

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

In re:)	Chapter 11
)	
TRICO MARINE SERVICES, INC., <i>et al.</i> , ¹)	Case No. 10-12653 (BLS)
)	
Debtors.)	(Jointly Administered)
)	
)	RE: D.I. _____

**AGREED ORDER GRANTING MOTION TO APPROVE, UPON SATISFACTION OF
SPECIFIED CONDITIONS, (I) THE ASSUMPTION AND ASSIGNMENT OF GE
MASTER BAREBOAT CHARTER TO COMAR, (II) THE SALE OF SPARE VESSEL
PARTS, (III) THE REJECTION OF THE MASTER MANAGEMENT AND
OPERATING AGREEMENTS WITH COMAR,
AND (IV) RELATED RELIEF**

Upon consideration of the *Motion to Approve, Upon Satisfaction of Specified Conditions*, (I) the Assumption and Assignment of GE Master Bareboat Charter to Comar, (II) the Sale of Spare Vessel Parts, (III) the Rejection of the Master Management and Operating Agreements with Comar, and (IV) Related Relief (the "Motion")² filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") pursuant to §§ 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 6004(h), and 6006(d) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for entry of an order approving, upon satisfaction of certain conditions, (i) the assumption and assignment of Master Charter to Comar, (ii) sale of spare vessel parts (the "Spares"), (iii) the rejection of the Management Agreements with Comar, and (iv) related relief; and the Declaration of John R.

¹ The Debtors are the following entities (followed by the last four digits of their tax identification numbers): Trico Marine Services, Inc. (2405); Trico Marine Assets, Inc. (2404); Trico Marine Operators, Inc. (6124); Trico Marine International, Inc. (3132); Trico Holdco, LLC (3870); Trico Marine Cayman, L.P. (5842). The mailing address for all of the Debtors for the purpose of these Cases is 10001 Woodloch Forest Drive, Suite 610, The Woodlands, TX 77380.

² Capitalized terms used but not defined herein shall have the meaning given to them in the Motion.

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Castellano in support of the Motion; and the Court having conducted a hearing on the Motion (the "Hearing"); and all parties in interest having been heard, or having had the opportunity to be heard; and the Court having reviewed and considered the Motion and any objections thereto and the arguments of counsel and evidence adduced related thereto; and upon the record of the Hearing and the full record of these cases; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their creditors and estates and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

FOUND AND DETERMINED THAT:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

B. This Court has jurisdiction over the Motion and the transactions contemplated with respect to the Agreements pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (B) and (O). Venue in this District is proper under 28 U.S.C. §§ 1408 and 1409.

C. Good and sufficient notice of the Motion and the relief sought therein has been given to all interested persons and entities and no other or further notice is required.

D. Trico Marine Operators, Inc. ("Trico Marine") is a party to that certain Master Bareboat Charter (the "Master Charter") dated September 30, 2002 pursuant to which the Debtors charter three vessels (the "Vessels") from General Electric Capital Corporation ("GE"); the French Broad River, pursuant to Schedule No. 001 to Master Bareboat Charter Dated as of September 30, 2002 ("Schedule 1"); the Holston River, pursuant to Schedule No. 002 to Master

Bareboat Charter Dated as of September 30, 2002 ("Schedule 2"), and the Tennessee River, pursuant to Schedule No. 003 to Master Bareboat Charter Dated as of September 30, 2002 ("Schedule 3") (collectively, the "Schedules").

E. Pursuant to the terms of the Master Charter and the Schedules, Trico Marine possesses the right to purchase the French Broad River through the exercise of an Early Buyout Option (the "EBO") for \$2,222,628.45. Pursuant to the express terms of Schedule 1, the EBO must be closed no later than November 1, 2010.

F. As an additional credit enhancement in connection with the Master Charter, GE obtained three irrevocable standby letters of credit ("LOCs") issued by Nordea Bank Finland Plc, in the aggregate amount of \$1,806,680.00. One of the LOCs has been drawn and the proceeds are being held subject to the Terms provided herein; the other two LOCs have not been drawn. GE is also holding cash deposits ("Security Deposits") in the aggregate amount of \$1,697,512.35 as additional security for Trico Marine's obligations to GE.

G. On August 25, 2010 (the "Petition Date"), the Debtors each filed a petition for relief under Chapter 11 of the United States Bankruptcy Code.

H. Shortly before the Petition Date, Trico Marine entered into three separate agreements entitled Master Management and Operating Agreement, (the "Management Agreements") with Comar Marine Corporation ("Comar") pursuant to which Comar operates the Vessels in exchange for certain payments. The Management Agreement provides that Comar or a designated affiliate has the first option to purchase the Vessels, the first option to assume the Charter and a right of first refusal to any sale of the Vessels. Comar has been operating the Vessels pursuant to the Management Agreements since prior to the Petition Date.

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I. On or about September 7, 2010, GE delivered to Trico Marine a Notice of Default based upon Trico Marine's demise of the Vessels to Comar. The Debtors dispute the alleged defaults.

J. Upon proper exercise of the EBO, receipt of the Cash Collateral (defined below), receipt of cleared funds in payment of the EBO, and satisfaction of each of the Terms and Conditions herein, GE has agreed to waive any alleged default under the Master Charter.

K. Both Trico Marine and Comar represent that they are unaware of any liens, maritime or otherwise, against the Vessels.

L. A sound business purpose justifies the assumption and assignment of the Master Charter and Schedules, the sale of the Spares, and the rejection of the Management Agreements in conjunction with the simultaneous effectuation of each of the Terms and Conditions.

M. The assumption and assignment of the Master Charter and Schedules, the sale of the Spares, and the rejection of the Management Agreements in conjunction with the effectuation of each of the Terms and Conditions are in the best interests of the Debtors, their creditors and estates.

N. The legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein.

O. Upon entry of this Order, the Debtors shall have full power and authority to assume and assign the Master Charter and Schedules, to sell the Spares and to reject the Management Agreements in conjunction with the effectuation of each of the Terms and Conditions.

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P. Cause has been shown as to why this Order should not be subject to the stay provided by Bankruptcy Rule 6006(d).

Q. The entry of this Order is in the best interests of the Debtors, their creditors and estates, and other parties in interest.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion and the Terms and Conditions contemplated thereby shall be, and hereby are, granted and approved in all respects.

2. The Debtors are authorized to assume and assign the Master Charter and Schedules to Comar or its nominated affiliate, conditioned upon the satisfaction of all of the Terms and Conditions herein, to sell the Spares, and to reject the Management Agreements in conjunction with the simultaneous effectuation of each of the following Terms and Conditions:

- A. Trico Marine will assume and assign the Master Charter and Schedules to Comar. Comar agrees to be bound by the terms and conditions of the Master Charter and Schedules. The indemnity obligations thereunder shall be binding on Comar, and shall be retroactive to the date of the Management Agreements. Contemporaneous with assignment to Comar, Comar shall deliver directly to GE cash or Letters of Credit in the amount of \$2,338,868.20 (the "Cash Collateral") as security for Comar's obligations under the Master Charter and Schedules.
- B. Trico Marine will execute a bill of sale on "as is, where is" terms pursuant to which Trico Marine will sell the Spares relating to the Vessels to Comar or Comar's nominated affiliate.
- C. As consideration for the assumption and assignment of the Master Charter and Schedules and the conveyance of the Spares, Comar will pay Trico Marine \$500,000 (the "Transaction Fee").
- D. Comar will exercise the EBO with respect to the French Broad River (the "Comar Buyout") and will wire \$2,222,628.45 directly to GE (the "EBO Payment"). Such funds and payments shall be delivered to GE free and clear of any liens, claims and encumbrances. The French Broad River shall be transferred to Comar on an "as is" basis and any liens on such vessel at the time of the transfer, other than those created by GE, shall remain with such vessel upon transfer. Comar expressly waives any maritime liens arising in Comar's favor by contract or

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otherwise, including any liens in favor of any affiliate. No liens shall attach to the EBO Payment.

- E. Trico Marine will reject the three Management Agreements. Comar agrees to waive any Bankruptcy Code § 365 rejection claims.
- F. Trico Marine and Comar will agree to an estimated true-up of all amounts owed between them under the Management Agreements. As a part of the true up, Comar will credit to Trico Marine (i) the pro-rata portion of the pre-paid insurance previously paid by Trico Marine to Comar and (ii) the pro-rata portion of the pre-paid Monthly Charter Rate (as defined in the Schedules). Comar may offset the agreed to estimated true-up from the Transaction Fee. A final true-up shall occur approximately 30 days after the Effective Date. To the extent any ad valorem taxes are due under Master Charter, Comar and Trico will each pay their prorated share as of the Effective Date

3. Each of the foregoing Terms and Conditions, including but not limited to the Comar Buyout, shall occur simultaneously on or before November 24, 2010 (the "Effective Date"). The Effective Date may be extended only by a writing signed by each of Trico Marine, GE and Comar.

4. The Terms and Conditions are non-severable and mutually dependent. In the event that all of the Terms and Conditions do not occur simultaneously on or before the Effective Date, the agreement contemplated by this Motion shall be deemed to be null and void *ab initio*, and the parties shall be returned to their respective positions prior to the filing of this Motion.

5. On the Effective Date, Comar shall become the Charterer under the Charter and the Schedules, and shall be bound by all of the terms and conditions thereunder.

6. Except as otherwise provided herein, on the later of the Effective Date or the date this Order becomes final and non-appealable, Debtors and their affiliates (collectively, the "Release Parties"), individually and on behalf of their respective successors, assigns, agents, attorneys, heirs, relatives, executors, administrators, representatives and predecessors in interest, hereby release and discharge GE and Comar, and each of their successors, assigns, agents,

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attorneys, heirs, relatives, executors, administrators, counsel, insurers, transferees, and representatives from all manner of actions, and any and all claims, suits, damages, controversies, liabilities, obligations and causes of action, which any Release Party, as of the date hereof, currently has or that may accrue in the future (whether known or unknown, liquidated or unliquidated, contingent or absolute, direct or indirect) against either or both of GE and Comar arising out of, in connection with, or as a result of any of the foregoing Terms and Conditions, the Master Charter, the Schedules, the Management Agreements, the Security Deposits, the LOCs or any terms of any of the foregoing. Except as otherwise provided herein, on the later of the Effective Date or the date this Order becomes final and non-appealable, GE and Comar, individually and on behalf of their respective successors, assigns, agents, attorneys, heirs, relatives, executors, administrators, representatives and predecessors in interest, each hereby release and discharge the Debtors (and any successor bankruptcy trustee or trust) and each of their agents, attorneys, heirs, relatives, executors, administrators, counsel, insurers, and representatives from all manner of actions, and any and all claims, suits, damages, controversies, liabilities, obligations and causes of action, which GE and Comar, as of the date hereof, currently have or that may accrue in the future (whether known or unknown, liquidated or unliquidated, contingent or absolute, direct or indirect) against Trico Marine arising out of, in connection with, the Master Charter, the Schedules, the Management Agreements, the Security Deposits, the LOCs or any terms of any of the foregoing; provided, however, that nothing herein shall prevent GE from applying the Holdback (as defined below) as set forth herein; and, further provided, that nothing herein shall release Comar from its obligations as assignee under the Charter and Schedules.

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7. All documents required to consummate the Comar Buyout will be prepared by and between GE and Comar.

8. Within 3 business days after the Effective Date, GE will (i) deliver (a) the Security Deposits and (b) all cash received from the LOC's minus the Holdback (defined below) to Trico Marine and (ii) terminate any undrawn LOCs. GE will continue to hold \$325,000 of proceeds from the drawn LOC for payment of GE legal fees and as security for any future claims (the "Holdback") related to the use, possession or operation of the Vessels by the Debtors or Comar. Such funds shall maintain their character as non-property of the Debtors' estates, and shall be and remain free and clear of any liens, claims or encumbrances of any kind whatsoever, including but not limited to any claims of any lender or creditor of any of the Debtors. The Holdback may be applied at any time to (a) attorneys fees for services rendered to GE in connection with the Vessels, the Master Charter, or the LOCs, pursuant to the Master Charter and the LOCs or (b) reimbursement or indemnification of any amounts that the Debtors would owe GE under the Master Charter, the Schedules, or the LOCs.

9. Any funds remaining of the Holdback after six (6) months shall be delivered to the Debtors.

10. Any and all objections and responses to the Motion are hereby resolved in accordance with the terms of this Order and as set forth in the record at the Hearing. To the extent such objections or responses were not otherwise overruled, withdrawn, waived, settled or resolved, they, and all reservations of rights included therein, are hereby overruled and denied.

11. The Debtors have demonstrated that the assumption and assignment of the Master Charter and Schedules, the sale of the Spares, and the rejection of the Management Agreements are an exercise of their sound business judgment.

12. The Debtors owe no cure costs with respect to the assumption and assignment of the Master Charter and Schedules. The Debtors shall continue to timely pay all amounts due to GE under the Charter until the assumption of such obligations by Comar.

13. Comar waives any and claims relating to rejection of the Management Agreements against the Debtors and is hereby barred from asserting any such claims against the Debtors.

14. GE stipulates that the Debtors have provided adequate assurance of future performance of the Master Charter and Schedules by Comar in satisfaction of § 365(f) of the Bankruptcy Code.

15. The Debtors have satisfied § 363(f) of the Bankruptcy Code. As of the Effective Date, the sale of the Spares shall be deemed transferred free and clear of any and all liens, claims, and encumbrances.

16. The provisions of this Order are non-severable and mutually dependent.

17. This Order shall inure to the benefit of the Debtors, GE, and Comar, and their respective successors and assigns, including but not limited to any chapter 11 or chapter 7 trustee that may be appointed in the Debtors' Cases and shall be binding upon any trustee, party, entity, or fiduciary that may be appointed in connection with these Cases or any other or further case involving the Debtors, whether under chapter 7 or chapter 11 of the Bankruptcy Code.

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18. Nothing in any order of this Court or contained in any plan of reorganization or liquidation confirmed in these chapter 11 cases, or in any subsequent or converted cases of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code, shall conflict with or derogate the terms of this Order. The provisions of this Order and any actions taken pursuant hereto shall survive the entry of any order which may be entered confirming any chapter 11 plan of the Debtors, converting the Debtors' Cases to cases under chapter 7 of the Bankruptcy Code, or dismissing the Debtors' Cases.

19. Because time is of the essence, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing, and the stay of orders assigning executory contracts or unexpired leases as set forth in Bankruptcy Rule 6006(d) shall not apply to this Order.

20. This Court shall retain exclusive jurisdiction to interpret and enforce the provisions of this Order.

Dated: Nov 22, 2010
Wilmington, Delaware


THE HONORABLE BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE

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AGREED AND CONSENTED TO BY:

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