

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

In re:

HSF HOLDING, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-_____ ()

Jointly Administered

**ORDER (I) AUTHORIZING PAYMENT OF PREPETITION WAGES, SALARIES, AND
OTHER EMPLOYEE BENEFITS; (II) AUTHORIZING PAYMENT OF POST
PETITION EMPLOYEE BENEFIT PLANS AND PROGRAMS; (III) AUTHORIZING
PAYMENT OF PRE-PETITION COBRA BENEFITS; (IV) AUTHORIZING PAYMENT
OF PREPETITION FEDERAL, STATE AND LOCAL WITHHOLDING
OBLIGATIONS; (V) AUTHORIZING PAYMENT OF CERTAIN PREPETITION
CLAIMS OF INDEPENDENT CONTRACTORS; (VI) AUTHORIZING PAYMENT OF
REIMBURSABLE EXPENSES; AND (VII) DIRECTING ALL BANKS AND
FINANCIAL INSTITUTIONS TO HONOR PREPETITION CHECKS FOR PAYMENT
OF PREPETITION EMPLOYEE OBLIGATIONS**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (the “Debtors”), pursuant to sections 105(a), 363(b), 507(a)(4), 507(a)(5) and 541 of the Bankruptcy Code and Bankruptcy Rule 6003 for an order (i) authorizing, but not directing, the Debtors to pay prepetition claims of current employees, including, but not limited to, claims for wages, salaries, vacation, and sick leave, up to the \$10,950 statutory cap for each Employee; (ii) authorizing, but not directing, the Debtors to continue post-petition Employee Benefit Plans in effect immediately prior to the filing of these cases; (iii) authorizing, but not directing, the Debtors to continue to pay pre-petition COBRA benefits to certain former employees; (iv) authorizing, but not directing, the Debtors to pay prepetition federal, state and local withholding obligations; (v) authorizing, but not directing, the Debtors to pay certain prepetition claims of

¹ The Debtors are the following entities: (i) HSF Holding, Inc., a Delaware corporation and (ii) Hawaii Superferry, Inc., a Hawaii corporation.

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

Independent Contractors; (vi) authorizing, but not directing, the Debtors to pay Reimbursable Expenses of Employees and Independent Contractors; and (vii) directing all banks and financial institutions to honor prepetition checks and electronic transfers for any of the foregoing; and upon the Affidavit of C. Alexander Harman in Support of Chapter 11 Petitions and First Day Motions; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties-in-interest; and upon the Motion and all of the proceedings had before the Court; and, for the reasons stated in the Motion and on the record, it appearing that the relief requested by the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates; and good, adequate and sufficient cause being shown to justify the immediate entry of this Order; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED in its entirety.
2. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion.
3. The Debtors are authorized, but not required, to pay or otherwise honor prepetition obligations with respect to Employee Compensation, provided, however, that payments to Employees on account of prepetition Employee Compensation shall not exceed the amounts afforded priority status by any applicable provision of section 507 of the Bankruptcy Code.

4. The Debtors are authorized, but not required, to continue to utilize all current payment and cash advance systems to pay Employee Compensation.

5. The Debtors are authorized, but not required, to allow Employees to utilize Vacation Time and Sick Time in the ordinary course and to pay (i) Employees on account of unused Vacation Time and (ii) accrued Sick Time to Employees in the ordinary course, provided, however, that payments to Employees on account of prepetition Employee Compensation (including Vacation Time and Sick Time) shall not exceed the amounts afforded priority status by any applicable provision of section 507 of the Bankruptcy Code.

6. The Debtors are authorized, but not required, to continue the Additional Compensation in the ordinary course, provided, however, that payments to Employees on account of prepetition Employee Compensation shall not exceed the amounts afforded priority status by any applicable provision of section 507 of the Bankruptcy Code.

7. The Debtors are authorized, but not required, to honor all obligations including claims incurred prior to the Petition Date and certain monthly and/or administrative fees relating to the Employee Benefits and Employee Benefit Plans, provided, however, that payments to Employees shall not exceed the amounts afforded priority status by any applicable provision of section 507 of the Bankruptcy Code, and to continue post-petition Employee Benefits and Employee Benefit Plans in effect immediately prior to the filing of these cases.

8. The Debtors are authorized, but not required, to honor all obligations, including claims incurred prior to the Petition Date and certain monthly maintenance and/or administrative fees, relating to the COBRA Obligations, provided, however, that the aggregate amount paid to each former employee on account of prepetition COBRA Obligations shall not exceed the amounts afforded priority status by any applicable provision of section 507 of the

Bankruptcy Code, and to continue to administer the COBRA Obligations post-petition in the ordinary course.

9. The Debtors are authorized, but not required, to pay any outstanding amounts owed by the Debtors for Withholding Obligations, in the ordinary course of business, including those incurred prior to the Petition Date.

10. The Debtors are authorized, but not required, to pay or otherwise honor prepetition obligations with respect to Independent Contractor Claims in the ordinary course of business, provided, however, that payments to Independent Contractors on account of Independent Contractor Claims shall not exceed the amounts afforded priority status by any applicable provision of section 507 of the Bankruptcy Code.

11. The Debtors are authorized, but not required, to pay or otherwise honor prepetition obligations with respect to Reimbursable Expenses in the ordinary course of business.

12. All of the Debtors' banks and financial institutions are authorized and directed to receive, process, honor, and pay any and all checks and electronic transfers drawn on the Debtors' payroll and general disbursement accounts related to ordinary course employee compensation and benefits, including wages, salaries, bonuses, and other compensation, COBRA Obligations, Employee Benefits and Employee Benefit Plans, Withholdings Obligations, Reimbursable Expenses, and Independent Contractor Claims, whether presented before or after the Petition Date, provided only that sufficient funds are on deposit to cover such payments.

13. Such banks and financial institutions are authorized and directed to rely on the representations of the Debtors as to which checks are in payment of the obligations authorized by this Order to be paid.

14. Any party receiving payment from the Debtors is authorized and directed to rely upon the representations of the Debtors as to which payments are authorized by this Order.

15. Nothing granted in this Order shall be deemed to constitute an assumption by the Debtors of any employment contract or any Employee-related plan, Employee Benefit Plan, program, or policy, and the Debtors retain their rights to assume, reject, or modify any Employee wage, incentive, or benefits program to the extent they are entitled to do so under existing contracts or agreements or applicable law.

16. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

17. Notwithstanding any Bankruptcy Rule to the contrary, this Order shall take effect immediately upon its entry.

Dated: _____, 2009
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE