

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

**MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,**

Debtor.

Chapter 11

Case No. 13-10670-LHK

**TRUSTEE'S MOTION FOR AN ORDER APPROVING STIPULATIONS TO
EXTEND THE TIME TO COMPLY WITH SECTION 1168 AND
ADDRESS MATTERS ARISING UNDER SECTION 1168**

NOW COMES Robert J. Keach, Esq., the duly appointed trustee in the above-captioned chapter 11 case (the “Trustee”), by and through his undersigned counsel, and hereby moves this Court for an order (the “Motion”), pursuant to 11 U.S.C. § 1168(b), authorizing the Trustee and certain other parties to enter into agreements to extend the deadlines set forth in section 1168 of the United States Bankruptcy Code (the “Bankruptcy Code”) and to address certain other matters arising under section 1168. In support of this Motion, the Trustee states as follows:

JURISDICTION, VENUE AND PREDICATES FOR RELIEF

1. This Court has jurisdiction to entertain this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The predicate for the relief sought herein is § 1168(b) of the Bankruptcy Code. This is a core proceeding over which the Court has jurisdiction to enter a final order.

BACKGROUND

2. On August 7, 2013 (the “Petition Date”), the above-captioned debtor (the “Debtor”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

3. On August 21, 2013, the United States Trustee (“U.S. Trustee”) appointed the Trustee. By order dated August 28, 2013, the Court approved the Trustee’s application to employ the law firm of Bernstein, Shur, Sawyer & Nelson, P.A. as counsel to the Trustee.

4. Prior to the Petition Date, the Debtor entered into certain leases and/or security agreements relating to “equipment” as such term is defined in section 1168(a)(2) of the Bankruptcy Code. The equipment at issue consists of rolling stock in the form of locomotives and railcars. The parties to the lease and/or financing agreements and the rolling stock at issue in this Motion can generally be described as follows:¹

- (a) **The CIT Group/Equipment Financing, Inc. (“CIT”)**. Prior to the Petition Date, the Debtor and CIT entered into that certain Master Railcar Lease dated December 20, 2007 (as amended and including any schedules, the “CIT Lease”) pursuant to which CIT leased 62 Plate “F” railcars, 60 centerbeam railcars, and 25 Plate “C” railcars to the Debtor.
- (b) **Flex Leasing I & II, LLC (“Flex Leasing”)**. Prior to the Petition Date, the Debtor (originally through an affiliated entity, MMA Rolling Stock Corporation) and Flex Leasing entered into that certain Master Car Lease Agreement dated May 28, 2004 (as amended and including any schedules, the “Flex Lease”) pursuant to which Flex Leasing leased 124 Plate “F” railcars and 50 centerbeam railcars to the Debtor.
- (c) **C.K. Industries, Inc. (“CK Industries”)**. Prior to the Petition Date, the Debtor and CK Industries entered into that certain Car Lease dated March 19, 2003, pursuant to which CK Industries leased 14 gondola railcars to the Debtor (as amended and including any schedules, the “CK Lease”). Under the CK Lease, the Debtor has the option to purchase the gondola railcars at the expiration of the lease term for value, provided, however, that the purchase price shall not exceed \$4,000.00 per railcar.
- (d) **First Union Rail Corporation (“First Union”)**. Prior to the Petition Date, the Debtor and First Union entered into that certain Lease Agreement dated March 20, 2003 (as amended and

¹ The descriptions set forth in the Motion itself of the agreements at issue are in summary form and nothing set forth herein is intended to alter the terms of the actual agreements between the parties. Use of the term “lease” is for convenience only and the Trustee reserves its rights to argue that any “lease” agreement constitutes a disguised financing agreement. The Trustee further reserves all rights to contest the validity and priority of any and all interests in the equipment that is the subject of this Motion.

including any schedules, the “First Union Lease”) pursuant to which First Union leased 129 Plate “F”, Plate “C” centerbeam and covered hopper railcars to the Debtor.

- (e) **GATX Corporation (“GATX”)**. Prior to the Petition Date, the Debtor and GATX entered into that certain Car Service Contract dated August 1, 2004 (as amended and including any schedules, the “GATX Lease”) pursuant to which GATX leased 60 cushioned railcars to the Debtor.
- (f) **Rail World Locomotive Leasing, LLC (“RWLL”)**. Prior to the Petition Date, the Debtor and RWLL entered into those certain Locomotive Lease Agreements dated February 10, 2004 and July 1, 2012 (as amended and including any schedules, the “RWLL Leases”) pursuant to which RWLL leased and/or financed 6 locomotives to the Debtor.
- (g) **Bangor Savings Bank (“Bangor Savings”)**. Prior to the Petition Date, Bangor Savings Bank entered into a certain promissory note with LMS Acquisition Corporation, an affiliate of the Debtor, subsequent to which the Debtor and Bangor Savings entered into that certain Guaranty and Security Agreement dated November 20, 2009 pursuant to which the Debtor granted Bangor Savings a security interest in certain locomotives in order to secure obligations arising under the Guaranty (the “Bangor Agreements”).

5. Under section 1168 of the Bankruptcy Code, the Debtor has certain obligations to parties with an interest in “equipment,” which includes rolling stock. 11 U.S.C. § 1168. The obligations under section 1168 include the obligation to perform under leases and financing agreements relating to the rolling stock equipment. Id. The performance of certain obligations must occur within 60 days of the Petition Date or the automatic stay of section 362 of the Bankruptcy Code is automatically lifted, unless the parties at issue reach an agreement to extend the operative deadlines in section 1168. Id.

6. Between the date of the retention of the Trustee and the date of the filing of this Motion, the Trustee has been in active communication with all of the parties known to the Trustee who have rights arising under section 1168 of the Bankruptcy Code. As a result of negotiations between the Trustee and these parties, the Trustee has reached agreements to

extend the deadlines set forth in section 1168 upon certain terms and conditions (the “Stipulations”). The agreements reached with these parties are set forth in the Stipulations, true and correct copies of which are attached hereto as **Exhibit A** and which are incorporated herein by reference.

RELIEF REQUESTED

7. By this Motion, the Trustee seeks approval of the 1168 stipulations under § 1168(b) of the Bankruptcy Code, and approval of the procedure for addressing certain other matters arising under section 1168 as set forth in this Motion.

BASIS FOR RELIEF

Approval of the Stipulations

8. Under section 1168, the rights of lessors and financiers of “equipment” in a railroad reorganization are not limited or otherwise affected by the bankruptcy filing, except that the automatic stay imposed by section 362 of the Bankruptcy Code remains effective against such parties in the event the trustee agrees to perform all obligations under the pertinent agreements and cures all defaults under the agreements (other than those described in section 365(b)(2)) within the timeframes set forth in section 1168(a). 11 U.S.C. § 1168(a); In re Continental Airlines, Inc. et al., 125 B.R. 399, 408 (D. Del. 1991) (“Under § 1168 [...], all parties with protected interests are required to wait 60 days, in which the [railroad] can move to cure defaults, before moving to repossess.”).

9. The deadlines for performance established by section 1168(a) can be extended by agreement, subject to Court approval, pursuant to section 1168(b). Section 1168(b) states:

The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the court’s approval, to extend the 60 day period specified in subsection (a)(1).

11 U.S.C. § 1168(b).

10. As explained above, the Trustee has reached agreements with parties who hold or may hold an interest in equipment subject to section 1168 to extend the section 1168 deadlines upon certain terms and conditions. A summary of the agreements reached with the various parties follows:

- (a) **Stipulation with CIT/Flex Leasing (the “CIT/Flex Stipulation”)**. CIT and Flex Leasing are affiliated companies and, based on this affiliation, the agreements reached with CIT and Flex Leasing have been incorporated into a single stipulation. Under the CIT/Flex Stipulation, CIT and Flex Leasing have agreed to extend the 1168 deadlines through to January 31, 2014. In return for the extension, the Trustee has agreed to pay invoices relating to the railcars at issue provided by the Railroad Clearinghouse (the “Clearinghouse”) delivered to the Trustee on or after October 1, 2013. The invoices provided by the Clearinghouse generally cover a monthly period that occurred roughly three months prior to the delivery of the invoice. Because of this, the Trustee, CIT and Flex Leasing believe that the first invoice delivered after October 1, 2013 will cover the period July 1, 2013 through July 31, 2013. CIT and Flex Leasing have also agreed to make certain payments to the Debtor arising under the CIT Lease and the Flex Lease for the postpetition period.
- (b) **Stipulation with CK Industries (the “CK Stipulation”)**. As explained above, the Debtor has the option to purchase the 14 gondolas under the terms of the CK Lease. CK and the Trustee have agreed that the option price shall be \$4,000.00 per railcar. The Trustee believes that the option price is dramatically lower than fair market value and, therefore, believes that the purchase enhances the overall value of the estate. CK and the Trustee have agreed that the Trustee will make a November 1, 2013 payment in the amount of \$34,027.00 and a December 1, 2013 payment in the amount of \$36,036.00. Once the payments have been made, ownership of the 14 gondolas will be transferred to the Debtor free and clear of liens, claims and encumbrances.
- (c) **Stipulation with First Union (the “First Union Stipulation”)**. Under the First Union Stipulation, First Union has agreed to extend the 1168 deadlines through to December 5, 2013 (60 day extension). No payments will be made to First Union by the Debtor under the First Union Lease during the period covered by the First Union Stipulation.

- (d) **Stipulation with GATX (the “GATX Stipulation”)**. Under the GATX Stipulation, GATX has agreed to extend the 1168 deadlines through to December 5, 2013. No payments will be made to GATX by the Debtor under the GATX Lease during the period covered by the GATX Stipulation.
- (e) **Stipulation with RWLL (the “RWLL Stipulation”)**. Under the RWLL Stipulation, RWLL has agreed to extend the 1168 deadlines through to December 5, 2013 (subject to certain notice and cure rights as outlined in the RWLL Stipulation). In return for extension, the Trustee has agreed to make payments accruing from and after December 5, 2013, with payments for the 2004 Equipment being as set forth in sections 5 and 6 of the 2004 Lease Agreement (as amended) (\$150 and \$100 per day depending on the locomotive being utilized). The Trustee has also agreed to make payments beginning for the period starting from and after December 5, 2013, of \$3,337.00 per month per locomotive for the 2012 Equipment as set forth in sections 5 and 6 of the 2012 Lease Agreement, subject to the Trustee rights, among others, to argue that an amount other than the above amount is owed to RWLL and subject to RWLL’s rights and defenses to any arguments made by the Trustee.
- (f) **Stipulation with Bangor Savings (the “Bangor Stipulation”)**. Under the Bangor Stipulation, Bangor Savings has agreed to extend the 1168 deadlines through to December 5, 2013. No payments will be made to Bangor Savings by the Debtor under the Bangor Agreements during the period covered by the Bangor Stipulation.

11. The Trustee believes that the Stipulations reflect terms substantially better for the estate than those provided for by the terms of section 1168. The Debtor currently does not have the ability to cure all defaults as required by section 1168 by the timeframes imposed by that section. In the absence of agreements reached as reflected in the Stipulations, the Trustee would be required to surrender the equipment in accordance with section 1168. In the event that all of the equipment were surrendered, the Debtor’s ability to operate would be severely prejudiced. Because of this, the Trustee believes that the terms of the Stipulations are a vital part of the Debtor’s reorganization and the Trustee asks this Court to approve the Stipulations in their current form.

Procedure for Addressing Matters Arising Under Section 1168

12. Given the size and complexity of this case, the Trustee recognizes the improbable but, nonetheless, outstanding possibility that the Trustee could be unaware of the existence of a secured party, lessor or conditional vendor with an interest in equipment as defined in section 1168(a)(2). In the unlikely event that the aforementioned party comes forward after the expiration of the 60-day section 1168 period, the Trustee requests that the Court approve the following course of action on the part of the Trustee (the “Procedure for Addressing Matters Arising Under Section 1168”): In the event a party, other than a party to any of the Stipulations, with an interest protected under section 1168 of the Bankruptcy Code (an “1168 Party”) seeks to recover its equipment (as such term is defined in section 1168), and provided the Trustee and the 1168 Party cannot reach agreement in relation to addressing rights under section 1168, the Trustee will (a) immediately file a motion with this Court setting forth any unresolved issues between the Trustee and the 1168 Party (the “1168 Motion”); and (b) seek to have the Court resolve all disputes set forth in the 1168 Motion on an expedited basis. The stay provided for under sections 362 and 1168 shall remain in place pending an agreement reached between the Trustee and the 1168 Party or until such time as the Court enters an order in relation to the 1168 Motion.

NOTICE

13. Notice of this Motion was served on the following parties on the date and in the manner set forth in the certificate of service: (a) the U.S. Trustee; (b) the Debtor’s counsel; (c) the non-insider holders of the twenty (20) largest unsecured claims against the Debtor or, if applicable, the lawyers representing such holders; (d) applicable federal and state taxing authorities; (e) the holders of secured claims against the Debtor, or if applicable, the lawyers representing such holders; and (f) others who have, as of the date of the Motion, entered an

appearance and requested service of papers in the case. The Trustee respectfully requests that the Court find such notice to constitute fair, adequate, and sufficient notice of all matters set forth in this Motion.

WHEREFORE, the Trustee respectfully requests that this Court enter an Order, pursuant to 11 U.S.C. § 1168(b), approving this Motion and granting such other and further relief as this Court deems just and equitable.

Dated: September 27, 2013

ROBERT J. KEACH, Trustee for the
Estate of MONTREAL MAINE &
ATLANTIC RAILWAY, LTD.

By his attorneys:

/s/ Sam Anderson, Esq.
Michael A. Fagone, Esq.
D. Sam Anderson, Esq.
BERNSTEIN, SHUR, SAWYER & NELSON
100 Middle St., PO Box 9729
Portland, Maine 04104-5029
(207) 774-1200

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Chapter 11
Case No. 13-10670

**STIPULATION AND ORDER AMONG THE TRUSTEE, THE CIT
GROUP/EQUIPMENT FINANCING, INC., FLEX LEASING I, LLC AND FLEX
LEASING II, LLC APPROVING EXTENSION OF SECTION 1168(a) PERIOD**

Robert J. Keach (the “Trustee”), as chapter 11 trustee of Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”), and The CIT Group/Equipment Financing, Inc., Flex Leasing I, LLC and Flex Leasing II, LLC (collectively, the “Rolling Stock Parties” and together with the Trustee, the “Parties”) hereby stipulate and agree as follows:

1. On August 7, 2013 (the “Commencement Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On August 21, 2013, the Trustee was appointed pursuant to section 1163 of the Bankruptcy Code.

2. Pursuant to the agreements with the Rolling Stock Parties set forth on Exhibit A hereto (the “Rolling Stock Agreements”), the Debtor has the right to use certain equipment described in the Rolling Stock Agreements (collectively, the “Equipment”).

3. The Equipment may constitute “equipment” within the meaning of section 1168(a)(2) of the Bankruptcy Code. Accordingly, the Equipment and the Rolling Stock Parties may be entitled to the protections of section 1168 of the Bankruptcy Code; provided, however, that entry of this stipulation (together with any and all exhibits attached hereto, the “Stipulation”) shall not be deemed to constitute an admission by the Trustee that the Equipment constitutes “equipment” within the meaning of section 1168 of the Bankruptcy Code or that the Rolling Stock Parties are entitled to the protections of section 1168 of the Bankruptcy Code, and the Parties reserve all their respective rights and defenses with respect thereto.

4. Pursuant to section 1168 of the Bankruptcy Code, if the Equipment is "equipment" under section 1168 of the Bankruptcy Code, the Trustee has requested and the Rolling Stock Parties have agreed to extend the 60-day period set forth in section 1168(a)(1) (the "Section 1168 Period") through and including January 31, 2014 or such earlier or later date as the Parties may agree (such extension, together with any further extensions on the terms set forth below, the "Extension Period"); provided, however, that unless either the Trustee, on the one hand, or any of the Rolling Stock Parties, on the other hand, provides written notice of non-extension of the Extension Period (the "Non-Extension Notice") to the other received at least 10 calendar days prior to the expiration of the Extension Period then in effect, the Extension Period shall be extended automatically by an additional thirty day period; provided further, however, that if the Non-Extension Notice applies only to some, but not all, of the Rolling Stock Agreements, the Extension Period shall be extended automatically by an additional thirty day period as to those Rolling Stock Agreements that are not covered by the Non-Extension Notice.

5. An individual Rolling Stock Party shall have a right to terminate the Extension Period as it relates to the particular Rolling Stock Agreements entered into with the respective Rolling Stock Party upon at least 10 calendar day written notice to the Trustee upon the occurrence of either of the following, unless cured by the Trustee prior to the expiration of such 10 day period:

- (a) the Trustee fails to comply with each and every term of this Stipulation during the Extension Period as such terms relate to particular Rolling Stock Agreements; or
- (b) the Trustee fails to comply with any material term of any of the Rolling Stock Agreements relating to the particular Rolling Stock Party alleging the default from and after the execution of this Stipulation.

6. The automatic stay imposed by section 362 of the Bankruptcy Code, to the extent applicable, is hereby modified to authorize the Rolling Stock Parties to exercise their right to terminate the Extension Period pursuant to Paragraph 5 of this Stipulation.

7. This Stipulation shall terminate as to a Rolling Stock Agreement upon assumption or rejection of such agreement pursuant to section 365 of the Bankruptcy Code.

8. The Rolling Stock Parties and the Trustee represent and warrant that, subject to approval by the Court (as defined below) of this Stipulation, they have full authority to enter into and perform this Stipulation, including, without limitation, authorizing the Debtor's continued use of the Equipment subject to the terms set forth in this Stipulation.

9. In consideration of the Rolling Stock Parties' agreement to the Extension Period, upon effectiveness of the Stipulation and during the Extension Period, the Trustee shall perform all obligations under the Rolling Stock Agreements retroactive to October 1, 2013, including, without limitation, (i) paying each month starting in October of 2013 to the applicable Rolling Stock Party by no later than the 10th of each month 100% of Car Hire Revenues (as such term is defined in the Rolling Stock Agreements and calculated in accordance with the Rolling Stock Agreements) earned by the Equipment subject to the Rolling Stock Agreements (the "Monthly Car Hire Revenues"); provided, however, that the Trustee shall have until and including October 20, 2013 to pay the Monthly Car Hire Revenues that are payable in October of 2013, and (ii) comply with all insurance and maintenance obligations under the Rolling Stock Agreements arising on and after October 1, 2013. The Parties recognize that the Railroad Clearinghouse (RCH) reports Car Hire Revenues (the "Car Hire Reports") for a one month period occurring approximately three months prior to the date the Car Hire Reports become available to the Debtor, and the Parties anticipate that the Car Hire Report that is made available in October of 2013 will cover Monthly Car Hire Revenues for the period July 1, 2013 to July 31, 2013. The Trustee's payment obligations arising under this Stipulation shall be limited to the Monthly Car Hire Revenues reported by the Railroad Clearinghouse (RCH) each month starting October 1, 2013 plus insurance and maintenance obligations arising under the Rolling Stock Agreements on and after October 1, 2013. Payments described in this Paragraph 9 shall not be subject to disgorgement on any ground. For the avoidance of doubt, nothing in this Stipulation constitutes a waiver by the Rolling Stock Parties of any unpaid amounts that became payable to them prior to October 1, 2013 or of their right to seek or receive payment of such amounts in the future.

10. Notwithstanding anything in the Bankruptcy Code (to the extent applicable), the Trustee shall not be obligated to make and the Rolling Stock Parties shall not seek, any payments under the Rolling Stock Agreements or with respect to the Equipment during the Extension Period, except as specifically provided in paragraph 9 of this Stipulation. For the avoidance of doubt, nothing herein shall prohibit the Rolling Stock Parties from taking any action, subject to any applicable provisions of the Bankruptcy Code, to preserve or enforce their right to setoff or recoupment or to file any proofs of claim in this chapter 11 case during the Extension Period.

11. Upon effectiveness of this Stipulation and during the Extension Period, each Rolling Stock Party shall pay to the Debtor, by the later of (i) five business days after receipt of an invoice and (ii) the tenth of each month, all amounts that become payable pursuant to their respective Rolling Stock Agreements on and after October 1, 2013; provided, however, that the amounts that accrued and became payable for the period September 1, 2013 through September 30, 2013 shall not be payable by the applicable Rolling Stock Party until the later of (i) five business days after receipt of an invoice for such amounts and (ii) October 20, 2013; and provided further, however, that nothing herein shall constitute a waiver by the Debtor of any amounts owed to it by any of the Rolling Stock Parties that became payable prior to October 1, 2013.

12. The Parties hereby agree and acknowledge that this Stipulation does not constitute an election or, except as expressly set forth in this Stipulation, an agreement by the Trustee under section 1168(a)(1)(A) of the Bankruptcy Code to perform all obligations under the Rolling Stock Agreements, and nothing contained herein shall be construed as such an election or agreement. The Parties also agree and acknowledge that this Stipulation does not constitute an assumption by the Trustee of the Rolling Stock Agreements under section 365 of the Bankruptcy Code (to the extent such section is applicable), and nothing contained herein shall be construed to constitute such an assumption. The Rolling Stock Parties agree that they shall not assert in any judicial proceeding that this Stipulation constitutes either an agreement under section 1168(a)(1)(A) of the Bankruptcy Code to perform all obligations under the

Rolling Stock Agreements, except as expressly set forth in this Stipulation, or an assumption under section 365 of the Bankruptcy Code.

13. Except to the extent otherwise provided herein, this Stipulation does not limit or affect the rights, remedies or claims, if any, of the Rolling Stock Parties under the provisions of the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to setoff and recoupment, subject to all rights, defenses and objections, if any, of the Debtor and any other party-in-interest.

14. The Parties agree that this Stipulation does not otherwise affect any term or provision of the Rolling Stock Agreements, except as expressly set forth in the Stipulation, and that the Parties reserve all of the respective rights and remedies with respect thereto.

15. This Stipulation shall be binding upon: (a) the Debtor, the Trustee and any examiner that may be appointed in the pending chapter 11 case, and their respective successors and assigns; (b) the Rolling Stock Parties and their respective successors and assigns; and (c) all creditors and other parties-in-interest in the pending chapter 11 case.

16. This Stipulation is effective upon entry of an order of the Bankruptcy Court for the District of Maine (the "Court") approving this Stipulation. The Trustee shall promptly cause this Stipulation to be presented to the Court for approval; provided, however, that the Rolling Stock Parties shall forbear from exercising their rights under section 1168 to take possession of the equipment during the period in which the Trustee seeks approval by the Court; provided further, however, that this Stipulation shall be null and void and of no further effect if the Court denies approval of this Stipulation or fails to approve this Stipulation by October 31, 2013 or such later date to which the Trustee and the Rolling Stock Parties agree in writing.

17. This Stipulation may be executed in one or more counterparts, by facsimile, electronic transmission or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

18. To the extent non-bankruptcy law governs any provision of this Stipulation, this Stipulation shall be interpreted, and the rights and duties of the Debtor and the Rolling Stock Parties shall

be determined, in accordance with the laws of the state chosen by the Parties in the Rolling Stock Agreements.

19. Unless otherwise specifically provided herein, all notice required or permitted by this Stipulation shall be in writing, and any such notice shall become effective upon receipt by the addressee of such notice by certified mail, return receipt requested, overnight courier service or facsimile to the following addresses:

(a) If to the Debtor:

15 Iron Road
Hermon, ME 04401
Facsimile: (207) 848-4232

And

Sam Anderson, Esquire
Bernstein Shur Sawyer & Nelson, P.A.
100 Middle Street
Portland, ME 04101
Facsimile: (207) 772-1127

(b) If to the Rolling Stock Parties:

Nancy A. Washington, Esq.
Chief Litigation Counsel
CIT Group Inc.
One CIT Drive
Livingston, NJ 07039
Facsimile: (973) 740-5087

And

Marcia L. Goldstein, Esq.
Debra A. Dandeneau, Esq.
Weil, Gotshal & Manges, LLP
767 Fifth Avenue
New York, NY 10153
Facsimile: (212) 310-8007

Dated: September 27, 2013

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

By his attorneys:

/s/ Sam Anderson
Michael A. Fagone, Esq.
D. Sam Anderson, Esq.
BERNSTEIN, SHUR, SAWYER & NELSON, P.A.
100 Middle Street
P.O. Box 9729
Portland, ME 04104
Telephone: (207) 774-1200
Facsimile: (207) 774-1127
E-mail: sanderson@bernsteinshur.com

THE CIT GROUP/EQUIPMENT FINANCING, INC.
FLEX LEASING I, LLC
FLEX LEASING II, LLC

By their attorneys:

/s/ Debra A. Dandeneau
Marcia L. Goldstein, Esq.
Debra A. Dandeneau, Esq.
Weil, Gotshal & Manges, LLP
767 Fifth Avenue
New York, NY 10153
Telephone: (212) 310-8078
Facsimile: (212) 310-8007
E-mail: marcia.goldstein@weil.com
debra.dandeneau@weil.com

This Court having determined that the approval requested in the Stipulation is in the best interests of the Debtor, its estates and creditors, and it appearing that proper and adequate notice has been given and that no other or further notice is necessary, and upon the record herein, and after due deliberation thereon, and good and sufficient cause appearing therefore, it is hereby **ORDERED**, **ADJUDGED** and **DECREED** that:

1. The Stipulation and transactions contemplated therein are **APPROVED** in their entirety.
2. Notwithstanding any provision of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or the Local Rules of this Court to the contrary, this order shall take effect immediately upon entry.

Dated:

The Honorable Louis H. Kornreich
United States Bankruptcy Judge for
the District of Maine

Exhibit A

1. Schedule No. 4 (MOMA05004), dated October 14, 2009, by and between The CIT Group/Equipment Financing, Inc. and Montreal, Maine & Atlantic Railway, and all amendments thereto, to that certain Master Railcar Lease, dated December 20, 2007, by and between The CIT Group/Equipment Financing, Inc. and Montreal, Maine & Atlantic Railway, with respect to sixty two (62) 50' Plate F boxcars
2. Schedule No. 5 (MOMA05005), dated October 5, 2010, by and between The CIT Group/Equipment Financing, Inc. and Montreal, Maine & Atlantic Railway, and all amendments thereto, to that certain Master Railcar Lease, dated December 20, 2007, by and between The CIT Group/Equipment Financing, Inc. and Montreal, Maine & Atlantic Railway, with respect to forty nine (49) 73' riserless centerbeam flat cars
3. Schedule No. 6 (MOMA05006), dated December 29, 2010, by and between The CIT Group/Equipment Financing, Inc. and Montreal, Maine & Atlantic Railway to that certain Master Railcar Lease, dated December 20, 2007, by and between The CIT Group/Equipment Financing, Inc. and Montreal, Maine & Atlantic Railway, with respect to eleven (11) riserless centerbeam flat cars
4. Schedule No. 7 (MOMA05007), dated December 14, 2011, by and between The CIT Group/Equipment Financing, Inc. and Montreal, Maine & Atlantic Railway to that certain Master Railcar Lease, dated December 20, 2007, by and between The CIT Group/Equipment Financing, Inc. and Montreal, Maine & Atlantic Railway, with respect to twenty five (25) 50' Plate C boxcars
5. Schedule No. 5 (MOMA02005), dated October 14, 2009, by and between Flex Leasing I, LLC and Montreal, Maine & Atlantic Railway, and all amendments thereto, to that certain Master Car Lease Agreement, dated May 28, 2004, by and between Flex Leasing Corporation and MMA Rolling Stock Corporation, with respect to one hundred (100) 50' Plate F boxcars
6. Schedule No. 6 (MOMA02006), dated October 14, 2009, by and between Flex Leasing I, LLC and Montreal, Maine & Atlantic Railway, and all amendments thereto, to that certain Master Car Lease Agreement, dated May 28, 2004, by and between Flex Leasing Corporation and MMA Rolling Stock Corporation, with respect to twenty four (24) 50' Plate F boxcars
7. Schedule No. 7 (MOMA02007), dated March 31, 2010, by and between Flex Leasing I, LLC and Montreal, Maine & Atlantic Railway, and all amendments thereto, to that certain Master Car Lease Agreement, dated May 28, 2004, by and between Flex Leasing Corporation and MMA Rolling Stock Corporation, with respect to twenty five (25) 73' centerbeam lumber flat cars with risers
8. Schedule No. 8 (MOMA02008), dated March 31, 2010, by and between Flex Leasing II, LLC and Montreal, Maine & Atlantic Railway, and all amendments thereto, to that certain Master Car Lease Agreement, dated May 28, 2004, by and between Flex Leasing

Corporation and MMA Rolling Stock Corporation, with respect to twenty five (25) 73' centerbeam lumber flat cars with risers

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Chapter 11
Case No. 13-10670

STIPULATION AND ORDER APPROVING SECTION 1168 EXTENSION

Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”) and C. K. Industries, Inc. (“C.K. Industries”) hereby stipulate and agree as follows:

1. On August 7, 2013 (the “Commencement Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On August 21, 2013, Robert J. Keach, Esquire was appointed as the Trustee of the Debtor pursuant to section 1163 of the Bankruptcy Code (the “Trustee”).

2. Pursuant to certain financing and/or lease arrangements with C.K. Industries (the “C.K. Industries Agreements”), the Debtor has the right to use the equipment described on Exhibit A hereto (the equipment at issue, as more particularly described in the C.K. Industries Agreements, the “Equipment”). In addition to the right to use the Equipment, the Debtor has the right to purchase the Equipment at the expiration of the term of the C.K. Industries Agreements in accordance with the purchase option set forth in the C.K. Industries Agreements.

3. C.K. Industries asserts that the Equipment is “equipment” within the meaning of section 1168(a)(2) of the Bankruptcy Code and that the Equipment and C.K. Industries are entitled to the protections of section 1168 of the Bankruptcy Code.

4. C.K. Industries agrees that it will not take possession of the Equipment or enforce any of its other rights or remedies under the C.K. Industries Agreements or under the Bankruptcy Code for so long as Debtor complies with its undertakings in this Stipulation.

5. On or before November 1, 2013, the Debtor shall pay the amount of \$34,027.00 to C.K. Industries, with \$28,000.00 of this amount being attributable to the purchase option set forth in the C.K. Industries Agreements (the "First Payment").

6. On or before December 1, 2013, the debtor shall pay the amount of \$36,036.00 to C.K. Industries, with \$28,000.00 of this amount being attributable to the purchase option set forth in the C.K. Industries Agreements (the "Second Payment").

7. In the event the Debtor makes the First Payment and the Second Payment in accordance with the terms of this Stipulation, C.K. Industries shall immediately transfer ownership of the Equipment to the Debtor free and clear of all liens, claims and encumbrances. The Debtor and C.K. Industries shall execute and deliver any and all documents necessary to effectuate the transfer of ownership of the Equipment to the Debtor. In the event the Debtor makes the First Payment but fails to make the Second Payment, C.K. Industries shall return \$28,000.00 of the First Payment to the Debtor, minus any amounts owed to C.K. Industries for lease payments through the date of the return of the Equipment to C.K. Industries.

8. C.K. Industries represents and warrants that it has full authority to enter into and perform this Stipulation and otherwise authorize the Debtor's continued use and purchase of the Equipment.

9. The Debtor represents and warrants that it has full authority to enter into and perform this Stipulation.

10. The Debtor and C.K. Industries agree that this Stipulation does not otherwise affect any term or provision of the C.K. Industries Agreements, except to the extent expressly set forth in this Stipulation, and that the Debtor and C.K. Industries reserve all of the respective rights and remedies with respect thereto.

11. This Stipulation shall be binding upon: (a) the Debtor, the Trustee and any trustee or examiner that may be appointed in the pending chapter 11 case, and their respective successors and assigns; and (b) C.K. Industries and its respective successors and assigns.

12. This Stipulation is subject to and effective upon the approval of the Bankruptcy Court for the District of Maine (the "Court"). To the extent not otherwise authorized by order of the Court, the Debtor shall promptly cause this Stipulation to be presented to the Court for approval, provided, however, that the terms of the Stipulation shall be binding upon the Debtor and C.K. Industries during the period in which the Debtor seeks approval by the Court (the "Order"), and, provided further, that if the Order, approving this Stipulation in the form executed by the parties, is not received by C.K. Industries on or before October 11, 2013, this Stipulation shall be of no further force and effect and shall be considered void *ab initio*.

13. This Stipulation may be executed in one or more counterparts, by facsimile, electronic transmission or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

14. This Stipulation, together with the C.K. Industries Agreements contains the entire agreement between C.K. Industries and the Debtor as to the subject matter hereof, and all understandings, agreements and communications prior to the date hereof, whether express or implied, oral or written, relating to the subject matter hereof are fully and completely extinguished and superseded by this Stipulation and the C.K. Industries Agreements as modified or otherwise affected hereby. In the event of any inconsistency between this Stipulation and either the C.K. Industries Agreements or the Order, or between this Stipulation and the Debtor's motion with respect to the Order, this Stipulation shall govern. This Stipulation shall not be altered, amended, modified or otherwise changed, and the rights hereunder may not be waived, except by a writing dated subsequent to the date hereof and duly signed by each of the Debtor and C.K. Industries.

15. To the extent non-bankruptcy law governs any provision of this Stipulation, this Stipulation shall be interpreted, and the rights and duties of the Debtor and C.K. Industries shall be determined, in accordance with the laws of the state chosen by the Debtor and C.K. Industries in the C.K. Industries Agreements.

16. Unless otherwise specifically provided herein, all notices required or permitted by the terms of the C.K. Industries Agreements or this Stipulation shall be in writing, and any such notice shall become effective upon receipt by the addressee of such notice by certified mail, return receipt requested, overnight courier service or facsimile to the following addresses:

- (a) If to the Debtor:
15 Iron Road
Hermon, ME 04401
Facsimile: (207) 848-4232

And

Sam Anderson, Esquire
Bernstein Shur Sawyer & Nelson, P.A.
100 Middle Street
Portland, ME 04101
Facsimile: (207) 772-1127

- (b) If to C.K. Industries:

If by mail:
P.O. Box 1029
Lake Zurich, IL 60047-1029
Attention: President

If by courier:
365 Surryse Road
Suite 150
Lake Zurich, IL 60047
Attention: President
Facsimile: (847) 550-1854

And

Richard Demarest Yant
Krasnow Saunders Kaplan & Beninati, LLP
500 N. Dearborn Street
Second Floor
Chicago, IL 60654
Facsimile: (312) 755-5720

Dated:

9/25/13

DEBTOR:

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

By his attorneys:

/s/ Sam Anderson

Michael A. Fagone, Esq.
D. Sam Anderson, Esq.
BERNSTEIN, SHUR, SAWYER & NELSON, P.A.
100 Middle Street
P.O. Box 9729
Portland, ME 04104
Telephone: (207) 774-1200
Facsimile: (207) 774-1127
E-mail: sanderson@bernsteinshur.com

Dated:

9/25/13

C. K. INDUSTRIES:

C. K. Industries, Inc.

Richard C. Meyer S
By: *Richard C. Meyer S*
Its: *PRESIDENT*

This Court having determined that the approval requested in the Stipulation is in the best interests of the Debtor, its estates and creditors, and it appearing that proper and adequate notice has been given and that no other or further notice is necessary, and upon the record herein, and after due deliberation thereon, and good and sufficient cause appearing therefore, it is hereby **ORDERED, ADJUDGED** and **DECREED** that:

1. The Stipulation and transactions contemplated therein are **APPROVED** in their entirety;
2. Notwithstanding any provision of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or the Local Rules of this Court to the contrary, this order shall take effect immediately upon entry.

Dated:

The Honorable Louis H. Kornreich
United States Bankruptcy Judge for
the District of Maine

Exhibit A

ROLLING STOCK AGREEMENTS	DESCRIPTION OF EQUIPMENT
C.K. Industries, Inc. Car Lease (dated 3/19/2003) Amendment No. 1 to Car Lease (dated 8/1/2006)	14 gondola railcars (MMA 6637, 6652, 6673, 6674, 6688, 6698, 6700, 6713, 6722, 6726, 6738, 6746, 6762, 6790)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Chapter 11
Case No. 13-10670

STIPULATION AND ORDER APPROVING SECTION 1168 EXTENSION

Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”) and First Union Rail Corporation (“First Union”) hereby stipulate and agree as follows:

1. On August 7, 2013 (the “Commencement Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On August 21, 2013, Robert J. Keach, Esquire was appointed as the Trustee of the Debtor pursuant to section 1163 of the Bankruptcy Code.
2. Pursuant to certain prepetition agreements entered into by and between the Debtor and First Union (any and all prepetition agreements entered into by the Debtor and First Union hereinafter referred to as the “First Union Leases”), the Debtor may have the right to use certain rolling stock of First Union (the “Equipment”).
3. The Equipment may constitute “equipment” within the meaning of section 1168(a)(2) of the Bankruptcy Code. Accordingly, the Equipment and First Union may be entitled to the protections of section 1168 of the Bankruptcy Code; provided, however, that entry of this stipulation (together with any and all exhibits attached hereto, the “Stipulation”) shall not be deemed to constitute an admission by the Debtor that the Equipment constitutes “equipment” within the meaning of section 1168 of the Bankruptcy Code or that First Union is entitled to the protections of section 1168 of the Bankruptcy Code, and the Debtor and First Union reserve all their respective rights and defenses with respect thereto.

4. Pursuant to section 1168 of the Bankruptcy Code, if the Equipment is "equipment" under section 1168 of the Bankruptcy Code, the Debtor has requested and First Union has agreed to extend the periods set forth in section 1168, including the 60-day period set forth in section 1168(a)(1)(A) and (B) (all of the deadlines set forth in section 1168(a)(1) hereinafter referred to as the "Section 1168 Periods").

5. The Section 1168 Periods are hereby extended, for all purposes, for 60 days (such extension, together with any further extensions on the terms set forth below, the "Extension Period"); provided, however, that unless either the Debtor, on the one hand, or First Union, on the other hand, provide written notice of termination of the Extension Period to the other received at least 10 days prior to the expiration of the Extension Period then in effect, the Extension Period shall be extended automatically by an additional thirty day period.

6. First Union hereto represents and warrants that it has full authority under the First Union Leases and related controlling documents to enter into and perform this Stipulation and otherwise authorize the Debtor's continued use of the Equipment.

7. Notwithstanding anything in the Bankruptcy Code (to the extent applicable), the Debtor shall not be obligated to make and First Union shall not seek, any payments under the First Union Leases or with respect to the Equipment during the Extension Period.

8. The Debtor and First Union hereby agree and acknowledge that this stipulation does not constitute an election or, except as expressly set forth in paragraph 5 of this Stipulation, an agreement by the Debtor under section 1168 of the Bankruptcy Code or any other provision of the Bankruptcy Code, and nothing contained herein shall be construed as such an election or agreement. The Debtor and First Union also agree and acknowledge that this Stipulation does not constitute an assumption by the Debtor of the First Union Leases under section 365 of the Bankruptcy Code (to the extent such section is applicable), and nothing contained herein shall be construed to constitute such an assumption. First Union agrees that it shall not assert in any jurisdiction or proceeding that this Stipulation constitutes either an agreement under section 1168 of the Bankruptcy Code or an assumption under section 365 of the Bankruptcy Code.

9. Except to the extent otherwise provided herein, this Stipulation does not limit or affect the rights, remedies or claims of First Union, if any, under the provisions of the Bankruptcy Code, subject to all rights, defenses and objections of the Debtor and any other party-in-interest.

10. The Debtor and First Union agree that this Stipulation does not otherwise affect any term or provision of the First Union Leases, except as expressly set forth in the Stipulation, and that the Debtor and First Union reserve all of the respective rights and remedies with respect thereto.

11. This Stipulation shall be binding upon: (a) the Debtor, the Trustee and any trustee or examiner that may be appointed in the pending chapter 11 case, and their respective successors and assigns; and (b) First Union and its respective successors and assigns.

12. This Stipulation is subject to and effective upon approval of the Bankruptcy Court for the District of Maine (the "Court"). To the extent not otherwise authorized by order of the Court, the Debtor shall promptly cause this Stipulation to be presented to the Court for approval, provided, however, that the terms of this Stipulation shall be binding upon the Debtor and First Union during the period in which the Debtor seeks approval by the Court (the "Order").

13. This Stipulation may be executed in one or more counterparts, by facsimile, electronic transmission or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

14. This Stipulation, together with section 1168 of the Bankruptcy Code and the First Union Leases, each as modified pursuant to the terms of this Stipulation, contain the entire agreement between First Union and the Debtor as to the subject matter hereof, and all understandings, agreements and communications prior to the date hereof, whether express or implied, oral or written, relating to the subject matter hereof are fully and completely extinguished and superseded by this Stipulation and the First Union Leases as modified or otherwise affected hereby. In the event of any inconsistency between this Stipulation and either the First Union Leases or the Order, or between this Stipulation and the Debtor's motion with respect to the Order, this Stipulation shall govern. This Stipulation shall not be

altered, amended, modified or otherwise changed, and the rights hereunder may not be waived, except by a writing dated subsequent to the date hereof and duly signed by each of the Debtor and First Union.

15. To the extent non-bankruptcy law governs any provision of this Stipulation, this Stipulation shall be interpreted, and the rights and duties of the Debtor and First Union shall be determined, in accordance with the laws of the state chosen by the Debtor and First Union in the First Union Leases.

16. Unless otherwise specifically provided herein, all notice required or permitted by the terms of the First Union Leases or this Stipulation shall be in writing, and any such notice shall become effective upon receipt by the addressee of such notice by certified mail, return receipt requested, overnight courier service or facsimile to the following addresses:

(a) If to the Debtor:
15 Iron Road
Hermon, ME 04401
Facsimile: (207) 848-4232

And

Sam Anderson, Esquire
Bernstein Shur Sawyer & Nelson, P.A.
100 Middle Street
Portland, ME 04101
Facsimile: (207) 772-1127

(b) If to First Union:

Curtis E. Kimball
Rudman Winchell
84 Harlow Street – P.O. Box 1401
Bangor, ME 04402-1401
Facsmilie: (207) 941-9715

Dated: 9/25/13

ROBERT J. KEACH,
CHAPTER 11 TRUSTEE OF MAINE

MONTREAL & ATLANTIC RAILWAY, LTD.

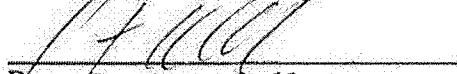
By his attorneys:

/s/ Sam Anderson

Michael A. Fagone, Esq.
D. Sam Anderson, Esq.
BERNSTEIN, SHUR, SAWYER & NELSON, P.A.
100 Middle Street
P.O. Box 9729
Portland, ME 04104
Telephone: (207) 774-1200
Facsimile: (207) 774-1127
E-mail: sanderson@bernsteinshur.com

Dated: 9/25/13

FIRST UNION RAIL CORPORATION


By: Curtis Kimball, Esq.
Ats: Attorney
Rudman Winchell
84 Harlow St. - P.O. Box 1401
Bangor, ME 04401
(207) 947-4501

This Court having determined that the approval requested in the Stipulation is in the best interests of the Debtor, its estates and creditors, and it appearing that proper and adequate notice has been given and that no other or further notice is necessary, and upon the record herein, and after due deliberation thereon, and good and sufficient cause appearing therefore, it is hereby ORDERED, ADJUDGED and DECREED that:

1. The Stipulation and transactions contemplated therein are APPROVED in their entirety.
2. Notwithstanding any provision of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or the Local Rules of this Court to the contrary, this order shall take effect immediately upon entry.

Dated:

The Honorable Louis H. Kornreich
United States Bankruptcy Judge for
the District of Maine

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Chapter 11
Case No. 13-10670

STIPULATION AND ORDER APPROVING SECTION 1168 EXTENSION

Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”) and GATX Corporation (“GATX”) hereby stipulate and agree as follows:

1. On August 7, 2013 (the “Commencement Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On August 21, 2013, Robert J. Keach, Esquire was appointed as the Trustee of the Debtor pursuant to section 1163 of the Bankruptcy Code.

2. Pursuant to certain car service contracts entered into by and between the Debtor and GATX (any and all prepetition agreements entered into by the Debtor and GATX hereinafter referred to as the “GATX Agreements”), the Debtor has the right to use certain rolling stock of GATX (the “Equipment”).

3. The Equipment may constitute “equipment” within the meaning of section 1168(a)(2) of the Bankruptcy Code. Accordingly, the Equipment and GATX may be entitled to the protections of section 1168 of the Bankruptcy Code; provided, however, that entry of this stipulation (the “Stipulation”) shall not be deemed to constitute an admission by the Debtor that the Equipment constitutes “equipment” within the meaning of section 1168 of the Bankruptcy Code or that GATX is entitled to the protections of section 1168 of the Bankruptcy Code, and the Debtor and GATX reserve all of their respective rights and defenses with respect thereto.

4. Pursuant to section 1168 of the Bankruptcy Code, if the Equipment is “equipment” under section 1168 of the Bankruptcy Code, the Debtor has requested and the GATX has agreed to extend the periods set forth in section 1168, including the 60-day period set forth in section 1168(a)(1)(A) and (B) (all of the deadlines set forth in section 1168(a)(1) hereinafter referred to as the “Section 1168 Periods”).

5. The Section 1168 Periods are hereby extended, for all purposes, for 60 days (such extension, together with any further extensions on the terms set forth below, the “Extension Period”); provided, however, that unless either the Debtor, on the one hand, or GATX, on the other hand, provide written notice of termination of the Extension Period to the other received at least 10 days prior to the expiration of the Extension Period then in effect, the Extension Period shall be extended automatically by an additional thirty day period.

6. GATX represents and warrants that it has full authority under the GATX Agreements and related controlling documents to enter into and perform this Stipulation and otherwise authorize the Debtor’s continued use of the Equipment.

7. Notwithstanding anything in the Bankruptcy Code (to the extent applicable), the Debtor shall not be obligated to make and GATX shall not seek, any payments under the GATX Agreements or with respect to the Equipment during the Extension Period.

8. The Debtor and GATX hereby agree and acknowledge that this Stipulation does not constitute an election or, except as expressly set forth in paragraph 5 of this Stipulation, an agreement by the Debtor under section 1168 of the Bankruptcy Code or any other provision of the Bankruptcy Code, and nothing contained herein shall be construed as such an election or agreement. The Debtor and GATX also agree and acknowledge that this Stipulation does not constitute an assumption by the Debtor of the GATX Agreements under section 365 of the Bankruptcy Code (to the extent such section is applicable), and nothing contained herein shall be construed to constitute such an assumption. GATX agrees that it shall not assert in any jurisdiction or proceeding that this Stipulation constitutes either an agreement under section 1168 of the Bankruptcy Code or an assumption under section 365 of the Bankruptcy Code.

9. Except to the extent otherwise provided herein, this Stipulation does not limit or affect the rights, remedies or claims of GATX, if any, under the provisions of the Bankruptcy Code, subject to all rights, defenses and objections of the Debtor and any other party-in-interest.

10. The Debtor and GATX agree that this Stipulation does not otherwise affect any term or provision of the GATX Agreements, except as expressly set forth in the Stipulation, and that the Debtor and GATX reserve all of the respective rights and remedies with respect thereto.

11. This Stipulation shall be binding upon: (a) the Debtor, the Trustee and any trustee or examiner that may be appointed in the pending chapter 11 case, and their respective successors and assigns; and (b) GATX and its respective successors and assigns.

12. This Stipulation is subject to and effective upon the approval of the Bankruptcy Court for the District of Maine (the "Court"). To the extent not otherwise authorized by order of the Court, the Debtor shall promptly cause this Stipulation to be presented to the Court for approval, provided, however, that the terms of this Stipulation shall be binding upon the Debtor and GATX during the period in which the Debtor seeks approval by the Court (the "Order").

13. This Stipulation may be executed in one or more counterparts, by facsimile, electronic transmission or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

14. This Stipulation, together with section 1168 of the Bankruptcy Code and the GATX Agreements, each as modified pursuant to the terms of this Stipulation, contain the entire agreement between GATX and the Debtor as to the subject matter hereof, and all understandings, agreements and communications prior to the date hereof, whether express or implied, oral or written, relating to the subject matter hereof are fully and completely extinguished and superseded by this Stipulation and the GATX Agreements as modified or otherwise affected hereby. In the event of any inconsistency between this Stipulation and either the GATX Agreements or the Order, or between this Stipulation and the Debtor's motion with respect to the Order, this Stipulation shall govern. This Stipulation shall not be

altered, amended, modified or otherwise changed, and the rights hereunder may not be waived, except by a writing dated subsequent to the date hereof and duly signed by each of the Debtor and GATX.

15. To the extent non-bankruptcy law governs any provision of this Stipulation, this Stipulation shall be interpreted, and the rights and duties of the Debtor and GATX shall be determined, in accordance with the laws of the state chosen by the Debtor and GATX in the GATX Agreements.

16. Unless otherwise specifically provided herein, all notice required or permitted by the terms of the GATX Agreements or this Stipulation shall be in writing, and any such notice shall become effective upon receipt by the addressee of such notice by certified mail, return receipt requested, overnight courier service or facsimile to the following addresses:

- (a) If to the Debtor:
15 Iron Road
Hermon, ME 04401
Facsimile: (207) 848-4232

And

Sam Anderson, Esquire
Bernstein Shur Sawyer & Nelson, P.A.
100 Middle Street
Portland, ME 04101
Facsimile: (207) 772-1127

- (b) If to GATX:
Deborah Thorne, Esquire
Barnes & Thornburg LLP
1 North Wacker
Suite 4400
Chicago, IL 60606
Facsimile: (312) 759-5646

Dated: September 25, 2013

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

By his attorneys:

/s/ Sam Anderson

Michael A. Fagone, Esq.
D. Sam Anderson, Esq.
BERNSTEIN, SHUR, SAWYER & NELSON, P.A.
100 Middle Street
P.O. Box 9729
Portland, ME 04104
Telephone: (207) 774-1200
Facsimile: (207) 774-1127
E-mail: sanderson@bernsteinshur.com

Dated: September 25, 2013

GATX Corporation

/s/ Deborah L. Thorne

Deborah L. Thorne, Esq.
BARNES & THORNBURG LLP
One North Wacker Drive, Suite 4400
Chicago, IL 60606
Telephone: (312) 214-8307
Facsimile: (312) 759-5646
E-mail: dthorne@btlaw.com

This Court having determined that the approval requested in the Stipulation is in the best interests of the Debtor, its estates and creditors, and it appearing that proper and adequate notice has been given and that no other or further notice is necessary, and upon the record herein, and after due deliberation thereon, and good and sufficient cause appearing therefore, it is hereby ORDERED, ADJUDGED and DECREED that:

1. The Stipulation and transactions contemplated therein are APPROVED in their entirety.

2. Notwithstanding any provision of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or the Local Rules of this Court to the contrary, this order shall take effect immediately upon entry.

Dated:

The Honorable Louis H. Kornreich
United States Bankruptcy Judge for
the District of Maine

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Chapter 11
Case No. 13-10670

STIPULATION AND ORDER APPROVING SECTION 1168 EXTENSION

Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”) and Rail World Locomotive Leasing, LLC (“RWLL”) hereby stipulate and agree as follows:

1. On August 7, 2013 (the “Commencement Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On August 21, 2013, Robert J. Keach, Esquire was appointed as the Trustee of the Debtor pursuant to section 1163 of the Bankruptcy Code (the “Trustee”).

2. Pursuant to certain agreements with RWLL (the “RWLL Agreements”), the Debtor has the right to use the equipment described on Exhibit A hereto (the equipment at issue, as more particularly described in the RWLL Agreements, the “Equipment”).

3. The Equipment constitutes “equipment” within the meaning of section 1168(a)(2) of the Bankruptcy Code. Accordingly, the Equipment and RWLL are entitled to the protections of section 1168 of the Bankruptcy Code.

4. Pursuant to section 1168 of the Bankruptcy Code, the Debtor has requested and RWLL has agreed to extend the periods set forth in section 1168, including the 60-day period set forth in section 1168(a)(1)(A) and (B) (all of the deadlines set forth in section 1168(a)(1) hereinafter referred to as the “Section 1168 Periods”).

5. The Section 1168 Periods are hereby extended, for all purposes, for 60 days (such extension, together with any further extensions on the terms set forth below, the “Extension Period”);

provided, however, that with respect to the Equipment identified as the 2004 Equipment on Exhibit A hereto, during such Extension Period, RWLL may, upon 10 days prior written notice to the Trustee (the “Notice Period”), exercise its rights under Section 1168 of the Bankruptcy Code, including, but not limited to, the right to demand surrender and return of all or any of the 2004 Equipment pursuant to Section 1168(c)(1) to a location that is mutually agreeable to the Debtor and RWLL; provided further, however, if, on or before expiration of the Notice Period, the Trustee fulfills the obligations set forth in Section 1168(a)(1)(A) and (B) with respect to any of the 2004 Equipment to which such RWLL notice applies, the right of RWLL to exercise the rights described herein shall be nullified and RWLL’s rights and remedies shall be subject to Section 362 of the Bankruptcy Code as set forth in Section 1168(a)(1).

6. Unless either the Debtor, on the one hand, or RWLL, on the other hand, provide written notice of termination of the Extension Period to the other received at least 10 days prior to the expiration of the Extension Period then in effect, the Extension Period shall be extended automatically by an additional thirty day period; provided however, that from and after any extension of the Section 1168 Periods beyond the initial 60-day Extension Period (the “Initial Extension Period”), the Debtor shall make payments to RWLL in accordance with the RWLL Agreements and as set forth in Exhibit A for amounts arising on or after the expiration of the Initial Extension Period, provided further, however, that in relation to the 2012 Equipment, the Debtor shall retain the right to seek an order from the Court (defined below) that the Debtor is only obligated to make adequate protection payments to RWLL in an amount to be determined by the Court or agreed to by the Debtor and RWLL, and RWLL shall retain all rights and defenses thereto, including, but not limited, to the right to object to such request on the grounds that Section 1168 requires the Trustee to perform all obligations under the RWLL Agreements regardless of the nature of such agreement.

7. RWLL represents and warrants that it has full authority under the RWLL Agreements and related controlling documents to enter into and perform this Stipulation and otherwise authorize the Debtor’s continued use of the Equipment.

8. During the Initial Extension Period, all payment obligations of the Debtor to RWLL, including those set out in Exhibit A, shall be suspended. However, for the avoidance of doubt, except with respect to Initial Extension Period and suspension of payments provided herein, nothing in this agreement and stipulation relieves the Debtor from obligations arising under the RWLL Agreements and the Bankruptcy Code, including, but not limited to, any obligations arising under Section 365(d)(5) of the Bankruptcy Code and/or the accrual of any administrative expense from and after the Commencement Date under Section 503 of the Bankruptcy Code. All of RWLL's rights to seek payment of an administrative expense or to compel compliance with, *inter alia*, Section 365 and the all of the Trustee's rights to defend or object against such claims, including the right to deny the existence of such obligations, are fully preserved, provided, however, that the Trustee agrees that it shall not object to administrative expense treatment for any payments which accrue but are suspended during the Initial Extension Period (subject to the Trustee's rights described in paragraph 6 above).

9. The Debtor and RWLL agree and acknowledge that this Stipulation does not constitute an assumption by the Debtor of the RWLL Agreements under section 365 of the Bankruptcy Code (to the extent such section is applicable), and nothing contained herein shall be construed to constitute such an assumption. RWLL agrees that it shall not assert in any jurisdiction or proceeding that this Stipulation constitutes an assumption under section 365 of the Bankruptcy Code.

10. Except to the extent otherwise provided herein, this Stipulation does not limit or affect the rights, remedies or claims of RWLL, if any, under the provisions of the Bankruptcy Code, subject to all rights, defenses and objections of the Debtor and any other party-in-interest.

11. The Debtor and RWLL agree that this Stipulation does not otherwise affect any term or provision of the RWLL Agreements, except as expressly set forth in the Stipulation, and that the Debtor and RWLL reserve all of the respective rights and remedies with respect thereto.

12. This Stipulation shall be binding upon: (a) the Debtor, the Trustee and any trustee or examiner that may be appointed in the pending chapter 11 case, and their respective successors and assigns; and (b) RWLL and its respective successors and assigns.

13. This Stipulation is subject to and effective upon the approval of the Bankruptcy Court for the District of Maine (the “Court”). To the extent not otherwise authorized by order of the Court, the Debtor shall promptly cause this Stipulation to be presented to the Court for approval, provided, however, that the terms of this Stipulation shall be binding upon the Debtor and RWLL during the period in which the Debtor seeks approval by the Court (the “Order”).

14. This Stipulation may be executed in one or more counterparts, by facsimile, electronic transmission or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

15. This Stipulation, together with section 1168 of the Bankruptcy Code and the RWLL Agreements, each as modified pursuant to the terms of this Stipulation, contain the entire agreement between RWLL and the Debtor as to the subject matter hereof, and all understandings, agreements and communications prior to the date hereof, whether express or implied, oral or written, relating to the subject matter hereof are fully and completely extinguished and superseded by this Stipulation and the RWLL Agreements as modified or otherwise affected hereby. In the event of any inconsistency between this Stipulation and either the RWLL Agreements or the Order, or between this Stipulation and the Debtor’s motion with respect to the Order, this Stipulation shall govern. This Stipulation shall not be altered, amended, modified or otherwise changed, and the rights hereunder may not be waived, except by a writing dated subsequent to the date hereof and duly signed by each of the Debtor and RWLL.

16. To the extent non-bankruptcy law governs any provision of this Stipulation, this Stipulation shall be interpreted, and the rights and duties of the Debtor and RWLL shall be determined, in accordance with the laws of the state chosen by the Debtor and RWLL in the RWLL Agreements.

17. Unless otherwise specifically provided herein, all notice required or permitted by the terms of the RWLL Agreements or this Stipulation shall be in writing, and any such notice shall become effective upon receipt by the addressee of such notice by certified mail, return receipt requested, overnight courier service or facsimile to the following addresses:

(a) If to the Debtor:
15 Iron Road
Hermon, ME 04401
Facsimile: (207) 848-4232

And

Sam Anderson, Esquire
Bernstein Shur Sawyer & Nelson, P.A.
100 Middle Street
Portland, ME 04101
Facsimile: (207) 772-1127

(b) If to RWLL:

Patrick C. Maxcy, Esquire
Dentons US LLP
233 South Wacker Drive
Suite 7800
Chicago, IL 60606-6306
Facsimile: (312) 876-7934

Dated: September 27, 2013

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

By his attorneys:

/s/ Sam Anderson
Michael A. Fagone, Esq.
D. Sam Anderson, Esq.
BERNSTEIN, SHUR, SAWYER & NELSON, P.A.
100 Middle Street
P.O. Box 9729
Portland, ME 04104
Telephone: (207) 774-1200
Facsimile: (207) 774-1127
E-mail: sanderson@bernsteinshur.com

Dated: September 27, 2013

RAIL WORLD LOCOMOTIVE LEASING, LLC

By its attorneys:

/s/ Patrick C. Maxcy

Patrick C. Maxcy, Esq.
Dentons US LLP
233 South Wacker Drive
Suite 7800
Chicago, IL 60606-6306
Telephone: (312) 876-8000
Facsimile: (312) 876-7934
E-mail: patrick.maxcy@dentons.com

This Court having determined that the approval requested in the Stipulation is in the best interests of the Debtor, its estates and creditors, and it appearing that proper and adequate notice has been given and that no other or further notice is necessary, and upon the record herein, and after due deliberation thereon, and good and sufficient cause appearing therefore, it is hereby **ORDERED, ADJUDGED** and **DECREED** that:

1. The Stipulation and transactions contemplated therein are **APPROVED** in their entirety.
2. Notwithstanding any provision of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or the Local Rules of this Court to the contrary, this order shall take effect immediately upon entry.

Dated:

The Honorable Louis H. Kornreich
United States Bankruptcy Judge for
the District of Maine

Exhibit A

ROLLING STOCK AGREEMENTS	DESCRIPTION OF EQUIPMENT	PAYMENT TERMS UNDER STIPULATION
Rail World Locomotive Leasing, LLC Railroad Locomotive Lease Agreement (dated 2/10/2004) and Second Amendment to the Lease Agreement (dated 4/1/2013)	3 locomotives: 1 EMD F40M-PH (CDAC 450) 1 EMD F40PH (SLC 270) 1 EMD SD-40-2 (MMA 758) (the " <u>2004 Equipment</u> ")	Accruing from and after the expiration of the Initial Extension Period, with payments as set forth in sections 5 and 6 of the Lease Agreement (as amended) (\$150 per day for the F40M-PH and SD-40-2 locomotives, and \$100 per day for the F40PH locomotive)
Rail World Locomotive Leasing, LLC Railroad Locomotive Lease Agreement (dated 7/1/2012)	3 locomotives: General Electric C39-8 (MMA 8202, 8207, 8208) (the " <u>2012 Equipment</u> ")	\$3,337.00 per month per locomotive with payments beginning for the period starting from and after expiration of the Initial Extension Period as set forth in sections 5 and 6 of the Lease Agreement (as amended)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Chapter 11
Case No. 13-10670

STIPULATION AND ORDER APPROVING SECTION 1168 EXTENSION

Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”) and Bangor Savings Bank (“Bangor Savings”) hereby stipulate and agree as follows:

1. On August 7, 2013 (the “Commencement Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On August 21, 2013, Robert J. Keach, Esquire was appointed as the Trustee of the Debtor pursuant to section 1163 of the Bankruptcy Code.
2. Pursuant to certain prepetition agreements entered into by and between the Debtor and Bangor Savings (any and all prepetition agreements entered into by the Debtor and Bangor Savings hereinafter referred to as the “Bangor Agreements”), the Debtor granted Bangor Savings a security interest in certain rolling stock of the Debtor (any and all rolling stock of the Debtor or equipment as defined by section 1168 of the Bankruptcy Code in which Bangor Savings holds a security interest, hereinafter referred to as the “Equipment”).
3. The Equipment may constitute “equipment” within the meaning of section 1168(a)(2) of the Bankruptcy Code. Accordingly, the Equipment and Bangor Savings may be entitled to the protections of section 1168 of the Bankruptcy Code; provided, however, that entry of this stipulation (together with any and all exhibits attached hereto, the “Stipulation”) shall not be deemed to constitute an admission by the Debtor that the Equipment constitutes “equipment” within the meaning of section 1168 of the Bankruptcy Code or that Bangor Savings is entitled to the protections of section 1168 of the Bankruptcy

Code, and the Debtor and Bangor Savings reserve all their respective rights and defenses with respect thereto. Bangor Savings further agrees that it shall not assert in any jurisdiction or proceeding that this Stipulation constitutes an admission by the Debtor that the Equipment is subject to the protections of section 1168 of the Bankruptcy Code.

4. If the Equipment is "equipment" under section 1168 of the Bankruptcy Code, the Debtor has requested and Bangor Savings has agreed to extend the periods set forth in section 1168, including the 60-day period set forth in section 1168(a)(1)(A) and (B) (all of the deadlines set forth in section 1168(a)(1) hereinafter referred to as the "Section 1168 Periods").

5. The Section 1168 Periods are hereby extended for 60 days (such extension, together with any further extensions on the terms set forth below, the "Extension Period"); provided, however, that unless either the Debtor, on the one hand, or Bangor Savings, on the other hand, provide written notice of termination of the Extension Period to the other received at least 5 business days (or on such shorter notice as may be approved by subsequent order of this Court) prior to the expiration of the Extension Period then in effect, the Extension Period shall be extended automatically by an additional thirty day period. The filing of a motion for relief from the automatic stay by Bangor Savings shall be deemed notice of Bangor Savings' termination of the Extension Period.

6. Bangor Savings represents and warrants that it has full authority under the Bangor Agreements and related controlling documents to enter into and perform this Stipulation and otherwise authorize the Debtor's continued use of the Equipment.

7. Notwithstanding anything in the Bankruptcy Code (to the extent applicable), the Debtor shall not be obligated to make and Bangor Savings shall not seek, any payments from the Debtor (other than by filing a proof of claim in the Debtor's chapter 11 case) under the Bangor Agreements or with respect to the Equipment during the Extension Period except upon further order of this Court after notice and hearing.

8. Except to the extent otherwise provided herein, this Stipulation does not limit or affect the rights, remedies or claims of Bangor Savings under the Bangor Agreements, the provisions of the

Bankruptcy Code or other applicable law, subject to all rights, defenses and objections of the Debtor and any other party-in-interest.

9. The Debtor and Bangor Savings agree that this Stipulation does not otherwise affect any term or provision of the Bangor Agreements and that the Debtor and Bangor Savings reserve all of the respective rights and remedies with respect thereto.

10. This Stipulation shall be binding upon: (a) the Debtor, the Trustee and any trustee or examiner that may be appointed in the pending chapter 11 case, and their respective successors and assigns; and (b) Bangor Savings and its respective successors and assigns.

11. This Stipulation is subject to and effective upon approval of the Bankruptcy Court for the District of Maine (the "Court"). To the extent not otherwise authorized by order of the Court, the Debtor shall promptly cause this Stipulation to be presented to the Court for approval, provided, however, that the terms of this Stipulation shall be binding upon the Debtor and Bangor Savings during the period in which the Debtor seeks approval by the Court (the "Order"). In the event the Court fails to enter an Order approving this Stipulation, this Stipulation shall be deemed null and void and of no further force or effect.

12. This Stipulation may be executed in one or more counterparts, by facsimile, electronic transmission or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

13. This Stipulation contains the entire agreement between Bangor Savings and the Debtor as to the subject matter hereof, and all understandings, agreements and communications prior to the date hereof, whether express or implied, oral or written, relating to the subject matter hereof are fully and completely extinguished and superseded by this Stipulation. In the event of any inconsistency between this Stipulation or the Order, or between this Stipulation and the Debtor's motion with respect to the Order, this Stipulation shall govern. This Stipulation shall not be altered, amended, modified or otherwise changed, and the rights hereunder may not be waived, except by a writing dated subsequent to the date hereof and duly signed by each of the Debtor and Bangor Savings.

14. To the extent non-bankruptcy law governs any provision of this Stipulation, this Stipulation shall be interpreted, and the rights and duties of the Debtor and Bangor Savings shall be determined, in accordance with the laws of the state chosen by the Debtor and Bangor Savings in the Bangor Agreements.

15. Unless otherwise specifically provided herein, all notice required or permitted by the terms of the Bangor Agreement or this Stipulation shall be in writing, and any such notice shall become effective upon receipt by the addressee of such notice by certified mail, return receipt requested, overnight courier service or facsimile to the following addresses:

- (a) If to the Debtor:
15 Iron Road
Hermon, ME 04401
Facsimile: (207) 848-4232

And

Sam Anderson, Esquire
Bernstein Shur Sawyer & Nelson, P.A.
100 Middle Street
Portland, ME 04101
Facsimile: (207) 772-1127

- (b) If to Bangor Savings:

Michael Hahn, Esquire
Eaton Peabody
One Portland Square
Portland, Maine 04101
Facsimile: (207) 274-5286

Dated: September 25, 2013

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

By his attorneys:

/s/ Sam Anderson

Michael A. Fagone, Esq.
D. Sam Anderson, Esq.
BERNSTEIN, SHUR, SAWYER & NELSON, P.A.
100 Middle Street
P.O. Box 9729
Portland, ME 04104
Telephone: (207) 774-1200
Facsimile: (207) 774-1127
E-mail: sanderson@bernsteinshur.com

Dated: 9/25/13

BANGOR SAVINGS BANK

Robert A. Burgess
By: Robert A. Burgess
Its: Senior Vice President

This Court having determined that the approval requested in the Stipulation is in the best interests of the Debtor, its estate and creditors, and it appearing that proper and adequate notice has been given and that no other or further notice is necessary, and upon the record herein, and after due deliberation thereon, and good and sufficient cause appearing therefore, it is hereby ORDERED, ADJUDGED and DECREED that:

1. The Stipulation is APPROVED in its entirety.
2. Notwithstanding any provision of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or the Local Rules of this Court to the contrary, this order shall take effect immediately upon entry.

Dated:

The Honorable Louis H. Kornreich
United States Bankruptcy Judge for
the District of Maine

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Chapter 11

Case No. 13-10670-LHK

**ORDER GRANTING THE TRUSTEE'S MOTION FOR AN ORDER APPROVING
STIPULATIONS TO EXTEND THE TIME TO COMPLY WITH SECTION
1168 AND ADDRESS MATTERS ARISING UNDER SECTION 1168**

This matter having come before the Court on the Trustee's Motion for an Order Approving Stipulations to Extend the Time to Comply with Section 1168 and Address Matters Arising Under Section 1168 (the "Motion"), filed by Robert J. Keach, the duly appointed trustee in the above-captioned chapter 11 case, after such notice and opportunity for hearing as was required under the Bankruptcy Code, 11 U.S.C. § 101 et seq. and the Federal Rules of Bankruptcy Procedure, this Court having conducted a hearing on the Motion, after due deliberation and sufficient cause appearing therefore, it is hereby **ORDERED, ADJUDGED,** and **DECREED** that:

1. The Motion is granted.
2. The Stipulations and the Procedure for Addressing Matters Arising Under Section 1168 are hereby approved.¹

Dated:

The Honorable Louis H. Kornreich
United States Bankruptcy Judge for the
District of Maine

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.