

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUÉBEC
DISTRICT OF ST-FRANÇOIS
N°: 450-11-000167-134

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

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

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

PETITIONER

and

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

MONITOR

MOTION FOR A FOURTH ORDER EXTENDING THE STAY PERIOD
(Sections 9 and 11 *et seq.* of the *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36 ("CCAA"))

TO THE HONORABLE JUSTICE GAÉTAN DUMAS OF THE SUPERIOR COURT, SITTING IN
THE COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF
SAINT-FRANÇOIS, THE PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:

I. INTRODUCTION

1. On August 8, 2013, the Superior Court, Commercial Division, in and for the district of Montreal, issued an order (as amended on August 23, 2013, the "**Initial Order**") extending the protection of the *Companies' Creditors Arrangement Act* ("**CCAA**") to the Montreal Maine & Atlantic Canada Co. (the "**Petitioner**" or "**MM&A**") pursuant to section 11.02 of the CCAA;
2. Pursuant to the Initial Order, Richter Advisory Group Inc. (Richter Groupe Conseil Inc.) was appointed as monitor of the Petitioner (the "**Monitor**") and a stay of proceedings (the "**Stay of Proceedings**") was ordered until and including September 6, 2013 (the "**Stay Period**");

3. In addition to protecting the Petitioner, the Stay of Proceedings issued by this Court also extends to *inter alia* the members of the Petitioner's corporate group (the Petitioner and the other members of its corporate group collectively referred to as the "**Petitioner's Corporate Group**") listed in Schedule "A" thereto and to the persons listed in Schedule "B" thereto (collectively, the "**Non-Petitioner Defendants**"), Schedules A and B being attached to the present Motion. As appears from Schedules "A" and "B", the members of the Petitioner's Corporate Group and the Non-Petitioner Defendants include, *inter alia*, Montreal, Maine & Atlantic Railway Ltd ("**MM&AR**"), (the Petitioner's parent company), as well as their liability insurer, XL Insurance Company Ltd. (the "**Liability Insurer**" or "**XL**");
4. In addition to filing under the CCAA, MM&AR filed Chapter 11 bankruptcy proceedings in the United States Bankruptcy Court, District of Maine (the "**Chapter 11 Case**");
5. On August 21, 2013, the United States trustee appointed Robert J. Keach to serve as trustee in the Chapter 11 Case (the "**Chapter 11 Trustee**");
6. On September 4, 2013, this Court issued an order (the "**First Extension Order**") extending the Stay Period to October 9, 2013, the whole as appears from the Court Record;
7. On October 9, 2013, this Court issued an order (the "**Second Extension Order**") extending the Stay Period to January 28, 2014, the whole as appears from the Court Record;
8. On January 23, 2014, this Court issued an order (the "**Third Extension Order**") extending the Stay Period to February 11, 2014, the whole as appears from the Court Record;

II. ORDER SOUGHT

9. The Petitioner hereby seeks an extension of the Stay Period in respect of *inter alia* the Petitioner, the other members of the Petitioner's Corporate Group and the Non-Petitioner Defendants until February 26, 2014 for the reasons explained hereinafter;

III. GROUNDS FOR THIS MOTION

10. Since the issuance of the Third Extension Order, the Petitioner has acted and continues to act in good faith and with due diligence as set forth hereinafter;
11. The Petitioner has made and continues to make significant efforts to maintain the stability of its business and address the concerns of all of its stakeholders including, *inter alia*, the following:
 - i) **The Petitioner's efforts to maintain the Certificate of Fitness**
12. The certificate of fitness No. 02004-3 issued in favour of the Petitioner and MM&AR under the *Canada Transportation Act* (the "**Certificate of Fitness**") will remain in effect

until April 1, 2014, the whole pursuant to Decision Number 29-R-2014 of the Canadian Transportation Agency, filed in support hereof as **Exhibit R-1**;

13. The insurance required in order to maintain the Certificate of Fitness will also expire on April 1, 2014;

ii) Cash flow and interim financing

14. Since the Third Extension Order, the Petitioner and MM&AR have continued efforts to maintain operations pending the sale of their assets to Railroad Acquisition Holdings LLC, as approved by this Court (the "**Sale**");
15. The Chapter 11 Trustee was able to obtain \$3 million of Debtor In Possession ("**DIP**") financing in the form of a line of credit from Camden National Bank ("**Camden**"). The DIP financing is being used to support the operations of both MM&AR and the Petitioner, although it is not sufficient to permit any capital expenditures for necessary track repairs nor the payment of the fees of its professionals, including its legal counsel, the Monitor and the Monitor's legal counsel (the "**Professionals**");
16. As of the date of filing of this Motion, almost the entire availability of the DIP financing has been exhausted and the Petitioner and MM&AR are in need of additional credit in order to fund operations pending the Sale;
17. Based on this need for additional funds, the Chapter 11 Trustee approached Camden to determine Camden's willingness to increase the DIP financing by US\$1.8 million. Camden agreed to this increase and the Chapter 11 Trustee has filed a motion seeking approval of the increase in DIP financing, which motion will be heard on February 11, 2014 in the Chapter 11 Case;

iii) Sale process

18. On January 23, 2014, this Honourable Court approved the Sale and issued a vesting order, the whole as appears from the court record, namely the *Approval and Vesting Order*;
19. Since that time, the parties have worked diligently towards fulfilling the conditions precedent to closing such that the Sale is presently scheduled to close in mid-March;

iv) Continuation of operations

20. Since the First, Second and Third Extension Orders, the Petitioner has continued to deploy efforts to maintain the railway transportation services to the fullest extent possible for the benefit of its customers in Québec and to avoid the negative consequences described in the First Motion on:
- the employees who would have been laid off in the event of the permanent shutdown of the Petitioner's operations in Canada; and

- the economies of several towns and municipalities in the province of Québec and elsewhere, which in some respects are highly dependent on railway services, and on third parties (industries and businesses) who rely on freight services;
21. Moreover, the Sale is conditional upon rail service being maintained until closing, at which time the buyer will assume responsibility for same. It is thus crucial that rail service be maintained until the Sale closes;
- v) Developments with respect to Property / Business Interruption Insurance Policy**
22. On December 19, 2013, the Court entered an Order approving a compromise and settlement with Travelers Property and Casualty Company of America ("**Travelers**"), the whole as appears from the Court record. A similar order was entered in the Chapter 11 Case on December 24, 2013 (the "**Travelers Settlement**");
23. As set out in the Motion for a Third Extension Order, pursuant to the Travelers Settlement, an amount of US\$3,800,000 ("**Settlement Payment**") is to be paid to MM&A and MM&AR as a full and final settlement, allocated as follows:
- a) US\$2,470,000 or 65% is to be paid to the Monitor in respect of amounts due to MM&A;
 - b) US\$1,330,000 or 35% is to be paid to the Chapter 11 Trustee in respect of amounts due to MM&AR;
24. As a result of a contestation filed by Wheeling & Lake Erie Railway Company ("**Wheeling**") in respect of the allocation of the Settlement Payment between MM&A and MM&AR, no amounts will be disbursed until further order of the Courts. In this respect, a joint hearing is scheduled for February 26, 2014;
25. Having received the Settlement Payment, the Monitor will hold the funds in trust pending the resolution of the Wheeling contestation and a further order by the Court permitting it to pay accrued professional fees owing to the Professionals that are secured by the Administration Charge (as defined in the Order of December 19, 2013 approving an increase to the Administration Charge);
- vi) Administration Charge**
26. Pursuant to the Order of December 19, 2013 approving an increase to the Administration Charge, the Administration Charge (as defined in said Order) was increased to \$3,250,000;
27. As of January 31, 2014, the fees and disbursements of the Professionals that benefit from the Administration Charge total approximately \$3,300,000, including taxes;
28. It has thus become clear that, in order to allow the Petitioner and the Monitor to:
- a) Complete the Sale;

- b) Move forward with collecting the claims pursuant to the claims process;
- c) Move forward with planning and negotiations in view of presenting a plan of arrangement, including:
 - i) Continuing discussions already underway with XL in an effort to secure payment of amounts through the CCAA process so that they may be distributed in an orderly manner to the appropriate beneficiaries through the claims process. These discussions relate not only to the \$25,000,000 indemnity but to any further amounts that may be negotiated in exchange for the appropriate releases in favour of XL;
 - ii) Entering into discussions with third parties that are currently subject to various legal actions in an effort to present a global settlement to creditors in exchange for the appropriate releases;

the Administration Charge must be increased to at least \$5,000,000;

- 29. As such, discussions have ensued with the Petitioner's secured creditors, namely the US Federal Railroad Administration ("FRA") and the Province of Québec, as well as other parties, regarding their willingness to consent to an increase to the Administration Charge;
- 30. These discussions remain ongoing, hence the short extension of the Stay Period sought herein;

vii) Claims process

- 31. On December 13, 2013, the Petitioner filed a *Motion for an order approving a process to solicit claims and for the establishment of a claims bar date* ("**Claims Motion**") which included a detailed claims package to be completed by all claimants and a bar date of May 31, 2014;
- 32. The Claims Motion is scheduled to be heard on February 11, 2014 in a joint hearing with the United States Bankruptcy Court, which has been asked to set a claims bar date in the Chapter 11 Case of May 31, 2014;
- 33. In light of the ongoing discussions conducted by Petitioner to allow the CCAA process to continue beyond the extension sought herein, the Petitioner shall postpone the presentation of the Claims Motion to February 26, 2014.
- 34. Until the necessary financial resources have been confirmed, the Petitioner does not have the funds available to pay the Professionals to present the Claims Motion and manage the claims process, including significant out-of-pocket disbursements estimated at between \$25,000 and \$50,000;
- 35. For the same reasons, the Petitioner is forced to seek a postponement of the motions filed by representatives of certain derailment victims regarding class representation and

an alternative claims process, which were also scheduled to be heard February 11, 2014;

36. The Petitioner and the Chapter 11 Trustee have contested the appointment of the class representatives and their ability to file class claims (among other matters) and the Monitor has expressed its concerns with the terms and conditions surrounding the appointment of the class representatives which are further set out in the Monitor's Fourth Report to Court;

viii) The Monitor

37. Since the Third Extension Order, the Petitioner has continued to cooperate and work diligently with the Monitor in order to provide the latter with all necessary information to prepare reports and fulfill its role and obligations and have kept the Monitor apprised of all developments. Indeed, the Petitioner has continued to seek the Monitor's assistance with respect to all of the above, including, in particular, the discussions with respect to the Sale and with respect to the preparation of the cashflow discussed below;

ix) Future direction

38. As indicated above, the Petitioner, the Monitor and the Chapter 11 Trustee continue to work diligently to complete the Sale;
39. The Petitioner believes that the extension sought herein shall provide sufficient time to complete its discussions and determine if the financial resources required to continue the CCAA process have been secured;
40. The Petitioner is hopeful that, by February 26, 2014, it will be in a position to seek an extension sufficient to allow for the closing of the Sale and the implementation of the claims process, the whole in view of ensuring a fair and methodical treatment of all claims;

IV. CONCLUSION

41. The extension sought in the present motion is necessary in order to provide the Petitioner an adequate period of time in order to secure the financial resources necessary to continue the CCAA process;
42. A statement of Petitioner's projected cash flow prepared by Petitioner for the period beginning February 3, 2014 and ending February 28, 2014, is filed herewith as **Exhibit R-2**;
43. Said cash flow statement was prepared based on the following key assumptions (1) that the Petitioner will continue to pay ordinary course obligations, including obligations to employees; (2) that all of the Petitioner's suppliers will wish to operate on a "cash on delivery" basis going forward and (3) that MM&AR will be allowed, throughout the Chapter 11 Case, to continue to fund Petitioner's expenses;

44. As appears from the cash flow forecast and based on the assumptions set out above, the Petitioner is of the view that no creditor will suffer any undue prejudice by the extension of the Stay Period;
45. The Petitioner is of the view that extending the Stay Period to February 26, 2014 is appropriate in the present circumstances;
46. As appears from the above, the Petitioner has acted and continues to act in good faith and with the utmost diligence;
47. The Monitor has indicated to the Petitioner that it supports the present request for an extension of the Stay Period;
48. The Petitioner respectfully requests that this Honourable Court extend the Stay Period to February 26, 2014;
49. The Petitioner respectfully submits that the notices given the presentation of the present Motion are proper and sufficient;
50. The present Motion is well founded in fact and in law;

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO :

GRANT the present *Motion for a Fourth Order Extending the Stay Period* (the "**Motion**");

DECLARE that the notices given of the presentation of the Motion are adequate and sufficient;

ORDER that the Stay Period, as defined in the Initial Order, be extended by this Court up to and including February 26, 2014 the whole subject to all the other terms of the Initial Order;

DECLARE that the Initial Order, as amended on August 23, 2013, September 4, 2013, October 9, 2013 and January 23, 2014 (amendment of the Stay Period) shall remain otherwise unchanged;

ORDER the provisional execution of the order notwithstanding any appeal, without the necessity of furnishing any security.

THE WHOLE without costs, save and except in the event of contestation.

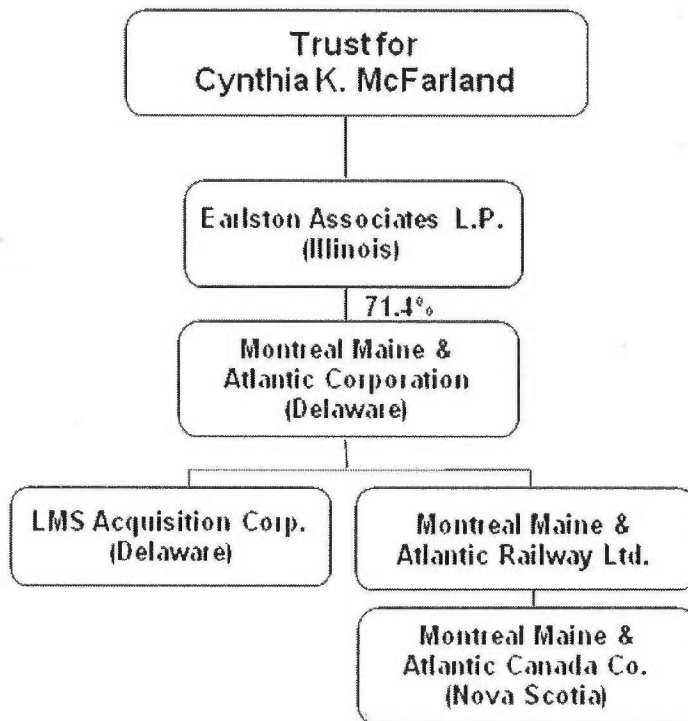
MONTREAL, February 7, 2014



GOWLING LAFLEUR HENDERSON LLP
Attorneys for Petitioner

SCHEDULE « A »

MONTREAL, MAINE & ATLANTIC CORPORATE GROUP



SCHEDULE « B »

NON PETITIONNERS DEFENDANTS :

MONTREAL, MAINE & ATLANTIC CORPORATION
MONTREAL, MAINE & ATLANTIC RAILWAY LTD
EARLSTON ASSOCIATES L.P.
EDWARD BURKHARDT
ROBERT GRINDROD
GAYNOR RYAN
DONALD GARNER JR.
JOE McGONIGLE
THOMAS HARDING
XL INSURANCE COMPANY LIMITED
XL GROUP PLC

CANADA

COUR SUPÉRIEURE

(Chambre commerciale)

PROVINCE DE QUÉBEC
DISTRICT DE SAINT-FRANÇOIS
N°: 450-11-000167-134

*(Loi sur les arrangements avec les créanciers des
compagnies, L.R.C. C-36, telle qu'amendée)*

DANS L'AFFAIRE DU PLAN D'ARRANGEMENT
ET DE COMPROMIS DE:

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

Débitrice-Requérante

-et-

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

Contrôleur

ATTESTATION D'AUTHENTICITÉ
Selon l'art. 82.1 du C.p.c.

J'atteste que la copie de l'affidavit est conforme au facsimilé de cet acte reçu par télécopieur:

Nature du document : Affidavit de Robert C. Grindrod
Numéro de Cour : 450-11-000167-134
Nom de l'expéditeur : Sara Osborne
Numéro du télécopieur émetteur : 207-848-4345
Lieu de la transmission : Portland, Maine
Date de la transmission : Le 10 février 2014
Heure de transmission : 10:28

Montréal, ce 10 février 2014



Patrice Benoit

GOWLING LAFLEUR HENDERSON S.E.N.C.R.L., S.R.L.

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF SAINT-FRANÇOIS
N°: 450-11-000167-134

SUPERIOR COURT
(Commercial Division)

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

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and

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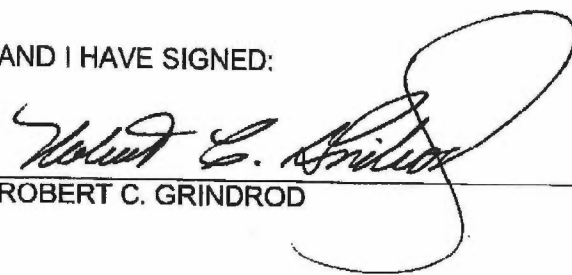
PROPOSED MONITOR

AFFIDAVIT OF ROBERT C. GRINDROD

I, the undersigned, Robert C. Grindrod, businessman, doing business at 15 Iron Road, Hermon, Maine, USA, 04401, solemnly declare as follows:

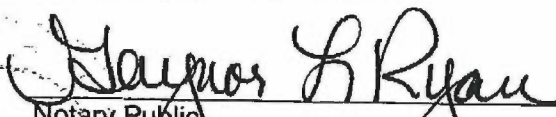
1. I am the President and Chief Executive Officer of Petitioner ;
2. All the facts alleged in the present *Motion for a Fourth Order Extending the Stay Period* are true.

AND I HAVE SIGNED:



 ROBERT C. GRINDROD

SWORN TO before me in Bangor, Maine,
this 10th day of February 2014



 Notary Public
 GAYNOR L. RYAN
 Notary Public, Maine
 My Commission Expires May 4, 2015

Fax Cover Sheet

To Patrice Benoit
From Sara Osborne
Subject Attention: Patrice Benoit

Date 02 10 2014

Message: Signed affidavit of Robert Grindrod
Regards,
Sara Osborne
Director of Administration
Phone: 207-848-4208
Cell: 207-570-9146
email: slosborne@mmarail.com

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUÉBEC
DISTRICT OF SAINT-FRANÇOIS
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(MONTREAL, MAINE & ATLANTIQUE CANADA
CIE)

PETITIONER

and

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

MONITOR

NOTICE OF PRESENTATION

TO: **SERVICE LIST**

TAKE NOTICE that the present *Motion for a Fourth order extending the stay period* will be presented for adjudication before the honourable Gaétan Dumas, j.s.c., sitting in commercial division, in and for the district of Saint-François, on **February 11, 2014**, in **room 1**, of the Sherbrooke Courthouse, located at 375, rue King Ouest, Sherbrooke, at 10:00 a.m. or so soon as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, February 7, 2014



GOWLING LAFLEUR HENDERSON LLP
Attorneys for Petitioner

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF SAINT-FRANÇOIS
N°: 450-11-000167-134

SUPERIOR COURT
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CIE)

PETITIONER

and

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

MONITOR

LIST OF EXHIBITS

- Exhibit : R-1: Canadian Transportation Agency decision Number 29-R-2014;
Exhibit : R-2: Cash flow through February 28, 2014.

MONTREAL, February 7, 2014



GOWLING LAFLEUR HENDERSON LLP
Attorneys for Petitioner

EXHIBIT R-1



DECISION NO. 29-R-2014

January 30, 2014

APPLICATION by Montreal, Maine & Atlantic Railway, Ltd. and Montreal, Maine & Atlantic Canada Co. pursuant to section 32 of the *Canada Transportation Act*, S.C., 1996, c. 10, as amended, to vary Order No. 2013-R-266, as varied by Decision Nos. LET-R-98-2013, LET-R-107-2013 and 393-R-2013, allowing railway operations to April 1, 2014.

**File Nos. R8005/M5
R8005/M6**

INTRODUCTION

- [1] Pursuant to Order No. 2013-R-266, as varied (Order), Montreal, Maine & Atlantic Railway, Ltd. and Montreal, Maine & Atlantic Canada Co.'s (MMAR) Certificate of Fitness No. 02004-3 was suspended effective October 18, 2013.
- [2] In Decision No. 393-R-2013, the Canadian Transportation Agency (Agency) varied the Order by amending the effective date of the suspension of MMAR's Certificate of Fitness to February 1, 2014 because MMAR demonstrated that it had adequate third party liability insurance coverage, including self-insurance, to continue operations until that date.
- [3] On January 16, 2014, the Agency received a request from MMAR to extend the effective date of suspension of the Certificate of Fitness to April 1, 2014, allowing MMAR's continued operations until the completion of the sale of its assets and the transfer to a new owner. On January 22, 2014, MMAR filed additional information in support of its application. As part of this additional information, MMAR advised the Agency that the sale of its assets has been approved on January 23, 2014. If the new owner continues to operate a railway that falls under the legislative authority of Parliament, that owner would need to apply to the Agency to obtain a certificate of fitness.

ISSUE

- [4] Is the third party liability insurance coverage for MMAR adequate to allow for the requested continuation of rail operations from February 1, 2014 to April 1, 2014, which warrants a variance of the Order?

ANALYSIS AND FINDINGS

- [5] In considering whether to vary the Order to amend the effective date of the suspension to April 1, 2014, the Agency will address the self-insured retention amount, the insurance coverage, and the nature of the operations proposed over the period of February 1, 2014 to April 1, 2014.

Self-insured retention amount

- [6] The certificate of insurance filed with the Agency indicates that MMAR continues to have a self-insured retention (SIR) amount of \$250,000 in its liability insurance policy for which it takes financial responsibility, outside of an insurance contract. This is in addition to MMAR's current limit of third party liability insurance coverage of \$25,000,000 for any one occurrence and in the aggregate.
- [7] In Decision No. 328-R-2013, the Agency was satisfied that MMAR secured the funds for the SIR amount. The Agency notes that the order of the Superior Court of Quebec dated August 23, 2013 ordered the securing of funds for the SIR amount while the Certificate of Fitness is in force. There is no change in the status of that order and, therefore, the Agency remains satisfied that MMAR has demonstrated that the SIR amount would continue to be secured for the extended period.

Current insurance coverage

- [8] MMAR's certificate of insurance, on file with the Agency, expires April 1, 2014. MMAR and its broker have provided confirmation evidencing that the policy remains in place and the insurance coverage remains in force until that date. The Agency is satisfied that the coverage will be in effect for the period of the requested extension and that the coverage is in compliance with the *Railway Third Party Liability Insurance Coverage Regulations*, SOR/96-337 (Regulations).
- [9] MMAR and its broker have also confirmed that they are not aware of any incidents since the Lac Mégantic claim, which would have or could have an impact on MMAR's current limit of third party liability insurance coverage, which means that if another incident were to occur, the existing \$25,000,000 would be available to cover MMAR's liability to the third parties as required by the Regulations.

Continued operations over the period to April 1, 2014

- [10] The Agency examined the information provided by MMAR to assess MMAR's railway operating risks and risk exposure for the extension period. MMAR anticipates resuming its international service between Quebec and Maine, U.S.A. on February 15, 2014. Based on the information provided by MMAR, the Agency finds that from February 1, 2014 to April 1, 2014, when compared to the pre-accident period, there will be a significant decline in the overall volume of commodities transported by MMAR, including in the volume of dangerous goods. In addition, this period of extension is relatively short and, during this time, MMAR will not transport any crude oil.

- [11] MMAR asserts that its primary goal is the operation of the railway on a completely safe basis. MMAR points out that there have been a number of safety directives of a more general, industry-wide nature which have been promulgated in both Canada and the United States. According to MMAR, it is complying with each, and where there is a conflict between the orders of the two countries, MMAR operates to the most restrictive standard of the two.
- [12] Further, MMAR states that Transport Canada has issued a series of notices and orders which, according to MMAR, it has responded fully to with either corrective action eliminating the problem or with operating restrictions as agreed with Transport Canada.
- [13] Transport Canada has informed the Agency that MMAR has been subject to several inspections since July 6, 2013 and, while it has been subject to a number of notices and orders as a result, to Transport Canada's knowledge, MMAR is operating in compliance with the conditions set out in those notices and orders.
- [14] With respect to the operation of a tourist train over a part of MMAR's railway network, MMAR advised that Orford Express inc. will not be operating during this extension period.

CONCLUSION

- [15] Based on the circumstances, the Agency finds that MMAR has demonstrated that there is adequate third party liability insurance coverage, including self-insurance, for MMAR's railway operations to April 1, 2014.
- [16] Accordingly, the Agency, pursuant to section 32 of the *Canada Transportation Act*, varies the Order by amending the date of effect of the suspension of MMAR's Certificate of Fitness to April 1, 2014.

(signed)

Geoffrey C. Hare
Member

EXHIBIT R-2

Montreal, Maine & Atlantic Railway & Montreal Maine & Atlantic Canada Co. Budget thru 2/28/14 (in USD)		FORECAST				Total
		W/E 07/02/2014	W/E 14/02/2014	W/E 21/02/2014	W/E 28/02/2014	
Net Freight Revenue	195,000	243,144	256,244	272,144	966,532	
MOW Rental Income	8,500	-	-	-	8,500	
Switching	40,000	-	-	-	40,000	
Total Frt/Switch Revenue	<u>243,500</u>	<u>243,144</u>	<u>256,244</u>	<u>272,144</u>	<u>1,015,032</u>	
Receipts:						
Transportation Revenue						
Freight Revenue and Zone Switching	\$ 150,000	\$ 179,700	\$ 179,700	\$ 179,700	689,100	
MCC Pre 10/18 Collections	-	-	-	30,000	30,000	
ISS Settlement	25,000	-	-	-	25,000	
Sub Total - Transportation Revenue	<u>175,000</u>	<u>179,700</u>	<u>179,700</u>	<u>209,700</u>	<u>744,100</u>	
Other Operating Revenue						
Switching & Miscellaneous	-	-	-	-	-	
Railcar Storage	-	-	-	10,000	10,000	
Contract Shop & Car Repairs	-	-	-	-	-	
Equipment Rental	-	8,500	-	-	8,500	
45G Credit	-	-	-	-	-	
Car Hire Revenue (Payable)	-	-	-	50,000	50,000	
Sub Total - Other Operating Revenue	<u>-</u>	<u>8,500</u>	<u>-</u>	<u>60,000</u>	<u>68,500</u>	
Total Cash Receipts	<u>175,000</u>	<u>188,200</u>	<u>179,700</u>	<u>269,700</u>	<u>812,600</u>	
Disbursements:						
Payroll & Related						
Salaries, Wages & Commissions US	-	236,049	-	236,049	472,099	
Employee Benefits & Claims - US	60,000	48,150	48,150	48,150	204,450	
Salaries, Wages & Commissions CDN	120,000	-	131,694	-	251,694	
Group Health, pension and union dues- CDN	14,400	788	15,188	788	31,163	
Sub Total - Payroll & Related	<u>194,400</u>	<u>284,987</u>	<u>195,031</u>	<u>284,987</u>	<u>959,405</u>	
Materials & Supplies						
Diesel Fuel	60,000	84,662	84,662	84,662	313,987	
Inventory Payments	7,500	7,500	5,000	5,000	25,000	
Material/Repair Costs US	40,000	30,000	12,500	12,500	95,000	
Material/Repair Costs CDN	30,000	12,500	12,500	12,500	67,500	
Sub Total - Material & Supplies	<u>137,500</u>	<u>134,662</u>	<u>114,662</u>	<u>114,662</u>	<u>501,487</u>	
Freight Car & Locomotive Expense						
Leases - Car	-	35,000	-	-	35,000	
Leases - Locomotive	38,000	-	-	-	38,000	
Sub Total - Freight Car & Locomotive	<u>38,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>73,000</u>	
Other Operating Costs						
Rent	16,000	-	-	-	16,000	
Electricity	9,000	-	-	-	9,000	
Heat at Derby maintenance facility	5,400	5,400	5,400	5,400	21,600	
Insurance Payments	29,906	43,500	-	-	73,406	
Bank Chges /Interest Exp/Points	-	-	1,000	1,000	2,000	
2% Points for New Financing	-	54,000	-	-	54,000	
Other Closing Costs	-	-	20,000	-	20,000	
Rail Testing	-	15,000	-	-	15,000	
Restructuring Related	-	32,400	-	-	32,400	
Phone, Internet, Radio, Other expenses	33,250	43,250	43,250	55,000	174,750	
Sub Total - Rent, Heat & Utilities	<u>93,556</u>	<u>193,550</u>	<u>69,650</u>	<u>61,400</u>	<u>418,156</u>	
Total Operating Disbursements	<u>463,456</u>	<u>648,199</u>	<u>379,344</u>	<u>461,049</u>	<u>1,952,048</u>	
Net Cash Inc(Dec) From Ops	<u>(288,456)</u>	<u>(459,999)</u>	<u>(199,644)</u>	<u>(191,349)</u>	<u>(1,139,448)</u>	
SUMMARY						
Cash Beginning	224,206	215,750	100,000	100,000	224,206	
Net Weekly Cash Flow	(288,456)	(459,999)	(199,644)	(191,349)	(1,139,448)	
Financing Advance(Paydowns)	280,000	344,249	199,644	191,349	1,015,242	
Cash Ending	<u>\$ 215,750</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	
Principal Bal New Financing	<u>2,692,159</u>	<u>2,972,159</u>	<u>3,316,408</u>	<u>3,516,052</u>	<u>2,692,159</u>	
Net Weekly Cash Advance(Paydown)	<u>280,000</u>	<u>344,249</u>	<u>199,644</u>	<u>191,349</u>	<u>1,015,242</u>	
End of Period Principal Balance	<u>2,972,159</u>	<u>3,316,408</u>	<u>3,516,052</u>	<u>3,707,401</u>	<u>3,707,401</u>	

N° 450-11-000167-134

SUPERIOR COURT
PROVINCE OF QUEBEC
DISTRICT OF SAINT-FRANÇOIS

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

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

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

Debtor-PETITIONNER

-and-
RICHTER ADVISORY GROUP INC.

MONITOR

BL0052

**MOTION FOR A FOURTH ORDER
EXTENDING THE STAY PERIOD (SECTIONS
9 AND 11 ET SEQ. OF THE COMPANIES
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C-36 ("CCAA")
AND EXHIBITS R-1 AND R-2**

COPY

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