

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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|---------------------------|---|-------------------|
| |) | |
| In re |) | Chapter 11 |
| |) | Case No. 13-10670 |
| MONTREAL MAINE & ATLANTIC |) | |
| RAILWAY, LTD. |) | |
| |) | |
| Debtor. |) | |
| |) | |

ORDER AUTHORIZING PAYMENT OF PREPETITION EMPLOYEE OBLIGATIONS AND CONTINUATION OF PREPETITION EMPLOYEE BENEFITS

Upon consideration of the motion (the “**Motion**”) of Montreal, Maine & Atlantic Railway Ltd. (“**MMA**” or “**Debtor**”) for an Order pursuant to sections 105(a), 363(b), 363(c), 507(a)(4), and 507(a)(5) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), (i) authorizing the Debtor to pay certain prepetition Employee Obligations,¹ including those arising under prepetition Employee Benefits, and to continue to honor the obligations in the ordinary course; and upon the affidavit of M. Donald Gardner, Jr. filed in connection herewith; and notice having been given to (i) United States Trustee; (ii) the 20 largest unsecured creditors in this case; (iii) the Federal Rail Administration; (iv) Wheeling & Lake Erie Railway Company; (v) the United States Secretary of Transportation; (vi) the Surface Transportation Board; and (vii) all parties requesting notice in this case; and it appearing that no other notice need be given; and any objections thereto having been withdrawn or overruled; and after due deliberation, and sufficient cause appearing therefore, it is hereby:

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

ORDERED, that the Motion is granted; and it is further

ORDERED that pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, subject to the limitations set forth in section 507(a)(4) and (a)(5), the Debtor is authorized, but not directed or obligated, to make all payments in accordance with the Debtor's prepetition practices and policies with respect to prepetition Employee Obligations, including General Business Expense Reimbursements up to \$2,000 per Employee without further order of the Court; and it is further

ORDERED that pursuant to sections 105(a) and 363(c) of the Bankruptcy Code, the Debtor is authorized, but not directed or obligated, to continue to honor the existing Employee Obligations as the same were in effect as of the Petition Date, in the ordinary course of business; and it is further

ORDERED that the Debtor shall be and hereby are authorized, but not directed or obligated, to pay any amounts owing to applicable providers under the Employee Benefits and to withhold corresponding amounts from participating Employees' paychecks on the same basis and in accordance with the same practices and procedures as in effect prior to the Petition Date; and it is further

ORDERED that banks are authorized to receive, honor, process, and pay any and all checks and electronic transfers related to the prepetition Employee Obligations, whether presented before or after the Petition Date; and it is further

ORDERED that nothing in the Motion or this Order shall be deemed to constitute the postpetition assumption of any executory contract between the Debtors and any third party; and it is further

ORDERED that nothing in the Motion or this Order shall be construed as impairing the any party-in-interest's right= to contest the validity, priority, or amount of any Employee Obligation; and it is further

ORDERED that nothing contained in this Order shall be deemed to increase, reclassify, elevate to administrative expense status or otherwise affect the Employee Obligations to the extent they are not paid; and it is further

ORDERED that the requirements of Bankruptcy Rule 6003 are satisfied by the contents of the Motion; and it is further

ORDERED that notwithstanding any applicability of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that nothing in this Order shall be construed as authorizing a transfer or an obligation in violation of section 503(c) of the Bankruptcy Code; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

Dated: August 9, 2013



Honorable Louis H. Kornreich
United States Bankruptcy Judge

District/Off: 0100-1
Case: 13-10670

User: kford
Form ID: pdf900

Date Created: 8/9/2013
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TOTAL: 12

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|-----|--|----------------------------|--|
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| cr | Maine Department of Transportation | c/o Victoria Morales | 16 State House Station Augusta, ME 04333 |
| cr | Eastern Maine Railway Company | c/o Alan Lepene | 3900 Key Center 127 Public Square Cleveland, OH 44114-1291 |
| cr | Maine Northern Railway Company | c/o Alan Lepene | 3900 Key Center 127 Public Square Cleveland, OH 44114-1291 |
| cr | New Brunswick Southern Railway Company | c/o Alan R. Lepene | 3900 Key Center 127 Public Square Cleveland, OH 44114-1291 |
| cr | Bangor Savings Bank | P.O.Box 930 | Bangor, ME 04402-0930 |
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| aty | Craig Goldblatt | WilmerHale | 1875 Pennsylvania Avenue, N.W. Washington, DC 20006 |
| aty | William C. Price | Clark Hill Throp Reed | One Oxford Centre 301 Grant Street, 14th Floor Pittsburgh, PA 15219 |
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TOTAL: 10