

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

P.E. O'Halloran, Inc.

Debtor

Chapter 11

Case No. 17-10515

FINAL ORDER APPROVING
MOTION FOR AUTHORITY TO USE CASH COLLATERAL
(WITH INCORPORATED NOTICE TO PARTIES IN INTEREST)

Upon the Motion of the Debtor for Authority to Use Cash Collateral ("Motion") of Machias Savings Bank ("MSB"), and upon the consent of the Debtor and MSB to the Debtor's use of cash collateral, on a final basis and in accordance with the budget (as defined below), and after good, adequate, sufficient and complete notice to: (a) Jeremy R. Fischer, counsel to MSB; (b) the Office of the United States Trustee; and (c) all parties requesting notice in this proceeding; and upon a final hearing held on September 28, 2017, the Court hereby ORDERS, ADJUDGES, and DECREES as follow:

1. Good, sufficient and adequate cause exists to permit the Debtor to use cash collateral pursuant to the budget (the "Budget") as set forth below. The Budget is attached hereto as Exhibit A.
2. The Court hereby authorizes the Debtor to use the cash collateral of MSB, pursuant to the Budget.
3. The Debtor shall only use cash collateral for the purposes and in the amounts set forth in the Budget, including certain adequate protection payments that shall be made to MSB and that shall be applied to each loan for which payments are made. Debtor shall provide MSB and the Office of the United States Trustee with weekly reporting comparing the projections set forth in the Budget with the Debtor's actual results.

4. Pursuant to sections 361(2) and 363(e), and without any waiver of MSB's rights under section 552(b), as adequate protection for any diminution of value occurring subsequent to the Petition Date in the value of MSB's interests in cash collateral, MSB is hereby granted replacement liens (the "Replacement Liens"), in all cash collateral of the Debtor acquired after the Petition Date and in the direct and indirect proceeds thereof. The Replacement Liens shall have the same validity, perfection and priority as the prepetition liens of MSB in the cash collateral of the Debtor as of the Petition Date. The Replacement Liens shall be automatically perfected without the need for any filing or other act. The terms of this Final Order shall be binding upon any Trustee appointed in this proceeding or any Trustee appointed in a proceeding under Chapter 7 involving the Debtor.

5. MSB has consented to payment by the Debtor of the specific items listed in the Budget, and the Debtor shall be and hereby is AUTHORIZED to make those expenditures in accordance with the Budget.

6. Debtor is hereby ORDERED and DIRECTED to serve, within two (2) business days after entry of this Order, a copy of this Order and the Budget (collectively, the "Notice Documents"), on (a) Jeremy R. Fischer, counsel to MSB; (b) the Office of the United States Trustee; (c) all state and federal taxing authorities having a claim against the Debtor; (d) all parties requesting notice in this proceeding; and (e) the Debtors' twenty (20) largest unsecured creditors, thereby providing notice to all parties in interest of the matters set forth therein.

7. Service of the Notice Documents as required by this Order, once made by the Debtor as evidenced in the Certificate of Service to be filed upon such service, shall constitute good, adequate, sufficient and complete service and notice to all parties in interest of the Notice Documents and all matters set forth therein, and no further service or notice thereof is required under the applicable rules bankruptcy procedure or the facts and circumstances of this bankruptcy case.

8. Further notice is hereby provided to all parties-in-interest, which notice the Court hereby determines will be, upon completion by the Debtor of the service requirements set forth in this Order, in full compliance with all applicable Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules of this Court, and shall constitute good, adequate, sufficient and complete service and notice of all matters set forth in the Notice Documents:

9. **There are various provisions negotiated between MSB and Debtor which differ from Local Bankruptcy Rule 4001-2(c), but may be permitted by the Court pursuant to Local Bankruptcy Rule 4001-2(d). Debtor proposes to grant these protections to MSB in recognition of MSB's support of the Debtor's restructuring plans, including MSB's consent to use of cash collateral. The Court approves these provisions as follows:**

(a) The Debtor, on behalf of itself and its estate, acknowledges all amounts owed to MSB, without any offsets or defenses. These amounts are set forth in Exhibit B to the Motion.

(b) The Debtor, on behalf of itself and its estate, acknowledges the validity, perfection, first priority, and unavoidability of MSB's liens on the Collateral (as such term is defined in the Motion), including cross-collateralization.

(c) The Debtor, on behalf of itself and its estate waives the estate's right to surcharge the Collateral under Bankruptcy Code section 506(c) beyond the amounts set forth in the Budget. Additionally, the Debtor agrees not to encumber any of the Collateral with any senior or priming liens.

(d) The entry of this Order will effectuate a general release of all claims that the Debtor, on behalf of itself and its estate, may hold against MSB.

(e) If the Debtor defaults on any provision described in this Motion, if a Chapter 11 trustee is appointed, or if the case is converted to a case under Chapter 7, MSB

may immediately revoke its consent to use of cash collateral by filing a notice on the docket in the Debtor's case. Three business days thereafter, unless the default has been cured, MSB shall have relief from the automatic stay without further order of the Court related to all of the Collateral.

(f) Notwithstanding anything to the contrary in this paragraph, if the Debtor's case is converted to a case under chapter 7 prior to substantial consummation of the Debtor's chapter 11 plan, the chapter 7 trustee shall have thirty (30) days from appointment to challenge the validity, perfection, priority, or amount of MSB's claims or liens or to bring any claims or causes of action against MSB that would otherwise be subject to the general release described above.

SO ORDERED this 2nd day of October, 2017.



Hon. Michael A. Fagone
United States Bankruptcy Judge

Week Ending	1 Proj 9/2/2017	2 Proj 9/9/2017	3 Proj 9/16/2017	4 Proj 9/23/2017	5 Proj 9/30/2017	6 Proj 10/7/2017	7 Proj 10/14/2017	8 Proj 10/21/2017	9 Proj 10/28/2017	10 Proj 11/4/2017	11 Proj 11/11/2017	12 Proj 11/18/2017	13 Proj 11/25/2017	Proj Total
Paccar 3739				3,240					3,240				3,240	9,720
Paccar 3740				3,240					3,240				3,240	9,720
Paccar 3747			1,671				1,671					1,671		5,013
Paccar 3749					1,714				1,714				1,714	5,142
PACCAR 3750	3,570				3,570				3,570				3,570	14,280
PACCAR 3751	3,570				3,570				3,570				3,570	14,280
GM FINANCIAL					379				379				379	1,137
Translease 79-Monthly					916				916				916	2,748
TRANSLEAS 80-Monthly					1,060				1,060				1,060	3,180
TRANSLEAS 81-Monthly					1,346				1,346				1,346	4,038
Direct Capital Corp-Trailer-Value may get crammed and payment				1,500					1,500				1,500	4,500
N/P - ALLY 611922654233 AK3742-Due 6th of each month		396				396					396			1,188
N/P - ALLY 024924670275 AK3746-3rd of each month		561				561					561			1,683
N/P - ALLY 024918345796 SOH-Due 16th of each month		-	702					702				702		2,106
Machias Savings Bank-N/P - MSB 3010402997-Was \$3,465 per month due on the 20th							1,176	-			1,176		-	2,352
Machias Savings Bank-N/P - TL56-Was \$764 per months due on the 8th							431				431			862
Machias Savings Bank-N/P - TL59-Was \$910 per month due on the 15th							530				530	-		1,060
Machias Savings Bank-N/P - TL58-Was \$707 per month due on the 10th							411				411			822
Machias Savings Bank-N/P - TL60-Was \$910 per month due on the 13th							530				530			1,060
Machias Savings Bank-N/P - TL63-Was \$819 per month due on the 26th							457		-		457		-	914
Machias Line of Credit-			1,428				4,492		-		4,492			10,412
N/P - TCF 003-0562925-502 3743-\$1997.05 due the 16th			866				866					866		2,598
Partners Capital Group 6428 \$250 due the 1st of each month	-					-				-				-
Eastern Funding-N/P - TL69-\$1,481 due the 6th of each month		742				742					742			2,226
N/P - EASTERN FUNDING - TL70-\$1,269 due the 17th			495				495					495		1,485
N/P - EASTERN FUNDING - TL73-\$1,131 due on 22nd				742				742					742	2,226
N/P - EASTERN FUNDING - TL76-\$700 due 26th					495				495					990
N/P - EASTERN FUNDING - AK3741-Was \$6544 due 31st	6,544				4,032					4,032				14,608
1st Niagra-AK3744 Was \$406 due 21st				269				269					269	807
1nd Niagra-AK3745 Was \$391 due the 21st				269				269					269	807
N/P - MBC10010548 MULE-\$722 due the 15th			303				303					303		909
Mortgage Payments-Embrace Home Loans (\$507) and Key Bank (\$824)	1,331				1,331					1,331				3,993
Professional Fees		-				13,000				13,000				26,000
Distribution to Steve O. for personal attorney		-				2,000				2,000				4,000
Misc.	500	500	500	500	500	500	500	500	500	500	500	500	500	6,500
Dues and Subscriptions	480	480	480	480	480	480	480	480	480	480	480	480	480	6,240
Trustee Fees							4,875							4,875
Total Cash Disbursements	120,062	85,166	89,348	99,507	100,664	113,650	98,154	143,738	109,781	113,014	87,967	83,744	92,756	1,337,548
Change in Cash	12,452	1,834	32,325	16,409	(10,464)	(23,650)	(11,154)	8,262	(12,781)	(13,014)	4,033	3,256	(13,756)	(6,245)
Beginning Cash	20,000	32,452	34,285	66,610	83,019	72,555	48,906	37,752	46,015	33,234	20,221	24,254	27,510	20,000
Cash at the End	32,452	34,285	66,610	83,019	72,555	48,906	37,752	46,015	33,234	20,221	24,254	27,510	13,755	13,755