

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF LOUISIANA

IN RE:

MAHI, LLC
DEBTOR

CASE NO. 16-10601
CHAPTER 11

JOINTLY ADMINISTERED WITH

OM HOSPITALITY, LLC
DEBTOR

CASE NO. 16-10602
CHAPTER 11

CONSENT ORDER (1) AUTHORIZING INTERIM USE OF CASH COLLATERAL; (2) GRANTING ADEQUATE PROTECTION; (3) SCHEDULING AND APPROVING THE FORM AND METHOD OF NOTICE FOR A FINAL ORDER; AND (4) GRANTING RELATED RELIEF

Considering the Motion for Order Determining the Debtors' Cash is Not Cash Collateral (the "Cash Collateral Motion") [P-5] filed by debtors Mahi, LLC and OM Hospitality, LLC (collectively, the "Debtors"), the records of these jointly administered cases, including the Opposition to Motion for an Order Determining the Debtors' Cash is not Cash Collateral [P-20] filed by United Community Bank, applicable law, and the consent of United Community Bank:

IT IS ORDERED that the Debtors are authorized to use cash and other property such as hotel occupancy fees in which United Community Bank may claim to have an interest ("Cash Collateral") subject to the terms of this Interim Order and exclusively for the purposes of the disbursements set forth in Exhibit A (the "Interim Budget"), as may be modified from time to time by the Debtors with prior written consent of United Community Bank (the "Approved Disbursements"), and for no other purpose.

IT IS FURTHER ORDERED that the Debtors may use Cash Collateral in an amount equal to up to ten percent (10%) more than a particular corresponding “category” in the Interim Budget, provided that (a) Cash Collateral is available, and (b) the aggregate amount of the Interim Budget is not exceeded by ten percent (10%).

IT IS FURTHER ORDERED that the Debtors are authorized and directed to pay, transmit, turnover and transfer any payroll or withholding tax or similar trust fund liabilities that may be due and owing to any taxing or governmental authority for any payroll period.

IT IS FURTHER ORDERED that nothing in the schedule of Approved Disbursements, this Interim Order, or the implementation of this Interim Order shall be deemed or construed as (a) a finding or admission as to the validity of any claim relating to an item shown as an Approved Disbursement, (b) an agreement or promise by any party-in-interest to pay any such claim, or (c) a waiver of the rights of any party in interest to contest any such claim or payment.

IT IS FURTHER ORDERED that nothing in this Interim Order shall: (i) be deemed or construed as a finding or conclusion that United Community Bank holds a valid perfected lien upon the Debtors’ cash or other property such as the Debtors’ hotel occupancy fees; or (ii) constitute a waiver of rights, claims, or defenses of the Debtors and United Community Bank regarding the claims of United Community Bank, or the alleged liens of United Community Bank, with all parties reserving all rights with respect thereto.

IT IS FURTHER ORDERED that in the event United Community Bank, in its sole discretion, consents in writing to the use of Cash Collateral in a manner or amount which does not conform to the Approved Disbursements (such use of Cash Collateral, a “Non-Conforming Use”), the Debtors shall be authorized pursuant to this Interim Order to expend Cash Collateral for such Non-Conforming Use without further court approval, and United Community Bank shall be entitled to all of the protections specified in this Interim Order for any such Non-Conforming Use.

IT IS FURTHER ORDERED that as adequate protection for and to secure an amount equal to the diminution, from and after the Petition Date, in the value of United Community Bank’s interest in the Cash Collateral, that the Debtors shall make adequate protection payments of \$4,000 each (total of \$8,000) to United Community Bank not later than December 15, 2016 and January 15, 2017.

IT IS FURTHER ORDERED that, subject to an agreement of the parties or judgment of the court determining United Community Bank’s interest in Cash Collateral, as further adequate protection for and to secure an amount equal to the diminution, from and after the Petition Date, in the value of United Community Bank’s interest in the Cash Collateral, (A) United Community Bank is entitled to adequate protection of any such liens and security interests, and (B) to the extent that such liens and security interests are entitled to adequate protection against such diminution under the Bankruptcy Code, including, without limitation any such diminution resulting from the use by the Debtors of the Cash Collateral, the Debtors grant United Community Bank (a) a security interest in and lien (collectively, the “Adequate Protection Liens”) upon the Cash Collateral and

all other of the now owned and hereafter-acquired movable and immovable property, assets, and rights of the Debtors, of any kind or nature, wherever located, and the proceeds, products, rents, offspring, and profits thereof arising under 11 U.S.C. §552(b), but excluding avoidance actions arising under Title 11 of the United States Code (collectively, the "Post-Petition Collateral"), in the same respective priority United Community Bank held prior to the Petition Date, and subject only to valid, perfected, enforceable and non-avoidable liens and security interests granted by law or by the Debtors to any person or entity that were superior in priority to the pre-petition security interests and liens held by United Community Bank, and only to the extent that United Community Bank's liens are not otherwise subject to avoidance or subordination, which Adequate Protection Liens are granted to secure the amount of any post-petition diminution in the value of United Community Bank's interests in the Cash Collateral to the extent such interests are entitled to adequate protection against such diminution under the Bankruptcy Code.

IT IS FURTHER ORDERED that the Adequate Protection Liens shall be valid, perfected, enforceable, and effective as of the Petition Date without any further action by the Debtors or United Community Bank, and without the execution, filing, or recordation of any financing statements, security agreements, vehicle lien application, or notice, mortgages, or other documents.

IT IS FURTHER ORDERED that this Interim Order, or a copy of this Interim Order, shall be sufficient conclusive evidence of the validity, priority, enforceability, and effectiveness of the Adequate Protection Liens it grants; *provided, however*, that the

Debtors are authorized and directed to execute and deliver to United Community Bank such documents including, without limitation, mortgages, pledges, and Uniform Commercial Code financing as such pre-petition lender shall reasonably require to be signed by the Debtors to evidence, create, perfect, or file any of the Adequate Protection Liens, and to pay such reasonable costs and expenses United Community Bank may incur in so doing.

IT IS FURTHER ORDERED that the Debtors' use of Cash Collateral shall expire, subject to any applicable notice requirements set forth in this Interim Order, on the earliest to occur (each occurrence hereinafter referred to as a "Termination Event"): (a) January 18, 2017 unless extended in writing by and in the sole discretion of United Community Bank pursuant to a budget approved in advance by United Community Bank (the "Approved Budget"); (b) the dismissal or conversion of these jointly administered chapter 11 cases to cases under chapter 7 of Title 11 of the United States Code; (c) the entry by the court of an order granting relief from the automatic stay imposed by 11 U.S.C. §362 to any party-in-interest with respect to acts against the Cash Collateral or collateral which other than by operation of 11 U.S.C. §552(a) would have constituted Cash Collateral without consent; (d) the entry by the court of an order or orders granting relief from the automatic stay imposed by 11 U.S.C. §362 to any party-in-interest with respect to acts against the post-petition collateral; (e) the appointment of a trustee or examiner under 11 U.S.C. §1104; (f) the occurrence of the effective date or consummation date of a plan of reorganization for the Debtors; (g) the expenditure or disbursement by the Debtors of any amounts in excess of the Approved Disbursements

except to a Non-Conforming Use, *provided, however*, such Non-Conforming Use is undertaken in accordance with the terms of this Interim Order; or (h) further order of this court.

IT IS FURTHER ORDERED that the Debtors provide to United Community Bank such reports, documents, and information related to use of cash collateral as reasonably requested in writing or by fax or e-mail transmission to counsel for the Debtors within five (5) business days of such request.

IT IS FURTHER ORDERED that the terms of this Interim Order shall be valid and binding upon the Debtors, all creditors of the Debtors, all creditors of the bankruptcy estates of the Debtors, and all other parties-in-interest from and after the execution of this Interim Order by the court, but that all rights are reserved to the Debtors and parties-in-interest regarding (i) requests for modification of this Interim Order; or, (ii) any “final” order to be entered regarding the use of Cash Collateral.

IT IS FURTHER ORDERED that this order constitutes an Interim Order pursuant to FED. R. BANKR. P. 4001(b).

IT IS FURTHER ORDERED that a final hearing to consider the use of cash collateral is set for Wednesday, January 18, 2017 at 11:00 a.m.

IT IS FURTHER ORDERED that the Debtors serve a copy of this Interim Order on all secured creditors of record, the Office of the United States Trustee, the Debtors’ twenty (20) largest unsecured creditors, and any party having filed a request to receive notice in this case, not later than November 23, 2016.

IT IS FURTHER ORDERED that any objection to the relief sought in the Cash Collateral Motion shall be filed and served upon counsel for the Debtors, United Community Bank, the Office of the United States Trustee, and all secured creditors of record not later January 10, 2017.

Baton Rouge, Louisiana, November 21, 2016.

s/ Douglas D. Dodd
DOUGLAS D. DODD
UNITED STATES BANKRUPTCY JUDGE

Approved as to form and substance:

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Attorney for United Community Bank

Mahi, LLC - Carom Inn

Item	Description	Sep-16	Oct-16	Nov-16	Dec-16	
Income	Room Revenue	\$49,500	\$59,000	\$59,000	\$59,000	
	Net Income	\$49,500	\$59,000	\$59,000	\$59,000	
Expense						
	Bank Charges	\$50	\$50	\$50	\$50	\$200
	Credit Card Merchant fees	\$1,114	\$1,328	\$1,328	\$1,328	\$5,096
	Employee Benefits					
	Insurance	\$1,800	\$1,800	\$1,800	\$1,800	\$7,200
	Licesnse and Permits	\$100	\$100	\$100	\$200	\$500
	Meals & Entertainment	\$200	\$200	\$200	\$200	\$800
	Office Supplies	\$600	\$600	\$600	\$600	\$2,400
	Postage and Freight	\$75	\$75	\$75	\$75	\$300
	Auto Gas & Other expense	\$200	\$200	\$200	\$200	\$800
	Professional and Legal Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
	Wages	\$14,500	\$14,500	\$14,500	\$14,500	\$58,000
	Maintanence & Repairs	\$650	\$650	\$650	\$650	\$2,600
	Maintanence Supplies	\$300	\$300	\$300	\$300	\$1,200
	Pest Control	\$75	\$75	\$75	\$75	\$300
	Cleaning Supplies	\$350	\$350	\$350	\$350	\$1,400
	Front Desk Expense	\$450	\$450	\$450	\$450	\$1,800
	Guest Supplies	\$1,600	\$1,600	\$1,600	\$1,600	\$6,400
	Guest Breakfast	\$1,750	\$1,750	\$1,750	\$1,750	\$7,000
	Adverising and Promotion	\$200	\$200	\$200	\$200	\$800
	Travel Agent Commission	\$743	\$885	\$885	\$885	\$3,398
	Cable TV	\$850	\$850	\$850	\$850	\$3,400
	Electricity	\$1,650	\$1,650	\$1,650	\$1,650	\$6,600
	Gas	\$450	\$450	\$450	\$450	\$1,800
	Telephone	\$100	\$100	\$100	\$100	\$400
	Water	\$1,400	\$1,400	\$1,400	\$1,400	\$5,600
	Waste Removal	\$150	\$150	\$150	\$150	\$600
	Property Taxes Escrow	\$1,750	\$1,750	\$1,750	\$1,750	\$7,000
	Movable PropertyTax Escrow	\$150	\$150	\$150	\$150	\$600
	Dues and subscriptions	\$150	\$150	\$150	\$150	\$600
	UCB Adequate Protection	\$4,000	\$4,000	\$4,000	\$4,000	\$16,000
	Flood Repirs etc	\$10,000	\$15,000	\$15,000	\$15,000	\$55,000
	Total Expense	\$50,406	\$55,763	\$55,763	\$55,863	\$217,794
	Net Income	-\$906	\$3,238	\$3,238	\$3,138	\$8,706

OM Hospitality, LLC
Highland Inn

Item	Description	Sep-16	Oct-16	Nov-16	Dec-16	
Income	Room Revenue	\$41,000	\$48,000	\$48,000	\$48,000	
	Net Income	\$41,000	\$48,000	\$48,000	\$48,000	
Expense						
	Bank Charges	\$30	\$30	\$30	\$250	\$340
	Credit Card Merchant fees	\$878	\$878	\$878	\$878	\$3,510
	Insurance	\$1,800	\$1,800	\$1,800	\$1,800	\$7,200
	Licesnse and Permits	\$100	\$100	\$100	\$200	\$500
	Meals & Entertainment	\$100	\$100	\$100	\$100	\$400
	Office Supplies	\$250	\$250	\$250	\$250	\$1,000
	Postage and Freight	\$75	\$75	\$75	\$75	\$300
	Auto Gas & Other expense	\$150	\$150	\$150	\$150	\$600
	Professional and Legal Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
	Wages	\$14,000	\$14,000	\$14,000	\$14,000	\$56,000
	Maintanence & Repairs	\$450	\$450	\$450	\$450	\$1,800
	Maintanence Supplies	\$300	\$300	\$300	\$300	\$1,200
	Pest Control	\$75	\$75	\$75	\$75	\$300
	Cleaning Supplies	\$350	\$350	\$350	\$350	\$1,400
	Front Desk Expense	\$375	\$375	\$375	\$375	\$1,500
	Guest Supplies	\$1,600	\$1,600	\$1,600	\$1,600	\$6,400
	Adverising and Promotion	\$200	\$200	\$200	\$200	\$800
	Travel Agent Commission	\$585	\$585	\$585	\$585	\$2,340
	Cable TV	\$850	\$850	\$850	\$850	\$3,400
	Electricity	\$1,650	\$1,650	\$1,650	\$1,650	\$6,600
	Gas	\$450	\$450	\$450	\$450	\$1,800
	Telephone	\$100	\$100	\$100	\$100	\$400
	Water	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
	Waste Removal	\$150	\$150	\$150	\$150	\$600
	Property Taxes Escrow	\$1,750	\$1,750	\$1,750	\$1,750	\$7,000
	Movable PropertyTax Escrow	\$150	\$150	\$150	\$150	\$600
	Dues and subscriptions	\$150	\$150	\$150	\$150	\$600
	UCB Adequate Protection	\$4,000	\$4,000	\$4,000	\$4,000	\$16,000
	Flood Repairs etc		\$10,000	\$10,000	\$10,000	\$30,000
	Net Expense	\$36,568	\$46,568	\$46,568	\$46,888	\$176,590
	Net Income	\$4,433	\$1,433	\$1,433	\$1,113	\$8,410