

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670

Chapter 11

**NOTICE OF (A) SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF
MONTREAL, MAINE & ATLANTIC RAILWAY, LTD. AND MONTREAL, MAINE &
ATLANTIC CANADA, CO.; (B) THE ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (C)
PROCEDURE FOR DETERMINING CURE AMOUNTS**

To Creditors and Parties in Interest:

Notice is hereby given that Robert J. Keach, the chapter 11 trustee (the "Trustee") in the chapter 11 case of Montreal Maine & Atlantic Railway, Ltd. ("MMA"), and Montreal, Maine & Atlantic Canada, Co. ("MMA Canada") and, collectively with MMA, the "Debtors", intend to sell substantially all of the Debtors' assets (the "Assets") and potentially assume and assign certain executory contracts and unexpired leases related thereto (the "Assigned Contracts and Leases").¹

The Trustee and MMA Canada have entered into an asset purchase agreement (the "Stalking Horse Agreement") with Railroad Acquisition Holdings LLC (the "Stalking Horse"), by which agreement the Stalking Horse intends to purchase the Assets and take an assignment of any contracts and leases that are designated as Assigned Contracts and Leases. Pursuant to the *Motion for Authority to Sell Substantially All of the Debtor's Assets and to Assume and Assign Certain Executory Contracts and Unexpired Leases* (the "Sale Motion"), and a corresponding motion (the "Canadian Sale Motion") filed by MMA Canada and the monitor appointed in MMA Canada's insolvency proceeding (the "Monitor") in Québec Superior Court (the "Canadian Court"), the Trustee, MMA Canada, and the Monitor seek final approval of the Stalking Horse Agreement with the Stalking Horse or a higher and better bidder, if any.

Under the Stalking Horse Agreement, the Stalking Horse proposes to provide aggregate consideration of \$14,250,000.00 for the Assets from the Stalking Horse. The Stalking Horse Agreement is subject to higher and better offers, including offers respecting one or more "lots" of the Assets (the "Lots"), as more fully described in the Bid Procedures attached hereto as **Exhibit A** (the "Bid Procedures"). The Trustee, MMA Canada, and the Monitor are soliciting higher and better offers by means of an Auction (as defined in Exhibit A) which shall be governed by the terms and conditions of the Bid Procedures. The Bid Procedures have been

¹ The term "Assets" shall include and refer to the "Assigned Contracts and Leases."

approved by the Bankruptcy Court (as defined below). The same bid procedures have been approved by the Canadian Court. The Assets are more fully described in the Stalking Horse Agreement.

The Assets will be sold and transferred free and clear of all liens, claims, encumbrances and interests. Any perfected, enforceable and valid liens shall attach to the proceeds of the sale according to priorities established under applicable law or the orders of the Bankruptcy Court and/or the Canadian Court.

The Sale Motion and the Stalking Horse Agreement are on file with the United States Bankruptcy Court for the District of Maine, 202 Harlow Street, 3rd Floor, Bangor, ME 04401 (the "Bankruptcy Court"), and are available for review during regular business hours. Copies of the Sale Motion and the Stalking Horse Agreement are also available (free of charge), upon written request, from Angela Stewart, Bankruptcy Paralegal, Bernstein, Shur, Sawyer & Nelson, P.A., 100 Middle Street, P.O. Box 9729, Portland, ME 04104-5029 (Tel: 207-228-7374; email: astewart@bernsteinshur.com).

The Canadian Sale Motion is on file with the Canadian Court, and is available for review during regular business hours. Copies of the Canadian Sale Motion are also available (free of charge), at <http://www.richter.ca/en/insolvency-cases/m/montreal-maine-and-atlantic-canada-co>.

OBJECTIONS, if any, to the relief requested in the Sale Motion or to final approval of the Stalking Horse Agreement must be filed with the Clerk of the Bankruptcy Court or with the Canadian Court on or before **January 22, 2014** (the "Objection Deadline"). A copy of any objection must also be served by hand, facsimile, e-mail or overnight mail upon:

- (i) Trustee's counsel, c/o Michael A. Fagone, Esq., Bernstein, Shur, Sawyer & Nelson, P.A., 100 Middle Street, P.O. Box 9729, Portland, ME (Fax: 207-774-1127; email: mfagone@bernsteinshur.com);
- (ii) the Monitor, c/o Andrew Adessky, Richter Consulting, 1981 McGill College Avenue, 12th Floor, Montreal, Québec, H3A 0G6, Canada (Fax: 514-934-3504; email: aadessky@richter.ca);
- (iii) counsel to the Monitor, c/o Sylvain Vauclair, Woods LLP, 2000 McGill College Avenue, Suite 1700, Montreal, Québec, H3A 3H3, Canada (Fax: 514-284-2046; email: svauclair@woods.qc.ca);
- (iv) MMA Canada, c/o Patrice Benoit, Gowling Lafleur Henderson LLP, 3700-1 Place Ville Marie, Montreal, Québec H3B 3P4, Canada (Fax: 514-876-9550; email: patrice.benoit@gowlings.com);
- (v) Stephen Morrell, Assistant U.S. Trustee, 537 Congress Street, Suite 303, Portland, ME 04101 (Fax: 207-780-3568; email: Stephen.G.Morrell@usdoj.gov); and

- (vi) Counsel to the Stalking Horse, c/o Terence M. Hynes, Esq., Sidley Austin LLP, 1501 K Street, N.W., Washington DC, 20005 (Fax: 202-736-8711; email: thynes@sidley.com) and Jeffrey C. Steen, Esq., Sidley Austin LLP, 1 S. Dearborn, Chicago, IL 60603 (Fax: 312-853-7036; email: jsteen@sidley.com).

(collectively, the “Interested Parties”) so **as to be received** on or before the Objection Deadline. Failure to file a timely objection to the sale of Assets shall be deemed to be “consent” for the purposes of section 363(f) of the Bankruptcy Code and shall be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the sale of the Assets (including the transfer free and clear of any liens, claims, encumbrances, rights, remedies or interests).

Through this notice, HIGHER AND BETTER OFFERS to purchase the Assets, one or more Lots, and/or for such other assets, executory contracts, or unexpired leases as a purchaser desires to acquire, are hereby solicited. To be considered a qualified counteroffer, a counteroffer shall comply with the Bid Procedures, including the service of such counteroffer by hand, facsimile, email or overnight mail upon: **counsel for the Trustee**: Bernstein, Shur, Sawyer & Nelson, P.A., c/o Michael A. Fagone, Esq., 100 Middle Street, P.O. Box 9729, Portland, ME 04104 (Fax: 207-774-1127; email: mfagone@bernsteinshur.com); **counsel for MMA Canada**: Gowling Lafleur Henderson LLP, c/o Patrice Benoit, 3700-1 Place Ville Marie, Montreal, Québec H3B 3P4, Canada (Fax: 514-876-9550; email: patrice.benoit@gowlings.com); **the Monitor**: Andrew Adessky, Richter Consulting, 1981 McGill College Avenue, 12th Floor, Montreal, Québec, H3A 0G6, Canada, (Fax: 514-934-3504; email: aadessky@richter.ca); **and counsel to the Monitor**: Woods LLP, c/o Sylvain Vauclair, 2000 McGill College Avenue, Suite 1700, Montreal Québec H3A 3H3, Canada, (Fax: 514-284-2046; email: svauclair@woods.qc.ca), not later than **5:00 p.m.** (prevailing Eastern Time) so as to be received **on or before 5:00 p.m. on January 17, 2014**. If a qualified bid is timely received, the Trustee will hold an open auction at Bernstein, Shur, Sawyer & Nelson, P.A., 100 Middle Street, Portland, Maine, 04101 commencing at **10:00 a.m. on January 21, 2014** (the “Auction”).

A FINAL HEARING on the Sale Motion is scheduled to take place at the Bankruptcy Court before the Honorable Louis H. Kornreich, United States Bankruptcy Judge, on **January 23, 2014 at 10:00 a.m.** Such hearing may be conducted jointly with the Canadian Court or, alternatively, the Canadian Court may conduct an individual hearing regarding the Canadian Sale Motion, with rulings being conditioned upon the ruling of the other Court. In the event that an individual hearing is conducted by the Canadian Court, creditors and parties in interest shall be notified of the date and time of such hearing by MMA Canada and the Monitor.

Notice is further given to each counter-party (a “Counter-Party”) listed on Attachment 1 to the Assumption and Assignment Procedures attached hereto as **Exhibit B** (the “Assumption and Assignment Procedures”) of the potential assumption and assignment of the Assigned Contracts and Leases and the cure amounts listed on such Attachment 1 (the “Cure Amounts”), if any, that the Trustee and MMA Canada believe are owing on each of the Assigned Contracts and Leases which may be designated by any potential buyer as an executory contract or unexpired lease to be assumed and assigned.

OBJECTIONS, if any, of any Counter-Party to the stated Cure Amounts or the assumption, assignment and/or transfer of an Assigned Contract or Lease must be filed with the Clerk of the Bankruptcy Court or the Canadian Court on or before the Objection Deadline in accordance with the Assumption and Assignment Procedures. A copy of any objection must also be served upon Interested Parties so as to be received on or before the Objection Deadline in accordance with the Assumption and Assignment Procedures. An objection should contain the Cure Amount such Counter-Party believes is due and any other basis for the objection. The failure of a Counter-Party to submit an objection shall be deemed to be consent to the assumption, assignment and/or transfer of its Assigned Contract or Lease and will forever bar such Counter-Party from (i) asserting any other Cure Amount or from otherwise disputing such amount(s) with respect to the contract(s) in question (ii) objecting to the proposed adequate assurance of future performance and/or (iii) objecting to the assumption, assignment and/or transfer of its Assigned Contract or Lease. The filing of an objection to the Cure Amounts shall not constitute an objection to the assumption, assignment and sale of the executory contract but shall reserve the rights of such objecting party to a determination of a different Cure Amount.

Any party who has filed an objection or a Qualified Bid is expected to be present at the Auction, failing which the objection may be overruled or the Qualified Bid may be stricken.

The Trustee, MMA Canada, and the Monitor may, collectively, modify the Bid Procedures or impose, at or prior to the Auction, additional terms and conditions on the proposed Sale of the Assets if, in their reasonable judgment, taking into account their fiduciary duties, such modifications would be in the best interests of the Debtors' respective estates and promote an open and fair Auction process.

Dated: 12/20/13

ROBERT J. KEACH,
CHAPTER 11 TRUSTEE OF MONTREAL
MAINE & ATLANTIC RAILWAY, LTD.

By his attorneys:

/s/ Michael A. Fagone
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BID PROCEDURES

The following procedures (the "Bid Procedures") shall govern the Sale (the "Sale"), including at a possible auction (the "Auction"), of all or substantially all of the assets of Montreal Maine & Atlantic Railway, Ltd. ("MMA") and Montreal Maine & Atlantic Canada Co. ("MMA Canada" and, together with MMA, the "Debtors"), or some portion thereof, as approved by the United States Bankruptcy Court for the District of Maine (the "Bankruptcy Court"), pursuant to the order (the "Sale Order") granting the *Motion for Authority to Sell Substantially All of the Debtor's Assets and to Assume and Assign Certain Executory Contracts and Unexpired Leases*, filed by Robert J. Keach, the chapter 11 trustee (the "Trustee") in the Debtor's chapter 11 bankruptcy case, and pursuant to a corresponding vesting order (the "Vesting Order," and, collectively with the Sale Order, the "Approval Orders") entered by the Québec Superior Court (the "Canadian Court") in MMA Canada's CCAA proceeding (the "Canadian Case") regarding the Sale. The Bid Procedures¹ contemplate that substantially all of the assets (the "Assets") of MMA and MMA Canada, or certain "Lots" thereof (as defined below), shall be sold at the Auction, jointly by the Trustee and MMA Canada, and that the Trustee, MMA Canada, and the monitor appointed by the Canadian Court in the Canadian Case (the "Monitor") shall consult with each other, as well as the Federal Railroad Administration (the "FRA"), regarding the Sale. Absent the receipt of a higher and better offer for the Assets, as collectively determined by the Trustee, MMA Canada, and the Monitor, and after consultation with the FRA, the Assets will be acquired by Railroad Acquisition Holdings LLC (the "Stalking Horse") pursuant to the terms of that certain Asset Purchase Agreement dated as of December 12, 2013 (the "Stalking Horse APA"). In the event that one or more Qualified Bids (as such term is defined below) are received, the Auction shall be held in accordance with

¹ Approval of the same Bid Procedures will also be obtained from the Canadian Court.

these Bid Procedures, and the Trustee, MMA Canada, and the Monitor shall determine, after consultation with the FRA, the highest and best bid, taking into account their fiduciary duties and the Public Interest (as defined below), as set forth below.

The Bid Procedures for the Auction and the Sale of the Assets are as follows:

I. BID QUALIFICATIONS

1. **The Bidding Process.** The Trustee, the Monitor, and MMA Canada, in conjunction with their respective advisors and using reasonable discretion taking into account their fiduciary duties, shall, after consultation with the FRA, collectively: (i) determine whether any person is a Potential Bidder (hereinafter defined); (ii) coordinate the efforts of Potential Bidders in conducting their respective due diligence investigations regarding the Assets; (iii) receive offers from Qualified Bidders (hereinafter defined); and (iv) negotiate any offer made to acquire the Assets, together or separately (collectively, the "Bidding Process"). Neither the Trustee, the Monitor, MMA Canada, nor their respective representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets to any person who is not a Potential Bidder.

2. **Participation Requirements.** Unless otherwise ordered by the Bankruptcy Court or the Canadian Court, for cause shown, or as otherwise determined by the Trustee, the Monitor, and MMA Canada, in their reasonable discretion, taking into account their fiduciary duties, in order to participate in the Bidding Process, each person (a "Qualified Bidder") must submit a bid that adheres to the following requirements (a "Qualified Bid"):

- a. All Qualified Bids must be submitted to **the Trustee:** Bernstein, Shur, Sawyer & Nelson, P.A., c/o Robert J. Keach, Esq., 100 Middle Street, P.O. Box 9729, Portland, ME 04104, **counsel for MMA Canada:** Gowling Lafleur Henderson LLP, c/o Patrice Benoit, 3700-1 Place Ville Marie, Montreal, Québec H3B 3P4, Canada, **the Monitor:** Andrew Adessky, Richter Consulting, 1981 McGill College Avenue, 12th Floor, Montreal, Québec, H3A 0G6, Canada, and **counsel to the Monitor:** Woods LLP, c/o Sylvain Vauclair, 2000 McGill College Avenue, Suite

1700, Montreal Québec H3A 3H3, Canada, not later than **5:00 p.m.** (prevailing Eastern Time) on January 17, 2014 (the "Bid Deadline"). Upon determination that any Bid is not a Qualified Bid, the Trustee and/or MMA Canada, or their respective counsel, shall notify such bidder of such determination forthwith, but in any event not later than 5:00 p.m. (prevailing Eastern Time) on January 20, 2014, and shall provide such bidder with the basis for such determination.

- b. All Qualified Bids shall be in the form of an offer letter from a person or persons that the Trustee, the Monitor, and MMA Canada, in their reasonable discretion, taking into account their fiduciary duties, collectively deem financially able to consummate the Sale of the Assets or Lot(s) on which that person or persons bid, which letter states:
 - i. that such Qualified Bidder offers to purchase the Assets (or a "Lot," as defined below) upon the terms and conditions set forth in an attached clean executed asset purchase agreement (an electronic version in Word format) as well as an attached version of such asset purchase agreement blacklined against the Stalking Horse APA (also an electronic version in Word format) received on or before the Bid Deadline, with hard copies to follow, together with all exhibits and schedules, including terms relating to price and the time of closing (the "Proposed Agreement");
 - ii. that such Qualified Bidder is prepared to consummate the transaction, following entry of an order of this Court and the Canadian Court, as applicable, approving the Sale to the Successful Bidder(s) (as defined above, the "Approval Orders");
 - iii. that in the event such Qualified Bidder becomes the Successful Bidder or a holder of a Back-Up Bid (both are defined below), such Qualified Bidder's offer is irrevocable until five (5) Business Days after the closing of the Sale of the Assets;
 - iv. the actual value of such Qualified Bidder's bid to the Debtors' respective estates (the "Purchase Price"), which Purchase Price must be greater than or equal to the minimum initial bid price for the applicable Lot or the aggregate of the minimum initial bid prices for all Lots which are the subject of the Bid, as set forth below;
 - v. which of the Debtors' respective leases and executory contracts are to be assumed in connection with the consummation of the Qualified Bidder's bid;

- vi. that the Qualified Bidder consents to the jurisdiction of both the Bankruptcy Court and the Canadian Court as to all matters relating to the Auction or the Sale of the Assets;
 - vii. that the Qualified Bidder is not entitled to any break-up fee, termination fee or similar type of payment or reimbursement and, by submitting its bid, the Qualified Bidder waives the right to pursue a substantial contribution claim under 11 U.S.C. § 503 related in any way to the submission of its bid or the Bidding Process;
 - viii. (a) that the Qualified Bidder commits to operate a railroad over the Assets upon which the Qualified Bidder is bidding as a going concern in the Public Interest; (b) the minimum period for which the Qualified Bidder makes such commitment to operate a railroad; and (c) any portions of the track to be acquired by the Qualified Bidder that such bidder intends to abandon, discontinue or limit operations with respect to such portion of track; and
 - ix. that such Qualified Bidder has all requisite corporate or other authority to make the bid and, if the Successful Bidder, to close on the Proposed Agreement and the Sale; the Trustee and MMA Canada reserve the right, in their discretion and consistent with their fiduciary duties and the Public Interest to require additional evidence of authorization and approval from the Qualified Bidder's shareholders, board of directors or any other necessary approval with respect to the submission, execution, delivery and closing of all transactions contemplated by the Proposed Agreement.
- c. All Qualified Bids shall be accompanied by a deposit into escrow with the Trustee of an amount equal to five percent (5%) of the Purchase Price (the "Good Faith Deposit").
 - d. All Qualified Bids shall be accompanied by satisfactory evidence, in the reasonable opinion of the Trustee, the Monitor, and MMA Canada, in their reasonable discretion, taking into account their fiduciary duties, of committed financing or other ability to perform all transactions contemplated by the Proposed Agreement.
 - e. Qualified Bids shall not contain any financing conditions or other contingencies not contained in the Stalking Horse APA.
 - f. All Qualified Bids must provide adequate assurance of future performance to counterparties to any executory contracts and unexpired leases to be assumed by the Potential Bidder.

The documents referred to in subparagraphs (a) through (f) are referred to herein as the required bid documents (the "Required Bid Documents"). The Trustee shall immediately provide copies of all Required Bid Documents to the FRA upon receipt thereof.

3. **Due Diligence.** The Trustee and MMA Canada shall afford each Potential Bidder (hereinafter defined) due diligence access to the Assets. Due diligence access may include management presentations as may be scheduled by the Trustee, MMA Canada, and the Monitor, access to data rooms, onsite inspections and such other matters which a Potential Bidder may request and as to which the Trustee, MMA Canada, and the Monitor may agree, in their reasonable discretion, taking into account their fiduciary duties, provided that all such information shall be made available to each Potential Bidder on an equal basis. Neither the Trustee, nor the Monitor, nor the Debtors or any of their affiliates (nor any of their respective representatives), is obligated to furnish any information relating to the Assets to any person except to Potential Bidders and Qualified Bidders. Potential Bidders are advised to exercise their own discretion before relying on any information regarding the Assets provided by anyone other than the Trustee, the Monitor, the Debtors, or their respective representatives. To be a "Potential Bidder," each bidder must have delivered an executed confidentiality agreement in a form satisfactory to the Trustee, the Monitor, and MMA Canada, in their reasonable discretion, taking into account their fiduciary duties.

4. **No Representations or Warranties.** The Sale of the Assets shall be without representations or warranties of any kind, nature, or description by the Trustee, the Monitor, the Debtors, their respective agents or the Debtors' respective estates, except to the extent set forth in the Proposed Agreement of the Successful Bidder and agreed to by the Sellers thereunder. Except as otherwise provided in the Proposed Agreement, the Assets to be acquired shall be free and clear of all liens, claims, and encumbrances of any kind or nature thereon and there

against (collectively, the "Transferred Encumbrances"), with such Transferred Encumbrances to attach to the proceeds of the sale. Each Potential Bidder and Qualified Bidder shall be deemed to acknowledge and represent that it has relied solely upon its own independent review, investigation and/or inspection of any documents and information in making its bid, and that it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets, or the completeness of any information provided in connection with the Assets, the Bidding Process or the Auction, except as expressly stated in these Bid Procedures or, as to the Successful Bidder, in the applicable Proposed Agreement.

5. **The Stalking Horse.** The Stalking Horse is a Qualified Bidder (and, for the avoidance of doubt, a Potential Bidder) and the Stalking Horse Bid is a Qualified Bid for all of the Assets. Notwithstanding any other provision in these Bid Procedures, in the event that the Stalking Horse Bid is not selected as the Successful Bid, the Stalking Horse Bid shall not be a Back-Up Bid unless the Stalking Horse consents. In the event that one or more Qualified Bids other than the Stalking Horse Bid is selected as the Successful Bid or Successful Bids and is approved as the Successful Bid or Successful Bids by the Bankruptcy Court and/or the Canadian Court, the Stalking Horse shall be entitled to the Break-Up Fee, the Expense Reimbursement and a refund of the Good Faith Deposit in accordance with, and subject to, the terms of the Stalking Horse APA. For purposes of these Bid Procedures, the Stalking Horse's Qualified Bid is currently valued at \$14,250,000.00.

II. AUCTION

If the Trustee, MMA Canada, and the Monitor receive a Qualified Bid prior to the Bid Deadline, other than the Qualified Bid of the Stalking Horse, the Trustee, the Monitor, and MMA Canada, or their respective representatives, shall conduct a joint auction (the "Auction")

at Bernstein, Shur, Sawyer & Nelson, P.A., 100 Middle Street, Portland, Maine, 04101 on January 21, 2014, beginning at 10:00 a.m. (prevailing Eastern Time) or such later time or other place as the Trustee, the Monitor and/or MMA Canada shall notify all Qualified Bidders who have submitted Qualified Bids. Only representatives of the Stalking Horse, the Trustee, the Trustee's representatives, the Debtors' respective representatives, the Monitor, the Monitor's representatives, the United States Trustee, representatives of the FRA, the Maine Department of Transportation, and the Province of Québec (or its agencies), and any Qualified Bidders who have submitted Qualified Bids shall be entitled to attend the Auction.

The Trustee, the Monitor, and/or MMA Canada, in their reasonable discretion, taking into account their fiduciary duties, and after consultation with the FRA, may announce at the Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make subsequent overbids) for conducting the Auction. Based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Trustee, the Monitor, and MMA Canada, in their reasonable discretion, taking into account their fiduciary duties, determine is relevant, the Trustee, the Monitor, and MMA Canada, in their reasonable discretion, taking into account their fiduciary duties, and after consultation with the FRA, may conduct the Auction in the manner they collectively determine will achieve the maximum value for the Assets.

At the Auction, the Assets will be offered in the following lots (the "Lots") in such order as the Trustee, MMA Canada, and the Monitor shall determine in their discretion:

- a. All of the assets to be transferred to the Purchaser in the Stalking Horse APA, consisting of substantially all of the assets of MMA and MMA Canada, with the exception of the Excluded Assets (as defined in the Stalking Horse APA) (the "All Asset Lot");
- b. All of the assets of MMA (other than the Excluded Assets owned by MMA) (the "MMA Lot");

- c. All of the assets of MMA Canada (other than the Excluded Assets owed by MMA Canada) (the "MMA Canada Lot");
- d. All of the assets of the MMA Lot other than the Newport Subdivision (as shown on the map attached to these Bid Procedures) (the "Modified MMA Lot"); and
- e. The Newport Subdivision, consisting of the track and related real estate and rights applicable only to the Newport Subdivision (the "Newport Subdivision Lot").

The minimum initial bid for each of the Lots set forth above shall be as follows:

<u>All Asset Lot:</u>	\$15,748,750
<u>MMA Lot:</u>	\$10,551,662
<u>MMA Canada Lot:</u>	\$5,197,088
<u>Modified MMA Lot:</u>	\$9,801,662
<u>Newport Subdivision:</u>	\$750,000.00

At the commencement of the Auction and at the conclusion of each round of bidding at the Auction, the then highest or otherwise best offer for each Lot shall be announced by the Trustee, the Monitor, MMA Canada, and/or one or more of their respective representatives, along with the basis for such determination, including identification of any non-economic terms that form the basis for such determination. In comparing the proposed purchase price in any competing Qualified Bid to the bid of the Stalking Horse, the proposed purchase price of such competing Qualified Bid shall be reduced by the Break-Up Fee and the Expense Reimbursement.

Subsequent bids shall be made in minimum increments of not less than the following (unless such amount is increased or decreased as set forth below):

<u>All Asset Lot:</u>	\$500,000
<u>MMA Lot:</u>	\$400,000
<u>MMA Canada Lot:</u>	\$200,000
<u>Modified MMA Lot:</u>	\$350,000
<u>Newport Subdivision:</u>	\$50,000

Following the offering of all Lots and preliminary completion of rounds of bidding for

all Lots, the Trustee, MMA Canada, and the Monitor may compare the then highest and best offer for the All Asset Lot (the "Best All Asset Bid") with any combination of offers for the Lots other than the All Asset Lot (the "Combined Lot Bids") to determine, after consultation with the FRA, which of the two is the highest and best offer and the offer which best addresses the public interest (as that term is used in 11 U.S.C. § 1165, the "Public Interest"). After announcement of that determination, additional rounds of bidding may be conducted with the bidder having made the Best All Asset Bid and each of the previous bidders making the highest and best bid for each of the other Lots being permitted to increase their bids. Following such additional bidding, the then-increased Best All Asset Bid and the then-increased Combined Lot Bids shall again be compared. This process may be repeated at the discretion of the Trustee, MMA Canada, and the Monitor until they conclude, at their discretion and after consultation with the FRA, that bidding has been completed, and subject to the right to conduct a round of sealed bidding, as set forth below.

Prior to concluding the Auction, the Trustee, the Monitor, and MMA Canada shall: (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the Sale process, including those factors affecting the speed and certainty of consummating the Sale; and (ii) using the reasonable discretion of the Trustee, the Monitor, and MMA Canada, taking into account their fiduciary duties and the Public Interest, and after consultation with the FRA, identify and announce to all attending the Auction, the highest or otherwise best offer which is also in the Public Interest (the "Successful Bid") and shall rank the remaining Qualified Bids (each a "Back-up Bid") and the basis for such determination.

The Trustee, MMA Canada and the Monitor may reject at any time before announcing the Successful Bid(s) at the Auction, and after consultation with the FRA, any bid that, in the reasonable discretion of the Trustee, the Monitor, and MMA Canada, taking into account their

fiduciary duties and the Public Interest, is: (i) inadequate or insufficient; or (ii) not in conformity with the Bankruptcy Code, the CCAA, or the Bid Procedures.

The Trustee, MMA Canada, and the Successful Bidder(s) shall be required to execute the asset purchase agreement(s) for the Successful Bid(s) at the conclusion of the Auction or immediately thereafter. The bidder as to any Back-up Bid shall also execute an asset purchase agreement, contingent on the failure to close of any Successful Bid.

Absent irregularities in the conduct of the Auction, the Court will not consider bids made after the Auction has been closed.

III. ACCEPTANCE OF QUALIFIED BIDS

The Assets shall be sold to the Stalking Horse (in the absence of an Auction) or the Successful Bidder(s), as the case may be, submitting the highest or otherwise best Qualified Bid(s) at the Auction, which Qualified Bid(s) is/are also in the Public Interest, after approval by the Bankruptcy Court and the Canadian Court pursuant to the Approval Orders. The Trustee's presentation to the Bankruptcy Court for approval of a particular Qualified Bid does not constitute the Trustee's acceptance of such Qualified Bid, and the Monitor's or MMA Canada's presentation to the Canadian Court for approval of a Qualified Bid does not constitute MMA Canada's acceptance of such Qualified Bid. The Trustee and MMA Canada shall have accepted a Qualified Bid only when that Qualified Bid has been approved pursuant to a Sale Order entered by the Bankruptcy Court and pursuant to the Vesting Order entered by the Canadian Court.

IV. APPROVAL HEARING

After the conclusion of the Auction, the Bankruptcy Court and the Canadian Court shall conduct a joint hearing or individual hearings (with rulings conditioned upon the ruling of the other Court) (together or each, the "Approval Hearing") to approve the Sale. At the Approval

Hearing, the Trustee, MMA Canada, and the Monitor will seek entry of the Approval Orders, among other things, authorizing and approving the Sale of the Assets to the Successful Bidder(s), as determined by the Trustee, MMA Canada, and the Monitor in accordance with the Bid Procedures, pursuant to the terms and conditions set forth in the Proposed Agreement(s) submitted by the Successful Bidder(s) (as such agreement may be modified prior to, during or after the Auction with the agreement of the Trustee, MMA Canada, and the Monitor and after consultation with the FRA). The Approval Hearing may be adjourned or rescheduled without notice other than by an announcement of the adjourned date in open court. Following the entry of the Approval Orders approving the Sale, in the event that the Successful Bidder, as determined at the Auction, fails to close on the Sale through no fault of the Trustee, MMA Canada, and/or the Monitor, the Trustee and MMA Canada may (in their discretion and after consultation with the FRA) sell the Assets to the holder of the highest and best Back-Up Bid which is also in the Public Interest or, failing that, to the next highest and best Back-Up Bid (which is also in the Public Interest) as determined by the Trustee, MMA Canada, and the Monitor after consultation with the FRA, without further approval of the Bankruptcy Court or the Canadian Court (and with such sequence to continue until a closing occurs, should the Trustee, MMA Canada and the Monitor agree to pursue such a closing, in their discretion).

V. MISCELLANEOUS

1. **Return of Good Faith Deposit.** The Good Faith Deposits of the Qualified Bidders submitting a Successful Bid or Back-Up Bid shall be retained by the Trustee and such Successful Bid or Back-Up Bids will remain open and irrevocable, notwithstanding Bankruptcy Court and Canadian Court approval of the Sale pursuant to the terms of a Successful Bid by a Qualified Bidder, until the closing on the Sale of the Assets; provided that the Good Faith Deposit of the Stalking Horse shall be returned in accordance with and subject to the terms of

the Stalking Horse APA. If a Successful Bidder fails to consummate an approved Sale because of a breach or failure to perform on the part of such Successful Bidder, the Trustee will not have any obligation to return the Good Faith Deposit deposited by such Successful Bidder, which shall be retained by the Trustee and MMA Canada as liquidated damages to the extent the Trustee or MMA Canada are entitled to such damages under the Proposed Agreement. Such deposit shall be allocated between the estates of the Debtors as agreed to by the Trustee, MMA Canada, the Monitor, and the FRA or, absent such agreement, a final order of the Bankruptcy Court and the Canadian Court.

2. **Reservation of Rights.** The Trustee, MMA Canada, and the Monitor may after consultation with the FRA: (i) determine, in their reasonable business judgment and taking into account their fiduciary duties, which Qualified Bid, if any, is the highest or otherwise best offer and in the Public Interest; (ii) consult with any significant constituency in connection with the bidding process and Bid Procedures; and (iii) reject at any time before announcing the Successful Bid(s) at the Auction, any bid that, in the reasonable discretion of the Trustee, MMA Canada, and the Monitor, taking into account their fiduciary duties, and the Public Interest, is: (x) inadequate or insufficient; or (y) not in conformity with the Bankruptcy Code or the Bid Procedures.

In addition to the rights set forth above, the Trustee, MMA Canada, and the Monitor may, collectively, and after consultation with the FRA, modify these Bid Procedures or impose, at or prior to the Auction, additional terms and conditions on the proposed Sale of the Assets if, in their reasonable judgment, taking into account their fiduciary duties, such modifications would be in the best interests of the Debtors' respective estates, maximize the value of the Assets, and/or promote an open and fair Auction process; provided, however, that the Trustee, MMA Canada, and the Monitor shall not have the right to (i) modify or alter any provision in

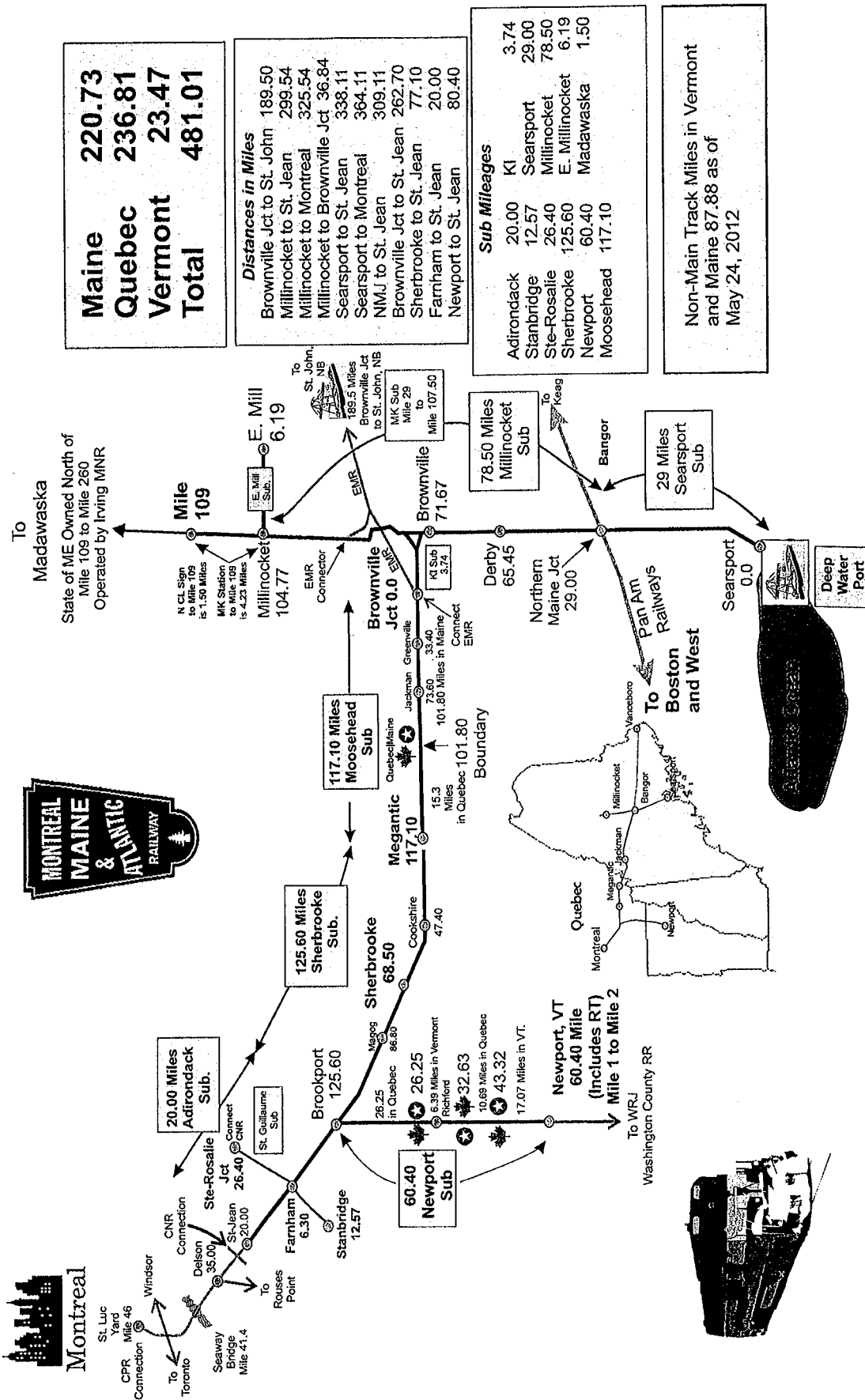
any executed agreement with the Stalking Horse, including the Stalking Horse APA, except as set forth in and in accordance with such agreements, (ii) modify or alter any right of the Stalking Horse to receive the Break-Up Fee, the Expense Reimbursement or a refund of the Good Faith Deposit in accordance with, and subject to, the terms of the Stalking Horse APA, or (iii) waive or modify the minimum initial bid amount set forth in these Bid Procedures for the All Asset Lot. Without limitation, at any point during the Auction, the Trustee, MMA Canada and the Monitor shall have, after consultation with the FRA, the absolute right to convert the bidding process from an open auction to a "sealed bid auction," in which case all Qualified Bidders shall have one opportunity to make a final, sealed bid. If this option is exercised, then the Trustee, MMA Canada, and the Monitor shall collect all sealed bids, analyze them, and determine, after consultation with the FRA, the highest and best bid or combination of bids which is/are in the Public Interest, select the Successful Bidders, and rank all of the Back-Up Bids as set forth above.

Montreal, Maine & Atlantic Railway

9-1-2013
V7 Landscape

Mileage Information

Map not to scale





ASSUMPTION AND ASSIGNMENT PROCEDURES

Set forth below are the assumption and assignment procedures (the "Assumption & Assignment Procedures") to be employed with respect to the proposed sale contemplated by Robert J. Keach, the chapter 11 trustee (the "Trustee") in the chapter 11 case of Montreal Maine & Atlantic Railway, Ltd. (the "Debtor"), as contained in the Trustee's *Motion for Order: (A) Approving Bid Procedures for the Sale of the Debtor's Assets; (B) Scheduling an Auction; (C) Approving Assumption and Assignment Procedures for Certain Executory Contracts and Unexpired Leases; (D) Approving a Break-Up Fee, Expense Reimbursements and Overbid Protections; and (E) Approving a Form of Notice of Sale* (the "Motion").

- a. Within five (5) calendar days of entry of an order approving the Motion,¹ the Trustee shall file a schedule of cure obligations (the "Contract & Cure Schedule") listing all leases and executory contracts that the Stalking Horse intends to assume (the "Assigned Contracts and Leases") and the amount, if any, that the Trustee contends is the amount needed to cure any defaults with respect to such Assigned Contracts and Leases (the "Cure Amounts").
- b. Upon filing, a copy of the Sale Notice, Contract & Cure Schedule and these Assumption & Assignment Procedures will be served on each of the counterparties to the Assigned Contracts and Leases listed on the Contract & Cure Schedule.
- c. The Trustee shall amend the Contract & Cure Schedule promptly after the completion of the Auction to update the information contained therein with respect to the Successful Bid and Back-up Bid, including, but not limited to,

¹ All capitalized terms not defined herein shall have the same meaning as set forth in the Bid Procedures attached as Exhibit A to the Motion.

adding additional leases and executory contracts (which shall then be deemed Assigned Contracts and Leases) and corresponding cure amounts (which shall be deemed Cure Amounts) and shall serve an amended Contract & Cure Schedule on each of the counterparties to the Assigned Contracts and Leases listed thereon.

- d. The bidder approved by the Bankruptcy Court as submitting the highest or otherwise best bid for purchase of the Debtor's assets (the "Successful Bidder"), at any time prior to closing on the sale of the Assets, may identify executory contracts and leases to be (a) added to the Contract & Cure Schedule (which contracts and leases shall then be deemed Assigned Contracts and Leases) and the corresponding cure amounts (which shall be deemed Cure Amounts) and (b) deleted from the list of Assigned Contracts and Leases (which shall then cease to be Assigned Contracts and Leases). The Trustee shall give notice (the "Supplemental Notice") to counterparties to executory contracts and leases added to or deleted from the Contract and Cure Schedule.
- e. Any objections ("Assignment Objections") to the assumption and assignment of any Assigned Contract and Lease, including, but not limited to, objections relating to adequate assurance of future performance by the Stalking Horse or to the cure amount set forth in the Contract & Cure Schedule must be filed with the Bankruptcy Court and served upon the Notice Parties on or before 4:00 p.m. prevailing Eastern Time on the later of the date (the "Assignment Objection Deadline") that is (a) five (5) Business Days before the Sale Hearing and (b) ten (10) calendar days after the date of service of the applicable

Supplemental Notice with regard to any Assigned Contract and Lease listed on such Supplemental Notice; provided that, in the event the Stalking Horse is not the Successful Bidder, counterparties to Assigned Contracts and Leases shall have until the later of (a) one (1) Business Day before the Sale Hearing and (b) ten (10) calendar days after the date of service of the applicable Supplemental Notice with regard to any Assigned Contract and Lease listed on such Supplemental Notice to object to the adequate assurance of future performance by the Successful Bidder. Any counterparty failing to file an Assignment Objection by the Assignment Objection Deadline shall be deemed to consent to the assumption, assignment and/or transfer of such Assigned Contract or Lease and shall be forever barred from: (i) objecting to the Cure Amount set forth on the Contract & Cure Schedule with respect to its Assigned Contract and Lease; (ii) seeking additional amounts arising under its Assigned Contract and Lease prior to the Closing from the Trustee, the Debtor or the Successful Bidder; and (iii) objecting to the assumption and assignment of its Assigned Contract and Lease to the Successful Bidder.

- f. Any Assignment Objections required to be filed prior to the date of the Sale Hearing and not consensually resolved prior to the Sale Hearing shall be heard at the Sale Hearing with any related Cure Amounts or adequate assurance of future performance being fixed by the Bankruptcy Court. All other objections to the proposed assumption and assignment of the Assigned Contracts and Leases will be heard at the Sale Hearing, provided, however that all Assignment Objections for which the Assignment Objection Deadline is after

the date of the Sale Hearing and which objection is not filed prior to the Sale Hearing shall be heard on a date to be determined jointly by the Trustee and the Successful Bidder, subject to the availability of the Bankruptcy Court.

- g. Except as may otherwise be agreed to by all parties to an Assigned Contract and Lease, on or before the Closing, the cure of any defaults under Assigned Contracts and Leases necessary to permit assumption and assignment thereof shall be by (i) payment of the undisputed Cure Amount, and/or (ii) establishment of a reserve with respect to any disputed Cure Amount. The party responsible for paying Cure Amounts shall be as set forth in the Proposed Agreement between the Successful Bidder or Back-up Bidder and the Trustee.

ATTACHMENT 1

Schedule of Rolling Stock Leases,
Non-Residential Real Property Leases and Executory Contracts¹

MMA Rolling Stock Leases

<u>Lease Description</u>	<u>Lessor</u>	<u>Leased Items</u>	<u>Payments</u>	<u>Cure Amount</u>
Railcar Lease Agreement (Schedule A is active) dated October 16, 2003 (unsigned)	Canadian Pacific Railway Co.	Lease of 90 (now 14) 90-ton 66-ft, Bulkhead Flat Cars (MMA 25000-25109 (non-inclusive))	\$400 per unit per month	\$28,000.00 through the month of October of 2013.
Master Railcar Lease dated December 20, 2007 (Schedules 4, 5, 6 and 7 are active (as amended))	The CIT Group/ Equipment Financing, Inc.	<u>Schedule No. 4:</u> Lease of 62 50-foot Plate F 10-foot plug door boxcars (same cars from Schedules 2 and 3) (TR 406255-406309 (no 406257) AND TR 406903-406962 (non-inclusive)). Termination date of August 31, 2015 <u>Schedule No. 5:</u> Lease for 49 73-foot centerbeams (MMA 35600-35649 (non-	Lessor to receive Car Hire Revenue, provided there is no Car Hire Revenue when the railcars are on the tracks of lessee	\$837,808.06 through October 31, 2013. This cure amount is the aggregate of the amounts that may be owed under this Master Railcar Lease dated December 20, 2007 and the Flex Leasing Corporation lease identified in the row immediately below.

¹ Capitalized terms not otherwise specifically defined herein have the meaning ascribed to such terms in the Asset Purchase Agreement entered into by Montreal, Maine & Atlantic Railway, Ltd., Montreal, Maine & Atlantic Canada Co., and Railroad Acquisition Holdings, LLC, or, in certain cases, as such term is defined in the applicable lease or executory contract. Certain agreements that do not appear to be executory but may be assigned to Purchaser, including crossing licenses, are identified on Schedule 3.8A of the Agreement. Additionally, this schedule does not include any agreements that may be assumed and assigned as identified on Schedule 2.2(e) of the Agreement. To the extent an agreement is described in general terms in this schedule, including under any "Note" sections contained herein, such descriptions are not intended to alter the agreement at issue and are intended only to provide general information concerning the agreement. Cure amounts are calculated as of approximately December 11, 2013 (unless otherwise specifically stated herein). Post-petition agreements are not included on this schedule.

<u>Lease Description</u>	<u>Lessor</u>	<u>Leased Items</u>	<u>Payments</u>	<u>Cure Amount</u>
<p>Master Car Lease Agreement dated May 28, 2004 (Schedules 5, 6, 7 and 8 are active (as amended))</p>	<p>Flex Leasing Corporation</p>	<p>Schedule No. 5: 100 50-foot plate F boxcars (MMA 9018-9999 (non-inclusive)). Termination date of June 30, 2015. Schedule No. 6: 24 50-foot plate F boxcars (MMA 9225-9249). Termination date of June 30, 2015. Schedule No. 7: 25 73-foot centerbeam lumber flat cars w/risers (MMA 76050-76074). Termination date of December 31, 2013. Schedule No. 8: 25 73-foot</p>	<p>Lessor to receive Car Hire Revenue, provided there is no Car Hire Revenue when the railcars are on the tracks of lessee</p>	<p>See above.</p>

<u>Lease Description</u>	<u>Lessor</u>	<u>Leased Items</u>	<u>Payments</u>	<u>Cure Amount</u>
Master Net Locomotive Lease dated March 18, 2013 (schedules 1 and 2 are active)	The CIT Group/ Equipment Financing, Inc.	centerbeam lumber flat cars w/risers (MMA 74100-74124). Termination date of December 31, 2013. <u>Schedule No. 1:</u> 5 SD-40-2 6 axle, 3000 HP Locomotives CITX 3053, 3057, 3091, 3097, 3166 <u>Schedule No. 2:</u> 5 SD-40-2 6 axle, 3000 HP Locomotives CITX 3082, CEFX 3163, CEFX 3172, CITX 3071, CITX 3101	<u>Schedule No. 1:</u> lease payments equal \$125.00 per Unit per day through October 31, 2013. Effective November 1, 2013, lease payments abate while Units are in storage and out of operating service. <u>Schedule No. 2:</u> lease payments equal \$125.00 per Unit per day, provided lease payments abate while Units are in storage and out of operating service.	<u>Schedule No. 1</u> equals \$133,087.50 through October of 2013 and <u>Schedule No. 2</u> estimated at \$4,250.00 through October of 2013. <u>Schedule No. 1</u> amended post-petition in order to convert monthly lease into a per diem lease construct.
GATX Rail Car Service Contract dated December 1, 2008 (Rider No. 1 is active)	GATX Corporation	38 50-foot 70-ton cushioned boxcars GNWR 14001-14060 (non-inclusive)	Lessor to receive Offline Car Revenues.	\$0.00

<u>Lease Description</u>	<u>Lessor</u>	<u>Leased Items</u>	<u>Payments</u>	<u>Cure Amount</u>
<p>Rail World Locomotive Leasing, LLC Railroad Locomotive Lease Agreement dated February 10, 2004 (as amended) (the "<u>2004 Lease</u>")</p> <p>Rail World Locomotive Leasing, LLC Railroad Locomotive Lease Agreement dated July 1, 2012 (as amended) (the "<u>2012 Lease</u>")</p>	<p>Rail World Locomotive Leasing, LLC ("<u>Rail World</u>")</p>	<p><u>2004 Lease:</u> Locomotives CDAC 450 and SLC 270. MMA 758 has been turned over to Rail World.</p> <p><u>2012 Lease:</u> Locomotives MMA 8202, MMA 8207 and MMA 8208</p>	<p><u>2004 Lease:</u> \$150 or \$100 per day for each day the equipment is used depending on the locomotive at issue</p> <p><u>2012 Lease:</u> Monthly payments of \$3,337.00 per locomotive.</p> <p>MMA reserves the right to seek a determination that the 2012 Lease constitutes a financing agreement.</p>	<p>Total for both the 2004 Lease and the 2012 Lease is \$234,147.70 through August of 2013</p>
<p>Master Equity Lease Agreement dated November 22, 2004</p>	<p>Enterprise Rent-A-Car Company of Boston, Inc. ("<u>Enterprise</u>")</p>	<p>Nineteen (19) vehicles: 2005 Chevrolet 2500HD Crew Cab VIN 1GCHK33U55F917548; 2005 Chevrolet 2500HD Crew Cab VIN 1GCHK33U95F926463; 2005 Chevrolet 3500 Crew Cab VIN 1GCHK33U75F809061; 2005 Chevrolet Astro VIN 1GNE319X55B120527; 2005 Chevrolet Silverado VIN 1GCHK24U95E329733; 2005 Chevrolet Tahoe Sport Utility Vehicle VIN</p>	<p>The payment equals the buyout of the vehicles as proposed by Enterprise</p>	<p>\$29,414.00</p>

<u>Lease Description</u>	<u>Lessor</u>	<u>Leased Items</u>	<u>Payments</u>	<u>Cure Amount</u>
		1GNEK13V45R108418; 2005 Dodge Dakota VIN 1D7HW22K35S110487; 2005 GMC 2500 Extra Cab VIN 1GTHK29U25E102845; 2005 GMC Safari (Passenger Van) VIN 1GKEL19X35B508868; 2006 Chevrolet Extra Cab VIN 1GCHK29UX6E183241; 2006 Chevrolet Trailblazer VIN 1GNDT13S462210343; 2007 Chevrolet 2500HD Crew Cab VIN 1GCHK23K97F548477; 2007 Chevrolet 2500HD Crew Cab VIN 1GCHK23U47F124173; 2007 Chevrolet 2500HR Extra Cab VIN 1GCHK23K27F546716; 2007 Chevrolet Extra Cab VIN 1GCEK19V27E161953; 2007 Chevrolet Extra Cab VIN 1GCHK29U27E185308; 2007 Chevrolet Tahoe VIN 1GNEK13057J124987; 2007 Chevrolet Tahoe VIN 1GNFK13017R195450; 2007 Subaru Forester VIN JF1SG63617H748183.		

MMA Non-Residential Real Property Leases and Executory Contracts

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
Ground Lease dated May 14, 2013	Jackman Utility District	Pertains to leased land and easements relating to a transload operation located in Jackman, Maine. Base rent is \$6,000.00 annually (paid quarterly).	\$42.50 (relates to sewer and water obligations)
Commercial Lease dated August 1, 2004	Larry Springer	Pertains to a portion of a building in Herman, Maine generally located at 15 Iron Road. Base rent is \$104,000.00 annually (paid in monthly installments).	\$14,570.46
Release Deed (Easement) dated May 26, 1993	Town of Medford	Pertains to an easement granted by Town of Medford, Maine over a parcel of land in Medford, Maine to predecessor in interest Bangor and Aroostook Railroad Company for purposes of installation of underground communications transmission system.	\$252.54

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
Release Deed (Easement) dated May 25, 1993	Arlene Larson	Pertains to an easement granted by Arlene Larson over a parcel of land in Medford, Maine to predecessor in interest Bangor and Aroostook Railroad Company for purposes of installation of underground communications transmission system.	\$0.00
Lease Agreement dated January 24, 2013	Judy L. Dionne	Pertains to leased land in Madawaska, Maine upon which one of MMA's communication towers is located. Rent is \$700.00 annually.	\$0.00
Lease Agreement dated April 1, 2003	Cole Land Company, Inc.	Pertains to leased land in Presque Isle, Maine used for one of MMA's communication towers. Base rent is \$175.00 per month.	\$214.52
Lease Renewal dated July 19, 2012	Thomas & Eva Young	Pertains to leased land in Williamsburg, Maine upon which one of MMA's communication towers is located. Rent is \$3,000.00 for the term of ten years.	\$0.00

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
Tower Agreement dated October 19, 2007	Atlantic Communications	Pertains to land leased by MMA to Atlantic Communications in Charleston, Maine related to Atlantic Communication's towers and lease payments are made to MMA by Atlantic Communications.	\$0.00
Easement Agreement dated April 30, 2003	AT&T Corp. (" <u>AT&T</u> ") (lessee)	Pertains to an easement granted by MMA to AT&T for the purposes of maintaining communications infrastructure. The annual easement fee paid by AT&T is \$162,567.09 paid annually.	\$0.00
Lease Agreement dated June 16, 1997 (also includes Private Crossing Agreement)	J.M. Huber Corporation (" <u>J.M. Huber</u> ")	Pertains to lease of parcel of land to J.M. Huber by MMA. Includes rights to construct, repair and maintain facilities for the transmission of telephone communications, cable television, electricity and data. Base renewal rent of \$2,000.00 per year paid by J. M. Huber.	\$0.00

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
Radio Transmission Agreement dated March 4, 1996 (with five amendments)	Portland Cellular Partnership d/b/a Verizon Wireless, successor in interest to RCC Atlantic, Inc.	Pertains to lease of a parcel of land and a transmission tower to Portland Cellular Partnerships by MMA for communications equipment. Lease payments are made to MMA by Portland Cellular Partnership.	\$0.00
Master Agreement dated October 29, 2004	FCM Rail Ltd.	Pertains to the lease of equipment that relates to other equipment owned by MMA: Heat Boom and Grapple.	\$1,785.00
Single Sided Lease Agreement	Greater Bay Capital (Wells Fargo Financial Leasing)	Equipment lease pertaining to four photocopiers: two Konica Minolta Bizhub 362 and two Konica Minolta Bizhub 421.	\$0.00
Radio Transmission Agreement dated November 1, 2006	Penobscot Regional Communications Center ("PRCC")	Pertains to agreement to allow PRCC to use tower space owned by MMA to install equipment. Amounts paid by PRCC to MMA.	\$0.00
Single Sided Lease Agreement	Wells Fargo Equipment Finance Manufacturer Services Group	Equipment Lease pertaining to one Ricoh Wide Format Copier 240W.	\$0.00

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
License Agreement dated October 7, 2007	Bangor Hydro-Electric Company	Pertains to license to use, construct, erect, maintain, repair, replace and remove facilities relating to distribution of electricity or communications on MMA's land and rights of way. Base annual fee paid by Bangor Hydro-Electric Company is \$4,372.00.	\$0.00
Master Crossing Agreement Between Montreal, Maine & Atlantic Railway, Ltd. and Central Maine Power Company dated June 29, 2006	Central Maine Power Company (" <u>CMP</u> ")	Pertains to license to use, construct, maintain, repair, replace, relocate and remove CMP facilities over, across, along or under MMA's land. Amounts paid by CMP to MMA.	\$0.00
License Agreement dated January 16, 2007	Northland Telephone Company of Maine, Inc. d/b/a Fairpoint Communications	Pertains to license to use, construct, erect, maintain, repair, replace and remove facilities relating to distribution of electricity or communications on MMA's land and rights of way.	\$0.00
Dispatching Agreement date June 15, 2011	Maine Northern Railway Company	Pertains to train dispatching services for the Madawaska subdivision.	\$0.00

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
Trackage Rights Agreement Millinocket – Brownville Jct., Maine dated June 1, 2011	Maine Northern Railway Company	Pertains to trackage rights between MMA's Madawaska Subdivision north of Millinocket, Maine and the connection with the Eastern Maine Railway. Maine Northern Railway Company pays MMA approximately \$1,000.00 per month.	\$0.00
Interchange Agreement at Millinocket, Maine dated June 1, 2011	Maine Northern Railway Company	Pertains to the interchange of cars relating to the Trackage Rights Agreement dated June 1, 2011.	\$0.00
Connection Agreement dated January 29, 2013	Eastern Maine Railway Company ("EMR") and Maine Northern Railway Company	Pertains to construction of a switch and lead track connecting MMA's line and EMR's line.	\$0.00
Commercial Agreement dated January 9, 2003	EMR and New Brunswick Southern Railway Company Limited ("NBS")	Pertains to the interswitching of rail freight traffic between lines operated by MMA, EMR, and NBS.	\$0.00
Agreement dated April 7, 2005	L'Express des Cantons de l'Est Inc. ("TETE")	Pertains to TETE's operation of a tourist train on line owned by MMA and MMA Canada	\$0.00
Master Agreement dated December 23, 2002, as amended	Canada Pacific Railway Company, MMA Canada, Atlantic and North-West	Related agreements:	\$0.00

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
<p>by that certain Amendment Agreement dated January 8, 2003 and unexecuted Extension Agreement dated January 1, 2013 (Pertains to MMA and MMA Canada)</p>	<p>Railway Company, Lake Champlain and St. Lawrence Junction Railway Company, The Montreal and Atlantic Railway Company</p>	<p>Interchange Trackage Rights Agreement – Saint-Jean Montreal Terminal dated January 8, 2003 between Canadian Pacific Railway Company and MMA Canada</p> <p>Blocking Agreement dated January 8, 2003 between MMA Canada and Canadian Pacific Railway Company</p> <p>Master Locomotive Exchange Agreement dated January 8, 2003 between Canadian Pacific Railway Company, MMA and MMA Canada</p> <p>TTX Interchange Agreement dated January 8, 2003 between MMA Canada and Canadian Pacific Railway Company</p> <p>MMAC Saint-Jean Operating Agreement dated January 8, 2003 between Canadian Pacific Railway Company and MMA Canada</p> <p>Lease Agreement dated January 8, 2003 between</p>	

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
Implementing Agreement Between the Montreal, Maine & Atlantic Railroad Company and the Employees of Accounting, Customer Service, Dispatching, Engineering, & Mechanical Departments dated July 12, 2010	Employees of Accounting Customer Service, Dispatching Engineering & Mechanical Departments.	Canadian Pacific Railway Company, Atlantic and North-West Railway Company and MMA Canada Pertains to labor protection conditions (continues to be applicable to a single employee).	\$0.00
Track Lease dated July 8, 2004, effective July 1, 2003	Lindsey Bell	Pertains to lease of MMA's railway siding for purposes of storing one railway car.	\$0.00
My-estub.com Hosting Terms & Conditions dated February 1, 2012	PaperlessPay Corporation	Pertains to payroll hosting services.	\$0.00
Agreement dated September 8, 2005	Industrial Metal Recycling assigned to Smorgon Steel Recycling d.b.a. Industrial Metal Recycling	Pertains to use of MMA's railway siding for storage of railway cars.	\$0.00

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
Occupancy Control System Agreement dated April 26, 2007	Condor Signal & Communications Inc.	Pertains to software for dispatching services for MMA and MMA Canada. Maintenance component of the agreement active and paid monthly.	\$0.00
Software license dated June 22, 2013	Sage Software Inc.	Pertains to software licenses.	\$0.00

MMA Canada Non-Residential Real Property Leases and Executory Contracts

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
Track Lease dated September 20, 2011	Ravago Canada	Pertains to use of MMA Canada's railway siding for storage of railway cars.	\$0.00
Agreement dated February 13, 2004	Performance Packaging Inc.	Pertains to use of MMA Canada's railway siding for storage of railway cars.	\$0.00
Agreement dated March 6, 2006	Kaytec Vynile Inc.	Pertains to use of MMA Canada's railway siding for storage of railway cars.	\$0.00

<u>Lease/Contract Description</u>	<u>Lessor or Lessee/Contract Counter Party</u>	<u>Notes</u>	<u>Cure Amount</u>
Agreement dated February 19, 2004 as amended by Amendment No. 1 to Track Lease Agreement Between Montreal, Maine & Atlantic Railway & Brigham Terminal	Brigham Terminal Inc.	Pertains to use of MMA Canada's railway siding for storage of railway cars.	\$0.00
Agreement dated October 16, 2009	First Union Rail	Pertains to use of MMA Canada's railway siding for storage of railway cars. Original term of this agreement may have expired.	\$0.00
Office Equipment Contract dated April 13, 2010	Roynat Financement	Pertains to lease of photocopier, fax machine and miscellaneous related equipment.	\$0.00