



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed November 18, 2016

  
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

IN RE:

GREAT NORTHERN BREWING COMPANY

Debtor

Case No. 16-43989  
Chapter 11

**FINAL ORDER GRANTING DEBTOR'S EMERGENCY MOTION  
FOR ENTRY OF INTERIM AND FINAL ORDERS (i) AUTHORIZING  
USE OF CASH COLLATERAL, (ii) TO PROVIDE ADEQUATE  
PROTECTION, AND (iii) SCHEDULING A FINAL HEARING**

ON November 9, 2016, came on for final hearing the Debtor's Emergency Motion for Interim and Final Orders (i) Authorizing Use of Cash Collateral, (ii) to Provide Adequate Protection, and (iii) Scheduling a Final Hearing (the "Motion") filed by Great Northern Brewing Company (the "Debtor") on October 18, 2016, seeking authority to use Funds (as defined in the Motion), to the extent same constitutes cash collateral under Section 363(a) of the Bankruptcy Code, on an interim and final basis, to provide adequate protection to those parties that have asserted liens and/or security interests in and to the such Funds (collectively, the "Secured Parties"). Present were Mark Weisbart, representing the Debtor, Erin Schmidt on behalf of the United States Trustee ("UST") and Charles

Hendricks representing Jeanie Konopatzke. The Court, having considered the Motion, the evidence presented, and the representations and arguments of counsel at the hearing, finds and concludes (a) that notice was proper and appropriate under the circumstances of this case and that all parties in interest have been afforded an opportunity for hearing on the Motion, and (b) that the Debtor would incur immediate and irreparable damage without the use of the Funds. Accordingly, the Court concludes that the Motion should be granted as modified and stated on the record to allow the Debtor to use the Funds under the terms set forth in this Order and further finds and concludes the following:

a. On October 14, 2016, Great Northern Brewing Company filed a voluntary petition under chapter 11 of the United States Code (the “Bankruptcy Code”) commencing its bankruptcy case denoted as Case No. 16-43989.

b. The Court has jurisdiction over this proceeding under 28 U.S.C. § 1334. This proceeding constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

c. The Debtor is operating and managing its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

d. Sufficient and adequate notice of the Motion and the Hearing with respect thereto has been given to prevent immediate and irreparable harm pursuant to Rules 2002, 4001(b), and 9006 of the Federal Rules of Bankruptcy Procedure, and as required by sections 102, 361, 362, and 363 of the Bankruptcy Code.

e. Various creditors may assert secured claims (the “Secured Parties”), as defined in section 101 of the Bankruptcy Code, against the Debtor either under their respective loan documents or under applicable non-bankruptcy law (collectively, the “Secured Indebtedness”).

f. One or more of the Secured Parties may assert that the Secured Indebtedness is secured by liens and security interests in, among other things, some or substantially all of the Debtor's assets, including "Cash Collateral" (as that term is identified in Section 363(a) of the Bankruptcy Code) (collectively, the "Collateral").

g. The Debtor asserts that it has projected cash needs as set forth in the budget attached hereto as **Exhibit "A"** (the "Budget"). Pursuant to the Bankruptcy Code, and in light of the foregoing, the Debtor may be required to provide adequate protection to the Secured Parties for the Debtor's use of the Funds to the extent they constitute Cash Collateral.

h. Good and sufficient cause has been shown for the entry of this Order.

It is therefore **ORDERED** that:

1. The Motion is GRANTED as set forth in this Order.
2. This Order is effective as of November 9, 2016.

**RESTRICTED USE OF CASH COLLATERAL**

3. The Debtor is hereby authorized to use the Funds solely to pay the expenses described in the Budget plus any other Court approved expenditures on and after November 9, 2016, in accordance with the Budget and such further order of the Court<sup>1</sup>. In addition to the expenses described on Exhibit "A", the Debtor is authorized to pay fees due the Office of the United States Trustee from Cash Collateral.

4. The Debtor's authority to use the Funds under the terms of this Order shall continue until the earlier of (a) conversion of the case to chapter 7, and (b) confirmation of a plan of reorganization, at which time the Debtor's authority to use Cash Collateral will expire unless the authority is extended by agreement in writing with the Secured Parties or by further order of the

Court. The Secured Parties and the Debtor may agree to other terms for the use of the Funds in writing filed with the Court.

**ADEQUATE PROTECTION**

5. To the extent the Funds constitute Cash Collateral, as adequate protection of the Secured Parties' alleged interest in the Collateral and Cash Collateral, the Debtor hereby grants the Secured Parties in the respective priority of such parties' liens as existed on the Petition Date or as otherwise determined by the Court, to the extent of any diminution of Collateral on a dollar for dollar basis, valid, binding, enforceable, and automatically perfected first priority replacement liens and security interests in, to, and against in all property acquired after the Petition Date (save and except for Chapter 5 causes of action) and all cash and receivable that are the proceeds, products, offspring or profits of such collateral in the priority of such creditor's liens as existing on the Petition Date.

6. To the extent that 11 U.S.C. § 362, or any applicable non bankruptcy law otherwise would restrict the granting, scope, enforceability, attachment, or perfection of the liens and security interests authorized or created in this Order, or otherwise would impose filing or registration requirements with respect to such replacement liens, such law is hereby preempted to the maximum extent permitted by the Bankruptcy Code, other applicable federal law, and the judicial power of the United States Bankruptcy Court. The liens and interests granted to the Secured Parties by and through this Order do not require filing, recording, or perfecting and shall be binding and fully enforceable by the entry of this Order; however, the Debtor shall execute any additional instruments required by the Secured Parties to evidence the post-petition liens and security interests granted herein.

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<sup>1</sup> provided, however, that there shall be a permitted variance of 5% for any amounts listed in the Budget for a particular category each month, save and except of amounts payable to employees and insiders.

7. Any Secured Party shall not be obligated to, but may, in its sole and absolute discretion, and only upon written consent of such Secured Party, advance Cash Collateral to the Debtor after the Termination Date, and all such advances of Cash Collateral (a) shall not constitute a waiver, limitation, or modification of any of the Secured Parties' rights and remedies pursuant to the their respective loan documents, this Order, and applicable law, and (b) shall be and hereby are granted all of the protections granted under this Order.

**FURTHER RELIEF**

8. To the extent any findings of fact may constitute conclusions of law, and *vice versa*, they are hereby deemed as such.

9. The terms, stipulations, and provisions of this Order shall be binding upon, and shall inure to the benefit of, the respective parties' successor and assigns, including without limitation, any trustee appointed in this case or in any chapter 7 case to which this case may be converted, and all creditors and parties-in-interest.

10. This order is without prejudice to the parties' rights to request a hearing regarding the Debtor's future use of the Funds. The relief granted in this Order is expressly without prejudice to the rights of any Secured Party or the Debtor to seek any other relief at any time herein.

**RESERVATION OF RIGHTS**

11. This Order and the Debtor's use of Funds to the extent they constitute Cash Collateral pursuant to this Order shall not be deemed an admission or a determination of the value of the property upon which the Secured Parties assert liens or security interests or as to the amount or allowance of the Secured Parties' status as a secured, unsecured, or under-secured creditor, or the priority of such liens and interest, all such issues being reserved pending further orders of this court.

12. Likewise, nothing in this Order shall be deemed a release or waiver by the Debtor's bankruptcy estates of claims, rights, or causes of action, if any, related to any loan documents or against any Secured Party, including claims related to the extent, validity, priority or amount of the Secured Indebtedness, or the secured claims held by the Secured Parties against the Collateral or the bankruptcy estates. This Order and Debtor's use of Funds hereunder shall not constitute an admission of or waiver of any such rights.

13. This Court hereby expressly retains jurisdiction over all persons and entities, co-extensive with the powers granted to the United States Bankruptcy Court under the Code, to enforce the terms of this Order and to adjudicate any and all disputes in connection therewith.

### END OF ORDER ###

Prepared and submitted by:

Mark A. Weisbart  
Texas Bar No. 21102650  
James S. Brouner  
Texas Bar No. 03087285  
THE LAW OFFICE OF MARK A. WEISBART  
12770 Coit Road, Suite 541  
Dallas, Texas 75251  
(972) 628-4903 Phone  
(972) 628-4905 Fax  
[mark@weisbartlaw.net](mailto:mark@weisbartlaw.net)  
[jbrouner@weisbartlaw.net](mailto:jbrouner@weisbartlaw.net)

PROPOSED COUNSEL FOR DEBTOR

	9-Nov-2016 November 9 - December 9	9-Dec-2016 December 9 - January 9	9-Jan-2017 January 9 - February 9
<b>Great Northern Brewery</b>			
<b>90 Day Budget</b>			
<b>Cost of Goods</b>			
<b>Cost of Goods</b>	<b>30,045.94</b>	<b>28,984.52</b>	<b>29,119.76</b>
<b>Expenses</b>			
Payroll and Tax Deposit	35,342.00	35,342.00	35,342.00
Equipment - Repair & Maintenance	4,440.74	1,767.25	2,939.25
Insurance	1,356.00	1,356.00	1,356.00
Rent-Storage (Incl Utilities)	1,764.39	1,915.46	2,036.24
Utilities	2,484.31	2,427.04	2,641.63
Telephone / Internet	442.92	791.89	947.08
Taxes	2,324.98	2,242.85	2,253.32
Property Tax			
Contracted Services - DH	2,528.00	2,528.00	2,528.00
Total Critical Vendors	69,562.83		
<b>Total expenses</b>	<b>120,246.17</b>	<b>48,370.49</b>	<b>50,043.52</b>
<b>Debt Service</b>			
Glacier Brewery loan	9,145.59	9,145.59	9,145.59
<b>Total Debt Service</b>	<b>9,145.59</b>	<b>9,145.59</b>	<b>9,145.59</b>
<b>TOTALS</b>	<b>159,437.70</b>	<b>86,500.60</b>	<b>88,308.87</b>