



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: January 15, 2015.

**TONY M. DAVIS
UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

IN RE:

REGENT PARK CAPITAL, LLC,

Debtor.

§
§
§
§
§

Case No. 14-11731-TMD

Chapter 11

**FINAL ORDER AUTHORIZING DEBTOR IN POSSESSION TO
OBTAIN SECURED POST-PETITION FINANCING**

CAME TO BE CONSIDERED on this date the final hearing on the Motion for Interim and Final Orders Authorizing Post-Petition Secured Financing (the “Motion”) [Dkt.21] filed by Regent Park Capital, LLC (the “Debtor”).

After consideration of the Motion and the arguments of counsel, the Court finds that the proposed financing on the terms and conditions set forth herein is reasonable and necessary to preserve the value of the Bankruptcy Estate, and is in the best interest of the Bankruptcy Estate and its creditors. Further, given the present state of the Debtor’s business affairs and considering that substantially all of the Debtor’s assets are encumbered by first priority liens, the Debtor has been unable to seek financing on unsecured terms.

Based on the foregoing, IT IS THEREFORE ORDERED THAT:

1. Pursuant to Section 364(c) of the Bankruptcy Code, the Debtor is hereby authorized to borrow \$126,000 to be paid on an interim basis at \$18,000 per month for seven months from Lester Pokorne (“Pokorne”), pursuant to the terms set forth in the Debtor-in-Possession Term Sheet attached hereto as Exhibit A (the “DIP Facility”). The DIP Facility shall be used to pay the monthly operating expenses of the Debtor through June 2015 in accordance with the Budget, a draft of which is attached to the Term Sheet as Schedule 1. The Debtor is authorized to execute the financing documents necessary to document the DIP Facility (the “DIP Documents”). Any inconsistencies between the DIP Documents and this Final Order shall be resolved in favor of the Final Order.

2. For the amounts advanced by Pokorne under the DIP Facility (the “DIP Obligations”), Pokorne is hereby granted (1) a first priority, perfected lien upon all unencumbered real, personal, tangible, and intangible property, if any, of the Debtor, and (2) a second priority, perfected lien on the real, personal, tangible, and intangible property securing the Debtor’s pre-petition obligations to PlainsCapital Bank and First State Bank of Central Texas (collectively, the “Pre-Petition Secured Lenders”). The DIP Obligations shall have priority over any or all administrative expenses except the fees payable pursuant to 28 U.S.C. § 1930(a)(6) and any unpaid fees and expenses of the professionals retained by the Debtor that are subsequently allowed by the Court and are not otherwise payable from retainers or any professional expense escrow account established by the Debtor.

3. The DIP Obligations shall be repaid, in full or in part, pursuant to a separate order of this Court, after notice and hearing, or upon confirmation of a plan of reorganization.

4. The liens granted to Pokorne in this Order are effective and perfected as of January 14, 2015, without further filing or recording by in compliance with any state or federal law. Pokorne will not be required to file financing statements or other documents in any jurisdiction, or take any other actions in order to perfect liens granted in this Order.

5. The terms and conditions of this Order shall be binding upon the Debtor, the Bankruptcy Estate, creditors, all other parties-in-interest, and all successors-in-interest, including, without limitation, a Chapter 11 trustee or Chapter 7 trustee.

6. No subsequent stay, modification, termination, or vacation of this Order shall affect, limit, or modify any lien or secured administrative expense claim granted to Pokorne. Until Pokorne is paid in full, the provisions of this Order shall not be modified or superseded.

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Order prepared and submitted by:

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EXHIBIT A

TERMS AND CONDITIONS OF DEBTOR-IN-POSSESSION FINANCING

- BORROWER:** Regent Park Capital, LLC as debtor-in-possession (the "Company").
- LENDER:** Lester Pokorne (the "Lender").
- CREDIT FACILITY:** A senior secured, debtor-in-possession revolving loan facility in the principal amount of \$126,000 to be paid on an interim basis at \$18,000 per month for 7 months, pending entry of a Final DIP Order (as defined below) (the "DIP Facility").
- USE OF PROCEEDS:** Operating expenses of the Company, and US Trustee fees, in accordance with a budget to be prepared by the Company and approved by the Lender (the "Budget"), a draft of which is attached as Schedule 1 hereto.
- MATURITY:** January 15, 2016, or, if earlier, the earliest of: (i) consummation of a sale of all or substantially all assets of the Company under Bankruptcy Code § 363, or (ii) appointment of a Chapter 7 or Chapter 11 trustee; provided that such date may be extended from time to time by written agreement of the Company and the Lender (the date of such maturity, the "Maturity Date").
- INTEREST:** 6.00% per annum on the principal amount outstanding from time to time, calculated on an actual/360 basis, payable quarterly in arrears on the last day of each quarter and on the Maturity Date. While an Event of Default exists, principal shall accrue interest at a rate that is 2.00% in excess of the above rate.
- AVAILABILITY:** In any calendar month, the Company may borrow under the DIP Facility an aggregate amount not exceeding the remainder of (i) 110% of the aggregate shortfall for such month, each prior calendar month, and the immediately following calendar month, each as reflected in the Budget, minus (ii) the aggregate principal amount, if any, previously borrowed (and not previously repaid) in respect of such shortfalls; provided that upon written request the Company may borrow additional amounts in the Lender's sole discretion. Subject to the foregoing, principal amounts may be borrowed, repaid, subject to Court Order, and reborrowed at any time prior to the Maturity Date.
- NOTICE OF BORROWING:** The Company may borrow under the DIP Facility upon delivery to the Lender of a notice of borrowing indicating (i) the amount of such borrowing, (ii) a reconciliation of such borrowing (and any prior borrowings) to the corresponding Budget shortfall, or an indication that the borrowing is at the Lender's discretion, and (iii) the date of such borrowing (which shall be no earlier than the business day immediately following delivery of such notice).
- COMMITMENT REDUCTION:** The Lender's revolving commitment shall terminate on the Maturity Date, unless extended by agreement between Lender and the Company.

**VOLUNTARY
PREPAYMENT:**

The outstanding principal of the DIP Facility may be prepaid, subject to Court Order, at any time, in whole or in part, without premium or penalty, together with all accrued but unpaid interest on the principal amount prepaid. None.

**MANDATORY
PREPAYMENT:**

**COLLATERAL AND
SUPER PRIORITY
ADMINISTRATIVE
EXPENSE:**

The obligations of the Company under the DIP Facility shall be secured at all times by a first priority, perfected lien upon all unencumbered real, personal, tangible, and intangible property of the Company's bankruptcy estate, except that the obligations shall only be secured by a second priority, perfected lien on the real, personal, tangible, and intangible property securing the pre-petition loans that remain outstanding. Subject to the Carve Out (as defined below) and avoidance actions pursuant to §§ 544, 545, 546, 547, 548, 549, and 550 of the Bankruptcy Code, the DIP Facility shall constitute super priority expenses of the Company in the Chapter 11 case, with administrative priority and secured status under §§ 364(c)(1)-(3) of the Bankruptcy Code. The claims, liens and security interests granted to the Lender on all of the Company's assets, and the priorities accorded to the DIP Facility, shall have the super priority and secured status afforded by §§ 364(c)(1)-(3) of the Bankruptcy Code, senior to all claims and interests other than the Carve Out and the collateral securing the pre-petition loans that remain outstanding, and shall have priority over any and all other costs and expenses of the kind specified in, or ordered pursuant to, §§ 105, 326, 328, 330, 331, 363, 364, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 and 1114 or any other provision of the Bankruptcy Code and shall at all times be senior to the rights of the Company, its estate, and any successor trustee or estate representative in the Chapter 11 case, or in any subsequent Chapter 7 or other proceeding or case under the Bankruptcy Code. The interim DIP financing order and Final DIP Order shall be sufficient and conclusive evidence of the validity and priority of the Lender's security interest in and liens on the Company's assets as set forth herein, without the necessity of the Lender filing, recording, or serving any financing statements or other documents which otherwise may be required under federal or state law in any jurisdiction or the taking of any action to validate or perfect the security interests and liens granted to the Lender.

CARVE OUT:

The security interests and the super priority administrative expense status described in this Term Sheet, including without limitation in the paragraph above captioned "Collateral and Super Priority Administrative Expense," shall be subject only to a carve out for judicial fees payable in connection with the Chapter 11 case pursuant to 28 U.S.C. § 1930(a)(6) and any unpaid fees and expenses of the professionals retained by the Debtor that are subsequently allowed by the Court and are not otherwise payable from retainers or any professional expense escrow account established by the Debtor (collectively, the "Carve Out").

**NO FURTHER
FINANCING:**

Other than the Carve Out and the obligations owed to the Pre-Petition Secured Lenders, no claim having a priority superior to or *pari passu* with that granted to the Lender by the interim DIP financing order or Final DIP Order shall be granted or approved, without Lender's consent, prior to the

payment in full of all amounts outstanding under the DIP Facility and termination of the Lender's revolving commitment.

NO SURCHARGE:

Except for the Carve Out, no costs or expenses of administration shall be imposed against the Lender or its collateral under §§ 105, 506(c), or 552 of the Bankruptcy Code, or otherwise, and the Company shall waive for itself and on behalf of its bankruptcy estate any and all rights under §§ 105, 506(c), or 552 of the Bankruptcy Code, or otherwise, to assert or impose or seek to assert or impose any such costs or expenses of administration against the Lender or its collateral.

FINAL DIP ORDER:

No later than the earlier of (i) the expiration of any interim DIP financing order and (ii) 45 days after the entry of such interim DIP financing order, a Final DIP Order shall have been entered by the Bankruptcy Court and shall be in full force and effect and shall not have been (x) vacated, stayed, or reversed or (y) amended or modified except as agreed to in writing by the Lender in its sole discretion. "Final DIP Order" means an order approving the DIP Facility entered by the Bankruptcy Court in form and substance satisfactory to the Lender in its sole discretion (it being understood that the parties shall prepare a mutually acceptable form of such an order to be attached as an exhibit to the definitive DIP Financing documentation and that an order in such form (with such changes as the Lender may agree to in writing in its sole discretion) shall be deemed to be acceptable to the Lender), which order shall not have been (x) vacated, stayed, or reversed, or (y) amended or modified except as agreed to in writing by the Lender in its sole discretion.

COVENANTS OF THE COMPANY:

Usual and customary affirmative and negative covenants for the Lender or DIP financings, including without limitation financial reporting and limitations on the incurrence of additional debt or liens; payment of dividends, managements fees and other restricted payments; loans and advances; mergers, acquisitions, and divestitures; and affiliate transactions.

EVENTS OF DEFAULT:

Usual and customary events of default for the Lender or DIP financings, including but not limited to the appointment of a trustee or examiner or the conversion of the case to Chapter 7, it being understood that to the Lender's knowledge no Event of Default under the DIP Facility will exist as of the closing date of the DIP Facility.

CONDITIONS TO CLOSING:

Usual and customary conditions precedent for the Lender or DIP financings, including without limitation the following:

- (i) The definitive legal documentation for the DIP Facility, including all documents and instruments necessary or appropriate to perfect or evidence the perfection of the Lender's first priority security in the DIP Facility collateral, shall be satisfactory to the Lender in form and substance and shall have been executed and delivered by the parties thereto; provided that this condition shall be deemed satisfied upon entry of an interim DIP order or a Final DIP Order.

- (ii) The Lender shall have received and be satisfied with the insurance policies of the Company and with insurance certificates naming the Lender as additional insured or lender's loss payee.
- (iii) The Lender shall have received such other documents and instruments as are usual and customary for transactions of this type, in each case in form and substance satisfactory to the Lender.
- (iv) There shall be no order or injunction or pending litigation in which there is a reasonable likelihood of a decision which could have a material adverse effect on the Company, other than those which the Lender is already aware, and no pending litigation seeking to enjoin or prevent the DIP Facility.
- (v) There shall be no default or Event of Default under the definitive documentation for the DIP Facility, and all representations and warranties therein shall be accurate in all material respects.
- (vi) All necessary governmental, regulatory, and other third-party approvals and consents with respect to the DIP Facility shall have been obtained, including but not limited to approval of the DIP Facility by the United States Bankruptcy Court.

INDEMNIFICATION:

The definitive legal documentation for the DIP Facility will include customary indemnification for the benefit of the Lender and its affiliates.

EXPENSES:

Upon confirmation of a plan of reorganization, the Company will reimburse the Lender on demand for all reasonable out-of-pocket expenses of counsel to the Lender, in each case incurred in connection with the DIP Facility and the preparation of legal documentation, whether or not the closing of the DIP Facility occurs or any definitive legal documents are executed and delivered. Except while an Event of Default exists, such expenses shall not be paid when due and shall be included in the Lender's claim.

Regent Park Capital Cash Flow Budget Through June 2015										
	November 2014 21st - 30th	December 2014	January 2015 1st - 14th	January 2015 14th - 31th	February 2015	March 2015	April 2015	May 2015	June 2015	
Beginning Balance:	\$ -	\$ -	\$ 1,963.50	\$ 192.35	\$ 2,449.45	\$ 3,423.62	\$ 4,397.79	\$ 3,746.96	\$ 4,721.13	
Total Incoming Cash:										
Loan Payments	\$ -	\$ 1,257.82	\$ 1,256.76		\$ 20,760.86	\$ 20,760.86	\$ 20,760.86	\$ 20,760.86	\$ 20,760.86	
Proceeds from DIP Loan	\$ -	\$ 3,800.00	\$ 27,225.00	\$ 4,975.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	
Encumbered Cash:										
Cash Collateral	\$ -	\$ 1,257.82	\$ 1,000.12	\$ -	\$ 20,504.22	\$ 20,504.22	\$ 20,504.22	\$ 20,504.22	\$ 20,504.22	
Escrow	\$ -	\$ -	\$ 256.64	\$ -	\$ 256.64	\$ 256.64	\$ 256.64	\$ 256.64	\$ 256.64	
Cash Balance:	\$ -	\$ 3,800.00	\$ 29,188.50	\$ 5,167.35	\$ 20,449.45	\$ 21,423.62	\$ 22,397.79	\$ 21,746.96	\$ 22,721.13	
Payments:										
Officer/Mgmt Payroll		\$ -	\$ 14,000.00	\$ -	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	
Payroll - Other Employees		\$ -	\$ 7,140.00	\$ 2,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	
Payroll Taxes - Employer		\$ -	\$ 1,701.21	\$ 173.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	\$ 1,100.00	
Rental - Real Property										
Leases - Personal Property										
Repairs and Maintenance										
Insurance		\$ 1,836.50	\$ 3,645.67	\$ -	\$ 3,995.67	\$ 3,995.67	\$ 3,995.67	\$ 3,995.67	\$ 3,995.67	
Telephone and Utilities		\$ -	\$ 274.76	\$ 150.00	\$ 285.25	\$ 285.25	\$ 285.25	\$ 285.25	\$ 285.25	
Travel and Entertainment										
Misc. Operating Expenses										
Bank Service Charges		\$ -	\$ 201.19	\$ 50.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	
Office Supplies		\$ -	\$ -	\$ 200.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	
Postage & Delivery		\$ -	\$ 22.35	\$ 69.90	\$ 80.00	\$ 80.00	\$ 80.00	\$ 80.00	\$ 80.00	
Virtual Office		\$ -	\$ 238.00	\$ -	\$ 119.00	\$ 119.00	\$ 119.00	\$ 119.00	\$ 119.00	
Computer Services & Subscriptions		\$ -	\$ 297.82	\$ 75.00	\$ 93.91	\$ 93.91	\$ 93.91	\$ 93.91	\$ 93.91	
Document Storage Services		\$ -	\$ 596.41	\$ -	\$ 152.00	\$ 152.00	\$ 152.00	\$ 152.00	\$ 152.00	
Property Taxes		\$ -	\$ 149.39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Franchise Tax Fee		\$ -	\$ 404.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Trustee Fee		\$ -	\$ 325.00	\$ -	\$ -	\$ -	\$ 1,625.00	\$ -	\$ -	
Total Payments:	\$ -	\$ 1,836.50	\$ 28,996.15	\$ 2,717.90	\$ 17,025.83	\$ 17,025.83	\$ 18,650.83	\$ 17,025.83	\$ 17,025.83	
Ending Cash Balance:	\$ -	\$ 1,963.50	\$ 192.35	\$ 2,449.45	\$ 3,423.62	\$ 4,397.79	\$ 3,746.96	\$ 4,721.13	\$ 5,695.30	

Schedule 1