

CANADA

**SUPERIOR COURT**  
(Commercial Division)

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PROVINCE OF QUEBEC  
DISTRICT OF ST-FRANCOIS

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

N°: 450-11-000167-134

Sherbrooke, December 19, 2013

PRESENT: The Honourable Justice Gaétan  
Dumas, J.S.C.

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

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

Debtor-Petitioner

and

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

Monitor

and

**RAILROAD ACQUISITION HOLDINGS LLC**

Mise en cause

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**ORDER**

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**SEEING** Petitioner's Motion for an order (a) approving Bid Procedures for the sale of the debtor's assets, (b) approving a Stalking Horse Bid (c) approving a Break-up Fee and Expense Reimbursement (d) scheduling an Auction (e) approving procedures for the assignment and assumption of certain executory contract and unexpired leases (f) approving a form of Notice of sale, the exhibits, the affidavit of Mr. Robert C. Grindrod, and the Monitor's fourth report filed in support thereof, as well as the submissions of counsel present at the hearing;

**GIVEN** the provisions of the CCAA;

**WHEREFORE, THE COURT:**

- [1] GRANTS the present Motion;
- [2] DECLARES sufficient the service and notice of the Present Motion;
- [3] APPROVES the Stalking Horse Asset Purchase Agreement (Exhibit R-1), dated as December 12, 2013, by and between Robert J. Keach, as Chapter 11 Trustee for the estate of Montreal, Maine and Atlantic Railway, LTD, Montreal, Maine & Atlantic Canada Co. and Railroad Acquisition Holdings LLC, including, without limitation, the obligations of Montreal, Maine & Atlantic Canada Co. and Montreal, Maine & Atlantic Railway, Ltd, to pay the Break-up Fee, and the Expense Reimbursement (as such terms as defined in the Stalking Horse Asset Purchas Agreement) to Railroad Acquisition Holdings LLC on the terms and conditions set forth in the Stalking Horse Assets Purchase Agreement;
- [4] APPROVES the Bid Procedures, as set out in exhibit R-2;
- [5] ORDERS that the capitalized terms used herein, but not defined, shall have the meaning ascribed to them in the Bid Procedures (exhibit R-2) or, if not defined therein, in the Initial Order;
- [6] DECLARES that Railroad Acquisition Holdings LLC shall be the Stalking Horse for the purpose of the competitive bidding process set out in the Bid Procedures;
- [7] AUTHORIZES and DIRECTS MMA Canada to conduct, together with the Trustee and the Monitor, the competitive bidding process set out in the Bid Procedures in accordance with said Bid Procedures;
- [8] ORDERS that to the extent that the Trustee, MM&A 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 MM&A Canada or their respective representatives, shall conduct a joint auction (the "Auction") at Bernstein Shur Sawyer & Nelson B.A., 100 Meadle 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 MM&A Canada shall notify all Qualified Bidders, who had submitted Qualified Bids;

- [9] AUTHORIZES and DIRECTS the Monitor and MM&A Canada to carry out, with the Trustee, any such Auction in accordance with the Bid Procedures;
- [10] DECLARES that a hearing shall take place before the Superior Court of Quebec, Commercial Division, on January 23, 2014, in order to authorize and approve the sale of MM&A Canada's assets, pursuant to the terms set out in the Stalking Horse Assets Purchase Agreement (exhibit R-1), or pursuant to the terms of an alternative transaction with the Successful Bidder(s) at the Auction, as the case may be (the "Sale Hearing");
- [11] ORDERS that in the event that no Qualified Bids other than the Qualified Bid submitted by the Stalking Horse, are received pursuant to the terms of the Bid Procedures, MM&A Canada is authorized and directed to (i) cancel the Auction and (ii) seek entry of the Vesting Order (as defined in the Stalking Horse Assets Purchase Agreement (exhibit R-1)), in accordance with the Bid Procedures;
- [12] DECLARES that, pursuant to the terms of the Stalking Horse Asset Purchase Agreement (exhibit R-1) and as security for MM&A and MM&AR to pay the Break-up Fee and the Expense Reimbursement to the Stalking Horse, as hereby approved under the terms and conditions set forth under the Stalking Horse Assets Purchase Agreement (exhibit R-1) and the Bid Procedures (exhibit R-2), the Stalking Horse is hereby granted a charge and security in the Property to the extent of the aggregate amount of CAN\$1,100,000, which charge shall be subordinated to the CCAA Charges and to any and all other valid Encumbrances affecting the Property charged by such Encumbrances;
- [13] APPROVES the Assumption and Assignment Procedures (exhibit R-3);
- [14] APPROVES the Notice of Sale and the Publication Notice (exhibits R-4 et R-5);

- [15] **ORDERS** that, in connection with the Bid Procedures (exhibit R-2), MM&A Canada and the Monitor are authorized and permitted to disclose personal information of identifiable individuals to Qualified Bidders and their advisors, but only to the extent required in connection with the terms of the Bid Procedures and the bidding and sale process to be conducted thereunder. Each Qualified Bidder shall maintain and protect the privacy of said information and limit the use of said information to its participation in said bidding and sale process to be conducted under the Bid Procedures and, if it does not complete the Purchase of the Assets, shall return all such information to MM&A Canada or, in the alternative, destroy all such information;
- [16] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal Court or administrative body and any federal or state Court or administrative body in the United States of America, including the United States Bankruptcy Court for the District of Maine and, any Court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order;
- [17] **ORDERS** the provisional execution of this Order, notwithstanding any appeal and without the necessity of furnishing any security.
- [18] **THE WHOLE** without costs.

**GAËTAN DUMAS**

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THE HONOURABLE GAËTAN DUMAS, J.S.C.