaser), then such Seller shall promptly notify Purchaser of such set-off and Purchaser shall be entitled to attempt to collect the amount at issue. Any payments received by any Seller from any account debtor shall be applied to the receivable for which the payment was made.

(d) The sale of the Specified MMA Canada Receivables hereunder does not constitute and is not intended to result in an assumption by the Purchaser of any obligation of MMA Canada arising in connection with the Specified MMA Canada Receivables.

(e) MMA Canada shall have no liability in respect of losses in respect of Specified MMA Canada Receivables which are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness, or for any other reason of the related account debtor.”

- XI. Section 5.5 of the Purchase Agreement is hereby deleted in its entirety. In lieu thereof, the parties hereby agree to insert the following:

“Delivery of Schedules; Access and Information. Purchaser shall have the right, at its sole option and discretion, until five (5) days before the MMA Assets Closing, to add or remove Contracts, Leases or other assets from the Schedules pursuant to Sections 2.1(a)(v) and 2.1(a)(vi) of the Purchase Agreement, and such Contracts, Leases or other assets shall be added to (or removed from) such Schedules as specified by Purchaser. Purchaser shall have the right, at its sole option and discretion, until five (5) days before the MMA Canada Assets Closing, to add or remove Contracts, Leases or other assets from the Schedules pursuant to Sections 2.1(b)(v) and 2.1(b)(vi) of the Purchase Agreement, and such Contracts, Leases or other assets shall be added to (or removed from) such Schedules as specified by Purchaser.”

- XII. Section 8.2 of the Purchase Agreement is hereby amended by adding the following as Section 8.2(p) and Section 8.2(q):

“(p) The Bankruptcy Court and the Quebec Court shall have entered an order in form and substance satisfactory to Purchaser approving this Third Amendment; and

(q) Purchaser’s obligation to consummate the purchase and sale of the MMA Canada Assets is subject, at the option of Purchaser, to Closing of the purchase and sale of the MMA Assets.”

XIII. Section 8.3(a) of the Purchase Agreement is hereby amended by adding the following as Section 8.3(a)(xi) and 8.3(a)(xii):

“(xi) The Derby Facilities Lease Agreement, duly executed by MMA.

(xii) The Shop Services Agreement, duly executed by MMA.

XIV. Section 8.3(b) of the Purchase Agreement is hereby amended by adding the following as Section 8.3(b)(v) and Section 8.3(b)(vi):

“(v) The Facilities Lease Agreement, duly executed by CMQR.

(vi) The Shop Services Agreement, duly executed by MMA

XV. Section 10.1(b)(vi) of the Purchase Agreement is hereby deleted in its entirety. In lieu thereof, the parties hereby agree to insert the following:

“(vi) By Purchaser, if (1) the MMA Assets Closing does not occur on or before May 15, 2014 (or on such other extended date upon which the parties mutually agree in writing); or (2) the MMA Canada Assets Closing does not occur on or before May 31, 2014 (or on such other extended date upon which the parties mutually agree in writing).”

XVI. Section 10.1(c)(iii) of the Purchase Agreement is hereby deleted in its entirety. In lieu thereof, the parties hereby agree to insert the following:

“(iii) By Sellers, if (1) the MMA Assets Closing does not occur on or before May 15, 2014 (or on such other extended date upon which the parties mutually agree in writing); or (2) the MMA Canada Assets Closing does not occur on or before May 31, 2014 (or on such other extended date upon which the parties mutually agree in writing).”

XVII. Except as otherwise provided in this Third Amendment, all of the terms and conditions set forth in the Purchase Agreement shall remain in full force and effect.

XVIII. The Debtor and the Trustee, on the one hand, and Purchaser, on the other hand, mutually waive and release, and shall be deemed to have mutually waived and released, any and all claims, causes of action, rights or remedies that they have, or may have, against the other

party(ies) to the Purchase Agreement on account of any alleged breach of, noncompliance with, or failure to perform by such other party(ies) under any provision of the Purchase Agreement prior to the date of execution of this Third Amendment; provided, however, that this mutual release shall be self-effectuating and shall not become effective until immediately upon the occurrence of the MMA Assets Closing.

MMA Canada and Purchaser mutually waive and release, and shall be deemed to have mutually waived and released, any and all claims, causes of action, rights or remedies that they have, or may have, against the other party(ies) to the Purchase Agreement on account of any alleged breach of, noncompliance with, or failure to perform by such other party(ies) under any provision of the Purchase Agreement prior to the date of execution of this Third Amendment; provided, however, that this mutual release shall be self-effectuating and shall not become effective until immediately upon the earlier to occur of (i) the MMA Canada Assets Closing or (ii) the delivery of a notice by Purchaser to the Trustee stating that all conditions precedent to the MMA Canada Assets Closing have been waived or satisfied with the exception of the condition precedent set forth in Section 8.2(h) of the Purchase Agreement.

- XIX. Sellers and Purchaser hereby agree that if the MMA Assets Closing occurs prior to the MMA Canada Assets Closing, Sellers and Purchaser shall cooperate, at no cost or expense to the parties, in implementing (1) the transition of MMA's businesses to Purchaser and (2) all other provisions of this Third Amendment and the transactions contemplated herein.
- XX. Pursuant to Section 11.7 of the Purchase Agreement, (i) Purchaser hereby assigns, effective as of the MMA Assets Closing Date, all of its rights and obligations under the Purchase Agreement, to the extent that such rights and obligations relate to the MMA Assets and the operation of the MMA Assets from and after the MMA Assets Closing, to CMQR; and (ii) Purchaser hereby assigns, effective as of the MMA Canada Assets Closing Date, all of its rights and obligations under the Purchase Agreement, to the extent that such rights and obligations relate to the MMA Canada Assets and the operation of the MMA Canada Assets from and after the MMA Canada Assets Closing, to CMQR Canada; provided, however, that such assignments shall not relieve Purchaser of its obligations under the Purchase Agreement. Sellers hereby acknowledge the foregoing assignments of Purchaser's rights and obligations to CMQR and CMQR Canada, respectively.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly authorized, executed and delivered.

Montreal Maine & Atlantic Railway, Ltd.

By:

Name: Robert J. Keach

Title: Chapter 11 Trustee, and solely in such capacity

Montreal Maine & Atlantic Canada Co.

By:

Name:

Title:

Railroad Acquisition Holdings LLC

By:

Name:

Title:

ATTACHMENTS

1. DESCRIPTION OF HERMON PARCEL
2. DESCRIPTION OF DERBY SHOPS PROPERTY
3. DERBY FACILITIES LEASE AGREEMENT
4. RECEIVABLES BILL OF SALE
5. SHOP SERVICES AGREEMENT
6. DESCRIPTION OF MMA QUEBEC LINE SEGMENT

Schedule A-2
Rail Tie Parcel

A certain lot or parcel of land and any improvements thereon generally located North of Odlin Road and East of Coldbrook Road at Northern Maine Junction in Hermon, County of Penobscot, State of Maine, said parcel being bounded and described as follows:

COMMENCING at a southeast corner of land described in a deed from CAMPDAVIS, LLC to ERDT REALTY dated June 13, 2013 and recorded in Penobscot County Registry of Deeds in Book 13215, Page 323, being the same property described in a deed from BANGOR & AROOSTOOK RAILROAD COMPANY to C.M.J. RAILROAD, LLC dated June 21, 2005 and recorded in Book 9964, Page 122;

THENCE S89°33'20"E along the north line of land described in a deed from THE LANE CONSTRUCTION CORPORATION to DYSARTS SERVICE dated May 2, 1986 and recorded in Book 3812, Page 97 a distance of 87.90 feet to an iron rod found in the northeast corner of said DYSARTS SERVICE;

THENCE S89°47'10"E a distance of 869.70' to the POINT OF BEGINNING, said POINT being 13' northeast of the centerline of Track #24;

THENCE S53°16'37"E along a line that is 13' northeast of and parallel to said centerline of Track #24 a distance of 1315.21' to the point of curvature of a tangent curve to the left, said curve having a radius of 676.50' and a chord bearing of S72°43'32"E and chord distance of 450.50';

THENCE continuing southeasterly and easterly along said curve, also continuing to be 13' northeast and north of, and parallel to said centerline of Track #24, an arc distance of 459.27'

THENCE N53°16'37"W a distance of 1,740.00 feet;

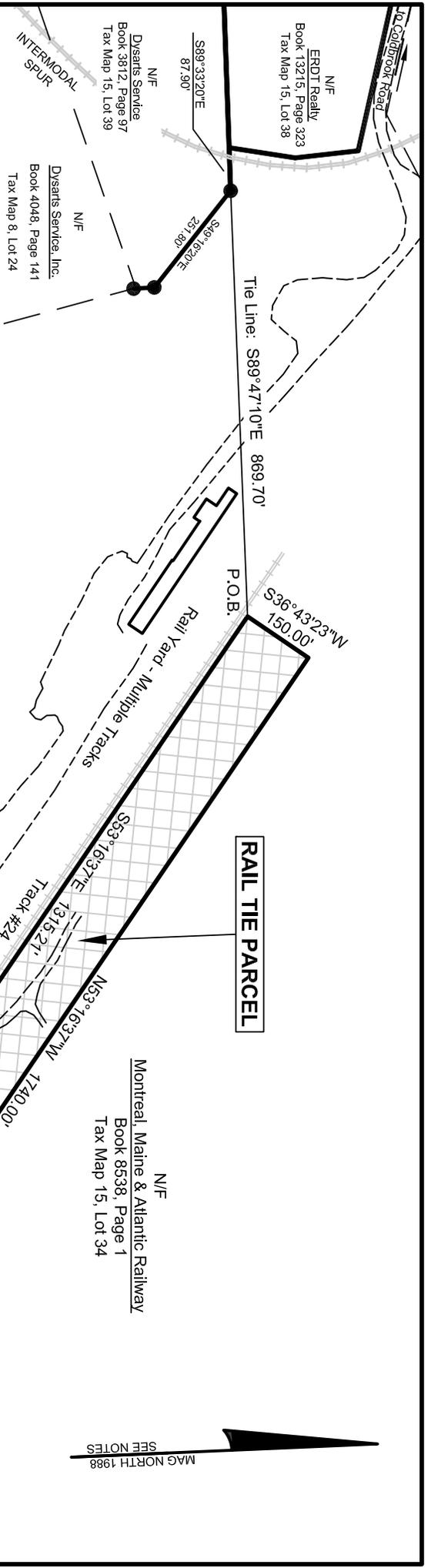
THENCE S36°43'23"W a distance of 150.00 feet to the POINT OF BEGINNING

Containing 5.528 acres.

INCLUDING an easement for vehicular and pedestrian access to and from the above described parcel, including the right to maintain and improve said access including grading, paving, installation of drainage systems and also including the right to install utilities both above and below ground, said access to be over and along the gravel road as it now exists starting at the southeast end of the above described parcel and going in a generally southerly direction to the north line of Odlin Road, said easement being approximately located as shown on the attached sketch.

Meaning and intending to describe a portion of the land described in a deed from BANGOR & AROOSTOOK RAILROAD COMPANY, THE NORTHERN VERMONT RAILROAD COMPANY INCORPORATED, and LOGISTICS MANAGEMENT SYSTEMS, INC. to MONTREAL, MAINE & ATLANTIC RAILWAY, LTD dated December 27, 2002 and recorded in the Penobscot County Registry of Deeds Book 8538, Page 1. This description was prepared by Shyka, Sheppard & Garster, Land Surveyors, and is based on a plan entitled, "Rail Tie Parcel – Northern Maine Junction – Hermon, Maine" prepared by Shyka, Sheppard and Garster, Land Surveyors, dated April 29, 2014. Bearings reference Magnetic North, 1988. This legal description is subject to final determination of metes and bounds of the Hermon parcel pursuant to Section 2.2(h) of the Asset Purchase Agreement dated

December 12, 2013 (as amended, the “APA”). Such amendment of this legal description shall be effective as of the date of the MMA Assets Closing (as such term is defined in the APA).



Notes:

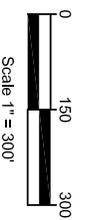
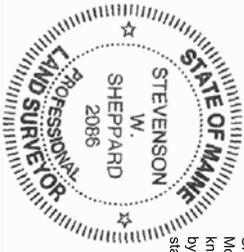
1. The Rail Tie Parcel shown here is based on dimensional information provided by Montreal, Maine & Atlantic Railway, LTD personnel.
2. The gravel roads and buildings were scaled onto this sketch using the Maine Geolibrary 1 ft resolution orthophotos from the 2003-2005 series. Some adjacent property lines were scaled from Hermon Tax Maps.
3. Reference is made to a plan entitled "Plan of Restricted Area - Former B&A Railroad - Soil Stockpile" dated April 30, 2013, prepared by Shyka, Sheppard & Garster, Land Surveyors, Proj. No. 13-105.
4. Some variations between distances and bearings shown hereon and those contained in previous deeds and plans are not noted because such variations are, insignificantly small, due to obvious scrivener's errors, or due to the basis of bearings shown. No description, complete survey plan, or report was prepared, research was limited to the source deed provided by client (8538/1), parcel conformity with town zoning requirements was not examined and no monuments were set.
5. Area of Rail Tie Parcel: 5,528 Acres.

SCHEDULE A-2
RAIL TIE PARCEL

NORTHERN MAINE JUNCTION
HERMON, MAINE

prepared for
MONTREAL, MAINE & ATLANTIC RAILWAY, LTD
15 Iron Road, Hermon, Maine 04401

Shyka, Sheppard & Garster Land Surveyors
6 State Street, Suite 301, Bangor, Maine 04401
Job No. 14-111 April 29, 2014 Page 2 of 2



lines scaled from
tax map (typ.)

N/I/F
Dysarts, Inc.
Book 2893, Page 233
Tax Map 8, Lot 29

N/I/F
Montreal, Maine & Atlantic Railway
Book 8538, Page 1
Tax Map 15, Lot 34

N/I/F
Montreal, Maine & Atlantic Railway
Book 8538, Page 1
Tax Map 15, Lot 34

N/I/F
Maine Sun Realty, LLC
Book 7439, Page 179
Tax Map 8, Lot 31

L=459.27'
R=676.50'
(Chord S72°43'32"E
450.50')

Access Easement
appurtenant to Rail Tie
Parcel along this
existing gravel road to
Odlin Road.

N/I/F
Kenneth E. & Phyllis M. McAvoy
Book 6853, Page 208
Tax Map 8, Lot 32

N/I/F
Lane Construction Corp.
Book 4822, Page 251
Tax Map 16, Lot 1

CERTIFICATION

SHYKA, SHEPPARD & GARSTER, Land Surveyors, hereby certifies to Montreal, Maine & Atlantic Railway LTD, exclusively, that to the best of our knowledge and belief this survey conforms to Standards of Practice adopted by the Maine Board of Licensure for Professional Land Surveyors, except as stated in the notes.

SHYKA, SHEPPARD & GARSTER
LAND SURVEYORS

Stevenson W. Sheppard
Maine Prof. Land Surveyor #2086

MAG NORTH 1988
SEE NOTES

THE DERBY SHOPS PROPERTY

DERBY FACILITIES LEASE AGREEMENT

THIS DERBY FACILITIES LEASE AGREEMENT (the “Lease Agreement”), made as of this ___ day of May, 2014, by and between CENTRAL MAINE & QUEBEC RAILWAY US INC., a Delaware corporation (“CMQR” or “Lessee”), and ROBERT J. KEACH, AS CHAPTER 11 TRUSTEE (the “Trustee”) FOR THE ESTATE OF MONTREAL MAINE & ATLANTIC RAILWAY, LTD., a Delaware Corporation (“MMA” or “Lessor”).

RECITALS

A. WHEREAS, on or about August 7, 2013, MMA filed a voluntary petition for relief commencing a case (the “MMA Chapter 11 Case”) under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), filed as Case No. 13-10670 in the United States Bankruptcy Court for the District of Maine (the “Bankruptcy Court”);

B. WHEREAS, MMA has agreed to sell to CMQR, and CMQR has agreed to purchase from MMA, certain rail assets of MMA located in the United States, tangible and intangible, associated with the business of MMA, on the terms and subject to the conditions set forth in that certain Asset Purchase Agreement dated as of December 12, 2013 (the “Purchase Agreement”) between Sellers and Purchaser (as those terms are defined in the Purchase Agreement), in accordance with Sections 105, 363, 365, and 1161-1174 of the Bankruptcy Code;

C. WHEREAS, Sellers and Purchaser entered into that certain Third Amendment To Asset Purchase Agreement dated as of May __, 2014 (the “Third Amendment”), pursuant to which MMA has agreed to lease to CMQR, and CMQR has agreed to lease from MMA, those certain facilities (as defined in Section 2.1 of this Lease Agreement) in the vicinity of Derby, Maine at which MMA and its predecessors have performed maintenance of and repairs to locomotives and rail cars, in lieu of conveyance of fee title to those facilities to CMQR at the closing of the transactions contemplated by the Purchase Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Defined Terms. As used in this Lease Agreement, the following terms shall mean as follows:

“Additional Facilities” – As defined in Section 2.3(b).

“Affiliate” -- With respect to any person, any other person which directly or indirectly controls, is controlled by or is under common control with such person.

“Effective Date” – The later of (i) the date upon which CMQR shall have obtained satisfactory assurances from the State of Maine Department of Environmental Protection (“MDEP”) that CMQR will not assume or be responsible for any Environmental Liabilities relating to or arising from the ownership, use, occupancy or maintenance of the Leased Facilities

during the period prior to the commencement of CMQR's leasehold interest hereunder, which assurances may include, but are not limited to, issuance of a No Action Assurance Letter from MDEP's Voluntary Response Action Program, in form and substance satisfactory to Lessee, confirming that CMQR has no responsibility for such Environmental Liabilities, (ii) the date upon which Lessor shall have completed the removal of any and all universal waste currently stored or located on the Leased Facilities (as defined in Section 2.1 of this Agreement), and (iii) the date upon which CMQR shall have obtained satisfactory assurances from MDEP that CMQR will not assume or be responsible for any obligations or liabilities of MMA under MMA's Resource Conservation and Recovery Act ("RCRA") Identification Number, including without limitation any obligation to comply with or perform any applicable closure requirements.

"Encumbrance" – With respect to any portion of the Leased Facilities, any mortgage, pledge, lien, claim, security interest, title retention, license (other than any license that is subject to an absolute right of termination by Lessee upon notice of thirty (30) days or less), or other encumbrance or restriction of any kind.

"Environmental Laws" -- All applicable federal, state, municipal and local laws, statutes, ordinances, rules, by-laws, guidelines, treaties and regulations, and all applicable directives, rules, standards, requirements, policies, orders, judgments, injunctions, or decrees which have the force of law or which are capable of having the force of law, in each case relating to or addressing pollution or the protection of human health or the environment (including any surface or subsurface physical medium or natural resource such as air, land, soil, surface waters, ground waters, stream and river and biota) or natural resources, including without limitation applicable laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the environment of, any hazardous substances.

"Environmental Liabilities" -- Any claims, judgments, order, damages (including punitive damages), losses, penalties, fines, liabilities, encumbrances, violations, responsibilities, costs and Expenses (including attorneys' fees) of investigation, remediation, cleanup, corrective action, monitoring, or defense of any matter arising (whether at law or in equity) under any Environmental Laws or in any way relating to (i) the environment (including any surface or subsurface physical medium or natural resource such as air, land, soil, surface waters, ground waters, stream and river and biota), (ii) the use, generation, storage, treatment, disposal, processing, transportation, handling, release, emission or remediation of hazardous substances, or (iii) impacts on human health and safety resulting from the foregoing, of whatever kind or nature, by any party, Government Authority or other entity, whether or not resulting from the violation of, or noncompliance with, Environmental Laws.

"Expenses" – Any and all expenses incurred in connection with investigating, defending or asserting any claim, action, suit or proceeding incident to any matter indemnified against hereunder (including, without limitation, court filing fees, court costs, arbitration fees or costs, witness fees, and reasonable fees and disbursements of legal counsel and other professionals).

"Governmental Authority" – Any agency, board, bureau, executive, court, commission, department, tribunal, instrumentality or administrator of the United States, the State of Maine, or any local or other governmental body.

“Governmental Permits” – All licenses, permits, approvals consents, certificates, waivers, exemptions, orders and other authorizations from any and all Governmental Authorities.

“MMA Assets Closing” – As defined in Section 2.6 of the Purchase Agreement (as amended by the Third Amendment).

“MMA Assets Closing Date” – As defined in Section 2.6 of the Purchase Agreement (as amended by the Third Amendment).

“Term” – As defined in Section 3.1.

“Leased Facilities” – As defined in Section 2.01.

“Lease Term Litigation” – As defined in Section 9.3(b).

“Post-Term Litigation” – as defined in Section 9.3(a).

“Pre-Term Litigation” – As defined in Section 9.3(a).

“Rental Fee” – As defined in Section 4.1.

1.2 Other Definitional Provisions.

a. All initially capitalized terms used and not otherwise defined in this Lease Agreement shall have the meanings ascribed to such terms in the Purchase Agreement.

b. Each definition in this Lease Agreement includes the singular and the plural, and references in this Lease Agreement to the neuter gender include the masculine and feminine where appropriate. References herein to any agreement or contract mean such agreement or contract as amended. References to a business day mean a day other than Saturday, Sunday or a legal holiday in the State of Maine. As used in this Lease Agreement, the word “including” means “without limitation,” and the words “herein,” “hereof” and “hereunder” refer to this Lease Agreement as a whole. Unless the context otherwise requires, references herein to Articles, Sections, and Exhibits mean the Articles and Sections of, and Exhibits to, this Lease Agreement. All dollar amounts stated herein are in U.S. currency.

ARTICLE II GRANT OF LEASE

2.1 Description of Leased Facilities.

The facilities subject to this Lease Agreement consist of those certain buildings, structures, shops, land, parking and storage areas, tracks, switches, connecting tracks and other facilities designated on the diagram set forth in Exhibit A to this Lease Agreement (hereinafter collectively referred to as the “Leased Facilities”). Railroad rolling stock, locomotives, automobiles, trucks, automotive equipment, uninstalled rail, ties and other track material, stores

of fuel, spare parts, inventory, desks, chairs and office equipment (including telephones, fax machines, photocopiers, computers and printers, computer software and any related hardware), supplies, machinery and tools owned by MMA and used in the operation of MMA's business, that are located on the Leased Facilities (or Lessor's Derby Shops property) shall not be part of the Leased Facilities, but rather shall be conveyed to the Purchaser pursuant to Section 2.1 of the Purchase Agreement.

2.2 Grant of a Lease.

On the terms and subject to the conditions set forth in this Lease Agreement, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Leased Facilities.

2.3 Permitted Uses of Leased Facilities.

a. Lessee shall be entitled to use the Leased Facilities for any and all purposes related to its freight railroad operations, including without limitation the movement of locomotives and rail cars on the tracks constituting part of the Leased Facilities; the storage of locomotives and rail cars on such tracks; the inspection, maintenance, repair, and rebuilding of locomotives and rail cars; the fueling, sanding, servicing and washing of locomotives; the servicing and washing of rail cars; and the performance of general administrative functions.

b. Lessee shall have the right to construct, place, occupy and use such additional buildings, structures, shops, tracks, switches, connecting tracks and other facilities (collectively, "Additional Facilities") on the Leased Facilities as Lessee, in its sole judgment, determines are necessary or desirable in connection with its use, occupancy and maintenance of the Leased Facilities. Upon expiration of the Term of this Lease Agreement, such Additional Facilities shall be removed by Lessee within ninety (90) days, or shall thereafter become the sole property of Lessor, provided, however, that Lessor can demand that Lessee remove the Additional Facilities at its sole cost and expense at the expiration of the Term of the Lease Agreement.

ARTICLE III TERM

3.1 Term.

This Lease Agreement shall have a term commencing on the Effective Date and ending on the fifth anniversary of the Effective Date (the "Term"); provided, however, that Lessee may, at its sole option, terminate this Lease Agreement at any time during the Term by providing thirty (30) days prior notice in writing of such termination to Lessor. In the event of a termination of the Lease Agreement in advance of the expiration of the Term, Lessee shall not be entitled to and shall have no claim for the return of all or any portion of the Rental Fee.

3.2 Purchase Option.

Lessee shall have the option to purchase the Leased Facilities at any time during the Term, or at the end of the Term, for a price of Ten Dollars (\$10.00). Lessee may exercise the purchase option granted by this Section 3.2 by providing to Lessor thirty (30) days prior written notice of its election to do so.

ARTICLE IV **RENTAL**

4.1 Rental Fee.

The Rental Fee for the leasehold interest in the Leased Facilities herein granted shall be Three Hundred Thousand Dollars (\$300,000) for the Term. The Rental Fee shall be payable in a single lump sum at the MMA Assets Closing.

ARTICLE V **TAXES, ASSESSMENTS AND UTILITIES**

5.1 Taxes.

a. Lessee shall, during the Term of this Lease Agreement, (i) report the Leased Facilities for the purpose of real property tax assessments, and (ii) bear and pay all State and local property taxes, assessments, both general and special, ordinary and extraordinary, of whatever name, nature and kind, that may be imposed, levied, assessed or charged against the Leased Facilities, or any portion thereof, including any and all improvements or fixtures now located thereon and any Additional Facilities built or placed thereon by Lessee during the term of this Lease Agreement, in each case relating to the period from and after the Effective Date until this Lease Agreement expires or is terminated; provided, however, that Lessee shall not be responsible for any taxes on the income of Lessor.

5.2 Utilities and Insurance.

Lessee shall initiate, contract for and obtain in its name all utility services, including gas, electricity, telephone, water and sewer connections and services, and for all insurance needed in relation to the Leased Facilities during the term of this Lease Agreement. Lessee agrees to include Lessor as a named insured under any insurance policies relating to the subject matter of this Lease Agreement. Lessee shall bear and pay directly to the providers of such services all charges for such services.

ARTICLE VI **CONDITION OF LEASED FACILITIES**

6.1 Condition at Commencement of Lease.

Lessee hereby acknowledges that it has inspected the Leased Facilities and is aware of their physical condition as of the MMA Assets Closing Date. Except as otherwise provided in this Lease Agreement, and subject to the provisions of Sections 7.1(a), 9.2 and 9.3(a), Lessee

hereby accepts the Leased Facilities on an “as is, where is” basis. Except as expressly provided in this Lease Agreement, Lessor makes no representations or warranties, expressed or implied, including without limitation, warranties of title, interest, quality, environmental condition, merchantability or fitness for a particular purpose, with respect to the Leased Facilities. Upon termination of this Lease Agreement, Lessee shall surrender to Lessor possession of the Leased Facilities in substantially the same condition as existed as of the MMA Assets Closing Date, normal wear and tear excepted.

6.2 Maintenance of Leased Facilities.

Lessee shall perform, or cause to be performed, at its sole cost and expense, any and all work required to maintain and repair the Leased Facilities in a physical condition suitable for Lessee’s contemplated use of the Leased Facilities. Lessor shall have no obligation to repair or maintain the Leased Facilities for the benefit of Lessee during the term of this Lease Agreement.

ARTICLE VII ENVIRONMENTAL MATTERS

7.1 Environmental Condition of Leased Facilities.

a. Except to the extent provided for by the terms of that certain Shop Services Agreement of even date herewith (the “Shops Services Agreement”), Lessor hereby releases Lessee and its Affiliates, and its and their respective officers, directors, agents, and employees from any and all Environmental Liabilities to the extent that such Environmental Liabilities relate to or arise from the ownership, use, occupancy and maintenance of the Leased Facilities (1) prior to the Effective Date or (2) from and after the date upon which this Lease Agreement expires or is terminated.

b. Lessee hereby releases Lessor and its Affiliates, and its and their respective officers, directors, agents, and employee from, and shall indemnify and hold harmless Lessor and its Affiliates, and its and their respective officers, directors, agents, and employees from and against, any and all Environmental Liabilities to the extent that such Environmental Liabilities relate to or arise from Lessee’s use, occupancy and maintenance of the Leased Facilities during the Term of this Lease Agreement; provided, however, that such indemnification shall not include attorneys’ fees and related costs and expenses incurred by Lessor or its Affiliates in connection with any Environmental Liabilities unless such attorneys’ fees and related costs and expenses result from the failure of Lessee to assume its responsibilities under this Section 7.1(b).

c. The provisions of Sections 7.1(a) and (b) shall survive termination of this Lease Agreement.

ARTICLE VIII
COVENANTS

8.1 Covenants of Lessor

a. Lessor covenants that, so long as Lessee shall faithfully perform all of its agreements, covenants, and obligations under this Lease Agreement, Lessor shall not interfere with or disturb Lessee's use or quiet enjoyment of the Leased Facilities for the term hereby granted.

b. Lessee hereby acknowledges and agrees that Lessor makes no representation, warranty or covenant regarding the quality of title currently held by Lessor to the Leased Facilities, nor does Lessor represent that Lessee has the statutory, regulatory or corporate power to exercise the rights in the Leased Facilities leased to it pursuant to this Lease Agreement.

8.2 Covenants of Lessee.

Lessee covenants that, subject to Lessee's exercise of any and all rights and remedies accorded to it under this Lease Agreement, Lessee shall faithfully perform all of its agreements, covenants and obligations under this Lease Agreement.

ARTICLE IX
LIABILITY

9.1 Lessee's Liability.

Lessee shall be solely responsible for (i) any loss and/or liability for loss of, damage to, or destruction of the Leased Facilities and any Additional Facilities constructed or placed thereon by Lessee, (ii) any loss and/or liability for loss of, damage to or destruction of the property of Lessor, its employees, agents, contractors or invitees, (iii) any loss and/or liability for loss of, damage to or destruction of the property of any other person, firm, partnership, or corporation whatsoever, and (iv) any liability for injury to or death of any person whomsoever (including trespassers), in each case relating to, resulting from or arising out of Lessee's use, occupancy or maintenance of the Leased Facilities during the Term. Lessor shall not be held liable for or on account of any loss of and/or liability for loss of, damage to or destruction of any property whatsoever, or injury to or death of any person whomsoever, in each case relating to, resulting from or arising out of Lessee's use, occupancy or maintenance of the Leased Facilities during the Term. Lessee hereby releases Lessor and its Affiliates, and its and their respective officers, directors, agents, and employees from, and agrees to forever protect, indemnify, defend and hold harmless Lessor, its Affiliates, and its and their respective officers, agents, and employees, from and against, any and all claims, actions, costs, damages, losses, and Expenses in any manner caused by, arising out of, or connected with Lessee's use, occupancy or maintenance of the Leased Facilities during the Term; provided, however, that such indemnification shall not include attorneys fees and related costs and expenses incurred by Lessor or its Affiliates in connection with any such liabilities unless such attorneys fees and related costs and expenses result from the failure of Lessee to assume its responsibilities under this Section 9.1.

9.2 Lessor's Liability.

Except to the extent provided for by the terms of the Shop Services Agreement, Lessor shall be solely responsible for (i) any loss and/or liability for loss of, damage to, or destruction of the Leased Facilities, (ii) any loss and/or liability for loss of, damage to or destruction of the property of Lessee, its employees, agents, contractors or invitees, (iii) any loss and/or liability for loss of, damage to or destruction of the property of any other person, firm, partnership, or corporation whatsoever, (iv) any liability for injury to or death of any person whomsoever (including trespassers), in each case relating to, resulting from or arising out of the ownership, use, occupancy or maintenance of the Leased Facilities by Lessor and its predecessors (1) prior to the Effective Date of this Lease Agreement, and (2) from and after the date upon which this Lease Agreement expires or is terminated (unless such termination results from Lessee's exercise of the option to purchase the Leased Facilities pursuant to Section 3.2 of this Lease Agreement). Except to the extent provided for by the terms of the Shop Services Agreement, Lessee shall not be held liable for or on account of any loss of and/or liability for loss of, damage to or destruction of any property whatsoever, or injury to or death of any person whomsoever, in each case relating to, resulting from or arising out of the use, occupancy or maintenance of the Leased Facilities by Lessor and its predecessors (1) prior to the Effective Date of this Lease Agreement, and (2) from and after the date upon which this Lease Agreement expires or is terminated (unless such termination results from Lessee's exercise of the option to purchase the Leased Facilities pursuant to Section 3.2 of this Lease Agreement). Except to the extent provided for by the terms of the Shop Services Agreement, Lessor hereby releases Lessee and its Affiliates, and its and their respective officers, directors, agents, and employees from any and all claims, actions, costs, damages, losses, and Expenses in any manner caused by, arising out of, or connected with the use, occupancy or maintenance of the Leased Facilities by Lessor and its predecessors (1) prior to the Effective Date of this Lease Agreement, and (2) from and after the date upon which this Lease Agreement expires or is terminated (unless such termination results from Lessee's exercise of the option to purchase the Leased Facilities pursuant to Section 3.2 of this Lease Agreement).

9.3 Litigation.

a. Except to the extent provided for by the terms of the Shop Services Agreement, Lessor shall remain responsible for any actions, lawsuits, claims or proceedings (including personal injury claims and claims under any Environmental Laws) that relate to the Leased Facilities, or the Lessor's ownership, occupancy, use or maintenance thereof, in each case arising by reason of (1) occurrences prior to the Effective Date ("Pre-Term Litigation") and (2) from and after the date upon which this Lease Agreement expires or is terminated (unless such termination results from Lessee's exercise of the option to purchase the Leased Facilities pursuant to Section 3.2 of this Lease Agreement) ("Post-Term Litigation"). Except to the extent provided for by the terms of the Shop Services Agreement, Lessor hereby releases Lessee and its Affiliates, and its and their respective officers, directors, agents, and employees from any and all Pre-Term Litigation and Post-Term Litigation.

b. Lessee shall be responsible for, and shall indemnify and hold harmless Lessor and its Affiliates, and its and their respective officers, directors, agents, and employees from, from against, any actions, lawsuits, claims or proceedings (including personal injury

claims) which relate to the Leased Facilities, or Lessee's occupancy, use or maintenance thereof, in each case arising by reason of occurrences during the period commencing on the Effective Date and ending on the date upon which this Lease Agreement shall terminate ("Lease Term Litigation"); provided, however, that such indemnification shall not include attorneys' fees and related costs and expenses incurred by Lessor or its Affiliates in connection with any Lease Term Litigation unless such attorneys' fees and related costs and expenses result from the failure of Lessee to assume its responsibilities under this Section 9.3(b).

c. Termination of this Lease Agreement shall not relieve or release either party hereto from any obligation or any liability which may have arisen or been incurred by such party prior to any such termination.

ARTICLE X

INDEMNIFICATION PROCEDURES

10.1 Notice of Claims.

If Lessee, Lessor, their Affiliates, or any of their respective officers, directors, agents, and employees (the "Indemnified Party") seeks indemnification hereunder, such Indemnified Party shall give to the party obligated to provide indemnification to such Indemnified Party (the "Indemnitor") a notice (a "Claim Notice") describing in reasonable detail the facts giving rise to any claim for indemnification hereunder and shall include in such Claim Notice (if then known) the amount or the method of computation of the amount of such claim, and a reference to the provision of this Agreement or any other agreement, document or instrument executed hereunder or in connection herewith upon which such claim is based; provided, that a Claim Notice in respect of any legal action by or against a third person as to which indemnification will be sought shall be given promptly after the action or suit is commenced; and provided further that failure to give such notice shall not relieve the Indemnitor of its obligations hereunder except to the extent it shall have been prejudiced by such failure.

10.2 Third Party Claims.

a. Subject to Section 10.2(b), the Indemnified Party shall have the right to conduct and control, through counsel of its choosing, the defense, compromise or settlement of any third person claim, action or suit against such Indemnified Party as to which indemnification will be sought by any Indemnified Party from any Indemnitor hereunder, and in any such case the Indemnitor shall cooperate in connection therewith and shall furnish such records, information and testimony and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested by the Indemnified Party in connection therewith; provided, that the Indemnitor may participate, through counsel chosen by it and at its own expense, in the defense of any such claim, action or suit as to which the Indemnified Party has so elected to conduct and control the defense thereof; and provided further, that the Indemnified Party shall not, without the written consent of the Indemnitor (which written consent shall not be unreasonably withheld), pay, compromise or settle any such claim, action or suit, except that no such consent shall be required if, following a written request from the Indemnified Party, the Indemnitor shall fail, within fourteen (14) days after the making of such request, to acknowledge and agree in writing that, if such claim, action or suit shall be adversely determined, such

Indemnitor has an obligation to provide indemnification hereunder to such Indemnified Party. Notwithstanding the foregoing, the Indemnified Party shall have the right to pay, settle or compromise any such claim, action or suit without such consent, provided that in such event the Indemnified Party shall waive any right to indemnity therefor hereunder unless the Indemnified Party shall have sought the consent of the Indemnitor to such payment, settlement or compromise and such consent is unreasonably withheld, in which even no claim for indemnity therefor hereunder shall be waived.

b. If any third party claim, action or suit against any Indemnified Party is solely for money damages, then the Indemnitor shall have the right to conduct and control, through counsel of its choosing, the defense, compromise or settlement of any such third party claim, action or suit against such Indemnified Party as to which indemnification will be sought by any Indemnified Party from any Indemnitor hereunder if the Indemnitor has acknowledged and agreed in writing that, if the same is adversely determined, the Indemnitor has an obligation to provide indemnification to the Indemnified Party in respect thereof, and in any such case the Indemnified Party shall cooperate in connection therewith and shall furnish such records, information and testimony and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested by the Indemnitor in connection therewith; provided, that the Indemnified Party may participate, through counsel chosen by it and at its own expense, in the defense of any such claim, action or suit as to which the Indemnitor has so elected to conduct and control the defense thereof. Notwithstanding the foregoing, the Indemnified Party shall have the right to pay, settle or compromise any such claim, action or suit, provided that in such even the Indemnified Party shall waive any right to indemnity therefor hereunder unless the Indemnified Party shall have sought the consent of the Indemnitor to such payment, settlement or compromise and such consent was unreasonably withheld, in which event no claim for indemnity therefor hereunder shall be waived.

ARTICLE XI **FORCE MAJEURE**

11.1 Force Majeure.

Whenever a period of time is provided in this Lease Agreement for either party to do or perform any act or thing, said party shall not be liable or responsible for any delays due to strikes, lockouts, acts of God, war, court orders, work stoppages, nuclear incidents, riots, public disorder, criminal acts of other entities, or other such causes beyond the reasonable control of said party; and in any such event, said time period shall be extended for the amount of time said party is so delayed; provided that this Section 11.1 shall not be construed to affect the responsibilities of said party hereunder to so perform such act or thing once such delays have been removed. Any party invoking force majeure pursuant to this Section 11.1 shall provide written notice to the other party, setting forth the facts or circumstances giving rise to the applicability of this Section 11.1. Lessor and Lessee each shall use commercially reasonable efforts to minimize the duration, and to mitigate the effects, of any force majeure event.

ARTICLE XII
RECORDATION OF LEASE

12.1 Recordation by Lessee.

Lessee may cause this Lease Agreement or a memorandum of this Lease Agreement to be recorded in the land register of the County of Piscataquis, Maine, and this Lease Agreement shall run with the land. Upon the termination of this Lease Agreement, Lessee agrees to execute and deliver to Lessor a copy of an appropriate instrument or instruments evidencing the termination and cancellation of this Lease Agreement.

ARTICLE XIII
MISCELLANEOUS

13.1 Governmental Permits.

In the event either party receives notice from any Governmental Authority that any notices, applications, filings or Governmental Permits are required with respect to this Lease Agreement or the transactions contemplated hereby, Lessor and/or Lessee, as appropriate, shall make such notices, applications or filings and seek such Governmental Permits, unless they decide, in good faith, that such compliance is not necessary.

13.2 Additional Actions and Documents.

On or after the Effective Date, and without further consideration, Lessor and/or Lessee, as appropriate, will promptly execute and deliver such further instruments of conveyance, assignment and transfer and take such other actions as the other party may reasonably request in order to convey, assign and transfer to Lessee all of the rights, title and interest in the Leased Facilities contemplated by this Lease Agreement.

13.3 Waiver.

Any term or provision of this Lease Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. The failure of any party hereto to enforce at any time any provision of this Lease Agreement shall not be construed to be a waiver of such provision, nor shall it affect in any way the validity of this Lease Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Lease Agreement shall be held to constitute a waiver of any other or subsequent breach.

13.4 Successors and Assigns.

This Lease Agreement shall run with the land, and be binding upon, and inure to the benefit of, the respective successors and permitted assigns of the parties.

13.5 Assignment.

Lessee may assign this Lease Agreement, or any of its rights or obligations hereunder, without the prior written consent of Lessor; provided, however, that, notwithstanding any such assignment by Lessee, Lessee shall remain jointly liable with the assignee (or its successors) for all of its obligations and liabilities under this Lease Agreement. Lessor or any successors of Lessor may, following the MMA Assets Closing, assign this Agreement, or any of Lessor's rights or obligations hereunder, to a third party, subject to the written consent of Lessee which shall not be unreasonably withheld; provided, that, as a condition to any such assignment, such assignee of Lessor shall, to the extent such assignee is not barred, by applicable law, from providing such indemnity, forever protect, indemnify, defend and hold harmless Lessee and its Affiliates, and its and their respective officers, directors, agents, advisors and employees from and against (i) any and all Environmental Liabilities to the extent that such Environmental Liabilities relate to or arise from the ownership, use, occupancy and maintenance of the Leased Facilities (1) prior to the Effective Date or (2) from and after the date upon which this Lease Agreement expires or is terminated pursuant to Section 7.1(a) hereof; (ii) (1) any loss and/or liability for loss of, damage to, or destruction of the Leased Facilities, (2) any loss and/or liability for loss of, damage to or destruction of the property of Lessee, its employees, agents, contractors or invitees, (3) any loss and/or liability for loss of, damage to or destruction of the property of any other person, firm, partnership, or corporation whatsoever and (4) any liability for injury to or death of any person whomsoever (including trespassers), in each case relating to, resulting from or arising out of the ownership, use, occupancy or maintenance of the Leased Facilities by Lessor and its predecessors (x) prior to the Effective Date of this Lease Agreement, and (y) from and after the date upon which this Lease Agreement expires or is terminated (unless such termination results from Lessee's exercise of the option to purchase the Leased Facilities pursuant to Section 3.2 of this Lease Agreement), pursuant to Section 9.2 hereof; and (iii) any actions, lawsuits, claims or proceedings (including personal injury claims and claims under any Environmental Laws) that relate to the Leased Facilities, or the Lessor's ownership, occupancy, use or maintenance thereof, in each case arising by reason of (1) Pre-Term Litigation and (2) Post-Term Litigation pursuant to Section 9.3(a) of hereof.

13.6 Notices.

All notices, requests or demands required or permitted by this Lease Agreement shall be made in writing and shall be addressed as follows:

- (1) To Lessor at:

Robert J. Keach, Esq.
Bernstein, Shur, Sawyer & Nelson, P.A.
100 Middle Street
Portland, ME 04104-5029
(207) 774-1127

- (2) To Lessee at:

John Giles
President and Chief Executive Officer
Central Maine & Quebec Railway US Inc.
15 Iron Road
Hermon, Maine 04401

With copies to:

Ken Nicholson
c/o Fortress Investment Group LLC
1345 Avenue of the Americas, 46th Floor
New York, NY 10105

And:

Terence M. Hynes
Sidley Austin LLP
1501 K. Street, N. W.
Washington, D.C. 20005
(202) 736-8711

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent.

13.7 Confidentiality.

Each party agrees that it will treat in confidence this Lease Agreement and all documents, materials and other information which it shall have obtained from the other parties during the course of the negotiations leading to the consummation of the transactions contemplated hereby, and the preparation of this Lease Agreement; provided, however, that either party may disclose this Agreement and such documents, materials and other information to its Affiliates and its and their respective officers, directors, agents, advisors and employees. The obligation of each party to treat such documents, materials and other information in confidence shall not apply to any information which (i) such party can demonstrate was already lawfully in its possession prior to the disclosure thereof by the other parties; (ii) is known to the public and did not become so known through any violation of a legal obligation; (iii) became known to the public through no fault of such party; (iv) is later lawfully acquired by such party from other sources; (v) such party determines, based on the advice of counsel, is legally required to be disclosed to the Bankruptcy Court or to a party to the MMA Chapter 11 Case; or (vi) is disclosed in connection with preserving or enforcing such party's rights.

13.8 Entire Agreement.

This Lease Agreement and the Exhibits referred to herein (and any Bankruptcy Court orders relating hereto) contain the entire understanding of the parties with respect to the subject

matter contained herein or therein and supersede all prior oral or written agreements and understandings between the parties with respect to such subject matter. The parties hereto, by mutual agreement in writing, may amend, modify and supplement this Lease Agreement.

13.9 Headings.

Article, Section, and Exhibit headings contained in this Lease Agreement are inserted for convenience of reference only, and shall not be deemed to be part of this Lease Agreement for any purpose and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof. ,,‘

13.10 Limitation on Benefits.

Nothing herein is intended to be for the benefit of any person or entity other than the parties hereto, their Affiliates, its and their respective successors and permitted assigns, and its and their respective, officers, directors, agents, advisors and employees (the “Agreement Beneficiaries”). It is the explicit intention of the parties hereto that no person or entity other than the Agreement Beneficiaries is or shall be entitled to bring any action to enforce any provision of this Lease Agreement against any of the parties hereto, their Affiliates, its and their respective successors and permitted assigns, and its and their respective, officers, directors, agents, advisors and employees, and the assumptions, indemnities, covenants, undertakings and agreements set forth in this Lease Agreement shall be solely for the benefit of, and shall be enforceable only by, the Agreement Beneficiaries.

13.11 Governing Law.

This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Maine without regard to any applicable conflicts of laws principles thereof. Any legal action or proceeding involving the interpretation or application of this Lease Agreement, or arising out of this Lease Agreement, shall be subject to the exclusive jurisdiction of the courts of Maine.

13.12 Partial Invalidity.

Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Lease Agreement, and this Lease Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein unless the deletion of such provision or provisions would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable.

13.13 Execution.

This Lease Agreement may be executed in two or more counterparts all of which shall collectively constitute a single agreement.

13.14 Prevailing Agreement Between the Parties.

In the event of any conflict between the provisions of this Lease Agreement and the provisions of any other agreement between the parties relating to the sale of the MMA Assets to Purchaser, the provisions of this Lease Agreement shall prevail in the determination of the respective rights and obligations of the parties as between themselves with respect to the matters set forth herein.

IN WITNESS WHEREOF, each of the parties hereto has caused this Lease Agreement to be duly executed on its behalf, as of the day and year first above written.

Montreal Maine & Atlantic Railway, Ltd.

By: _____
Name: Robert J. Keach
Title: Chapter 11 Trustee, and solely in
such capacity

Central Maine & Quebec Railway US Inc.

By: _____
Name: John Giles
Title: President

BILL OF SALE

[_____], 2014

Reference is made to the Asset Purchase Agreement dated as of December 12, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the “APA”), by and among ROBERT J. KEACH, AS CHAPTER 11 TRUSTEE FOR THE ESTATE OF MONTREAL MAINE & ATLANTIC RAILWAY, LTD., a Delaware corporation, MONTREAL MAINE & ATLANTIC CANADA CO., a Nova Scotia unlimited liability company (“MMA Canada”), and RAILROAD ACQUISITION HOLDINGS LLC (the “Purchaser”). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the APA.

Pursuant to Section 2.8 of the APA, MMA Canada has requested that the Purchaser purchase the Specified MMA Canada Receivables set forth on Schedule A hereto (the “Purchased Receivables”) in exchange for an aggregate Specified MMA Canada Receivables Purchase Price of \$[_____] (the “Aggregate Purchase Price”).

Accordingly, upon payment by the Purchaser to MMA Canada of the Aggregate Purchase Price, MMA Canada does hereby sell, transfer, assign, convey and deliver to the Purchaser all of its right, title and interest in and to the Purchased Receivables.

MMA Canada confirms that each Purchased Receivable was duly created by MMA Canada in connection with the purchase by the related account debtor of goods or services from MMA Canada in the ordinary course of business, constitutes a bona fide obligation of the related account debtor and is not subject to any rebate, offset, discount, allowance or other price or payment adjustment, except as may be disclosed on Schedule A.

This Bill of Sale shall be construed, interpreted and the rights of the parties interpreted in accordance with the laws of the Province of Quebec, without regard to conflicts of laws principles thereof.

This Bill of Sale may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Bill of Sale by facsimile or other electronic imaging system shall be effective as delivery of a manually executed counterpart of this letter agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, MMA Canada, as seller hereunder, has caused this instrument to be duly executed and delivered as of the date first above written.

MONTREAL MAINE & ATLANTIC
CANADA CO.

By: _____

Name:

Title:

Acknowledged and agreed to as of
the date first above written.

RAILROAD ACQUISITION HOLDINGS LLC

By: _____

Name:

Title:

SCHEDULE A

Purchased Receivables

See attached.

SHOP SERVICES AGREEMENT

THIS SHOP SERVICES AGREEMENT (the “Agreement”), made as of this __ day of May, 2014, by and between CENTRAL MAINE & QUEBEC RAILWAY US INC., a Delaware corporation (“CMQR”), and ROBERT J. KEACH, AS CHAPTER 11 TRUSTEE (the “Trustee”) FOR THE ESTATE OF MONTREAL MAINE & ATLANTIC RAILWAY, LTD., a Delaware Corporation (“MMA”).

RECITALS

A. WHEREAS, on or about August 7, 2013, MMA filed a voluntary petition for relief commencing a case (the “MMA Chapter 11 Case”) under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), filed as Case No. 13-10670 in the United States Bankruptcy Court for the District of Maine (the “Bankruptcy Court”);

B. WHEREAS, MMA has agreed to sell to CMQR, and CMQR has agreed to purchase from MMA, certain rail assets of MMA located in the United States, tangible and intangible, associated with the business of MMA, on the terms and subject to the conditions set forth in that certain Asset Purchase Agreement dated as of December 12, 2013 (the “Purchase Agreement”) between Sellers and Purchaser (as those terms are defined in the Purchase Agreement), in accordance with Sections 105, 363, 365, and 1161-1174 of the Bankruptcy Code; and

C. WHEREAS, Sellers and Purchaser entered into that certain Third Amendment To Asset Purchase Agreement dated as of May __, 2014 (the “Third Amendment”), pursuant to which MMA covenanted and agreed to continue to maintain and operate its locomotive and car repair facilities located at Derby, Maine (the “Derby Shops”), and to provide such locomotive and car shop services as CMQR may request from and after the MMA Assets Closing Date until the Effective Date of that certain Derby Facilities Lease Agreement between CMQR and MMA of even date herewith, on the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall mean as follows:

“Affiliate” -- With respect to any person, any other person which directly or indirectly controls, is controlled by or is under common control with such person.

“Effective Date” – As defined in Section 1.1 of the Derby Facilities Lease Agreement between CMQR and MMA of even date herewith.

“Environmental Laws” -- All applicable federal, state, municipal and local laws, statutes, ordinances, rules, by-laws, guidelines, treaties and regulations, and all applicable directives,

rules, standards, requirements, policies, orders, judgments, injunctions, or decrees which have the force of law or which are capable of having the force of law, in each case relating to or addressing pollution or the protection of human health or the environment (including any surface or subsurface physical medium or natural resource such as air, land, soil, surface waters, ground waters, stream and river and biota) or natural resources, including without limitation applicable laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the environment of, any hazardous substances.

“Environmental Liabilities” -- Any claims, judgments, order, damages (including punitive damages), losses, penalties, fines, liabilities, encumbrances, violations, responsibilities, costs and Expenses (including attorneys’ fees) of investigation, remediation, cleanup, corrective action, monitoring, or defense of any matter arising (whether at law or in equity) under any Environmental Laws or in any way relating to (i) the environment (including any surface or subsurface physical medium or natural resource such as air, land, soil, surface waters, ground waters, stream and river and biota), (ii) the use, generation, storage, treatment, disposal, processing, transportation, handling, release, emission or remediation of hazardous substances, or (iii) impacts on human health and safety resulting from the foregoing, of whatever kind or nature, by any party, Government Authority or other entity, whether or not resulting from the violation of, or noncompliance with, Environmental Laws.

“Expenses” – Any and all expenses incurred in connection with investigating, defending or asserting any claim, action, suit or proceeding incident to any matter indemnified against hereunder (including, without limitation, court filing fees, court costs, arbitration fees or costs, witness fees, and reasonable fees and disbursements of legal counsel and other professionals).

“Governmental Authority” – Any agency, board, bureau, executive, court, commission, department, tribunal, instrumentality or administrator of the United States, the State of Maine, or any local or other governmental body.

“Governmental Permits” – All licenses, permits, approvals consents, certificates, waivers, exemptions, orders and other authorizations from any and all Governmental Authorities.

“MMA Assets Closing” – As defined in Section 2.6 of the Purchase Agreement (as amended by the Third Amendment).

“MMA Assets Closing Date” – As defined in Section 2.6 of the Purchase Agreement (as amended by the Third Amendment).

“Shop Services” – As defined in Section 2.1 and Exhibit A to this Agreement.

“Term” – As defined in Section 3.1.

1.2 Other Definitional Provisions.

a. All initially capitalized terms used and not otherwise defined in this Agreement shall have the meanings ascribed to such terms in the Purchase Agreement.

b. Each definition in this Agreement includes the singular and the plural, and references in this Agreement to the neuter gender include the masculine and feminine where appropriate. References herein to any agreement or contract mean such agreement or contract as amended. References to a business day mean a day other than Saturday, Sunday or a legal holiday in the State of Maine. As used in this Agreement, the word “including” means “without limitation,” and the words “herein,” “hereof” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein to Articles, Sections and Exhibits mean the Articles and Sections of, and Exhibits to, this Agreement. All dollar amounts stated herein are in U.S. currency.

ARTICLE II **SHOP SERVICES**

2.1 Shop Services.

During the term of this Agreement, MMA shall continue to maintain and operate the Derby Shops in the ordinary course of business, consistent with past practice, and in compliance with all applicable laws and regulations. MMA shall provide such shop services as CMQR may request from time to time for locomotives and rail cars owned, leased or used by CMQR (or its Affiliate, Central Maine & Quebec Railway Canada, Inc. (“CMQR Canada”)) in conducting their respective freight rail operations, including any foreign carrier locomotives and rail cars that such shop services while on the lines of CMQR and/or CMQR Canada, including without limitation: (i) performing FRA-mandated inspections; (ii) fueling, sanding and servicing locomotives; (iii) performing maintenance of, and repairs to, locomotives and rail cars, and (iv) such other shop services as CMQR may require (collectively, “Shop Services”).

2.2 Compensation for Repair Services.

The basis upon which MMA shall be compensated for providing Shop Services is set forth in Exhibit A to this Agreement. Such compensation shall include (i) all wages and fringe benefits for MMA shop employees (any MMA person employed under this Agreement shall hereinafter be referred to as an “MMA Employee”), (ii) the cost of all parts, equipment and supplies purchased by MMA, and, (iii) except as otherwise provided in Sections 5.1, 6.1 and 6.2 hereof, all costs and expenses incurred by MMA in operating the Derby Shops during the Term of this Agreement, including without limitation insurance, utilities and taxes (other than taxes on the income of MMA). Any amount payable by CMQR under the terms of this Agreement shall be paid to MMA in such a manner as to allow MMA to make payment of any obligation on or before the date the payment is due in its ordinary course.

2.3 Delivery of Locomotives and Rail Cars.

CMQR shall be responsible, at its sole cost and expense, for (i) delivering locomotives and rail cars to the Derby Shops for the performance of requested Shop Services by MMA

thereon, and (ii) moving locomotives and rail cars upon which such Shop Services have been completed by MMA from the Derby Shops to the location(s) at which such locomotives and rail cars are placed back into service. CMQR shall be permitted to use any available tracks at the Derby Shops property to hold such locomotives and rail cars until they are placed back into service.

2.4 Shop Personnel.

Prior to the MMA Assets Closing, MMA shall consult with CMQR to determine the number of MMA Employees required by MMA to maintain and operate the Derby Shops during the Term of this Agreement. CMQR shall have the right, in its sole discretion, to select those MMA Employees that CMQR desires to retain to operate the Derby Shops property from and after the Effective Date of the Derby Facilities Lease Agreement. Those MMA Employees shall remain employees of MMA during the Term of this Agreement, and will become employees of CMQR from and after the Effective Date.

ARTICLE III TERM

3.1 Term.

This Agreement shall have a term commencing on the MMA Assets Closing Date and ending on the Effective Date of the Derby Facilities Lease Agreement (the “Term”).

ARTICLE IV TAXES, ASSESSMENTS AND UTILITIES

4.1 Taxes.

a. During the Term of this Agreement, MMA shall be responsible for (i) reporting the Derby Shops property for the purpose of real property tax assessment, and (ii) paying all applicable State and local property taxes, assessments, both general and special, ordinary and extraordinary, of whatever name, nature and kind, that may be imposed, levied, assessed or charged against the Derby Shops property, or any portion thereof, including any and all improvements or fixtures located thereon, provided such tax obligations are timely funded by CMQR to MMA in accordance with section 2.2 hereof.

4.2 Utilities.

a. MMA shall contract for and obtain in its name all utility services, including gas, electricity, telephone, water and sewer connections and services, required for the operation of the Derby Shops property and the provision of Shop Services during the Term of this Agreement. MMA shall pay directly to the providers of such services all charges for such services, provided such utility obligations are timely funded by CMQR to MMA in accordance with section 2.2 hereof.

ARTICLE V
ENVIRONMENTAL MATTERS

5.1 Environmental Liability.

a. MMA shall be solely responsible for any and all Environmental Liabilities to the extent that such Environmental Liabilities relate to or arise from the ownership, use, occupancy or operation of the Derby Shops by MMA Employees during the Term of this Agreement. MMA hereby releases CMQR and its Affiliates, and its and their respective officers, directors, agents, and employees from any and all claims, actions, costs, damages, losses, and Expenses in any manner caused by, arising out of, or connected with Environmental Liabilities relating to or arising from the ownership, use, occupancy or operation of the Derby Shops by MMA Employees during the Term of this Agreement.

b. The provisions of Sections 5.1(a) shall survive termination of this Agreement.

ARTICLE VI
LIABILITY

6.1 MMA's Liability.

Except to the extent caused by an act or omission of CMQR or its Affiliates, MMA shall be solely responsible for (i) any loss and/or liability for loss of, damage to, or destruction of the Derby Shops property, (ii) any loss and/or liability for loss of, damage to or destruction of the property of any other person, firm, partnership, or corporation whatsoever (other than CMQR and its Affiliates), and (iii) any liability for injury to or death of any person whomsoever (including trespassers), in each case relating to, resulting from or arising out of the ownership, use, occupancy or maintenance of the Derby Shops property, or the performance of Shop Services, by MMA during the Term of this Agreement. Except to the extent caused by an act or omission of CMQR or its Affiliates, MMA hereby releases CMQR and its Affiliates, and its and their respective officers, directors, agents, and employees from any and all claims, actions, costs, damages, losses, and Expenses in any manner caused by, arising out of, or connected with the ownership, use, occupancy or maintenance of the Derby Shops property, or the performance of Shop Services, by MMA during the Term of this Agreement.

6.2 Litigation.

a. Except to the extent caused by an act or omission of CMQR or its Affiliates, MMA shall remain responsible for any actions, lawsuits, claims or proceedings (including personal injury claims and claims under any Environmental Laws) that relate to the Derby Shops property, MMA's ownership, occupancy, use or maintenance thereof, or the performance of Shop Services by MMA, in each case arising during the Term of this Agreement. Except to the extent caused by an act or omission of CMQR or its Affiliates, MMA hereby

releases CMQR and its Affiliates, and its and their respective officers, directors, agents, and employees from any and all actions, lawsuits, claims, costs, damages, losses, and Expenses (including personal injury claims and claims under any Environmental Laws) that relate to the Derby Shops property, MMA's ownership, occupancy, use or maintenance thereof, or the performance of Shop Services by MMA, in each case arising during the Term of this Agreement.

6.3 The provisions of Sections 6.1 and 6.2 shall survive termination of this Agreement.

6.4 Termination of this Agreement shall not relieve or release MMA or CMQR from any obligation or any liability which may have arisen or been incurred by it prior to any such termination.

ARTICLE VII FORCE MAJEURE

7.1 Force Majeure.

MMA shall not be liable for any delay in providing Shop Services contemplated by this Agreement to the extent that such delay is due to, or results from, strikes, lockouts, acts of God, war, court orders, work stoppages, nuclear incidents, riots, public disorder, criminal acts of other entities, or other such causes beyond the reasonable control of MMA; provided that this Section 11.1 shall not be construed to affect the responsibilities of MMA to provide such Shop Services once such delays have been removed. MMA may invoke force majeure pursuant to this Section 11.1 by providing written notice to CMQR, setting forth the facts or circumstances giving rise to the applicability of this Section 11.1. MMA shall use commercially reasonable efforts to minimize the duration, and to mitigate the effects, of any force majeure event.

ARTICLE VIII MISCELLANEOUS

8.1 Governmental Permits.

In the event either party receives notice from any Governmental Authority that any notices, applications, filings or Governmental Permits are required with respect to this Agreement or the provision of Shop Services hereunder, MMA and/or CMQR, as applicable, shall make such notices, applications or filings and seek such Governmental Permits, unless MMA and CMQR, in good faith, jointly determine that such compliance is not necessary.

8.2 Waiver.

Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor shall it affect in any way the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

8.3 Successors and Assigns.

This Agreement shall be binding upon, and inure to the benefit of, the respective successors and permitted assigns of the parties.

8.4 Assignment.

Neither party may assign this Agreement, or any of its rights or obligations hereunder, without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that, notwithstanding any such assignment by CMQR, CMQR shall remain jointly liable with the assignee (or its successors) for all of its obligations and liabilities under this Agreement. MMA or any successors of MMA may, following the MMA Assets Closing, assign this Agreement, or any of MMA's rights or obligations hereunder, to a third party, subject to the written consent of CMQR which shall not be unreasonably withheld.

8.5 Notices.

All notices, requests or demands required or permitted by this Agreement shall be made in writing and shall be addressed as follows:

- (1) To MMA at:

Robert J. Keach, Esq.
Bernstein, Shur, Sawyer & Nelson, P.A.
100 Middle Street
Portland, ME 04104-5029
(207) 774-1127

- (2) To CMQR at:

John Giles
President and Chief Executive Officer
Central Maine & Quebec Railway US Inc.
15 Iron Road
Hermon, Maine 04401

With copies to:

Ken Nicholson
c/o Fortress Investment Group LLC
1345 Avenue of the Americas, 46th Floor
New York, NY 10105
(212) 798-6099

And:

Terence M. Hynes

Sidley Austin LLP
1501 K Street, N.W.
Washington, D.C. 20005
(202) 736-8711

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent.

8.6 Confidentiality.

Each party agrees that it will treat in confidence this Agreement and all documents, materials and other information which it shall have obtained from the other parties during the course of the negotiations leading to the consummation of the transactions contemplated hereby, and the preparation of this Agreement; provided, however, that either party may disclose this Agreement and such documents, materials and other information to its Affiliates and its and their respective officers, directors, agents, advisors and employees. The obligation of each party to treat such documents, materials and other information in confidence shall not apply to any information which (i) such party can demonstrate was already lawfully in its possession prior to the disclosure thereof by the other parties; (ii) is known to the public and did not become so known through any violation of a legal obligation; (iii) became known to the public through no fault of such party; (iv) is later lawfully acquired by such party from other sources; (v) such party determines, based on the advice of counsel, is legally required to be disclosed to the Bankruptcy Court or a party to the MMA Chapter 11 Case; or (vi) is disclosed in connection with preserving or enforcing such party's rights.

8.7 Entire Agreement.

This Agreement and the Exhibits referred to herein (and any Bankruptcy Court orders relating hereto) contain the entire understanding of the parties with respect to the subject matter contained herein or therein and supersede all prior oral or written agreements and understandings between the parties with respect to such subject matter. The parties hereto, by mutual agreement in writing, may amend, modify and supplement this Agreement.

8.8 Headings.

Article, Section, and Exhibit headings contained in this Agreement are inserted for convenience of reference only, and shall not be deemed to be part of this Agreement for any purpose and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

8.9 Limitation on Benefits.

Nothing herein is intended to be for the benefit of any person or entity other than the parties hereto, their Affiliates, its and their respective successors and permitted assigns, and its and their respective, officers, directors, agents, advisors and employees (the "Agreement Beneficiaries"). It is the explicit intention of the parties hereto that no person or entity other than the Agreement Beneficiaries is or shall be entitled to bring any action to enforce any provision of

this Agreement against any of the parties hereto, their Affiliates, its and their respective successors and permitted assigns, and its and their respective, officers, directors, agents, advisors and employees, and the assumptions, indemnities, covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the Agreement Beneficiaries.

8.10 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Maine without regard to any applicable conflicts of laws principles thereof. Any legal action or proceeding involving the interpretation or application of this Lease Agreement, or arising out of this Agreement, shall be subject to the exclusive jurisdiction of the courts of Maine.

8.11 Partial Invalidity.

Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein unless the deletion of such provision or provisions would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable.

8.12 Execution.

This Agreement may be executed in two or more counterparts all of which shall collectively constitute a single agreement.

8.13 Prevailing Agreement Between the Parties.

In the event of any conflict between the provisions of this Agreement and the provisions of any other agreement between the parties relating to the sale of the MMA Assets to Purchaser, the provisions of this Agreement shall prevail in the determination of the respective rights and obligations of the parties as between themselves with respect to the matters set forth herein.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed on its behalf, as of the day and year first above written.

Montreal Maine & Atlantic Railway, Ltd.

By: _____
Name: Robert J. Keach
Title: Chapter 11 Trustee, and solely in such capacity

Central Maine & Quebec Railway US Inc.

By: _____
Name: John Giles
Title: President and Chief Executive Officer

DESCRIPTION OF MMA QUEBEC LINE SEGMENT**A. Registration Division of Brome****PARCEL 1**

A certain parcel of land of irregular figure, situated in the Town of Sutton, being a part of lot one thousand five hundred and nineteen (Pt 1519) of the Cadastre for the Township of Sutton, Registration Division of Brome, Province of Quebec, containing an area of six hundred and twenty-one thousand eight hundred square feet (621,800 sq ft), more or less and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
South	International Boundary between Canada and the United States of America	75 7	straight
Northwest	Cushion Road (bearing no cadastral number)	121 4	straight
Northwest	55, 56, 57, Pt 64 and Pt 72	2286 9	straight
Northwest	Pt 72 and Cushion Road (bearing no cadastral number)	1424 7	curve
Northwest	Cushion Road (bearing no cadastral number)	5585 0 972 5	radius straight
Northwest	Cushion Road (bearing no cadastral number)	410 1	curve
Northwest	Cushion Road (bearing no cadastral number)	2013 9 298 2	radius curve
Northwest	Cushion Road (bearing no cadastral number)	1032 4 410 0	radius curve
Northwest	Cushion Road (bearing no cadastral number)	2013 9 335 8	radius straight
North	Pt 1519	183 3	straight
Southeast	77-1	141 3	curve
Southeast	77-1	3522 0	radius
Southeast	77-1	350 6	straight
Southeast	77-1 and 71-1	389 9	curve
Southeast	71-1	1914 9	radius
Southeast	71-1	269 6	curve
Southeast	71-1	933 4	radius
Southeast	71-1	389 9	curve

BOUNDED	LOT	LENGTH (FEET)	LINE
		1914 9	radius
Southeast	71-1, 71-2 (Street) and 71-3	972 5	straight
Southeast	71-3, Pt 71 and Pt 72	1450 1	curve
		5684 0	radius
Southeast	Pt 72, Pt 64, 63, 62, 60 and 58	2364 8	straight

The southern limit (75 7' long) of said part of lot 1519 is measured along the International Boundary Line between Canada and the United States of America, the northern limit (183 3' long) is measured along the easterly prolongation of the division line between ranges 1 and 2 of said Cadastre.

B. Registration Division of Brome

PARCEL 1

A certain parcel of land of irregular figure, situated in the Town of Sutton, being a part of lot one thousand five hundred and nineteen (Pt 1519) of the Cadastre for the Township of Sutton, Registration Division of Brome, Province of Quebec, containing an area of eight hundred and ninety-one thousand five hundred and twenty-seven square feet (891,527 sq ft), more or less and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
South	Pt 1519	183 3	straight
Northwest	Cushion Road (bearing no cadastral number)	14 8	straight
Northwest	Cushion Road (bearing no cadastral number) and Pt 143	295 7	curve
		3423 0	radius
Northwest	Pt 143	294 9	curve
		1687 1	radius
Northwest	Pt 143	295 7	curve
		3423 0	radius
Northwest	Pt 143	204 5	straight
Northwest	Pt 143	296 0	curve
		3647 0	radius
Northwest	Pt 143	497 1	curve
		1798 9	radius
Northwest	Pt 143	296 0	curve
		3647 0	radius
Northwest	Pt 143 and Pt 136	508 8	straight
Northwest	Cushion Road (bearing no cadastral number)	412 2	curve

BOUNDED	LOT	LENGTH (FEET)	LINE
	and Pt 136		
		1812 4	radius
Northwest	Pt 136	491 5	curve
		931 0	radius
Northwest	Pt 136	411 2	curve
		1812 4	radius
Northwest	Pt 136	123 2	straight
Northwest	Pt 136	477 6	curve
		7688 0	radius
Northwest	Pt 136 and Pt 135	1894 4	straight
Northwest	Pt 135 and Pt 132	611 3	curve
		3531 5	radius
Northwest	Pt 132, Pt 131, Pt 128 and Pt 126	1727 8	straight
Northwest	Pt 126	133 0	curve
		6660 2	radius
North	Pt 1519	241 5	straight
Southeast	Pt 126	349 4	curve
		6561 2	radius
Southeast	Pt 126, Pt 128, Pt 131 and Pt 132	1725 4	straight
Southeast	Pt 132 and Pt 135	628 3	curve
		3630 5	radius
Southeast	Pts 135 and Pts 136	1894 3	straight
Southeast	Pt 136	473 4	curve
		7589 0	radius
Southeast	Pt 136	123 2	straight
Southeast	Pt 136	388 8	curve
		1713 4	radius
Southeast	Pt 136	435 6	curve
		832 0	radius
Southeast	Pt 136	387 8	curve
		1713 4	radius
Southeast	Pt 136	510 7	straight
Southeast	Pt 136 and Pt 143	304 0	curve
		3746 0	radius
Southeast	Pt 143	524 5	curve
		1897 9	radius
Southeast	Pt 143	304 0	curve
		3746 0	radius
Southeast	Pt 143	204 5	straight
Southeast	Pt 143	304 3	curve
		3522 0	radius
Southeast	Pt 143	312 3	curve
		1786 1	radius
Southeast	Pt 143	163 0	curve
		3522 0	radius

The southern limit (183 3' long) of said part of lot 1519 is measured along the westerly prolongation of the division line between ranges 2 and 1, the northern limit (241 5' long) is measured along the easterly prolongation of the division line between ranges 2 and 3 of said Cadastre.

C. Registration Division of Brome

PARCEL 1

A certain parcel of land of irregular figure, situated in the Town of Sutton, being part of lot one thousand five hundred and nineteen (Pt 1519) of the Cadastre for the Township of Sutton, Registration Division of Brome, Province of Quebec, containing an area of two hundred one thousand four hundred and three square feet (201,403 sq ft), more or less and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
South	Pt 1519	241 5	straight
Northwest	365, 366, 367 and 368	470 9	curve
		6660 2	radius
Northwest	368, Pts 369 and Pt 375	1606 2	straight
Northeast	Burnett Road	164 0	straight
Southeast	Pt 375	24 8	curve
		1432 3	radius
Southeast	Pt 375 and Pt 369	1712 0	straight
Southeast	366A and Pt 369	252 6	curve
		6561 2	radius

The southern limit of said part of lot 1519 is measured along the westerly prolongation of the division line between ranges 3 and 2, the northeastern limit is measured along the southwestern limit of Burnett Road.

PARCEL 2

A certain parcel of land of irregular figure, situated in the Town of Sutton, being part of lot one thousand five hundred and nineteen (Pt 1519) of the Cadastre for the Township of Sutton, Registration Division of Brome, Province of Quebec, containing an area of five hundred forty-two thousand seven hundred and eleven square feet (542,711 sq ft), more or less and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
Southwest	Burnett Road (Pt 375)	168 5	straight

BOUNDED	LOT	LENGTH (FEET)	LINE
Northwest	Pt 375	42 3	straight
North	Pt 375	957 5	curve
		1531 3	radius
Northeast	Pt 375, Pt 376 and Pt 378	2234 5	straight
Northeast	Pt 378	236 9	curve
		3814 9	radius
North	Pt 378 and Pt 382	781 2	curve
		1881 9	radius
Northwest	Pt 382	237 0	curve
		3814 9	radius
Northwest	386, 387, Pt 382 and a creek	1083 2	straight
Southeast	Pt 1519	106 9	straight
Southeast	385, 384, 383 and a creek	1042 7	straight
Southeast	383 and Pt 382	243 0	curve
		3913 9	radius
South	377 and Pt 382	822 2	curve
		1980 9	radius
Southwest	Pt 378 and 377	243 1	curve
		3913 9	radius
Southwest	Pt 378, Pt 376 and Pt 375	2234 5	straight
South	Pts 375	829 9	curve
		1432 3	radius

The southwestern limit of said part of lot 1519 is measured along the northeastern limit of Burnett Road, the southeastern limit is measured along the southwestern prolongation of the division line between lots 387 and 388.

D. Registration Division of Brome

PARCEL 1

A certain parcel of land of trapezoidal figure, situated in the Town of Sutton, being part of lot one thousand five hundred and nineteen (Pt 1519) of the Cadastre for the Township of Sutton, Registration Division of Brome, Province of Quebec, containing an area of seventy-six thousand nine hundred and sixty-four square feet (76,964 sq ft), more or less and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
West	Pt 1519	106 9	straight
Northwest	Lot 388 and Pt 392	807 6	straight

Southeast	Public Road	141 3	straight
Southeast	Lot 389 and Pt 391	747 2	straight

The western limit of said part of lot 1519 is measured along the southerly prolongation of the division line between lots 388 and 387, the southeastern limit (141 3' long) is measured along the northwestern limit of a Public Road.

PARCEL 2

A certain parcel of land of irregular figure, situated in the Town of Sutton, being part of lot one thousand five hundred and nineteen (Pt 1519) of the Cadastre for the Township of Sutton, Registration Division of Brome, Province of Quebec, containing an area of seven hundred ninety-eight thousand six hundred and three square feet (798,603 sq ft), more or less and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
Northwest	Public Road	141 3	straight
Northwest	393 and Pt 392	982 9	straight
Northwest	393 and Pt 407	359 2	curve
		3075 7	radius
Northwest	Pt 407 and Pts 408	1766 4	straight
Northwest	Pt 408 and Pt 409	306 5	curve
		2341 3	radius
Northwest	Pt 409	259 6	curve
		1195 7	radius
Northwest	Pt 409 and Pt 410	306 5	curve
		2341 3	radius
Northwest	Pt 410	28 3	straight
Northwest	Pts 410	234 5	curve
		2099 1	radius
Northwest	Pt 410	192 1	curve
		1024 8	radius
Northwest	Pt 410	234 5	curve
		2099 1	radius
Northwest	Pt 410	125 1	straight
Northwest	Pt 410	194 5	curve
		1759 8	radius
Northwest	Pt 410	410 0	curve
		855 2	radius
Northwest	Pt 410	194 5	curve
		1759 8	radius
Northwest	Pt 410	120 0	straight
Northwest	Pt 410 and Pt 420	1270 7	curve
and northeast		956 6	radius
Northeast	Pt 420 and Pt 419	577 2	straight
Northeast	Pt 419	294 8	curve
		2815 3	radius

BOUNDED	LOT	LENGTH (FEET)	LINE
Northeast	Pt 419	171 7	curve
		1382 8	radius
East	Pt 608, Township of Potton	99 4	straight
Southwest	Pt 419	193 3	curve
		1481 8	radius
Southwest	Pt 419	305 2	curve
		2914 3	radius
Southwest	Pt 419 and Pt 420	577 2	straight
Southwest and southeast	Pt 420 and Pt 410	1139 2	curve
		857 6	radius
Southeast	Pt 410	120 0	straight
Southeast	Pt 410	205 5	curve
		1858 8	radius
Southeast	Pt 410	457 4	curve
		954 2	radius
Southeast	Pt 410	205 5	curve
		1858 8	radius
Southeast	Pt 410	125 1	straight
Southeast	Pt 410	245 5	curve
		2198 1	radius
Southeast	Pt 410	210 7	curve
		1123 8	radius
Southeast	Pts 410	245 5	curve
		2198 1	radius
Southeast	Pt 410	28 3	straight
Southeast	Pt 410 and Pt 409	293 5	curve
		2242 3	radius
Southeast	Pt 409	238 2	curve
		1096 7	radius
Southeast	Pt 409 and Pt 408	293 5	curve
		2242 3	radius
Southeast	Pts 408 and Pt 407	1766 4	straight
Southeast	Pt 407 and Pt 391	370 8	curve
		3174 7	radius
Southeast	Pts 391	1083 8	straight

The northwestern limit (141 3' long) of said part of lot 1519 is measured along the southeastern limit of a Public Road, the eastern limit is measured along the division line between the Cadastre for the Township of Sutton and the Cadastre for the Township of Potton.

E. Registration Division of Brome

PARCEL 1

A certain parcel of land of irregular figure, situated in the Township of Potton, being a part of lot six hundred and eight (Pt 608) of the Cadastre for the Township of Potton, Registration Division of Brome, Province of Quebec, containing an area of four hundred and forty-three thousand nine hundred and ninety-three square feet (443,993 sq ft), more or less and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
West	Pt 1519, Township of Sutton	99 3	straight
North	Pt 11	317 2	curve
		1382 8	radius
North	Pt 11	294 8	curve
		2815 3	radius
North	Pt 11	1773 6	straight
North	Pt 11	370 4	curve
		1768 4	radius
Northeast	Pt 11	329 7	curve
		909 8	radius
Northeast	Pt 11	370 4	curve
		1768 4	radius
Northeast	Pt 11	291 6	straight
Northeast	Pt 11	233 1	curve
		1660 5	radius
Northeast	Pt 11	165 8	curve
		805 7	radius
Northeast	Pt 11	233 1	curve
		1660 5	radius
Northeast	Pt 11	40 4	straight
Northeast	Pt 11	246 6	curve
		1849 0	radius
Northeast	Pt 11	274 5	curve
		949 4	radius
Northeast	Pt 11	144 6	curve
		1849 0	radius
East	Public Road (abandoned)	112 6	straight
Southwest	Pt 11	189 2	curve
		1750 0	radius
Southwest	Pt 11	245 9	curve
		850 4	radius
Southwest	Pt 11	233 4	curve
		1750 0	radius
Southwest	Pt 11	40 4	straight
Southwest	Pt 11	246 9	curve
		1759 5	radius

BOUNDED	LOT	LENGTH (FEET)	LINE
Southwest	Pt 11	186 2	curve
		904 7	radius
Southwest	Pt 11	246 9	curve
		1759 5	radius
Southwest	Pt 11	291 6	straight
Southwest	Pt 11	349 6	curve
		1669 4	radius
Southwest	Pt 11	293 9	curve
		810 8	radius
South	Pt 11	349 6	curve
		1669 4	radius
South	Pt 11	1773 6	straight
South	Pt 11	305 2	curve
		2914 3	radius
South	Pt 11	331 6	curve
		1481 8	radius

The western limit (99 3' long) of said part of lot 608 is measured along the division line between the Cadastre for the Township of Potton and the Cadastre for the Township of Sutton, the eastern limit (112 6' long) is measured along the western limit of an abandoned Public Road.

PARCEL 2

A certain parcel of land of irregular figure, situated in the Township of Potton, being a part of lot six hundred and eight (Pt 608) of the Cadastre for the Township of Potton, Registration Division of Brome, Province of Quebec, containing an area of four hundred and sixty-eight thousand and fifty-seven square feet (468,057 sq ft), more or less and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
West	Public Road (abandoned)	114 2	straight
Northeast	Pt 11	58 2	curve
		1849 0	radius
Northeast	Pt 11 and Pt 115 and Pt 112	2638 3	straight
Northeast	Pt 112	431 1	curve
		3224 4	radius
Northeast	Pt 112	1710 6	straight
South	Pt 608	201 7	straight
Southwest	De La Mine Road and Pt 112	1534 7	straight
Southwest	Pt 112	444 1	curve
		3323 4	radius
Southwest	Pt 112, De La Mine Road and Pt 11	2638 5	straight

The western limit (114 2' long) of said part of lot 608 is measured along the eastern limit of an abandoned Public Road, the southern limit (201 7' long) is measured along the westerly prolongation of the division line between lots 112 and 111.

F. Registration Division of Brome

PARCEL 1

A certain parcel of land of irregular figure, situated in the Township of Potton, being a part of lot six hundred and eight (Pt 608) of the Cadastre for the Township of Potton, Registration Division of Brome, Province of Quebec, containing an area of five hundred and ninety-eight thousand one hundred and ninety-five square feet (598,195 sq ft), more or less and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
North	Pt 608	201 7	straight
Northeast	Pt 111 and Pt 197	1271 3	straight
Northeast	Pt 197	243 0	curve
		4001 9	radius
Northeast	Pt 197	883 7	curve
		2025 3	radius
Northeast	Pt 197	243 0	curve
		4001 9	radius
Northeast	Pt 197	99 7	straight
Northeast	Pt 197	236 7	curve
		3569 2	radius
Northeast	Pt 197 and Pt 179A	895 8	curve
		1759 6	radius
Northeast	Pt 179A	236 5	curve
		3569 2	radius
Northeast	Pt 179A	783 1	straight
Northeast	Pt 179A and Pt 179	607 0	curve
		3133 3	radius
Northeast	Pt 179	308 2	straight
Northeast	Pt 179	127 3	curve
		5779 7	radius
East	Public Road (abandoned)	99 9	straight
Southwest	Pt 179	137 9	curve
		5680 7	radius
Southwest	Pt 179 and De La Mine Road	308 2	straight
Southwest	Pt 179	626 2	curve
		3232 3	radius
Southwest	Pt 179 and De La Mine Road	783 1	straight
Southwest	De La Mine Road	243 3	curve
		3668 2	radius
Southwest	De La Mine Road, Pt 179 and Pt 197	946 4	curve
		1858 6	radius
Southwest	Pt 197	243 3	curve

		3668 2	radius
Southwest	Pt 197 and De La Mine Road	99 7	straight
Southwest	Pt 197 and De La Mine Road	237 0	curve
		3902 9	radius
Southwest	Pt 197	840 5	curve
		1926 3	radius
Southwest	Pt 197 and Pt 111 and De La Mine Road	1447 0	straight

The northern limit (201 7' long) of part of lot 608 is measured along the westerly prolongation of the division line between lots 111 and 112, range 2, the eastern limit (99 9' long) is measured along the western limit of a part of an abandoned Public Road.

PARCEL 2

A certain parcel of land of irregular figure, situated in the Township of Potton, being composed of parts of lot six hundred and eight (Pts 608) of the Cadastre for the Township of Potton, Registration Division of Brome, Province of Quebec, containing a total area of two hundred and twenty-five thousand nine hundred and eleven square feet (225,911 sq ft), more or less and more fully described as follows:

Part of lot 608

Of land of irregular figure, containing an area of two hundred and nineteen thousand nine hundred and eleven square feet (219,911 sq ft), more or less:

BOUNDED	LOT	LENGTH (FEET)	LINE
West	Public Road (abandoned)	100 0	straight
Northeast	Pt 179A	496 8	curve
		5779 7	radius
Northeast	Pt 179A	323 2	straight
Northeast	Pt 179A and Pt 288 and De Mansonville Road	676 1	curve
		2095 7	radius
Northeast	Pts 288 and Missisquoi River	601 9	straight
Northeast	Pt 288	218 4	curve
		3956 0	radius
South	Pt 608	166 9	straight
Southwest	Pt 288	80 4	curve
		3857 0	radius
Southwest	Pt 608 and Pt 288	601 9	straight
Southwest	Pt 608, Pt 288 and De La Mine Road	644 1	curve
		1996 7	radius
Southwest	De La Mine Road	323 2	straight

BOUNDED	LOT	LENGTH (FEET)	LINE
Southwest	De La Mine Road	474 2	curve
		5680 7	radius

The western limit (100 0' long) of said part of lot 608 is measured along the eastern limit of an abandoned road, the southern limit (166 9' long) is measured along the westerly prolongation of the division line between lots 288 and 274;

Part of lot 608

Of irregular figure, containing an area of six thousand square feet (6,000 sq ft), more or less:

BOUNDED	LOT	LENGTH (FEET)	LINE
Northwest	Pt 288	30 0	straight
Northeast	Pt 608	123 5	curve
		1996 7	radius
Northeast	Pt 608	81 8	straight
Southeast	Pt 288	30 0	straight
Southwest	Pt 288	78 4	straight
Southwest	Pt 288	121 6	curve
		1966 7	radius

The eastern corner of said part of lot 608 is situated at a distance of six hundred feet and five tenths of a foot (600 5') measured in a northwesterly direction along the southwestern limit of lot 608 from its intersection with the division line between lots 274 and 284.

G. Registration Division of Brome

PARCEL 1

A certain parcel of land of irregular figure, situated in the Township of Potton, being a part of lot six hundred and eight (Pt 608) of the Cadastre for the Township of Potton, Registration Division of Brome, Province of Quebec, containing an area of seven hundred and four thousand one hundred and forty-two square feet (704,142 sq ft), more or less, and more fully described as follows:

BOUNDED	LOT	LENGTH (FEET)	LINE
North	Pt 608	166 9	straight
Northeast	Pt 274	85 3	curve
		3956 0	radius
Northeast	Pt 274	397 0	curve
		2002 7	radius
Northeast	Pt 274	303 6	curve

BOUNDED	LOT	LENGTH (FEET)	LINE
		3956 0	radius
Northeast	Pt 274 and Pt 271	1921 4	straight
Northeast	Pt 271 and Pt 272	244 5	curve
		2914 3	radius
Northeast	Pt 272	541 5	curve
		1481 8	radius
East	Pt 272	244 1	curve
		2914 3	radius
East	Pt 272	458 4	straight
Northeast	Pts 272, Pt 268 and Colgan Road	1172 2	curve
		1342 2	radius
Northeast	Pt 268	549 5	straight
Northeast	Pt 268	306 8	curve
		2225 3	radius
Northeast	Pt 268	347 8	curve
		1137 2	radius
Northeast	Pt 268	306 8	curve
		2225 3	radius
Northeast	Pt 268	213 7	straight
South	International Boundary between Canada and the United States of America	106 1	straight
Southwest	Pt 268	175 5	straight
Southwest	Pt 268	293 2	curve
		2126 3	radius
Southwest	Pt 268	317 6	curve
		1038 2	radius
Southwest	Pt 268	293 2	curve
		2126 3	radius
Southwest	Pt 268	549 5	straight
Southwest	Pt 268 and Pts 272 and Colgan Road	1258 6	curve
		1441 2	radius
West	Pt 272	458 4	straight
West	Pt 272	235 9	curve
		2815 3	radius
Southwest	Pt 272	504 7	curve
		1382 8	radius
Southwest	Pt 272 and Pt 271	235 5	curve
		2815 3	radius
Southwest	Pt 271 and Pt 274	1921 4	straight
Southwest	Pt 274	296 4	curve
		3857 0	radius
Southwest	Pts 274	377 4	curve
		1903 7	radius
Southwest	Pt 274	215 8	curve

BOUNDED LOT

LENGTH LINE
(FEET)
3857 0 radius

The northern limit (166 9' long) of said part of lot 608 is measured along easterly prolongation of the division line between lots 274 and 288, the southern limit (106 1' long) is measured along the International Boundary between Canada and the United States of America.

Together with all buildings erected on the parcels of land above described. Together with all railway trackage and track materials located on the parcels of land above described. Together with all improvements, fixtures and structures thereon erected."

CANADA

COUR SUPÉRIEURE

(Chambre commerciale)

PROVINCE DE QUÉBEC
DISTRICT DE SAINT-FRANÇOIS
N°: 450-11-000167-134

*(Loi sur les arrangements avec les créanciers des
compagnies, L.R.C. C-36, telle qu'amendée)*

DANS L'AFFAIRE DU PLAN D'ARRANGEMENT
ET DE COMPROMIS DE:

**MONTREAL, MAINE & ATLANTIC CANADA CO.
(MONTREAL, MAINE & ATLANTIQUE CANADA
CIE)**

Débitrice-Requérante

-et-

**RICHTER ADVISORY GROUP INC. (RICHTER
GROUPE CONSEIL INC.)**

Contrôleur

ATTESTATION D'AUTHENTICITÉ
Selon l'art. 82.1 du C.p.c.

J'atteste que la copie de l'affidavit est conforme au facsimilé de cet acte reçu par
télécopieur:

Nature du document : Affidavit de Robert C. Grindrod
Numéro de Cour : 450-11-000167-134
Nom de l'expéditeur : Gaynor Ryan
Numéro du télécopieur émetteur : 207-848-4345
Lieu de la transmission : Portland, Maine
Date de la transmission : Le 8 mai 2014
Heure de transmission : 10h40

Montréal, ce 8 mai 2014


Alexander Bayus
GOWLING LAFLEUR HENDERSON S.E.N.C.R.L., S.R.L.

CANADA

PROVINCE OF QUEBEC
DISTRICT OF SAINT-FRANÇOIS
N°: 450-11-000167-134

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
C. C-36, as amended)

IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:

MONTREAL, MAINE & ATLANTIC CANADA CO.
(MONTREAL, MAINE & ATLANTIQUE CANADA
CIE)

Debtor-PETITIONER

and

RICHTER ADVISORY GROUP INC. (RICHTER
GROUPE CONSEIL INC.)

Monitor

-and-

RAILROAD ACQUISITION HOLDINGS LLC

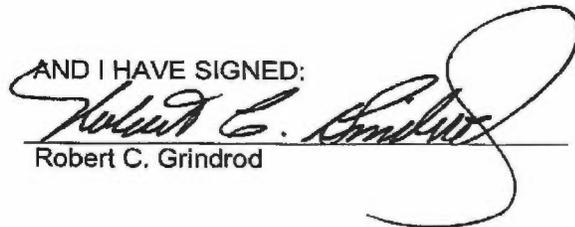
Mise en cause

AFFIDAVIT OF ROBERT C. GRINDROD

I, the undersigned, Robert C. Grindrod, businessman, doing business at 15 Iron Road, Herman, Maine, USA, 04401, solemnly declare as follows:

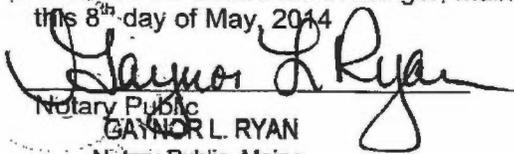
1. I am the President and Chief Executive Officer of Petitioner;
2. All the facts alleged in the present *Motion for an Order Approving the Third Amendment to the Asset Purchase Agreement and the Sale of Certain Receivables* are true.

AND I HAVE SIGNED:



Robert C. Grindrod

SWORN TO before me in Bangor, Maine
this 8th day of May, 2014



Notary Public
GAYNOR L. RYAN
Notary Public, Maine

My Commission Expires May 4, 2015