

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

_____)	
In re:)	
)	
Montreal Maine & Atlantic Railway Ltd.,)	Case No. 13-10670
)	
Debtor.)	
_____)	
)	
Wheeling & Lake Erie Railway Co.,)	
)	
Plaintiff,)	Adv. No. 13-_____
)	
v.)	
)	
Robert J. Keach, in his capacity as Chapter 11)	
Trustee of Montreal Maine & Atlantic)	
Railway Ltd.; Montreal Maine & Atlantic)	
Railway Ltd; LMS Acquisition Corp.;)	
Montreal Maine & Atlantic Corp.; Travelers)	
Property Casualty Company of America a/k/a)	
Travelers Insurance Company,)	
)	
Defendants.)	
_____)	

**COMPLAINT FOR DECLARATORY JUDGMENT WITH RESPECT TO THE
EXTENT AND PRIORITY OF WHEELING & LAKE ERIE RAILWAY COMPANY’S
SECURITY INTEREST IN PROPERTY OF THE ESTATE**

Now comes the Wheeling & Lake Erie Railway Company (“Wheeling”) and hereby files this complaint (the “Complaint”) to determine the extent and priority of its security interests in certain property of Defendant Montreal, Maine & Atlantic Railway, Ltd. (the “Debtor”) and that of its affiliates, Defendants Montreal, Maine & Atlantic Corp. and LMS Acquisition Corp.

THE PARTIES

1. Wheeling is a rail carrier with its principal place of business in Brewster, Ohio. It operates in Ohio, Pennsylvania, West Virginia, and Maryland. It is one of the largest regional railroads in the United States.

2. Robert J. Keach is an individual with a principal place of business at 100 Middle Street, Portland Maine, who is serving as the chapter 11 trustee in the Debtor's bankruptcy case (the "Trustee").

3. The Debtor is a Delaware Corporation, with its principal place of business in Hermon, Maine.

4. LMS Acquisition Corporation ("LMS") is a Delaware corporation with a place of business in Hermon, Maine.

5. Montreal, Maine & Atlantic Corporation ("MMA Corp.") is a Delaware corporation with a place of business in Hermon, Maine. MMA Corp is the parent corporation of the Debtor and its affiliates, LMS and Montreal, Maine & Atlantic Canada Co. ("MMA Canada").

6. Travelers Property Casualty Company of America a/k/a Traveler's Insurance Company is an insurance company organized under the laws of the State of Connecticut and has its principal place of business at One Tower Square, Hartford, Connecticut.

JURISDICTION AND VENUE

7. This Court has jurisdiction over the above-captioned Chapter 11 case and this adversary proceeding pursuant to 28 U.S.C. §§ 157(a) and 1334(b), and D. Me. Civ. R. 83.6(a), pursuant to which all cases filed in Maine under Title 11 of the United States Code (the "Code") and civil proceedings arising under the Code or arising in or related to cases under the Code are referred to bankruptcy judges of this District.

8. Venue of the above-captioned Chapter 11 case is proper in this Court pursuant to 28 U.S.C. § 1408(1).

9. Venue of this adversary proceeding is proper in this Court pursuant to 28 U.S.C. § 1409(a).

10. This is a core proceeding. The Court has jurisdiction to enter final orders and judgments in this adversary proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(k) and (O). The statutory and rule predicates for the relief requested herein are 28 U.S.C. 2201, §§ 105(a) and 506 of the Code.

11. This case is properly filed as an adversary proceeding, pursuant to Rule 7001(2) of the Federal Rules of Bankruptcy Procedure.

GENERAL ALLEGATIONS

Wheeling's Security Interest

12. On or about June 15, 2009, MMA Corp., the Debtor, MMA Canada, and LMS (collectively, "MMA Debtors") executed and delivered to Wheeling that certain Line of Credit Note (the "LOC") that memorialized the terms of a revolving credit facility in the maximum amount of Six Million Dollars (\$6,000,000). A copy of the LOC is attached hereto as **Exhibit A**.

13. On or about June 15, 2009, the MMA Debtors executed and delivered to Wheeling that certain Security Agreement (the "Security Agreement"), to secure the MMA Debtors' obligations to Wheeling under the LOC. A copy of the Security Agreement is attached hereto as **Exhibit B**.

14. On August 25, 2009, Wheeling caused UCC-1 financing statements to be filed with the Secretary of State for the State of Delaware, thereby perfecting the grant of security contained in the Security Agreement. Copies of the UCC-1 financing statements are annexed hereto as **Exhibit C**.

15. Pursuant to the LOC and the Security Agreement, Wheeling loaned and advanced the principal amount of Six Million Dollars (\$6,000,000) to the MMA Debtors.

16. Pursuant to the Security Agreement, the MMA Debtors granted Wheeling a security interest (the "Security Interest") in the following property (the "Collateral"):

The Collateral of this Security Agreement is the following personal property of the Debtor [the MMA Debtors], wherever located, and inuring to the benefit of or owned by the Debtor now, or arising at any time in the future and wherever located as follows:

- A. All Accounts and other rights to payment (including Payment Intangibles), whether or not earned by performance, including but not limited to, payment for property or services sold, leased, rented, licensed, or assigned. This includes any rights and interests (including all liens) that Debtor may have by law or agreement against any account debtor or obligor of Debtor.
- B. All Inventory[.]
- C. All additions, accessions, substitutions, replacements, products to or for, and all cash or non-cash proceeds of any of the foregoing, including insurance proceeds.

See **Exhibit B**, § II.

17. Pursuant to the Security Agreement, “[a]ny term used in the Maine Uniform Commercial Code (Title 11, Maine Revised Statutes Annotated) as amended from time to time (“UCC”) and not defined in this Agreement shall have the meaning given to the term in the UCC.” See **Exhibit B**, § I.C.

18. Because the terms “Account”, “Inventory”, and, *inter alia*, “Payment Intangibles” are not defined in the Security Agreement, they have the meanings set forth in the UCC.

19. Pursuant to § 9-1102(2) of the UCC, the term “account” is defined, in relevant part, as:

a right to payment of a monetary obligation, whether or not earned by performance: (a) For property that has been or is to be sold, leased, licensed, assigned or otherwise disposed of; (b) For services rendered or to be rendered; (c) For a policy of insurance issued or to be issued; (d) For a secondary obligation incurred or to be incurred[.]

20. Pursuant to § 9-1102(48) of the UCC, the term “inventory” means:

goods, other than farm products, that: (a) Are leased by a person as lessor; (b) Are held by a person for sale or lease or to be furnished under a contract of service; (c) Are furnished by a person under a contract of service; or (d) Consist of raw materials, work in process or materials used or consumed in a business.

21. Pursuant to § 9-1102(61) of the UCC, the term “payment intangible” means: “a general intangible under which the account debtor’s principal obligation is a monetary obligation.”

The Insolvency Proceedings

22. Upon information and belief, the Debtor has, since January 2003, operated an integrated, international shortline freight railroad system with MMA Canada. Upon information and belief, the Debtor and MMA Canada have fully-integrated business operations and accounting, with the Debtor billing and collecting substantially all of the revenues generated by the operation of the freight railway system.

23. On July 6, 2013, in Lac-Megantic, Quebec, there was a derailment of an unmanned eastbound train of the Debtor with 72 carloads of crude oil and 5 locomotives (the “Derailement”). The Derailement caused explosions and is presumed to have killed 47 people and precipitated lawsuits related to injuries, deaths, and property damage in the United States and Canada.

24. Consequently, on August 7, 2013, (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11 of the Code.

25. Also on the Petition Date, an affiliate of the Debtor, MMA Canada, filed for protection from creditors in a concurrent proceeding (the “Canadian Proceeding”) before the Quebec Superior of Justice (Commercial Division) (the “Quebec Court”), under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”).

26. On August 21, 2013, the United States Trustee appointed the Trustee to serve as the Debtor’s trustee in this case pursuant to § 1163 of the Code.

27. Subsequently, on or about September 11, 2013, the Debtor filed its Schedules and Statements, including its Statement of Financial Affairs, purporting to provide a list of the

Debtor's assets and liabilities as of the Petition Date. [D.E. 216.] The Schedules filed by the Debtor include Schedules A through H, with each Schedule listing separate categories of assets and liabilities of the Debtor as of the Petition Date.

28. On Schedule B, the Debtor listed personal property in which it held an interest as of the Petition Date. A true and exact copy of Schedule B is attached hereto as **Exhibit D**.

29. Among the assets listed on Schedule B are items of personal property in which Wheeling claims or may claim a perfected security interest because they are Wheeling's Collateral and/or proceeds thereof under the Security Agreement. This Collateral includes, without limitation, a security interest in assets described in the following paragraph numbers of that Schedule: ¶¶ 2, 3, 9, 16, 18, 21, 23, 29, 30, and 35 of Schedule B (collectively, the "Schedule B Property").

30. On Schedule G, the Debtor listed executory contracts and unexpired leases in which it held an interest. A true and exact copy of Schedule G is attached hereto as **Exhibit E**.

31. Upon information and belief, the Debtor may claim a right to payment on account of some or all of the contracts or leases listed on Schedule G. To the extent that the Debtor claims, or can claim, a right to payment on account of any contract or lease on Schedule G, Wheeling claims a perfected Security Interest therein (the "Schedule G Property").

32. Without limiting the generality of the foregoing, among the assets described in Schedule B and Schedule G are insurance policies issued by Defendant Travelers Property Casualty Company of America a/k/a Travelers Insurance Company and by other insurance companies (the "Insurance Policies"). Wheeling has a valid, perfected and enforceable security interest in any rights of the MMA Debtors to payments under the Insurance Policies. Such rights to payment constitute Accounts and/or Payment Intangibles, and are Collateral of Wheeling.

33. Upon information and belief, there may exist other property of the Debtor or the Debtor's Estate, or of MMA Corp. or LMS that constitutes Collateral of Wheeling which is not disclosed on the Schedules or elsewhere. Wheeling claims a valid, perfected and enforceable security interest in any and all of such undisclosed Collateral.

34. Upon information and belief, the Trustee disputes the validity, extent and/or priority of Wheeling's Security Interest in certain of the property listed in Schedule B and Schedule G, in the Insurance Policies, and in other property not disclosed in such Schedules. As such, there exists an actual controversy with respect to the validity, extent and/or priority of Wheeling's Security Interest in its Collateral, and this Court has authority to resolve such disputes and to enter its declaratory judgment with respect thereto. 28 U.S.C. § 2201(a).

WHEREFORE, Wheeling respectfully requests that this Court:

- A. Enter its declaratory judgment determining and holding that (i) Wheeling holds a valid, perfected and/or enforceable security interest in so much of the Schedule B Property and Schedule G Property, the Insurance Policies, and other property to be identified in this Case as constitute Wheeling's Collateral pursuant to the Security Agreement and/or proceeds thereof, and (ii) determining the priority of Wheeling's Security Interest in such property;
- B. Preliminarily and permanently enjoin the Debtor and all other parties to this Adversary Proceeding, and any person acting in concert or participation with any such party, from undertaking any action, or omitting to take any action, that impairs the validity, enforceability and/or priority of Wheeling's Security Interest in any Collateral or the value of such Collateral;
- C. Award Wheeling its costs, interest, and attorneys fees, as provided in the LOC and the Security Agreement; and

D. Grant such other and further relief as the Court deems just and proper.

Dated: October 7, 2013

/s/ George J. Marcus

George J. Marcus

David C. Johnson

Andrew C. Helman

Counsel for Wheeling & Lake Erie Railway
Company

MARCUS, CLEGG & MISTRETТА, P.A.

One Canal Plaza, Suite 600

Portland, ME 04101

207.828.8000



LINE OF CREDIT NOTE

\$6,000,000.00

Bangor, Maine
June 15, 2009

MONTREAL, MAINE & ATLANTIC CORPORATION, a Delaware corporation with a place of business in Hermon, Penobscot County, Maine, and its wholly owned subsidiaries, MONTREAL, MAINE & ATLANTIC RAILWAY, LTD., a Delaware corporation with a place of business in Hermon, Penobscot County, Maine; MONTREAL, MAINE & ATLANTIC CANADA CO., a Nova Scotia corporation with a place of business in Montreal, Quebec, Canada; and LMS ACQUISITION CORPORATION, a Delaware corporation with a place of business in Hermon, Penobscot County, Maine (hereinafter collectively called "Maker"), for value received, promise to pay on June 15, 2010, unless Wheeling & Lake Erie Railway Company at its sole option, extends the time for such payment, in which case the terms of this Note shall continue in full force and effect, to the order of WHEELING & LAKE ERIE RAILWAY COMPANY (hereinafter called "WLE"), at its offices at 10 East First Street, Brewster, OH 44613, such sums as WLE may loan or advance to or for the benefit of Maker on or after the date hereof in accordance with the terms hereof, together with interest on the unpaid principal balance outstanding from time to time hereon computed from the date of each advance at a fluctuating rate of interest equal to the prime rate, published in the Money Rates Section of The Wall Street Journal, Eastern Edition on the applicable day in question, plus Two Percent (2.00%), adjusting monthly on the first day of each month. Interest shall be calculated on a per annum basis of 360 days.

The unpaid principal balance hereof shall at no time exceed the sum of Six Million Dollars (\$6,000,000.00). Interest on this Note is payable in monthly installments of all interest having then accrued, which shall be due and payable on the 15th day of July, 2009, and on like date of each month thereafter during the term hereof and at maturity. If any payment of principal or interest on this Note shall become due on a Saturday, Sunday, or public holiday on which the WLE is not open for business, such payment shall be made on the next succeeding business day of the WLE.

Payment of this Note, in whole or in part, may be made at any time or from time to time before maturity without penalty or premium. Any payment shall be applied first to any accrued interest, second to the unpaid principal balance, and any remaining amount to unpaid late charges and collection costs.

The unpaid principal balance of this Note at any time shall be the total amount loaned or advanced by WLE, less the amount of payments or prepayments of principal made hereon by or for the account of Maker. It is contemplated that by reason of prepayments hereon there may be times when no indebtedness is owing hereunder, but notwithstanding such occurrences, this Note shall be in full force and effect as to loans or advances made pursuant to and under the terms of this Note subsequent to each occurrence. In the event that the unpaid principal amount hereof at any time, for any reason, exceeds the maximum amount hereinabove specified, Maker covenants and agrees to pay the excess principal amount forthwith upon demand; such excess principal amount shall in all respects be deemed to be included among the loans or advances made pursuant to the other terms of this Note and shall bear interest at the rate above stated.

Advances hereunder will be made by WLE pursuant to the terms of the SUMMARY OF

PROPOSED TERMS – Revolving Credit Facility dated April 14, 2009 by and between Maker and WLE. Advances will be based upon a monthly borrowing base certificate (example attached) prepared and submitted by the 20th of each month. Availability under the Revolving Credit Facility shall be subject to a borrowing base comprised of: (1) up to 85% against accounts receivable (excluding, without limitation, (i)accounts receivable remaining unpaid more than 90-days from invoice date, (ii)contra accounts receivable, (iii)affiliated accounts receivable, and (iv)all receivables from customers that have more than 25% of their account receivables over 90 days from invoice date) and (2) up to 50% against the value of inventory (materials and supplies). Borrower will prepare a summary of all advances and payments activity for the month on a daily basis, resulting in the new month end balance outstanding. From the activity report, Maker will compute the daily interest.

Advances hereunder made by WLE pursuant to the terms set forth above shall be in accordance with the terms of advance authorizations executed and delivered from time to time by an officer or agent of Maker. Once each week during the term of the facility, Maker will make payments or receive advances. Either Maker will request via e-mail on Wednesday an advance to be completed via a wire on the following Thursday or the Maker will state via e-mail on Wednesday the amount to be paid by Maker via wire on the following Thursday. All advances and payments will be in increments of One Hundred Thousand Dollars (\$100,000.00). The interest amount will be a separate wire for the exact amount.

Maker shall maintain a standard system of accounting, established and administered in accordance with GAAP consistently followed throughout the periods involved, and will set aside on its books for each fiscal year, the proper amounts or accruals for depreciation, obsolescence, amortization, bad debts, current and deferred taxes, prepaid expenses, and for other purposes as shall be required by GAAP. Maker will deliver or cause to be delivered to the WLE:

(1) As soon as practicable after the end of each fiscal year, and in any event within one hundred fifty (150) days thereafter, annual consolidated financial statements with an unqualified opinion, including income statement, balance sheet, statement of condition of the Maker as of the end of such year, and statement of cash flow and changes in financial position of the Maker for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared by an independent certified public accountant, selected by Maker and satisfactory to the WLE;

(2) Quarterly consolidated financial statements, prepared by management within 30 days after the end of the first, second and third quarters and within 60 days after the end of the fourth quarter (including balance sheet, income statement, and cash flow statement); and

(3) Monthly borrowing base certificates, including receivables aging.

Upon reasonable notice Maker shall make its books and records relating to those assets provided as security for this Note available for inspection by WLE or its authorized representatives, upon WLE's request. WLE agrees to conduct its inspection in a reasonable manner so as not to be disruptive to Maker's ongoing business.

If this Note is not paid at maturity whether by acceleration or otherwise and is placed in

the hands of an attorney for collection, or suit is filed hereon, or proceedings are had in probate, bankruptcy, receivership, reorganization, arrangement or other legal proceedings for collection hereof or enforcement of rights hereunder, Maker and each liable party agree to pay WLE a reasonable amount as attorney's fees to the extent actually incurred. Maker and each other liable party are and shall be directly and primarily, jointly and severally, liable for the payment of all sums due hereunder, and Maker and each other liable party hereby expressly waive demand, notice of nonpayment, presentment, protest, notice of dishonor, bringing of suit and diligence in taking any action to collect any sums owing hereon and in the handling of any security, and Maker and each other liable party hereby agree to any and all renewals, extensions for any period, rearrangements and/or partial prepayments hereon and to any release or substitution of security herefor, in whole or in part, with or without notice, before or after maturity. Maker and each other liable party also waive, to the full extent permitted by law, all right to plead any statute of limitations as a defense to any action hereunder.

The indebtedness evidenced by this Note is secured by certain agreements between Maker and WLE executed and delivered in accordance with the terms of the SUMMARY OF PROPOSED TERMS - Revolving Credit Facility dated April 14, 2009 above referenced.

THE MAKER AND THE WLE AGREE THAT NEITHER OF THEM NOR ANY ASSIGNEE OR SUCCESSOR SHALL (A) SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER ACTION BASED UPON, OR ARISING OUT OF, THIS PROMISSORY NOTE, ANY RELATED INSTRUMENTS, OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG ANY OF THEM, OR (B) SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY THE MAKER AND THE WLE, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER THE MAKER NOR THE WLE HAS AGREED WITH OR REPRESENTED TO THE OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

WITNESS:

MONTREAL, MAINE & ATLANTIC CORPORATION

Norma J. Griffiths By: *[Signature]*
its
Hereunto Duly Authorized

WITNESS:

MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.

Norma J. Griffiths By: *[Signature]*
its
Hereunto Duly Authorized

WITNESS:

MONTREAL, MAINE & ATLANTIC CANADA CO.

Norma J. Griffiths

By: [Signature]
Its
Hereunto Duly Authorized

WITNESS:

LMS ACQUISITION CORPORATION

Norma J. Griffiths

By: [Signature]
Its
Hereunto Duly Authorized



SECURITY AGREEMENT

AGREEMENT made this 15th day of June, 2009, by and between **MONTREAL, MAINE & ATLANTIC CORPORATION**, a Delaware corporation with a place of business in Hermon, Penobscot County, Maine, **MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.**, a Delaware corporation with a place of business in Hermon, Penobscot County, Maine, and whose mailing address is 15 Iron Road, Hermon, ME 04401, **MONTREAL, MAINE & ATLANTIC CANADA CO.**, a Nova Scotia corporation with a place of business in Montreal, Quebec, Canada, and **LMS ACQUISITION CORPORATION**, a Delaware corporation with a place of business in Hermon, Penobscot County, Maine (hereinafter collectively called "Debtor") and **WHEELING & LAKE ERIE RAILWAY COMPANY**, a Delaware corporation with a place of business at Brewster, Ohio, and whose mailing address is 10 East First Street, Brewster, OH 44613 (hereinafter called "Secured Party").

Section I. Security Interest.

A. Debtor hereby grants to Secured Party a security interest in the Collateral described in Section II of this Agreement to secure the payment and performance of the Obligations defined in this Agreement. This Security Agreement is entered into with respect to transactions involving business and commercial purposes.

B. This Security Agreement secures the following Obligations:

(1) all obligations of Debtor to Secured Party evidenced by a Line of Credit Note of substantially even date in the original principal amount of Six Million Dollars and No Cents (\$6,000,000.00), as the same may be amended or extended (hereinafter referred to as "the Note") and all instruments, documents or agreements referenced or defined therein (such Note and other agreements being hereinafter collectively referred to as the "Loan Documents");

(2) any and all other liabilities of Debtor to Secured Party of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and whether arising out of or under the Note, Loan Documents hereunder, or any other evidence of indebtedness of any kind or description;

(3) all costs incurred by Secured Party, directly or indirectly, for maintenance or preservation of the Collateral or to enforce any of Secured Party's rights under this Agreement or with respect to the Obligations or any of Secured Party's rights or remedies with respect to Debtor and/or any guarantor or other person liable for any of the Obligations, including, without limitation, reasonable attorneys fees and expenses incurred by attorneys for Secured Party;

(4) all obligations under any renewal, replacement, substitution, addition, modification, or extension of any of the foregoing; and

(5) any of the foregoing that arises after the filing of a petition by or against Debtor under the Bankruptcy Code, even if the obligations do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise.

"Obligations" include obligations to perform acts and refrain from taking action as well as obligations to pay money.

C. Any term used in the Maine Uniform Commercial Code (Title 11, Maine Revised Statutes Annotated) as amended from time to time ("UCC") and not defined in this Agreement shall have the meaning given to the term in the UCC.

D. To the extent Debtor uses proceeds of a loan from Secured Party to purchase Collateral, Debtor's repayment of the loan shall apply on a "first-in-first-out" basis so that payment will be made in the chronological order that Debtor purchased such Collateral.

Section II. Collateral.

The Collateral of this Security Agreement is the following personal property of Debtor, wherever located, and inuring to the benefit of or owned by the Debtor now, or arising at any time in the future and wherever located as follows:

A. All Accounts and other rights to payment (including Payment Intangibles), whether or not earned by performance, including but not limited to, payment for property or services sold, leased, rented, licensed, or assigned. This includes any rights and interests (including all liens) that Debtor may have by law or agreement against any account debtor or obligor of Debtor.

B. All Inventory

C. All additions, accessions, substitutions, replacements, products to or for, and all cash or non-cash proceeds of any of the foregoing, including insurance proceeds.

Section III. Debtor's Representations and Warranties.

Debtor represents and warrants as follows:

A. Debtor has rights in or the power to transfer the Collateral, and Debtor has good and marketable title to the Collateral, free from any adverse claims, liens, security interests, encumbrances, or restrictions on pledge or transfer, except as created by this Agreement.

B. All information furnished by Debtor to Secured Party concerning the Collateral is, or will be at the time the same is furnished, accurate and complete in all material respects.

C. The office where Debtor keeps its records concerning Accounts is Hermon, Maine. Debtor will not remove any such records from Hermon, Maine, without the written consent of Secured Party.

D. All Collateral is located solely in the State of Maine, and shall not be removed from that location without the prior consent of Secured Party.

E. Debtor's exact legal name, place of residence (if Debtor is an individual), chief executive office, and state of incorporation or registration (if applicable) are as set forth in the first paragraph of this Security Agreement.

F. Until the Obligations are satisfied in full, Debtor agrees that it will not merge into or consolidate with any other entity or otherwise change Debtor's business structure, or sell all or substantially all of Debtor's assets, or change the state where Debtor is located, or change Debtor's name, without prior written notice to and consent of Secured Party.

Section IV. Accounts.

A. So long as Secured Party does not request that the account debtors be notified of the assignment of Accounts to Secured Party, Debtor shall receive all amounts due for services rendered or goods sold and shall make collections of all Accounts, and Debtor shall have full dominion and control over such proceeds and Accounts. Debtor will use all reasonable and diligent effort to collect Accounts when due.

B. At any time before or after default by Debtor hereunder, Debtor, when requested in writing by Secured Party, shall assign or endorse the Accounts, and all amounts due to Debtor for services rendered or goods sold, to Secured Party; shall notify account debtors that the Accounts have been assigned and should be paid to the Secured Party; and shall deliver to Secured Party, promptly upon receipt, all amounts due for services rendered or goods sold received by Debtor. Debtor, shall upon request of Secured Party, account for and pay over or deliver to Secured Party all such sums received from account collections and, pending such payment or delivery to Secured Party, Debtor will hold all such money and other proceeds in trust for Secured Party separate and apart from, and without in any manner commingling the same with, Debtor's funds, and Debtor will not use the same in the conduct of Debtor's business or for any other purpose.

C. At the time any Account becomes subject to a security interest in favor of Secured Party, Debtor warrants that such Account shall be valid and undisputed and that there shall be no setoffs or counterclaims against such Account except for disputes that may arise in the ordinary course of business have no material effect (financial or otherwise) in the aggregate upon Debtor.

Section V. Taxes, Assessments and Governmental Charges.

Debtor will pay promptly when due all taxes, assessments and governmental charges imposed upon Debtor or Debtor's Collateral, including without limitation, income, excise, sales, and use taxes.

Section VI. Prohibition on Other Security Interests or Financing Statements.

Except as expressly permitted by Secured Party, Debtor will not permit or suffer to exist any other security interest in or lien upon the Collateral nor any financing statement covering the Collateral to be on file in any public office except the financing statement in favor of Secured Party. Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. Secured Party, in the name of Debtor, may contest any claims made against Debtor wherein an adverse decision would impair Secured Party's security.

Section VII. Reports, Examinations, Inspections.

A. Debtor will immediately notify the Secured Party of any event causing loss or depreciation in value of the Collateral, and the amount of such loss or depreciation. Debtor will upon the request of Secured Party at any reasonable time furnish to Secured Party a report showing all Accounts and all other information relating to the Accounts as Secured Party may request.

B. Debtor will provide Secured Party with all such financial reports and data as required in the Loan Documents, and in addition, Debtor shall deliver such financial reports and data pertaining to the Collateral as Secured Party may reasonably request from time to time. Secured Party shall be entitled at its own expense to have audits made of Debtor during business hours by independent accountants, and to examine, inspect and make extracts from Debtor's books, electronically stored data, and other records.

C. Debtor and Secured Party may each inspect any Collateral in the other party's possession, at any time, upon reasonable notice.

Section VIII. Costs and Expenses Paid by Secured Party.

A. If Debtor fails to do so, Secured Party may, at its option, pay for, taxes, assessments or other charges on the Collateral; may discharge any security interest in or lien upon the Collateral. Any such payment made or expense incurred by Secured Party shall be added to the indebtedness of Debtor to Secured Party, shall be payable on demand, and shall be an Obligation secured by this Agreement.

B. Debtor shall pay to Secured Party on demand any and all expenses, including legal expenses and reasonable attorneys fees, incurred or paid by Secured Party for any purpose related to the Collateral or the Obligations, including, without limitation, expenses for (1) defending any claims against the Collateral; (2) enforcing any rights of Secured Party under this Agreement; (3) commencing, defending, intervening in or taking any other action in or with respect to any litigation or arbitration proceeding, including any bankruptcy, insolvency, or similar proceeding, relating to the Debtor or the Collateral.

Section IX. Financing Statements: Perfection.

A. Debtor authorizes Secured Party to file financing statements, amendments and continuations in its name at any time and from time to time until all Obligations secured hereby are paid in full, and in addition, Debtor agrees to execute a financing statement pursuant to the UCC in form satisfactory to Secured Party. Debtor shall pay all costs of filing any and all financing, continuation, or termination statements with respect to the security interest created by this Agreement.

B. So long as Debtor is not in default, Debtor shall have possession of the Collateral, except as expressly provided otherwise in this Agreement, and except to the extent Secured Party chooses to perfect its security interest in any Collateral by possession in addition to the filing of a financing statement. If any Collateral is in the possession of a third party, Debtor shall join with Secured Party in notifying the third party of Secured Party's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Secured Party.

C. Debtor will cooperate with Secured Party in obtaining control with respect to any Collateral consisting of Accounts.

Section X. Events of Default.

Debtor shall be in default under this Agreement upon the happening of any of the following events:

A. Any default by Debtor in the payment or performance of any of the Obligations, including the occurrence of any event of default as defined or set forth in the Loan Documents, subject to any applicable notice and cure provisions;

B. Debtor's failure to observe or perform any other covenant or agreement contained in this Security Agreement;

C. If applicable, any default under the terms of any guaranty held by or in favor of Secured Party of the indebtedness secured hereby, or under any agreement providing collateral for any such guaranty;

D. Breach by Debtor of, or the incorrectness of any representation or warranty contained in this Security Agreement, the Note, Loan Documents, or any of the other Obligations or any other agreement between Debtor and Secured Party;

E. Debtor shall be involved in financial difficulties as evidenced by:

(1) an attachment made on the Collateral or other assets of Debtor that is not discharged within thirty (30) days from the making thereof; or

- (2) an admission in a written notice by Debtor to Secured Party of Debtor's inability to pay Debtor's debts generally as they become due; or
- (3) the making of an assignment by Debtor for the benefit of creditors; or
- (4) Debtor consenting to the appointment of a receiver for all or a substantial part of Debtor's property; or
- (5) Debtor filing a petition in bankruptcy or for reorganization or the adoption of an arrangement under any federal or state bankruptcy or insolvency law, or the entry of an order for relief, or the entry of a court order without the consent of Debtor appointing a receiver or trustee for all or a substantial part of Debtor's property or for any other judicial modification or adjustment of the rights of creditors, which order is not vacated, set aside, or stayed within sixty (60) days of the date of its entry; or Debtor's insolvency meaning either that Debtor's liabilities exceed assets or that Debtor is unable to pay debts as the same come due;

F. Material uninsured loss, theft, substantial damage, destruction or encumbrance of any of the Collateral.

G. The encumbering or hypothecation or sale of any of the issued or authorized to be issued shares of stock of the Debtor, whether direct or indirect, and however occurring or arising.

H. Debtor or any guarantor of any of the Obligations is convicted of any offense that could result in the forfeiture of the Collateral, or the Collateral is subject to an order of forfeiture.

I. Secured Party receives a report from the Secretary of State of Maine or the Secretary of State of any other state where Debtor is located or where any Collateral is located indicating that Secured Party's security interest is not prior to all other security interests or other interests reflected in the report.

Section XI. Remedies.

A. If any event of default has occurred, the Secured Party may declare all Obligations secured hereby to be immediately due and payable and may exercise any and all rights and remedies available at law or in equity, including those available under the provisions of the Maine Uniform Commercial Code, and Secured Party shall have the right to pursue all such remedies separately, successively, or simultaneously. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party. Debtor shall not be entitled to possess any of the Collateral after default, and Secured Party may enter upon and into the premises where Collateral may be located and remove the same. Such repossession shall not affect Secured Party's right to retain all payments made by Debtor prior thereto. Secured Party's acceptance of any payment subsequent to Debtor's default shall not affect any rights or obligations hereunder with respect to any subsequent payments or defaults.

B. Secured Party shall give such notice of any private or public sale or other disposition of Collateral as may be required by the UCC. Any requirement of reasonable notice shall be met, if notice is sent to Debtor or other person entitled thereto at least ten (10) days before the time of any sale or disposition of the Collateral, or any act contemplated.

C. Debtor shall pay to Secured Party on demand any and all expenses, including legal expenses and reasonable attorneys' fees, incurred or paid by the Secured Party in protecting or enforcing any rights of the Secured Party hereunder, including expenses incurred in taking possession of the Collateral, storing, and disposing of the same, or collecting the proceeds thereof.

D. If Secured Party elects to take possession of the Collateral, Secured Party shall have the right to continue to operate and manage Debtor's business for such period of time as Secured Party deems necessary in order to attempt to sell all of the Collateral as a going business.

E. Any proceeds of collection or enforcement or sale or other disposition of Collateral shall be applied first to expenses and reasonable attorneys' fees incurred by Secured Party and then to the satisfaction of the Obligations in such order as Secured Party may, in its sole discretion, determine, and Debtor shall remain liable for any deficiency.

F. After default, Secured Party may sell, lease, or otherwise dispose of any of the Collateral in its then present condition and Secured Party has no obligation to clean or repair the Collateral prior to sale. Secured Party may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral. Secured Party may sell the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties relating to title, possession, quiet enjoyment and the like. Any procedures allowed by this paragraph shall not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

G. No delay in accelerating the maturity of any Obligation or in taking any other action with respect to any event of default shall affect the rights of Secured Party later to take such action, and no waiver as to one event of default shall affect Secured Party's rights as to any other default.

H. Secured Party has no obligation to attempt to satisfy the Obligations by collecting them from any other person liable for them. Secured Party may release, modify, or waive any collateral provided by any other person to secure any of the Obligations, all without affecting Secured Party's rights against Debtor. Debtor waives any rights it may have to require Secured Party to pursue any third party for any of the obligations.

I. Secured Party may exercise any rights or remedies set forth in the Loan Documents.

Section XII. Miscellaneous Provisions.

A. This Agreement may be amended only by the written agreement of Secured Party and Debtor. This Agreement, together with the Loan Documents, is the entire agreement of Debtor and Secured Party concerning the subject matter hereof. This Agreement restates the grant of security interests set forth in the Note and the other Loan Documents.

B. Debtor agrees to execute and deliver such additional documents and to do all such additional acts as Secured Party may reasonably request in order to evidence or perfect or maintain the priority of the security interest granted in this Agreement, or to effectuate the rights of Secured Party under this Agreement.

C. Any notice required by this Agreement shall be deemed to have been sufficiently given when a record has been (1) deposited in any United States postal box, with postage prepaid and properly addressed to the intended recipient, (2) received by telecopy, (3) received through the internet; or (4) personally delivered.

D. All rights of Secured Party hereunder shall inure to the benefit of the successors and assigns of Secured Party and all obligations of Debtor hereunder shall bind all persons who become bound as a debtor to this Security Agreement. Secured Party does not consent to any assignment by Debtor except as expressly provided in this Agreement.

E. This Security Agreement and all of the rights, remedies and duties of Secured Party and Debtor shall be governed by the laws of the State of Maine, except to the extent that the Maine Uniform Commercial Code provides for the application of the law of the state where Debtor is located.

F. If any provisions of this Agreement should be found to be void, invalid, or unenforceable by a court of competent jurisdiction, that finding shall only affect the provisions found to be void, invalid, or unenforceable, and shall not affect the remaining provisions of this Agreement.

Section XIII. Jury Trial Waiver.

DEBTOR AND SECURED PARTY AGREE THAT NEITHER OF THEM NOR ANY ASSIGNEE OR SUCCESSOR SHALL (A) SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER ACTION BASED UPON, OR ARISING OUT OF, THIS AGREEMENT, ANY RELATED INSTRUMENTS, OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG ANY OF THEM, OR (B) SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY DEBTOR AND SECURED PARTY, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER DEBTOR NOR SECURED PARTY HAS AGREED WITH OR REPRESENTED TO THE OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed under seal as of the day and year first above written.

WITNESS:

MONTREAL, MAINE & ATLANTIC CORPORATION

Norman J. Griffiths

By: M. Donald Gardner
M. Donald Gardner
Its CFO
Hereunto Duly Authorized

MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.

Norman J. Griffiths

By: M. Donald Gardner
M. Donald Gardner
Its CFO
Hereunto Duly Authorized

MONTREAL, MAINE & ATLANTIC CANADA CO.

Norman J. Griffiths

By: M. Donald Gardner
M. Donald Gardner
Its CFO
Hereunto Duly Authorized

LMS ACQUISITIONS CORPORATION

Norman J. Griffiths

By: M. Donald Gardner
M. Donald Gardner
Its CFO
Hereunto Duly Authorized
DEBTORS

WHEELING & LAKE ERIE RAILWAY COMPANY

[Signature]

By: [Signature]
Its Hereunto Duly Authorized
SECURED PARTY

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)	
Lara Neumark	3122665941
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
MRDLAW	
676 N. MICHIGAN AVE., SUITE 2800	
CHICAGO IL 60611	

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 04:08 PM 08/25/2009
 INITIAL FILING # 2009 2731526
 SRV: 090806133



1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME					
MONTREAL, MAINE & ATLANTIC CORPORATION					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
15 IRON ROAD			HERMON	ME	04401
			COUNTRY	US	
			1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	
			CORPORATION	DE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
			2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME					
WHEELING & LAKE ERIE RAILWAY COMPANY					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
100 EAST FIRST STREET			BREWSTER, OHIO	OH	44513
			COUNTRY	US	

4. This FINANCING STATEMENT covers the following collateral:

All of Debtor's inventory, accounts and payment intangibles (as those terms are defined in the Uniform Commercial Code) whether now owned or hereafter acquired or arising and all proceeds including insurance proceeds thereof.

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 04:15 PM 08/25/2009
 INITIAL FILING # 2009 2731773
 SRV: 090806180

A. NAME & PHONE OF CONTACT AT FILER [optional]
 Lara Neumark 3122665941

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

MRDLAW
 676 N. MICHIGAN AVE., SUITE 2800
 CHICAGO IL 60611

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
 MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 15 IRON ROAD HERMON ME 04401 US

1a. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION
 CORPORATION DE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2a. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
 WHEELING & LAKE ERIE RAILWAY COMPANY

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 100 EAST FIRST STREET BREWSTER OH 44513 US

4. This FINANCING STATEMENT covers the following collateral:

All of Debtor's inventory, accounts and payment intangibles (as those terms are defined in the Uniform Commercial Code) whether now owned or hereafter acquired or arising and all proceeds including insurance proceeds thereof.

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attech Addendum If applicable

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
Lara Neumark	3122665941
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
MRDLAW	
676 N. MICHIGAN AVE., SUITE 2800	
CHICAGO IL 60611	

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 04:28 PM 08/25/2009
 INITIAL FILING # 2009 2732276
 SRV: 090806299

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME IASB ACQUISITION CORPORATION					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 15 IRON ROAD		CITY HERMON	STATE ME	POSTAL CODE 04401	COUNTRY US
1e. TYPE OF ORGANIZATION CORPORATION			1f. JURISDICTION OF ORGANIZATION DE		

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2e. TYPE OF ORGANIZATION			2f. JURISDICTION OF ORGANIZATION		

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME WHEELING & LAKE ERIE RAILWAY COMPANY					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 100 EAST FIRST STREET		CITY BREWSTER	STATE OH	POSTAL CODE 44513	COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

All of Debtor's inventory, accounts and payment intangibles (as those terms are defined in the Uniform Commercial Code) whether now owned or hereafter acquired or arising and all proceeds including insurance proceeds thereof.

6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum <input type="checkbox"/> (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) <input type="checkbox"/> (optional)	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
8. OPTIONAL FILER REFERENCE DATA				

B6B (Official Form 6B) (12/07)



In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "X" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petitioner is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
1. Cash on hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		TD Bank - Acct X6826 Montreal, Maine & Atlantic Railway, LTD (Operating account)	-	341,804.00
		TD Bank Account X1968	-	361.00
		CIBC Montreal, Maine & Atlantic Railway LTD Canadian Funds X9410	-	1,321.00
		CIBC Montreal, Maine & Atlantic Railway LTD U.S. Fund X0718	-	717.00
		Bank of America Montreal, Maine & Atlantic Railway LTD X8136 Car Hire	-	1,093.00
		Bangor Savings Bank Account X4951 Repo Investment Account Operating Account	-	1,317.00
		Bangor Savings Bank Account X1055 Corporate Account	-	250.00
3. Security deposits with public utilities, telephone companies, landlords, and others,		Security Deposit with Bangor Hydro	-	38,000.00
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
Sub-Total >				384,863.00
(Total of this page)				

18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 6B) (12/97) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.		XL Group Insurance Company	-	Unknown
		Travelers Insurance Company	-	Unknown
		Great American Insurance Company	-	Unknown
10. Annuities. Itemize and name each issuer.	X			
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	X			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	X			
13. Stock and interests in incorporated and unincorporated businesses. Itemize.		100% of stock in Montreal, Maine & Atlantic Canada Co.	-	Unknown
14. Interests in partnerships or joint ventures. Itemize.	X			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			
16. Accounts receivable.		See attached accounts receivable list at Exhibit 3. *Exhibit 3 excludes estimated waybills. Also included in Exhibit 3 are accounts receivables that may be owed to Montreal, Maine & Atlantic Canada Co.	-	2,740,991.41

Sub-Total > **2,740,991.41**
(Total of this page)

Sheet 1 of 18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.		2011 Federal Refund. IRS forwarded amount to the State of Maine	-	42,542.00
		Intercompany Receivable due to Montreal, Maine & Atlantic from LMS Acquisition Corp. Location: 15 Iron Road, Hermon ME 04401	-	3,000,000.00
		Intercompany receivable due to Montreal, Maine & Atlantic Corporation from Montreal, Maine & Atlantic Canada, Co. Location: 15 Iron Road, Hermon ME 04401	-	3,620,942.00
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	X			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.		Claim against Travelers Insurance Company, plus defense costs	-	Unknown
		Claim against Great American Insurance Company, plus defense costs	-	Unknown
		Claims against XL Group Insurance Company, plus defense costs	-	Unknown
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.		See Schedule of Licenses attached as Exhibit 4 Location: 15 Iron Road, Hermon ME 04401	-	Unknown
		Utility Licenses Bangor Hydro 21 Telecom Drive Bangor, ME 04401	-	Unknown
Sub-Total >				6,663,484.00
(Total of this page)				

Sheet 2 of 18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	NONE	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Utility License Fairpoint Communications 155 Grannett Drive South Portland, ME 04106	-	Unknown
		Utility License Central Maine Power 83 Edison Drive Augusta, ME 04336	-	Unknown
		Fiber Optic Easement AT&T Corporation 1200 Peachtree Street, Room 2003 Atlanta, GA 30309	-	Unknown
		Tower Lease - PT-10050 Penobscot Regional Comm. Ctr. 97 Hammond Street Bangor, ME 04401	-	Unknown
		Tower Lease Portland Cellular Partnership a/k/a Verizon Wireless P.O. Box 2167 Folsom, CA 95763-2167	-	Unknown
		Tower Lease Atlantic Communications 40 Freedom Parkway Hermon, ME 04401	-	Unknown
		Crossing License or Lease - ADE 4660 Comcast Cable Communications One Comcast Center Philadelphia, PA 19103	-	Unknown
		Crossing License or Lease - ADE 4661 Comcast Cable Communications One Comcast Center Philadelphia, PA 19103	-	Unknown
		Crossing License or Lease - BLU1610 Blue Seal Feeds 15 Buttrick Road Londonderry, NH 03053	-	Unknown
		Crossing License or Lease - BX00181 East Millinocket Water Works 53 Main Street East Millinocket, ME 04430-1199	-	Unknown
			Sub-Total >	0.00
			(Total of this page)	

Sheet 3 of 18 continuation sheets attached to the Schedule of Personal Property

BGE (Official Form 6B) (12/87) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Crossing License or Lease - BX00711 Town of East Millinocket 53 Main Street East Millinocket, ME 04430-1199	-	Unknown
		Crossing License or Lease - FEE1555 Feed Commodities 47 Feed Mill Land Middlebury, VT 05753	-	Unknown
		Crossing License or Lease - HES7201 Eugene Hess 24 Penny Lane Newport, VT 05855	-	Unknown
		Crossing License or Lease - HO00125 Ron Rushton 44 School Street North Springfield, VT 05150	-	Unknown
		Crossing License or Lease - JK 107 Gary Paradise P.O. Box 565 Jackman, ME 04945	-	Unknown
		Crossing License or Lease - MA00529 Sawyer Environmental 358 Emerson Mill Road Hampden, ME 04444	-	Unknown
		Crossing License or Lease - MK 10065 Chris Carr 115 Massachusetts Avenue Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - MK10055 Magic City Properties P.O. Box 628 Old Lyme, CT 06371	-	Unknown
		Crossing License or Lease - MK14693 C. W. Preble 139 Penobscot Avenue Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - MK14696 Levasseur's Hardware 225 Aroostook Avenue Millinocket, ME 04462	-	Unknown
			Sub-Total >	0.00
			(Total of this page)	

Sheet 4 of 18 continuation sheets attached
to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	NONE	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Crossing License or Lease - MK900 J. M. Huber Corp. P.O. Box 554 Old Town, ME 04468	-	Unknown
		Crossing License or Lease - MX00815 Jean Russel 241 Main Street Searsport, ME 04974	-	Unknown
		Crossing License or Lease - NC10063 Joe Deroche 58 Sargent Drive Old Town, ME 04468	-	Unknown
		Crossing License or Lease - NC10066 Carl and Janet Quirion 524 Cushman Road Winslow, ME 04901	-	Unknown
		Crossing License or Lease - NE10064 Fairpoint - Bebee Spur (Landing Street) 800 Hinesburg Road South Burlington, VT 05403	-	Unknown
		Crossing License or Lease - NEW6325 Town of Newport P.O. Box 85 Newport, VT 05855	-	Unknown
		Crossing License or Lease - NEW6328 Newport Country Club MP 0.61 P.O. Box 434 Newport, VT 05855	-	Unknown
		Crossing License or Lease - NEW6340 Newport Marina Condominium Assoc. P.O. Box 353 Newport, VT 05855	-	Unknown
		Crossing License or Lease - NEW6350 Town of Newport P.O. Box 85 Newport, VT 05855	-	Unknown
			Sub-Total >	0.00
			(Total of this page)	

Sheet 5 of 18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 6B) (12/97) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Crossing License or Lease - NM00640 Adelphia Cable Attn: Dept. 23510 7910 Crescent Executive Drive Charlotte, NC 28219	-	Unknown
		Crossing License or Lease - NO00141 Brownville Water District 586 Main Road Brownville, ME 04414	-	Unknown
		Crossing License or Lease - NO14051 Brownville Water District 586 Main Road Brownville, ME 04414	-	Unknown
		Crossing License or Lease - NOR7701 VT Assoc. of Snow Travelers 26 Vast Lane Barre, VT 04641	-	Unknown
		Crossing License or Lease - NOR7725 No. Country Union High School Veterans Avenue Newport, VT 05855	-	Unknown
		Crossing License or Lease - NOR7800 Village of North Troy, Vermont Municipal Office North Troy, VT 05859	-	Unknown
		Crossing License or Lease - NOR7801 Village of North Troy Municipal Office North Troy, VT 05859	-	Unknown
		Crossing License or Lease - NW10060 City of Newport P.O. Box 85 Newport, VT 05855	-	Unknown
		Crossing License or Lease - POM1851 Pomerleau Real Estate P.O. Box 6 Burlington, VT 05402	-	Unknown
		Crossing License or Lease - RIC2925 Village of Richford, Vermont P.O. Box 236 Richford, VT 05476	-	Unknown
			Sub-Total >	0.00
			(Total of this page)	

Sheet 6 of 18 continuation sheets attached
to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Crossing License or Lease - RO00712 Lane Construction P.O. BOX 103 Bangor, ME 04402-0103	-	Unknown
		Crossing License or Lease - RU00624 Lionel Palmer 9A High Street Milo, ME 04463	-	Unknown
		Crossing License or Lease - RU00762 Lionel Palmer 9A High Street Milo, ME 04463	-	Unknown
		Crossing License or Lease - RU14957 Milo Water District 146 Park Street Milo, ME 04463-1740	-	Unknown
		Crossing License or Lease - SKO5990 Skoozy's Discount Center Route 105 East Berkshire, VT 05447	-	Unknown
		Crossing License or Lease - STP3300 Gerard St. Pierre 140 Jay Road Richford, VT 05476	-	Unknown
		Crossing License or Lease - VER2475 Donald Verge 331 Vermont Route 105 East North Troy, VT 05859-9318	-	Unknown
		Crossing License or Lease - VER4990 Vermont Electric Coop 42 Wescom Road Johnson, VT 05656	-	Unknown
		Crossing License or Lease - VR00618 General Alum P.O. Box 436 Searsport, ME 04974	-	Unknown
		Crossing License or Lease - VR15222 General Alum P.O. Box 436 Searsport, ME 04974	-	Unknown

Sub-Total > 0.00
(Total of this page)

Sheet 7 of 18 continuation sheets attached
to the Schedule of Personal Property

96B (Official Form 9B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	NONE	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Crossing License or Lease - WAS3000 Washington County Railroad P.O. Box 498 Bellows Falls, VT 05101	-	Unknown
		Crossing License or Lease - WR00835 Maine Fire Protection P.O. Box 1085 Bangor, ME 04402-1085	-	Unknown
		Crossing License or Lease - XR3003 Sawyer Environmental 358 Emerson Mill Road Hampden, ME 04444	-	Unknown
		Crossing License or Lease - XR3006 Twin Lakes Camp Owners 34 New Jersey Street Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - XR30012 Jo-Mary Snowmobile Club P.O. Box 446 Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - XR30014 City of Bangor Public Services Deptment 530 Maine Street Bangor, ME 04401	-	Unknown
		Crossing License or Lease - XR30023 Bayroot, LLC Wagner Forest Mgmt. Ltd. P.O. Box 933 Hermon, ME 04402	-	Unknown
		Crossing License or Lease - XR30026 Paul Bunyan Snowmobile Club P.O. Box 2144 Bangor, ME 04402-2144	-	Unknown
		Crossing License or Lease - XR30044 Ebeeme Snowmobile Club P.O. Box 633 Brownville, ME 04414	-	Unknown
			Sub-Total >	0.00
			(Total of this page)	

Sheet 8 of 18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	NONE	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Crossing License or Lease - XR30066 Goodwill Riders Snowmobile Club 844 Western Avenue Hampden, ME 04444	-	Unknown
		Crossing License or Lease - XR30076 Katahdin Forest Mgt. P.O. BOX 38 Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - XR30084 Katahdin Forest Mgt. P.O. Box 38 Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - XR30102 Harry and Kathy Fleming 46 Allison Lane Gorham, ME 04038	-	Unknown
		Crossing License or Lease XR30108 Jack Anderson 313 Parker Street Gardner, ME 04345	-	Unknown
		Crossing License or Lease - XR30112 Twin Lakes Camp Owners 34 New Jersey Street Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - XR30115 Freshwater Stone & Brick P.O. Box 15 Orland, ME 04472	-	Unknown
		Crossing License or Lease - XR30155 Mile 5.36 Group Association P.O. BOX 290 Searsport, ME 04974	-	Unknown
		Crossing License or Lease - XR30159 Millinocket Trail Committee 197 Penobscot Avenue Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - XR30106 Town of Milo Pleasant Street P.O. Box 218 Milo, ME 04463	-	Unknown
			Sub-Total >	0.00
			(Total of this page)	

Sheet 9 of 18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 6B) (12/87) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	NONE	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Crossing License or Lease - XR30171 Twin Lake Camp Owners 34 New Jersey Street Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - XR30172 Millinocket Trail Committee 197 Penobscot Avenue Millinocket, ME 04462	-	Unknown
		Crossing License or Lease - XR30174 Penobscot Snowmobile Club c/o Sandra Dorr 298 Clark Road Hermon, ME 04401	-	Unknown
		Crossing License or Lease - XR30253 Bucksport Sand & Gravel Box 730 Bucksport, ME 04416	-	Unknown
		Crossing License or Lease - XR30265 Penobscot Snowmobile Club c/o Sandra Dorr 398 Clark Road Hermon, ME 04401	-	Unknown
		Crossing License or Lease - XR30267 Richard Levesque 135 Castle Hill Road South Windham, ME 03087-1762	-	Unknown
		Crossing License or Lease - XR30280 Davis Hill Farm 221 Pearl Street North Dighton, MA 02764	-	Unknown
		Crossing License or Lease - XR30500 Great Lakes Hydro America P.O. Box 480 Marlborough, MA 01752-0480	-	Unknown
		Crossing License or Lease - XR30815 Steve Graebert 101 Concert Point Drive Stockton Springs, ME 04981	-	Unknown
			Sub-Total >	0.00
			(Total of this page)	

Sheet 10 of 18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 6B) (2/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Crossing License or Lease - XR30617 Plum Creek Timber 48 Capital Road West Fork, ME 04985	-	Unknown
		Crossing License or Lease - XR30618 OFLC Inc. P.O. Box 415 Greenville, ME 04441	-	Unknown
		Crossing License or Lease - XR30619 MBC Enterprises P.O. Box 436 Dover-Foxcroft, ME 04426	-	Unknown
		Crossing License or Lease - XR30621 Taunton Rayham Boundary Riders P.O. Box 27 Rockwood, ME 04478	-	Unknown
		Crossing License or Lease - XR30624 Cedar Lake - Long A Road Assoc. P.O. Box 354 East Millinocket, ME 04430	-	Unknown
		Crossing License or Lease - XR30625 Town of Greenville P.O. Box 1109 Greenville, ME 04441	-	Unknown
		Crossing License or Lease - XR30626 Town of Greenville P.O. Box 1109 Greenville, ME 04441	-	Unknown
		Crossing License or Lease - XR30627 C&E Real Estate 125 Adams Road Pittsford, VT 05763	-	Unknown
		Crossing License or Lease - XR30628 Brownville Snowmobile Club P.O. Box 296 Brownville, ME 04414	-	Unknown
		Crossing License or Lease - XR30632 North Country Cable/now Comcast One Comcast Center Philadelphia, PA 19103	-	Unknown
			Sub-Total >	0.00
			(Total of this page)	

Sheet 11 of 18 continuation sheets attached
to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	NON RES	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Crossing License or Lease - XR30635 OFLC Inc. MP 37.41 P.O. Box 415 Greenville, ME 04441	-	Unknown
		Crossing License or Lease - XR30636 Mike Chaput 639 Leadville Road Newport Center, VT 05857	-	Unknown
		Crossing License or Lease - XR30640 Elliotville Snowmobile Rider 103 Front street Brownville, ME 04414	-	Unknown
		Crossing License or Lease - XR30641 Bodfish ATV Riders 1529 Elliotville Road Elliotville Township, ME 04443	-	Unknown
		Crossing License or Lease - XR30646 Plum Creek Timber 48 Capital Road West Fork, ME 04985	-	Unknown
		Crossing License or Lease - XR30661 Telephone Operating Co. of Vermont 800 Hinesburg Road South Burlington, VT 05403	-	Unknown
		Crossing License or Lease - XR30662 Time Warner Cable of Maine 444 Perry Road Bangor, ME 04401	-	Unknown
		Crossing License or Lease - XR30663 Time Warner Cable of Maine 444 Perry Road Bangor, ME 04401	-	Unknown
		Crossing License or Lease - XR30665 Vermont Electric Power 366 Pinnacle Road Rutland, VT 05701	-	Unknown

Sub-Total > **0.00**
(Total of this page)

Sheet 12 of 18 continuation sheets attached
to the Schedule of Personal Property

B6B (Official Form 9B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			
25. Automobiles, trucks, trailers, and other vehicles and accessories.		1984 International Truck 1HTLDTVN6EHA57146 Location: 15 Iron Road, Hermon ME 04401	-	Unknown
		2002 Chevrolet Astrovan VIN 1GNEL19X82B150018 Location: 15 Iron Road, Hermon ME 04401	-	Unknown
		2007 Chevrolet 1500 Ext. Cab Location: 15 Iron Road, Hermon ME 04401	-	Unknown
		2007 Chevrolet 2500HR Ext. Cab Brownville, Maine	-	Unknown
		2008 Ford F150 Milo, Maine	-	Unknown
		2003 Dodge Dakota VIN 1D7H612X038344831 Newport, Maine	-	Unknown
		2005 Dodge Durango VIN 1D4HB48N75F504625 Location: 15 Iron Road, Hermon ME 04401	-	Unknown
		2006 Chevrolet Silverado 2500HD VIN 1GCHK29UX6E18241 Location: 15 Iron Road, Hermon ME 04401	-	Unknown
		2003 Ford F-350 Crew Madawaska, Maine VIN 1FTS231L23FD68825	-	Unknown
		1987 Peterbilt 357 VIN 1XPALA9X7HN212800 Oakfield, Maine	-	Unknown
		2000 Volvo WG64 VIN 4V5JC2UEXN869618	-	Unknown
		2002 Ford Taurus VIN 1FAPP53UO2A100054 Madawaska	-	Unknown
			Sub-Total >	0.00
			(Total of this page)	

Sheet 13 of 18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	NONE	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		FORD 2003 F-450 VIN #1FDXF46S43EC25487 MILLINOCKET	-	Unknown
		CHEVROLET 2004 TAHOE VIN 1GNEK13V94J220077 Brownville, Maine	-	Unknown
		GMC 2005 2500 EXT. CAB VIN 1GTHK29U25E102845 Brownville, Maine	-	Unknown
		CHEVROLET 2005 3500 CREW VIN 1GCHK33U75F809061	-	Unknown
		MITSUBISHI 1995 FH VIN JW6CEH1GXSL002347 Houlton, Maine	-	Unknown
		CHEVROLET 2005 2500HD CREW VIN 1GCHK33U55F917548 Vermont	-	Unknown
		CHEVROLET 2005 2500HD CREW VIN 1GCHK33U95F926463 Location: 15 Iron Road, Hermon ME 04401	-	Unknown
		DODGE 2005 DAKOTA VIN 1D7HW22K35S110487 Brownville, Maine	-	Unknown
		TAHOE 2005 SUV VIN 1GNEK13V45R108418 Location: 15 Iron Road, Hermon ME 04401	-	Unknown
		CHEVROLET 2005 SILVERADO VIN 1GCHK24U95E329733	-	Unknown
		GMC SAFARI 2005 PASSENGER VAN VIN 1GKEL19X35B508868 Brownville, Maine	-	Unknown
		DODGE 2005 DURANGO VIN 1D4HB48N75F604625	-	Unknown
		CHEVROLET 2006 EXT. CAB VIN 1GCHK29UX6E183241	-	Unknown
		CHEVROLET 2006 TRAILBLAZER VIN 1GNDT13S462210343	-	Unknown

Sub-Total > 0.00
(Total of this page)

Sheet 14 of 18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 6B) (12/07) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	EXON	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		TAHOE 2007 SUV VIN 1GNEK13057J124987 Millinocket, Maine	-	Unknown
		TAHOE 2007 SUV VIN 1GNEK13057J124987 Millinocket, Maine	-	Unknown
		CHEVROLET 2007 EXT. CAB VIN 1GCEK19V27E161953	-	Unknown
		CHEVROLET 2007 EXT. CAB VIN 1GCHK29U27E185308 Brownville, Maine	-	Unknown
		CHEVROLET 2007 2500HD CREW VIN 1GCHK23U47F124173 Millinocket, Maine	-	Unknown
		SUBARU 2007 FORESTER VIN JF1SG63617H748183 HERMON, MAINE	-	Unknown
		CHEVROLET 2007 2500HD CREW VIN 1GCHK23K97F548477 Greenville, Maine	-	Unknown
		FORD 2008 Ext cab Leased with Enterprise VIN 1FTRX14W78FB76642 Milo, Maine	-	Unknown
		Honda 2010 CR-V VIN 5J6RE4H34AL026464 NMJ	-	Unknown
		CARRY ON TRAILER 2013 CARGO VIN 4YMCL1427DV000086 DERBY, MAINE	-	Unknown
		FORD 2008 Hi rail with Utility Body VIN 1FTWX315X6EC75596 D Detterich	-	Unknown
		FORD 2008 F-550 Welding Truck VIN 1FDAX56R08EC00261 East Gray, Maine	-	Unknown

26. Boats, motors, and accessories.

Sub-Total > 0.00
(Total of this page)

Sheet 15 of 18 continuation sheets attached to the Schedule of Personal Property

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
27. Aircraft and accessories.	X			
28. Office equipment, furnishings, and supplies.		Various pieces of office equipment owned with a net book value of \$13,935.00. Located at various locations within the State of Maine and State of Vermont.	-	13,935.00
29. Machinery, fixtures, equipment, and supplies used in business.		Locomotives and railcars with a net book value of \$3,019,000.00, including the following Locomotives: GP-7: 21; 22; 23 GP-9: 79; 100 B23-7: 2000; 2001; 2002; 2003; 2004; 2005; 2006 B39-8: 8525; 8541; 8544; 8546; 8553; 8561; 8569; 8578; 8583; 8592 C30-7: 3000; 3603; 3609; 3613; 3614; 5016; 5017; 5018; 5021; 5023; 5026; 5078 Remote Control Cars: 4 Freight Cars with marking numbers as follows: Log Rack Flatbed Cars: 64 Ballast:18 Sand Hoppers: 20 Maintenance of Way Gondola Cars: 9 Maintenance of Way Flatbed cars:12 Maintenance of Way Misc Equipment:11	-	3,019,000.00

Sub-Total > **3,032,935.00**
(Total of this page)

Sheet 16 of 18 continuation sheets attached to the Schedule of Personal Property

B6B (Official Form 68) (12/87) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	NON E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
		Work Equipment including the following: rails, cross ties, tie joints, tie plates, switch ties, spikes, switches, joints, anchors, including but not limited to: 2006 Crane Geismar Houlton, Maine 1970 26" Rail Saw Atlantic Houlton, Maine 1980 Cribber RTW Houlton, Maine 1980 AnchorFast Racine Houlton, Maine 1974 Snow Thrower Sno-Go Houlton, Maine 1978 Snow Thrower Sno-Go Houlton, Maine 1973 Switch Tamper Sno Tamper 1990 Spiker Puller Nordco 1971 Tie Crane Kershaw Presque Isle, Maine 2006 Plate Machine Fairmont 1966 Ballast Regulator Sno Kershaw 1990 Ballast Regulator Kershaw Vermont 1972 Ballast Regulator Bert Pyke Derby, Maine 1978 Speed Swing Pettibone 1982 Speed Swing Pettibone 1974 Switch Tamper Sno Tamper 1978 Torsion Beam MK 2 Tamper Presque Isle, Maine 1983 Speed Swing Pettibone Vermont 1965 Loader L -30 Euclid Millinocket, Maine 1971 Tie Shear / Cribber Fairmont Madawaska, Maine 1966 Tie Spacer Nordberg Houlton, Maine 1980 Shoulder Jack Tamper Vermont 1971 Spiker Nordberg 1974 Speed Swing Pettibone 1975 Speed Swing Pettibone Brownville, Maine 1977 Switch Tamper - Snow Tamper Brownville, Maine 1980 Ballast Regulator - Snow Bert Pyke Houlton, Maine 1975 Speed Swing Pettibone Houlton, Maine 1974 Speed Swing Pettibone 1983 Gradall Gradall Houlton, Maine 1986 Tie	-	2,761,553.00
		Rails, cross ties, tie joints, tie plates, switch ties, spikes, switches, joints, anchors and other related track materials (these items are included as part of corridor listed on Schedule, "Real Property")	-	Unknown
30. Inventory.		See Attached Exhibit 2. Please note; inventory report/accounting is not available as of August 7, 2013. Inventory listed on Exhibit 2 is as of August 30, 2013. Included in Exhibit 2 in an undetermined quantity of inventory that may be located in Canada.	-	Unknown

Sub-Total > **2,761,553.00**
(Total of this page)

Sheet 17 of 18 continuation sheets attached
to the Schedule of Personal Property

B6B (Official Form 6B) (12/87) - Cont.

In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
31. Animals.	X			
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			
35. Other personal property of any kind not already listed. Itemize.		<p>Claim against Bankruptcy Estate of Fraser Papers, Inc. District of Delaware - Bankruptcy Case 09-12123 Location: PriceWaterhouseCoopers, Trustee of the Fraser Creditors Trust, c/o John McKenna, 77 King Street, Toronto Ontario M5K 168 Canada Face value of claim: \$571,809.78</p> <p>Claim against Bankruptcy Estate of Fraser Timbers Ltd Location: PriceWaterhouseCoopers, Trustee of the Fraser Creditors Trust, c/o John McKenna, 77 King Street, Toronto, Ontario M5K 168 Canada Face value of claim \$33,232.00</p> <p>Note Receivable and Mortgage encumbering Former Station House Brownville Junction, Brownville, Maine</p> <p>Claim against Appalachian Timber Services, LLC Montreal, Maine & Atlantic Railway v. Appalachian Timber Services State of Maine, Superior Court Docket No. BANSC-CV-2012-145 Complaint filed, answer received, mediation statement completed.</p>	-	<p>Unknown</p> <p>Unknown</p> <p>36,182.18</p> <p>500,000.00</p>
Sub-Total >				536,182.18
(Total of this page)				
Total >				16,120,008.59

Sheet 18 of 18 continuation sheets attached to the Schedule of Personal Property

(Report also on Summary of Schedules)

B6G (Official Form 6G) (12/87)



In re Montreal Maine & Atlantic Railway Ltd.

Case No. 13-10670

Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no executory contracts or unexpired leases.

Name and Mailing Address, including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
AllFirst Bank c/o Midwest Railcar Corporation 4949 Autumn Oaks Drive Maryville, IL 62062	Master Equipment Lease dated February 17, 2003. Rolling Stock Railcars Lease Extension Certificate No. 1 to Schedule No. 1 dated October 2, 2012 48 - 50 foot - Plate F double plug door, 263 GRL, 100-ton boxcars built in 1973 and rebuilt in 1993
AT&T Corp Chief Counsel - Core Network Room 3A120 1 AT&T Way Bedminster, NJ 07921	License Agreement/Easement Agreement 48.87 miles of railroad right of way in Piscataquis and Penobscot Counties
Brotherhood of Locomotive Engineers and Trainmen BLET 15 Clover Street, #67 Plaistow, NH 03865	Implementing Agreement - Oregon Shortline Agreements (OSL) October 14, 2010. Executed for the Employees by Kevin J. Moore, General Chairman, BLET, Heath E. Gentle, Local Chairman, BLET, and Michael D. Twombly, Vice President, BLET
C.K. Industries, Inc. 365 Surryse Road, Suite 150 P.O. Box 1029 Lake Zurich, IL 60047	Memorandum of Lease, Car Lease and Amendment No. 1 to Car Lease dated August 1, 2006 14 Gondolas in the series MMA 6637-6790 (excluding car marked MMA 6740 which was destroyed and removed from service)
Canadian Pacific Railway Company 500 - 401 9th Avenue Alberta, T2P0 4Z	Railcar Lease Agreement dated October 16, 2003 Fourteen (14) 66ft, 90 ton Bulkhead Flat Cars with 8 vertical stakes per car, marked and numbered as indicated in the Schedule of Railcars attached to the lease. Railcar Lease and Schedule A.
Center Beam Flat Car Company, Inc. c/o Helm Financial Corporation 505 Sansome Street, Suite 1800 Attn: General Counsel San Francisco, CA 94111	Lease dated January 13, 2003. Schedule 1 date January 13, 2003. Amendment N/o 1/Schedule 1.A dated April 25, 2005. 92, 73 foot, 100-ton centerbeam flatcars, manufactured by Thrail Car, AAR Mechanical Designation FBC Exhibits A&B

In re Montreal Maine & Atlantic Railway Ltd.Case No. 13-10670

Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

(Continuation Sheet)

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
CIT Group/Equipment Financing, Inc 30 S. Wacker Drive, Suite 3000 Chicago, IL 60606	Master Lease dated December 20, 2007. Schedule Nos (to lease dated December 20, 2007) 04, 5, 6 and 7. 62 - 50' Plate F 10' plug door boxcars with reporting marks and numbers TR 406255 TR 406256 TR 406258 through TF 40639 TR 406903 TR 406906 TR 406910 TR 406911 TR 406924 TR 406952 TR 406960 TR 406962
CIT Group/Equipment Financing, Inc. 30 South Wacker Drive, Suite 3000 Attn: Senior Vice President - Rail Group Fax 312-906-5833 Chicago, IL 60606	Master Railcar Lease dated December 20, 2007, Per Diem Car Hire, Schedule No 1 (to lease dated December 20, 2007) for 11 73' Centerbeam lumber flat cars
CIT Group/Equipment Financing, Inc.	Master Lease dated March 18, 2013 Two (2) Groups of 5 - SD-40-2 6 axle, 3000 HP Locomotives Schedule No. 01 (5 locomotives) and 02 - (5 locomotives) Total of 10 locomotives Reporting Marks and Numbers: CITX 3082, CEFX 3163, CEFX 3172, CITX 3071, CITX 3101 Numbers 3053, 3057, 309, 3097 and 3166
FCM Rail, Ltd 7255 East Baldwin Grand Blanc, MI 48439	Master Agreement November 15, 2004 and Schedule 2798 Heat Boom and Grapple #HK-30K and #4642RA-RT252
First Union Rail 6250 North River Road Rosemont, IL 60018	Siding situated and covered under a Storage agreement for purpose of storing empty rail cars.

Sheet 1 of 4 continuation sheets attached to the Schedule of Executory Contracts and Unexpired Leases

In re **Montreal Maine & Atlantic Railway Ltd.**

Case No. **13-10670**

Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

(Continuation Sheet)

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
First Union Rail Corporation 6250 North River Road Rosemont, IL 60018	Master Agreement March 20, 2003. Lease Agreement and all schedules, amendments, and riders, including without limitation: Master Agreement, Lease Agreement and all Schedules. Contract No. MMAR001RN. Schedule No. 1 to Master Agreement. Rider 2 MMAR00100RN/F. Rider 3, Amendment 1 (4/25/05) MMAR001003RN. Rider 12, 12/26/06, MMAR001012RN/F. Rider 11. Rider 13. Rider 14. Rider 16. Rider 17. Rider 18. Schedule 1, First Amendment to Schedule 1. Rider 11, Exhibit A. Memorandum of Lease Agreement to Rider 14.
Flex Leasing I & II, LLC c/o The CIT Group/Equipment Financing dba CIT/Rail Resources 1211 Avenue of the Americas 20th Flr New York, NY 10036	Master Net Railcar Lease and per diem lease dated May 28, 2004. Schedule No. 5. Schedule No. 6. Schedule No. 7. Schedule No. 8. Amendment No. 1 and 2 to Schedule 7 and 8.
GATX Corporation 222 West Adams Street 8th Floor Attention: Contract Administrator Chicago, IL 60606	Car Service Contract dated August 1, 2004. Contract No. 5492 (per diem lease) and Amendment No. 1 to Contract No. 5492. Rider No. 1, 2, *3, 4 and *5 to Contract 5492. *Lessor purportedly terminated lease pre-petition.
GATX Financial Group /GATX RAIL GATX Financial Corporation Attn Contract Administrator 500 West Monroe Street Chicago, IL 60661	Master Lease dated July 1, 2003. Car Service Lease and Per Diem Lease dated July 1, 2003. Rider 1, 2, 3, 4, 5 and 6 (per diem lease) Car Net Lease - Contract No. 5554. 3 DOT 111-A-100-W-1 non-coiled cars. Car Numbers: 80420, 81094 and 29765.
Greater Bay Capital Business Technology Association 300 Tri-State International, Suite 400 Lincolnshire, IL 60069	2 - Konica Minolta Bizhub 362 2 - Konica Minolta Bizhub 421
Jackman Utility District 28 Walton Street P.O. Box 340 Jackman, ME 04945	Ground Lease dated May 14, 2013
LMS Acquisition Corporation 77 Logistics Lane Herron, ME 04401	Management Agreement

Sheet 2 of 4 continuation sheets attached to the Schedule of Executory Contracts and Unexpired Leases

In re Montreal Maine & Atlantic Railway Ltd.Case No. 13-10670

Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

(Continuation Sheet)

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
Maine Northern Railway PO Box 3189 Station B 11 Gifford Road Attn: General Manager St John, NB E2M 4X8	Dispatching Agreement and Transportation Agreement
Maine Northern Railway PO Box 3189 Station B 11 Gifford Road Attn: General Manager St John, NB E2M 4X8	Trackage Rights Agreement
Maine Northern Railway Company c/o New Brunswick Southern Railway Co.Ltd 300 Union Street, 12th Fl Canada E2L 4L4 P.O. Box 5888, Saint John New Brunswick	Trackage Rights Agreement Millinocket - Brownville Junction, Maine
Midwest Railcar Corporation 4949 Autumn Oaks Drive Maryville, IL 62062	See AllFirst Bank
Montreal, Maine & Atlantic Canada Co. 15 Iron Road Hermon, ME 04401	Management Agreement, January 9, 2003
NARCAT, LLC 480 West Dussel Drive Suite R Maumee, OH 43537	200 Boxcars - Net Lease Agreement dated May 8, 2007 Schedule No. 2 dated May 2009
New England Independent Transmission Co. NEITC 401 Edgewater Place Suite 640 Wakefield, MA 01880	Easement Purchase Agreement Option dated July 5, 2012. Purchase price \$486,784.00
Rail World Locomotive Leasing, LLC RWLL c/o Northern Trust Company 50 S. LaSalle Street Contact: Mr. Thomas Tancula Chicago, IL 60675	Master Lease dated February 10, 2004. Second Amendment to Lease Agreement dated April 1, 2013.
Rail World, inc. 6400 Shafer Court Suite 275 Des Plaines, IL 60018	Managment Agreement related to day-to-day management and operational responsibilities
State of Maine Maine Revenue Service P.O. Box 9107 Augusta, ME 04332-9107	Agreement for Installment Payments of Income Tax Obligations for year ended 2011

Sheet 3 of 4 continuation sheets attached to the Schedule of Executory Contracts and Unexpired Leases

In re **Montreal Maine & Atlantic Railway Ltd.**

Case No. **13-10670**

Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES
(Continuation Sheet)

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
The Employees of Accounting Customer Dispatching Engineering&Mechanical Dept 15 Clover Street, #67 Plaistow, NH 03865	Implementing Agreement - Oregon Short Line Railroad Company - Abandonment - Goshen, 360 ICC 91 (1979) July 12, 2010. For the employees; Paul Conlogue, Jeff Lawler, Paul McGillicuddy, Gary Smith, John Fessenden and Andrew St. Amant
Wells Fargo Equipment Lease Manufacturer Services Group 300 Tri-State International, Suite 400 Lincolnshire, IL 60069	1 - Ricoh Wide Format Copier 240W w/3rd Roll Type A, Hard Disk Drive, Printer & Controller & Scanner Option. Serial Number K1451100056

Sheet 4 of 4 continuation sheets attached to the Schedule of Executory Contracts and Unexpired Leases