



SO ORDERED.

SIGNED February 23, 2016.



JOHN W. KOLWE
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF LOUISIANA
ALEXANDRIA DIVISION

In re:)	Chapter 11
)	
LOUISIANA PELLETS, INC., <u>et al.</u> ¹)	Case No. 16-80162
)	
Debtors.)	Joint Administration Pending
)	

**INTERIM ORDER ON DEBTORS' MOTION FOR INTERIM AND FINAL ORDERS (1)
AUTHORIZING AND APPROVING EMERGENCY POST-PETITION FINANCING;
AND (2) PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS**

Upon the Debtors' Motion For Interim And Final Orders (1) Authorizing And Approving
Emergency Post-Petition Financing; And (2) Providing Superpriority Administrative Expense

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Louisiana Pellets, Inc. (3369) and German Pellets Louisiana LLC (3414). The location of the Debtors' corporate headquarters and service address is: 4915 Highway 125, Urania, Louisiana 71480.

Status (the “Motion”);² and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and (c) notice of the Motion was due and proper under the circumstances; and it appearing that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and after due deliberation, and good and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis and German Pellets Louisiana, LLC (“GPLA”) is authorized to borrow and obtain loans and incur indebtedness owing to DIP Lender pursuant to the terms of this Interim Order and the Term Sheet attached hereto as Exhibit A, during the period commencing on the Petition Date and running through March 21, 2016 (the “Termination Date”).

2. The aggregate outstanding principal amount of the Interim DIP Loan shall not exceed \$400,000.00. All provisions of the Term Sheet are approved. The funds available under the Interim DIP Loan shall solely be used for those expenses, and in the amounts and limits, set forth on Exhibit B.

3. The provisions of this Order shall be binding upon the Debtors and their respective successors and assigns (including any trustee or other fiduciary herein appointed as a legal representative of the Debtor in this Chapter 11 case or in any succeeding case under Chapter 7 or otherwise), as well as all other parties in interest in the above-captioned bankruptcy cases.

4. Pursuant to Sections 364(c)(1) of the Bankruptcy Code and subject to paragraph 5 below, the DIP Lender is granted, for all Interim DIP Loan Obligations, an allowed superpriority administrative claim, having priority in payment over any other

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

obligations or liabilities now in existence or incurred hereafter by the Debtor and of all expenses of the kind specified in, or ordered pursuant to, Sections 105, 326, 328, 330, 331, 364(c)(1), 503(b), 506(c), 507, 546(c), 552(b), 726, 1113 and/or 1114 of the Bankruptcy Code (the “Super-Priority Claim”). Notwithstanding the foregoing, there shall be a carve out (the “Carve-Out”) from the Super-Priority Claim for (i) the unpaid and allowed professional fees and costs of Debtor’s counsel accrued after the Petition Date up to the amount of \$100,000.00; and (ii) the payment of fees to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under 28 U.S.C. §1930.

5. The DIP Lender, as holder of a Super-Priority Claim, together with any other super-priority claim holders having priority in payment over any other obligations or liabilities by the Debtor and of all expenses of the kind specified in, or ordered pursuant to, Section 105, 326, 328, 330, 331, 364(c)(1), 503(b), 506(c), 507, 546(c), 552(b), 726, 1113 and/or 1114 of the Bankruptcy Code, shall be treated parri passu with respect to their respective super-priority claims. To the extent there are insufficient funds to pay all allowed superpriority claims as described herein, including the Super-Priority Claim, then all such claim holders will be paid pro rata.

6. The repayment of any of the Interim DIP Obligations is subject to a further motion and order of this Court

7. This Order shall be immediately effective and enforceable upon its entry. To the extent it may be applicable, the fourteen-day stay imposed by the Bankruptcy Rule 6004(h) is hereby waived.

8. The requirements of Bankruptcy Rule 6004(a) are waived.

9. The Debtors are hereby authorized and empowered to take all actions necessary to implement the relief granted in this Order.

10. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

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Submitted by:

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**ATTORNEYS FOR LOUISIANA PELLETS,
INC. AND GERMAN PELLETS LOUISIANA
LLC**

EXHIBIT A
TERM SHEET

<u>Borrower:</u>	German Pellets Louisiana, LLC
<u>Lender:</u>	German Pellets Holding, USA, Inc. (" <u>DIP Lender</u> ")
<u>Amount of DIP Loan and Use of Proceeds:</u>	<p>Interim DIP Loan made prior to the Termination Date in the total maximum amount of \$400,000.00, for payment of the following:</p> <ul style="list-style-type: none"> • Payroll and employee expenses in the approximate amount of \$150,000 for the 30-day period following the Petition Date. • Insurance premiums in the approximate amount of \$182,000 for the 30-day period following the Petition Date. • Other expense as may be incurred in the ordinary course of business as set forth in the proposed Budget. <p>All funds advanced under the Interim DIP Loan, together with accrued interest as set forth below, shall be the "<u>Interim DIP Loan Obligations.</u>"</p>
<u>Interest:</u>	All Interim DIP Loan Obligations shall accrue interest at the rate of 5.0% per annum.
<u>Termination Date</u>	March 21, 2016
<u>Repayment:</u>	The Interim DIP Loan Obligations shall be repaid pursuant to further motion and order.
<u>Super-Priority Claim:</u>	Except as agreed with respect to the Carve Out (as defined below), all Interim DIP Loan Obligations shall constitute an allowed Super-priority administrative expense claim against GPLA pursuant to Section 364(c)(1) of the Bankruptcy Code, having priority over all administrative expenses of the kind specified in or arising under any sections of the Bankruptcy Code (including, without limitation, Sections 105, 326, 328, 330, 331, 364(c)(1), 503(b), 506(c), 507, 546(c), 726, 1113 and 1114 thereof) (the " <u>Super-Priority Claim</u> ").
<u>Carve Out:</u>	" <u>Carve Out</u> " means (i) unpaid and allowed professional fees and costs of Debtors' counsel accrued after the Petition Date, up to the amount of \$100,000.00; and (ii) the payment of fees to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under 28 U.S.C. §1930.

EXHIBIT B

Cash Flow Projections

	02/15/16	02/22/16	02/29/16	03/07/16	03/14/16	03/21/16
Beginning Cash Balance (Interim DIP Loan)	-	-	190,769	173,769	94,769	211
<u>Collections & Borrowing</u>		400,000				
Total Cash Received	-	400,000	-	-	-	-
Total Available Cash	-	400,000	190,769	173,769	94,769	211
<u>Payments:</u>						
Utilities	-	-	-	15,000	-	-
Insurance / Premium Financing	-	94,931	15,000	-	71,461	-
Generators and fuel costs	-	21,100	-	-	-	-
Employee benefits	-	-	-	-	21,097	-
Office supplies, copier rental, misc.	-	2,500	2,000	2,000	2,000	-
Total Obligations:	-	118,531	17,000	17,000	94,558	-
Payroll and payroll taxes	-	62,000	-	62,000	-	-
Electrical Work -- Phase I	-	-	-	-	-	-
Other Work -- Phase I	-	25,000	-	-	-	-
Unpaid Contractors and Liens Phase II Work	-	-	-	-	-	-
Total Work Payments	-	25,000	-	-	-	-
<u>Other Payments</u>						
Professional Fees/Retainers	-	-	-	-	-	-
Other Payments	-	3,700	-	-	-	-
Total Other	-	3,700	-	-	-	-
Total Disbursements	-	209,231	17,000	79,000	94,558	-
Net Change in Cash	-	190,769	(17,000)	(79,000)	(94,558)	-
Ending Cash Balance	-	190,769	173,769	94,769	211	211