

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MAINE**

In re:	)	Chapter 11
	)	
Montreal Maine & Atlantic Railway Ltd.,	)	
	)	Case No. 13-10670 (LHK)
Debtor.	)	
	)	Related to Docket Nos. 337 and 338
	)	
	)	

**MAINE DEPARTMENT OF TRANSPORTATION'S CONSENT TO CHAPTER 11 TRUSTEE'S MOTION FOR ORDER: (A) AUTHORIZING DEBTOR TO OBTAIN POST-PETITION FINANCING; AND (B) GRANTING TO CAMDEN NATIONAL BANK POST-PETITION SECURITY INTERESTS**

The State of Maine, acting by and through the Department of Transportation, ("MaineDOT") is a creditor and party in interest in this case and, by and through its undersigned counsel, respectfully submits this consent ("Consent") to Chapter 11 Trustee's Motion for Order: (A) Authorizing Debtor to Obtain Post-Petition Financing; and (B) Granting to Camden National Bank Post-Petition Security Interests ("Motion"), subject to a reservation of rights with respect to certain provisions contained in the Motion. MaineDOT states as follows:

**I. The Motion**

1. On Friday, October 4, 2013, the Chapter 11 Trustee for the Montreal Maine & Atlantic Railway, Ltd. filed the Motion. [Docket 337]. Pursuant to the Motion, the Chapter 11 Trustee seeks approval of post-petition financing with Camden National Bank ("Camden") in the amount of \$3.0 million on a super-priority basis pursuant to 11 U.S.C. §§ 105 and 364 (the "Financing").

2. The Motion provides a summary of the Financing at ¶ 1.

3. The Motion references the Chapter 11 Trustee's pursuit of MaineDOT's consent to the relief sought in the Motion.

## **II. MaineDOT's Consent**

4. MaineDOT hereby consents to the relief sought in the Motion, subject to the reservation of rights set forth below.

## **III. MaineDOT's Reservation of Rights**

5. The Motion provides:

In the event that the Loan is not paid in full on or before August 30, 2014, the Trustee shall, and shall be authorized by the Order approving the Loan to, liquidate, under section 1174 of the Bankruptcy Code, the Loan Collateral or such portion thereof as is required to pay the Loan in full.

Motion at ¶ 1(e).

6. The Motion further provides:

Upon the occurrence and during the continuance of any default, and following the giving of ten (10) business days' notice to the Debtor, the Bank shall have relief from the automatic stay.

Motion at ¶ 1(h).

7. Section 1165 of the Bankruptcy Code requires

In applying sections . . . **1174** of this title, the court and the trustee shall consider the public interest in addition to the interests of the debtor, creditors, and equity security holders.

11 U.S.C. § 1165 (emphasis added).

8. MaineDOT believes that the continuation of rail service is generally in the public interest unless there has been a determination that the rail service is no longer

necessary or in the public interest and should be abandoned. *See generally* 11 U.S.C. § 1170.

9. MaineDOT hereby reserves all rights to assert the "public interest" with respect to the continued operation of Debtor's rail system prior to any proposed liquidation of the Debtor's rail lines pursuant to the terms of the Financing and section 1174 of the Bankruptcy Code as required by section 1165 of the Bankruptcy Code.

WHEREFORE, MaineDOT consents to the relief requested in the Motion, subject to the reservation of all rights described herein.

Respectfully submitted,

Dated: October 7, 2013

CLARK HILL THORP REED

/s/ William C. Price  
William C. Price (PA I.D. 90871)  
(admitted *pro hac vice*)  
Elizabeth L. Slaby (PA I.D. 209503)  
(admitted *pro hac vice*)  
One Oxford Center  
301 Grant Street, 14<sup>th</sup> Floor  
Pittsburgh, PA 15219  
Phone: 412-394-7776  
Fax: 412-394-2555  
Email: [wprice@clarkhillthorpreed.com](mailto:wprice@clarkhillthorpreed.com)  
[bslaby@clarkhillthorpreed.com](mailto:bslaby@clarkhillthorpreed.com)

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MAINE DEPARTMENT OF  
TRANSPORTATION

Victoria Morales, Esq.  
Maine Bar ID No. 4063  
Maine Department of Transportation  
16 State House Station  
Augusta, Maine 04333-0016  
Phone: 207-624-3020  
Email: [Victoria.Morales@maine.gov](mailto:Victoria.Morales@maine.gov)

*Counsel for Maine Department of  
Transportation*