

APR 10 2012 11 25 AM

BRANDT FISHER ALWARD & PEZZETTI, P.C.
ATTORNEYS AT LAW

SURFACE TRANSPORTATION BOARD

DONALD A. BRANDT
JOSEPH C. FISHER
THOMAS R. ALWARD
THOMAS A. PEZZETTI, JR.
MATTHEW D. VERMETTEN

1241 E. EIGHTH STREET
P.O. BOX 5817
TRAVERSE CITY, MI 49696-5817
(231) 941-9660
Facsimile (231) 941-9568

SUSAN JILL RICE †
GARY D. POPOVITS
H. DOUGLAS SHEPHERD IV
DAVID H. ROWE †
NICOLE R. GRAF
PRISCILLA V. HIRT

* Also Admitted in Illinois
† Also Admitted in Indiana

Elk Rapids Office By Appointment Only
(231) 264-5614

E-mail: tpezzetti@bfarlaw.com

April 9, 2012

VIA FEDERAL EXPRESS
Surface Transportation Board
ATTN: Document Recordings
395 East Street SW
Washington, DC 20024



Re: mBank/Escanaba and Lake Superior Railroad Company

Dear Sir or Madam:

Enclosed please find the original and two copies of an Assignment of Mortgage on Rolling Stock to be recorded. Also enclosed please find a check in the amount of \$41.00 for the recording fee. Please return one copy of the recorded document in the enclosed envelope. Thank you for your assistance in this matter.

Sincerely,

BRANDT, FISHER, ALWARD & PEZZETTI, P.C.

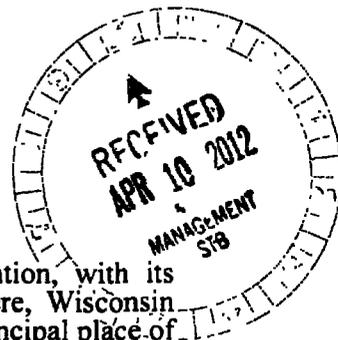
Thomas A. Pezzetti, Jr.

TAP/bls
Encls.

W:\Tom P\mBank\Manistique Paper, Inc S1B ltr wpd

4050.0705

APR 10 '12 -11 25 AM



SURFACE TRANSPORTATION BOARD
ASSIGNMENT OF MORTGAGE ON ROLLING STOCK

Wisconsin Community Bank ("WCB"), a Wisconsin banking corporation, with its principal place of business at 1510 Mid Valley Drive, P.O. Box 5307, DePere, Wisconsin 54115-5307, and mBank ("mBank"), a Michigan banking corporation with its principal place of business at 130 South Cedar Street, Manistique, Michigan 49854, in consideration of the mutual covenants and agreements contained herein, hereby Recite and Agree as follows:

Recitals

WHEREAS, the Mortgage on Rolling Stock dated as of June 30, 2006, filed with the Surface Transportation Board on October 27, 2006, and bearing Surface Transportation Board recordation No. 26640, acquired and was granted a security interest in that certain railroad rolling stock therein particularly described to secure payment of a certain debt or principal sum in the original amount of \$3,000,000.00, with interest thereon and other costs related thereto all as set forth in said mortgage; and

WHEREAS, mBank has offered to purchase and to accept from WCB an assignment of the outstanding debt of Escanaba and Lake Superior Railroad Company (the "Obligor") to WCB provided WCB assigned all collateral for the debt of the Obligor to mBank; and

WHEREAS, WCB has agreed to accept the offer of mBank and to assign the obligation of the Obligor to mBank along with the entire collateral package to mBank; and

WHEREAS, the Obligor consents to this Assignment of Mortgage on Rolling Stock (the "Assignment").

NOW, THEREFORE, in consideration of the mutual promises contained and other valuable consideration, and with the intent to be legally bound hereby, the parties hereto agree as follows:

Agreements

1. **Agreement to Finance.** mBank has agreed, subject to the terms and conditions of a Loan Purchase and Assumption Agreement (the "Agreement") of even date by and between mBank and WCB, to acquire from WCB to outstanding indebtedness of the Obligor to WCB as evidenced by that certain Business Loan Agreement dated as of June 30, 2006 as amended and as further evidenced by that certain Promissory Note dated as of June 30, 2006. The Agreement is hereby incorporated herein and all terms defined therein have the same meaning herein.
2. **Assignment.** WCB, the mortgagee named in the Mortgage of Rolling Stock as for and in consideration of the sum set forth on the Agreement, paid by mBank at the time of the execution hereof, the receipt whereof is hereby acknowledged,

DOES HEREBY GRANT, bargain, sell, assign, transfer and set over unto the said mBank, its heirs, executors, administrators and assigns a certain Mortgage on Rolling Stock dated as of June 30, 2006 (the "Mortgage"), given and executed by Escanaba and Lake Superior Railroad Company to WCB, recorded with the Surface Transportation Board and bearing recordation No. 26640 respectively, to secure the payment of the sum of \$3,000,000.00 dollars with interest thereon and costs related thereto, and secured upon all that certain railroad rolling stock identified in Schedule I attached hereto and incorporated herein (to be further identified, supplemented and added to from time to

time) whether now in existence or hereafter acquired, together with all replacements, replacement parts, additions, repairs, repair parts, accessions and accessories incorporated therein and/or affixed thereto, all special tools and devices incorporated therein or used in connection therewith; and together with all products, replacements, additions, substitutions and proceeds (including any claims or insurance payable by reason of loss or damage to the Units) thereof ("Mortgaged Property"); also the obligations in the said Mortgage and all moneys, principal and interest due and to grow due thereon; together with all rights, remedies, obligations, and incidents thereunto belonging; and all WCB's right, title interest, property, claim and demand in and to the same;

TO HAVE, hold, receive and take all and singular the Mortgaged Property hereby granted and assigned, or mentioned and intended so to be, unto the said mBank, its heirs, executors, administrators and assigns, to and for its and their only proper use, and benefit forever; subject, nevertheless, to the rights of Escanaba and Lake Superior Railroad Company as contained in said Mortgage.

3. Miscellaneous

All covenants and agreements in this Assignment made by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

The titles to the various sections of this Assignment are solely for convenience and are not a part of the Assignment for purposes of interpreting the provisions hereof.

This Assignment, the Schedule, or any other instruments, documents or agreements to be delivered hereunder, are being executed and delivered and are intended to be performed in the State of Michigan. The parties hereto agree that the law of the State of Michigan shall govern their rights and duties hereunder, excepting applicable federal law.

4. Severability. The provisions of this Agreement are severable, and if any clause or provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such clause or provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability of such clause or provisions in any other jurisdiction or the remaining provisions hereof in any jurisdiction.
5. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered by all parties, shall be an original, but all such counterparts shall together constitute but one and the same instrument.
6. Consent to Assignment. The Obligor consents to this Assignment by WCB to mBank. Obligor acknowledges that mBank will have all of the power and rights which WCB had in relation to the Mortgaged Property and henceforth WCB will have no further interest in the Mortgaged Property.

This written agreement is exclusive as to its subject matter and no inconsistent oral agreement shall be binding.

STATE OF)
) ss.
COUNTY OF Schoolcraft)

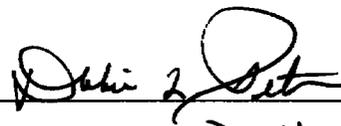
On this 25th day of July, 2011 before me personally appeared Tamara R. McQuinn
to me known and known to me, who being duly sworn, did depose and say that she is the VP Chief Clerk of
mBank, a Michigan banking corporation, the corporation described in and which executed the foregoing
instrument, and that he signed his name thereto by order of the Board of Directors of said corporation, as and for
his voluntary act and deed and as and for the voluntary act and deed of said corporation.



Thomas A. Pezzetti, Jr.
Notary Public, Grand Traverse County, MI
Acting in Schoolcraft County, MI
My Commission Expires: 8/23/11

STATE OF Michigan)
) ss.
COUNTY OF Delta)

On this 21 day of July, 2011 before me personally appeared John Larkin,
to me known and known to me, who being duly sworn, did depose and say that he is the President of
Escanaba and Lake Superior Railroad Company, a Michigan corporation, the corporation described in and
which executed the foregoing instrument, and that he signed his name thereto by order of the Board of Directors of
said corporation, as and for his voluntary act and deed and as and for the voluntary act and deed of said
corporation.



Notary Public, Delta County, ____
Acting in Delta County, ____
My Commission Expires: 2-7-14

DEBBIE L. PETERSON
NOTARY PUBLIC, STATE OF MI
COUNTY OF DELTA
MY COMMISSION EXPIRES Feb 7, 2014
ACTING IN COUNTY OF Delta

SCHEDULE 1

Description of Equipment (Units)

II. DESCRIPTION OF THE LOCOMOTIVES AND THE RAILCARS

LOCOMOTIVES

A. Group 1 --EMD Model SD9 Diesel Electric Locomotives

The Five (5) EMD Model SD9 Diesel Electric Locomotives are described as follows:

Manufacturer	General Motors Corporation Electro-Motive Division LaGrange, Illinois
Date Manufactured.....	1955; 1956
Horsepower.....	1750 HP
Road Numbers	ELS 1220 - ELS 1224, inclusive
Number of Axles.....	6
Gear Ratio.....	62:15
Traction Motor Model Number.....	D47B; D57B; D67B; D77; D77B; D78
Approximate Loaded Weight.....	300,000 Lbs.
Air Brake Equipment	24RL
Dynamic Braking	Yes
Engine Model Number.....	16-567-C
Generator Model Number.....	D12C
Auxiliary Generator.....	10 kW
Fuel Capacity	2400 Gallons
Retention Tank.....	No
Cab Heat	Hot Water
Toilet Facilities	Yes

B. Group 2 --EMD Model GP38 Diesel Electric Locomotives

The Two (2) EMD Model GP38 Diesel Electric Locomotives are described as follows:

Manufacturer	General Motors Corporation Electro-Motive Division LaGrange, Illinois
Date Manufactured.....	1969; 1970
Horsepower	2000 HP
Road Numbers	ELS 400; ELS 402
Number of Axles	4
Gear Ratio.....	62:15
Traction Motor Model Number.....	D37B; D57B1; D77; D77B; D78
Approximate Loaded Weight	250,000 Lbs.
Air Brake Equipment	26L
Dynamic Braking	Yes
Engine Model Number.....	16-645-E
Generator Model Number.....	D32E1
Auxiliary Generator.....	10 kW-ELS 402; 18kW-ELS 400
Fuel Capacity	2600 Gallons-ELS 400, 3000 Gallons-ELS 402
Retention Tank.....	Yes - external
Cab Heat	ELS 400 - electric; ELS 402 hot water
Toilet Facilities	Yes

C. Group 3 - EMD Model SW8 Diesel Electric Locomotives

The Two (2) EMD Model SW8 Diesel Electric Locomotives are described as follows:

Manufacturer	General Motors Corporation Electro-Motive Division LaGrange, Illinois
Date Manufactured	1952
Horsepower	800 HP
Road Numbers	ELS 1200; ELS 1201
Number of Axles	4
Gear Ratio	52:15
Traction Motor Model Number	D57B1; D77; D77B
Approximate Loaded Weight	230,000 Lbs.
Air Brake Equipment	6BL
Dynamic Braking	No
Engine Model Number	8-567-B
Generator Model Number	D15C
Auxiliary Generator	10 kW
Fuel Capacity	600 Gallons
Retention Tank	No
Cab Heat	Hot Water
Toilet Facilities	No

RAILCARS

D. Group 1 -- 70-Ton Box Cars

The Two Hundred Eighty-Three (283) 70-Ton Box Cars are described as follows:

Association of American Railroads XM (AAR) Mechanical Designation	
AAR Car Type Code	B314
AAR Equipment Diagram	Plate B
Date Built	1977; 1978
Car Numbers	ELS 101600 - ELS 101899, not inclusive
Nominal Capacity (Tons).....	70
Cubic Feet Capacity.....	5077
Extreme Height	14'-11"
Extreme Width	10'-8"
Inside Length.....	50'-6"
Outside Length.....	55'-3"
Air Brake System.....	ABD/ABD; ABD/ABDW
Couplers	Type E
Underframe	Rigid
Trucks.....	Ride Control, 6" x 11" roller bearings, D5 inner and outer springs, no. 18 brake beams
Wheels	33" curved or straight plate

The Box Cars are described in The Official Railway Equipment Register, Vol. 121, No. 4, issued April 2006 and effective April 1, 2006, on page no. RR-327, line no. 46

E. Group 2 -- 100-Ton Bulkhead Log Cars

The Thirty-Six (36) 100-Ton Bulkhead Log Cars are described as follows:

AAR Mechanical Designation..... FL
AAR Car Type Code F273
AAR Equipment Diagram..... Plate C
Date Built... 1967
Car Numbers..... ELS 5000 - ELS 5035; inclusive,

Nominal Capacity (Tons)..... 100
Extreme Height..... 14'-10"; 14'-11"
Extreme Width..... 9'-9"; 10'-2"
Inside Length..... 70'-1"
Outside Length..... 80'-1"
Air Brake System..... ABD/ABD; ABD/ABDW
Couplers..... Type E
Underframe..... Rigid
Trucks..... Ride Control,
6½" x 12" roller bearings,
D3 inner and outer springs,
mounted cylinder type
brake beams

Wheels..... 36" curved or straight plate

The Bulkhead/Log Stake Flat Cars are described in The Official Railway Equipment Register, Vol 121, No. 4, issued April 2006 and effective April 1, 2006, on page no. RR-327, line nos. 1 and 2.

F. Group 2 -- 100-Ton Bulkhead Flat Cars

The Twelve (12) 100-Ton Bulkhead Flat Cars are described as follows:

AAR Mechanical Designation FB
AAR Car Type Code F243
AAR Equipment Diagram Plate C
Date Built..... 1967
Car Numbers ELS 61704 - ELS 61749, not
inclusive; ELS 979024

Nominal Capacity (Tons) 100
Extreme Height..... 14'-10"; 14'-11"
Extreme Width..... 9'-9"; 10'-2"
Inside Length..... 70'-1"
Outside Length..... 80'-1"
Air Brake System..... ABD/ABD; ABD/ABDW
Couplers Type E
Underframe Rigid
Trucks..... Ride Control,
6½" x 12" roller bearings,
D3 inner and outer springs,
mounted cylinder type
brake beams

Wheels 36" curved or straight plate

The Bulkhead/Log Stake Flat Cars are described in The Official Railway Equipment Register, Vol. 121 No. 4, issued April 2006 and effective April 1, 2006, on page nos RR-327, line nos. 44 - 45 and 48

G. Group 3 – 70-Ton Bulkhead Flat Cars

The Fourteen (14) 70-Ton Bulkhead Flat Cars are described as follows:

AAR Mechanical Designation..... FB
AAR Car Type Code... .. F241
AAR Equipment Diagram Plate C
Date Built 1973 - 1975
Car Numbers. ELS 5100 - ELS 5113,
inclusive
Nominal Capacity (Tons)... .. 70
Extreme Height 15'-1"; 15'-6"
Extreme Width..... 9'-11"; 10'-3"
Inside Length..... 52'-8"
Outside Length..... 60'-10"
Log Stakes No
Air Brake System..... ABD/ABD
Couplers Type E
Underframe Rigid
Trucks..... Barber S2,
6" x 11" roller bearings,
D5 inner and outer springs,
no. 18 brake beams
Wheels 33" curved or straight plate

The 70-Ton Bulkhead Flat Cars are described in The Official Railway
Equipment Register, Vol. 121, No. 4, issued April 2006 and effective April
1, 2006, on page no. RR-327, line nos. 3 - 4.