

The court incorporates by reference in this paragraph and adopts as the findings and orders of this court the document set forth below.



**/S/ RUSS KENDIG**

**Russ Kendig**  
**United States Bankruptcy Judge**

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
AT CANTON**

-----	X	
In re:	:	Chapter 11
	:	
SCHWAB INDUSTRIES, INC., <sup>1</sup>	:	Case No. 10-60702
	:	
Debtor.	:	Judge Russ Kendig
	:	
	:	Joint Administration Pending
-----	X	
In re:	:	Chapter 11
	:	
MEDINA CARTAGE CO.,	:	Case No. 10-60703
	:	
Debtor.	:	Judge Russ Kendig
	:	
	:	Joint Administration Pending
-----	X	

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's tax identification number are: Schwab Industries, Inc. (2467); Medina Cartage Co. (9373); Medina Supply Company (3995); Quality Block & Supply, Inc. (2186); O.I.S. Tire, Inc. (7525); Twin Cities Concrete Company (9196); Schwab Ready-Mix, Inc. (8801); Schwab Materials, Inc. (8957); and Eastern Cement Corp. (7232).

ORDER RE: SHIPPERS - CLE - 2254111.1

In re: : Chapter 11  
: :  
MEDINA SUPPLY COMPANY, : Case No. 10-60704  
: :  
Debtor. : Judge Russ Kendig  
: :  
: Joint Administration Pending  
----- X

In re: : Chapter 11  
: :  
QUALITY BLOCK & SUPPLY, INC., : Case No. 10-60705  
: :  
Debtor. : Judge Russ Kendig  
: :  
: Joint Administration Pending  
----- X

In re: : Chapter 11  
: :  
O.I.S. TIRE, INC., : Case No. 10-60706  
: :  
Debtor. : Judge Russ Kendig  
: :  
: Joint Administration Pending  
----- X

In re: : Chapter 11  
: :  
TWIN CITIES CONCRETE COMPANY, : Case No. 10-60707  
: :  
Debtor. : Judge Russ Kendig  
: :  
: Joint Administration Pending  
----- X

In re: : Chapter 11  
: :  
SCHWAB READY-MIX, INC., : Case No. 10-60708  
: :  
Debtor. : Judge Russ Kendig  
: :  
: Joint Administration Pending  
----- X

In re: : Chapter 11  
: :  
SCHWAB MATERIALS, INC., : Case No. 10-60709  
: :  
Debtor. : Judge Russ Kendig  
: :  
: Joint Administration Pending

----- X  
: Chapter 11  
In re: : :  
: Case No. 10-60710  
EASTERN CEMENT CORP., : :  
: Judge Russ Kendig  
Debtor. : :  
: Joint Administration Pending

**ORDER PURSUANT TO SECTION 105(a) AND 363(b) OF THE BANKRUPTCY CODE  
AND BANKRUPTCY RULE 6003, FOR ENTRY OF AN ORDER  
(A) AUTHORIZING DEBTORS TO PAY PREPETITION CLAIMS OF SHIPPERS  
AND OTHER LIEN CLAIMANTS AND  
(B) GRANTING CERTAIN RELATED RELIEF**

This matter coming before the Court on the *Motion of Debtors and Debtors in Possession, Pursuant to Section 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 6003, for Entry of an Order (A) Authorizing Debtors to Pay Prepetition Claims of Shippers and Other Lien Claimants and (B) Granting Certain Related Relief* (the “Motion”), filed by Debtors and Debtors in Possession (the “Debtors”) in the above-captioned cases (the “Cases”); the Court having reviewed the Motion and having heard the statements of counsel in support of the relief requested therein at a hearing before the Court (the “Hearing”); and upon the Exley Affidavit; and the Court having found and concluded that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334, (ii) this is a core proceeding, (iii) notice of the Motion was sufficient under the circumstances, (iv) the payment of the Prepetition Lien Claims on the terms and conditions set forth below is necessary and appropriate to avoid irreparable harm to Debtors’ estates and prevent serious disruption to Debtors’ reorganization efforts, will serve to protect and

preserve Debtors' estates for the benefit of all stakeholders and will facilitate the reorganization of Debtors' businesses, and (v) the legal and factual bases set forth in the Motion, the Exley Affidavit and at the Hearing establish just cause for the relief granted herein; and this Court having determined that granting the relief requested in the Motion is in the best interests of Debtors, their estates and their creditors; and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED in its entirety.
2. Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Motion.
3. Debtors are authorized in their sole discretion, to pay in the ordinary course of business, prepetition Shipping and Warehousing Charges and Lien Claimant Claims (together, the "Prepetition Lien Claims") in their business discretion without further Court order, *provided, however*, that Debtors will only pay (a) Shipping and Warehouse Charges where Debtors believe, in their business judgment, that the benefit to their estates and creditors from making such payments would exceed the costs that their estates would incur by bringing actions to compel the turnover of goods and the delays associated with such actions and (b) Lien Claimant Claims where the Lien Claimant has perfected or, in Debtors' sole business judgment, is capable of perfecting or may be capable of perfecting in the future, one or more liens in respect of such claim; *provided, further*, that such payment shall not be deemed to be a waiver of rights regarding the extent, validity, priority or possible avoidance of the related liens.
4. Debtors, in their sole discretion, shall undertake appropriate efforts to cause Shippers, the Warehousemen and Lien Claimants to acknowledge in writing that payment of such claims is conditioned upon the Shipper, Warehousemen or Lien Claimant continuing to

supply goods and services to Debtors on trade terms that, at a minimum, such Shipper, Warehousemen or Lien Claimant provided to Debtors on an historical basis prior to the Petition Date, or such other trade practices and programs that are at least as favorable to Debtors as those in effect during such time, and Debtors reserve the right to negotiate new trade terms with any Shipper, Warehousemen or Lien Claimant as a condition to payment of any such claim.

5. Debtors' banks and other financial institutions (collectively, the "Banks") are authorized and directed when requested by Debtors in Debtors' sole discretion, to receive, process, honor and pay all checks presented for payment of, and to honor all funds transfer requests made by Debtors related to Prepetition Lien Claims, whether such checks were presented or funds transfer requests were submitted prior to or after the Petition Date, provided that funds are available in Debtors' accounts to cover such checks and funds transfers.

6. Debtors do not concede that any liens (contractual, common law, statutory or otherwise) paid pursuant to this Order are valid, and Debtors expressly reserve the right to contest the extent, validity, perfection or possible avoidance of all such liens.

7. Nothing in the Motion or this order, nor Debtors' payment of claims pursuant to this Order, shall be deemed or construed as: (a) an admission as to the validity of any claim against Debtors; (b) a waiver of Debtors' rights to dispute any claim on any grounds; (c) a promise to pay any claim; (d) an implication or admission that any particular claim is a claim for Prepetition Lien Claims; or (e) a request to assume any executory contract or unexpired lease, pursuant to section 365 of the Bankruptcy Code.

8. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

IT IS SO ORDERED.

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Prepared and Submitted By,

/s/ Lawrence E. Oscar

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