

**Velvet Johnson**

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**To:** Steve Rosenblatt  
**Subject:** RE: U.S. Bankruptcy Court, Southern District of Mississippi - Returned Mail Notice, In re: Mississippi Phosphates Corporation, Case Number: 14-51667, KMS, Ref: [p-76149709] [WOV-ButlerSnow.FID4871648]

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**From:** [USBankruptcyCourts@noticingcenter.com](mailto:USBankruptcyCourts@noticingcenter.com) [mailto:[USBankruptcyCourts@noticingcenter.com](mailto:USBankruptcyCourts@noticingcenter.com)]

**Sent:** Thursday, November 20, 2014 2:44 PM

**To:** Steve Rosenblatt

**Subject:** U.S. Bankruptcy Court, Southern District of Mississippi - Returned Mail Notice, In re: Mississippi Phosphates Corporation, Case Number: 14-51667, KMS, Ref: [p-76149709]

Notice of Returned Mail to Debtor/Debtor's Attorney

November 20, 2014

From: United States Bankruptcy Court, Southern District of Mississippi

Re: U.S. Courts, Bankruptcy Noticing Center - Returned Mail Notice

In re: Mississippi Phosphates Corporation, Case Number 14-51667, KMS

TO THE DEBTOR/DEBTOR'S ATTORNEY:

The attached document was mailed to the notice recipient(s) listed below via the U.S. Postal Service, and it was returned to the Bankruptcy Noticing Center as undeliverable. Please be advised that dischargeability of a debt may be affected if a creditor fails to receive certain notices. You should determine whether the address should be updated.

NOTE: THIS FORM CANNOT BE USED TO ADD A NEW CREDITOR NOT PREVIOUSLY LISTED ON YOUR SCHEDULES.

If this form is used by the court in place of filing a separate notice of change of address and/or an amended schedule: 1) determine the updated address and send the attached document to the notice recipient; 2) type or print legibly the updated address below; 3) sign and date the form; and 4) file this form electronically via CM/ECF (for all registered users) or mail the form to:

**U.S. Bankruptcy Court**  
**Dan M. Russell, Jr. U.S. Courthouse**  
**2012 15th Street, Suite 244**  
**Gulfport, MS 39501**

Notice Recipient's Address on Envelope Returned to the Bankruptcy Noticing Center:

CENTRO INC  
668 TRICKHAM BRIDGE ROAD  
BRANDON, MS 39042-9210

THE UPDATED ADDRESS IS:

c/o Alan Waxler, 3315 Overton Crossing

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Memphis, TN 38127

/s/ Stephen W. Rosenblatt

11/25/14

\_\_\_\_\_  
Signature of Debtor or Debtor's Attorney

\_\_\_\_\_  
Date

The Bankruptcy Noticing Center does not respond to messages regarding returned mail notification. Please contact the U.S. Bankruptcy Court where the case is pending with questions or comments.

B9F (Official Form 9F) (Chapter 11 Corporation/Partnership Case) (12/12)

Case Number **14-51667-KMS**

**UNITED STATES BANKRUPTCY COURT**  
Southern District of Mississippi

**Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, & Deadlines**

A chapter 11 bankruptcy case concerning the debtor(s) listed below was filed on 10/27/14.

You may be a creditor of the debtor. **This notice lists important deadlines.** You may want to consult an attorney to protect your rights. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below. **NOTE: The staff of the bankruptcy clerk's office cannot give legal advice.**

**Creditors – Do not file this notice in connection with any proof of claim you submit to the court.  
See Reverse Side For Important Explanations.**

Debtor(s) (name(s) used by the debtor(s) in the last 8 years, including married, maiden, trade, and address):

Mississippi Phosphates Corporation  
601 Industrial Road  
Pascagoula, MS 39581

Case Number:  
14-51667-KMS

Social Security / Individual Taxpayer ID / Employer Tax ID / Other  
nos:  
64-0794981

Attorney for Debtor(s) (name and address):

Stephen W. Rosenblatt  
Butler Snow LLP  
1020 Highland Colony Parkway  
Suite 1400  
Ridgeland, MS 39157  
Telephone number: 601-948-5711

**Meeting of Creditors**

**NOTICE: Debtor(s) must provide original picture identification and proof of Social Security Number to the Trustee at the meeting of creditors. Failure to do so may result in your case being dismissed.**

Date: December 17, 2014

Time: 10:30 AM

Location: Hancock Bank Building, 2510 14th Street, Room 920, Gulfport, MS 39501

**Deadline to File a Proof of Claim**

Proof of claim must be received by the bankruptcy clerk's office by the following deadline:

For all creditors (except a governmental unit): 2/24/15

For a governmental unit: 4/25/15

**Creditor with a Foreign Address:**

A creditor to whom this notice is sent at a foreign address should read the information under "Claims" on the reverse side.

**Deadline to File a Complaint to Determine Dischargeability of Certain Debts:**

**Creditors May Not Take Certain Actions:**

In most instances, the filing of the bankruptcy case automatically stays certain collection and other actions against the debtor and the debtor's property. Under certain circumstances, the stay may be limited to 30 days or not exist at all, although the debtor can request the court to extend or impose a stay. If you attempt to collect a debt or take other action in violation of the Bankruptcy Code, you may be penalized. Consult a lawyer to determine your rights in this case.

**Address of the Bankruptcy Clerk's Office:**

Dan M. Russell, Jr. U.S. Courthouse  
2012 15th Street, Suite 244  
Gulfport, MS 39501  
Telephone number: 228-563-1790

Hours Open: Monday – Friday 8:00 AM – 5:00 PM

**For the Court:**

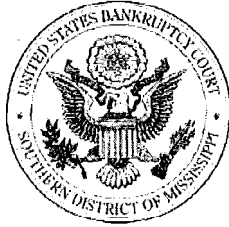
Clerk of the Bankruptcy Court:  
Danny L. Miller

Date: 11/5/14

## EXPLANATIONS

B9F (Official Form 9F) (12/12)

<b>Filing of Chapter 11 Bankruptcy Case</b>	A bankruptcy case under Chapter 11 of the Bankruptcy Code (title 11, United States Code) has been filed in this court by or against the debtor(s) listed on the front side, and an order for relief has been entered. Chapter 11 allows a debtor to reorganize or liquidate pursuant to a plan. A plan is not effective unless confirmed by the court. You may be sent a copy of the plan and a disclosure statement telling you about the plan, and you might have the opportunity to vote on the plan. You will be sent notice of the date of the confirmation hearing, and you may object to confirmation of the plan and attend the confirmation hearing. Unless a trustee is serving, the debtor will remain in possession of the debtor's property and may continue to operate any business.
<b>Legal Advice</b>	The staff of the bankruptcy clerk's office cannot give legal advice. Consult a lawyer to determine your rights in this case.
<b>Creditors Generally May Not Take Certain Actions</b>	<i>Prohibited collection actions</i> are listed in Bankruptcy Code § 362. Common examples of prohibited actions include contacting the debtor by telephone, mail or otherwise to demand repayment; taking actions to collect money or obtain property from the debtor; repossessing the debtor's property; and starting or continuing lawsuits or foreclosures. Under certain circumstances, the stay may be limited to 30 days or not exist at all, although the debtor can request the court to extend or impose a stay.
<b>Meeting of Creditors</b>	A meeting of creditors is scheduled for the date, time and location listed on the front side. <i>The debtor's representative must be present at the meeting to be questioned under oath by the trustee and by creditors.</i> Creditors are welcome to attend, but are not required to do so. The meeting may be continued and concluded at a later date specified in a notice filed with the court. The court, after notice and a hearing, may order that the United States trustee not convene the meeting if the debtor has filed a plan for which the debtor solicited acceptances before filing the case.
<b>Claims</b>	A Proof of Claim is a signed statement describing a creditor's claim. A Proof of Claim form "Official Form B 10" may be downloaded from the Court's web site: <a href="http://www.mssb.uscourts.gov">http://www.mssb.uscourts.gov</a> under the "Bankruptcy Forms/Fees" tab or may be picked up at any bankruptcy clerk's office. You may look at the schedules that have been or will be filed at the bankruptcy clerk's office. If your claim is scheduled and is <i>not</i> listed as disputed, contingent, or unliquidated, it will be allowed in the amount scheduled unless you filed a Proof of Claim or you are sent further notice about the claim. Whether or not your claim is scheduled, you are permitted to file a Proof of Claim. If your claim is not listed at all or if your claim is listed as disputed, contingent, or unliquidated, then you must file a Proof of Claim or you might not be paid any money on your claim and may be unable to vote on the plan. A secured creditor retains rights in its collateral regardless of whether that creditor files a Proof of Claim. Filing a Proof of Claim submits the creditor to the jurisdiction of the bankruptcy court, with consequences a lawyer can explain. For example, a secured creditor who files a Proof of Claim may surrender important non monetary rights, including the right to a jury trial. <b>Filing Deadline for a Creditor with a Foreign Address:</b> The deadlines for filing claims set forth on the front of this notice apply to all creditors. If this notice has been mailed to a creditor at a foreign address, the creditor may file a motion requesting the court to extend the deadline. <i>Do not include this notice with any filing you make with the court.</i>
<b>Discharge of Debts</b>	Confirmation of a chapter 11 plan may result in a discharge of debts, which may include all or part of your debt. See Bankruptcy Code § 1141(d). A discharge means that you may never try to collect the debt from the debtor, except as provided in the plan. If you believe that a debt owed to you is not dischargeable under Bankruptcy Code § 1141(d)(6)(A), you must start a lawsuit by filing a complaint in the bankruptcy clerk's office by the "Deadline to File a Complaint to Determine Dischargeability of Certain Debts" listed on the front side. The bankruptcy clerk's office must receive the complaint and any required filing fee by that Deadline.
<b>Bankruptcy Clerk's Office</b>	Any paper that you file in this bankruptcy case should be filed at the bankruptcy clerk's office at the address listed on the front side. You may inspect all papers filed, including the list of the debtor's property and debts and the list of the property claimed as exempt, at the bankruptcy clerk's office.
<b>Creditor with a Foreign Address</b>	Consult a lawyer familiar with United States bankruptcy law if you have any questions regarding your rights in this case.
<b>Refer to Other Side for Important Deadlines and Notices</b>	
<b>FAILURE OF THE DEBTOR(S) AND DEBTOR(S)' ATTORNEY</b> to appear at the § 341(a) meeting, to timely file schedules and related documents, to pay required fees or to produce required payment advices and income tax records pursuant to 11 USC § 521 may result in dismissal of this case without further notice.	
<b>Note:</b> Cell phones and other electronic devices are generally not allowed in the courthouses of this District. For additional information visit <a href="http://www.mssb.uscourts.gov">www.mssb.uscourts.gov</a> .	



SO ORDERED,

*Katharine M. Samson*

Judge Katharine M. Samson  
United States Bankruptcy Judge  
Date Signed: October 29, 2014

The Order of the Court is set forth below. The docket reflects the date entered.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
SOUTHERN DIVISION

In re:	)	
	)	
MISSISSIPPI PHOSPHATES	)	
CORPORATION	)	CASE NO. 14-51667-KMS
	)	Chapter 11
	)	
Debtor	)	
	)	

ORDER GRANTING MOTION OF THE DEBTOR  
FOR ORDER DIRECTING JOINT ADMINISTRATION  
OF AFFILIATED CASES PURSUANT TO BANKRUPTCY RULE 1015(B)

[Dkt. # 9]

This matter came before the Court on the *Motion of the Debtor for Order Directing Joint Administration of Affiliated Cases Pursuant to Bankruptcy Rule 1015(b)* [Dkt. # 9] (the "*Motion*")<sup>1</sup> filed in this bankruptcy case (the "*Lead Case*" or the "*MPC Case*") by Mississippi Phosphates Corporation, the Debtor and debtor-in-possession ("*MPC*" or the "*Debtor*"), for an order directing the joint administration of the chapter 11 bankruptcy cases of the affiliated debtors, Ammonia Tank Subsidiary, Inc. ("*ATS*") and Sulfuric Acid Tanks Subsidiary, Inc.

<sup>1</sup> All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

("SATS") and the consolidation thereof for procedural purposes only. The Court finds as follows: (1) the Court has jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. § 105(a); (2) Notice of the Motion is adequate under the circumstances; (3) the relief sought in the Motion is in the best interests of the Debtor, the bankruptcy estate, creditors, and all parties in interest; and (4) the Motion is well taken and should be granted.

IT IS THEREFORE ORDERED that the Motion is granted.

IT IS FURTHER ORDERED that the Lead Case, the ATS Case and the SATS Case shall be administratively consolidated into the chapter 11 case of *Mississippi Phosphates Corporation, et al.*, Case No. 14-51667-KMS.

IT IS FURTHER ORDERED that all documents filed in the Lead Case, the ATS Case and the SATS Case shall be filed with the following caption:

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
SOUTHERN DIVISION**

<b>In re:</b>	)	
	)	
<b>MISSISSIPPI PHOSPHATES</b>	)	
<b>CORPORATION, et al.<sup>2</sup></b>	)	<b>CASE NO. 14-51667-KMS</b>
	)	<b>Chapter 11</b>
	)	
	)	<b>Jointly Administered</b>
<b>Debtors</b>	)	
_____	)	

<sup>2</sup> The following affiliated Debtors have requested joint administration herein: Mississippi Phosphates Corporation ("MPC"), Ammonia Tank Subsidiary, Inc. ("ATS") and Sulfuric Acid Tanks Subsidiary, Inc. ("SATS").

IT IS FURTHER ORDERED that all creditors of MPC shall file all proofs of claim in the Lead Case, which proofs of claim shall be maintained in the claims register of the MPC Case; and,

IT IS FURTHER ORDERED that all creditors of ATS shall file all proofs of claim in the ATS Case and shall be maintained in the claims register of the ATS Case; and,

IT IS FURTHER ORDERED that all creditors of SATS shall file all proofs of claim in the SATS Case and shall be maintained in the claims register of the SATS Case.

**###END OF ORDER###**

**ORDER PREPARED AND SUBMITTED BY:**

J. Mitchell Carrington (Miss. Bar No. 104228)  
BUTLER SNOW LLP  
1020 Highland Colony Parkway, Suite 1400  
Ridgeland, MS 39157  
Telephone: (601) 985-4504  
[Mitch.Carrington@butlersnow.com](mailto:Mitch.Carrington@butlersnow.com)

ONE OF THE ATTORNEYS FOR THE DEBTOR

ButlerSnow 23181468v2





SO ORDERED,

*Katharine M. Samson*

Judge Katharine M. Samson  
United States Bankruptcy Judge  
Date Signed: October 29, 2014

The Order of the Court is set forth below. The docket reflects the date entered.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
SOUTHERN DIVISION

In re:	)	
	)	
MISSISSIPPI PHOSPHATES	)	
CORPORATION, <i>et al.</i> <sup>1</sup>	)	CASE NO. 14-51667-KMS
	)	Chapter 11
	)	
	)	(Joint Administration Requested)
Debtors	)	
	)	

INTERIM ORDER UNDER SECTIONS 105, 361, 362, 363, 364 AND 507 OF  
THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY  
PROCEDURE 2002, 4001 AND 9014 (I) AUTHORIZING THE DEBTORS  
TO INCUR POST-PETITION SENIOR SECURED SUPERPRIORITY  
INDEBTEDNESS; (II) AUTHORIZING USE OF CASH COLLATERAL;  
(III) GRANTING POST-PETITION PRIMING AND SENIOR PRIORITY  
SECURITY INTERESTS AND SUPERPRIORITY CLAIMS; (IV) GRANTING  
ADEQUATE PROTECTION; (V) MODIFYING THE AUTOMATIC STAY;  
AND (VI) SCHEDULING A FINAL HEARING ON THE MOTION

[Relates to Docket No. 14]

Mississippi Phosphates Corporation, *et al.*, the Debtors and debtors-in-possession  
(collectively, the "**Debtors**") in the above-captioned Chapter 11 cases (the "Chapter 11 Cases"),

<sup>1</sup> The following affiliated Debtors have requested joint administration herein: Mississippi Phosphates Corporation ("**MPC**"), Ammonia Tank Subsidiary, Inc. ("**ATS**") and Sulfuric Acid Tanks Subsidiary, Inc. ("**SATS**").

moved on October 27, 2014 (the "Motion") for interim and final orders seeking:

(a) authorization for the Debtors to obtain up to \$5,000,000 in principal amount of post-petition financing under a revolving loan credit facility (the "DIP Financing"), on the terms and conditions set forth in this Order, the term sheet attached as Exhibit "A" (the "Term Sheet") the documentation setting forth the terms of the DIP Financing (as amended, supplemented or otherwise modified, the "DIP Facility");<sup>2</sup> and together with all agreements, documents and instruments delivered in connection with the DIP Financing, the "DIP Loan Documents"), among the Debtors, STUW LLC, as agent (the "DIP Agent"), and the lenders identified therein (the "DIP Lenders");

(b) authorization for the Debtors to execute and deliver the DIP Facility and the DIP Loan Documents (when finalized in a form acceptable to the DIP Agent and DIP Lenders) and to perform such other and further acts as may be necessary or appropriate in connection therewith;

(c) authorization for the Debtors to grant the DIP Agent and DIP Lenders liens on and security interests in all of the Debtors' assets as provided herein and in the DIP Loan Documents and to grant the DIP Lenders superpriority administrative expense claims;

(d) authorization for the Debtors to use "Cash Collateral" (within the meaning of section 363(a) of the Bankruptcy Code) and provide adequate protection to the Pre-Petition Lenders (as defined below);

(e) to schedule, pursuant to Bankruptcy Rule 4001, an interim hearing (the "Interim Hearing") on the Motion to be held before this Court to consider entry of the proposed interim order (this "Order") authorizing the Debtors to borrow up to an aggregate principal amount of

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<sup>2</sup> Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Term Sheet setting forth the terms of the DIP Facility. To the extent required by the DIP Lenders, a definitive credit agreement governing the DIP Facility that incorporates the terms and conditions set forth in the Term Sheet, and is otherwise in form and substance acceptable to the DIP Lenders, will be prepared.

\$5,000,000 under this Order and the DIP Facility until entry of the Final DIP Order (as defined below); and

(f) to schedule, pursuant to Bankruptcy Rule 4001, a final hearing (the "Final Hearing") for this Court to consider entry of a final order (the "Final DIP Order") authorizing, on a final basis, the DIP Financing and all relief requested in the Motion.

Upon the record presented at the Interim Hearing and after due deliberation, for good and sufficient cause,

**IT IS HEREBY FOUND, DETERMINED, ORDERED, ADJUDGED, AND DECREED THAT:<sup>3</sup>**

1.Disposition. The Motion is granted on an interim basis on the terms set forth in this Order. Any objections to the interim relief sought in the Motion that have not previously been resolved or withdrawn, including any reservations of rights therein, are hereby overruled on their merits. This Order shall be valid, binding on all parties-in-interest, and fully effective immediately upon entry. The term of this Order and the DIP Loan Documents authorized hereunder shall expire, and the loans made pursuant to this Order, the DIP Facility, and the DIP Loan Documents will mature and, together with all interest thereon and any other obligations accruing under the DIP Facility, will become due and payable (unless such loans and other obligations become due and payable earlier pursuant to the terms of the DIP Loan Documents and this Order by way of acceleration or otherwise) thirty (30) days from the date this Order is entered if the Final DIP Order has not been entered by the Court prior to such date.

2.Jurisdiction; Venue. The Court has jurisdiction over the Chapter 11 Cases, the parties, and the Debtors' property pursuant to 28 U.S.C. §1334. This is a core proceeding pursuant to 28

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<sup>3</sup> Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

U.S.C. §157(b). Venue of the Chapter 11 Cases is proper under 28 U.S.C. §§ 1408 and 1409.

3. Notice. Notice of the Motion, the relief requested and the Interim Hearing was served by the Debtors on (a) counsel to the Committee (if a Committee has been appointed and counsel for the Committee has been selected); (b) the United States Trustee; (c) all parties who have filed requests for notice under Bankruptcy Rule 2002; (d) the holders of the twenty (20) largest unsecured claims against the Debtors; (e) the Agent for the DIP Lenders and its counsel; (f) the Agent and its counsel; and (g) all parties who have asserted liens on assets of the Debtors. The Debtors request that the Court deem such notice of the final hearing to be sufficient notice under Bankruptcy Rule 4001. Under the circumstances, the notice given by the Debtors of the Motion, the relief requested and the Interim Hearing constitutes due and sufficient notice, and no further notice of the relief sought at the Interim Hearing and the relief granted by this Order is necessary or required.

4. Purpose and Necessity of Financing and Use of Cash Collateral.

(a) The Debtors require the interim financing and use of Cash Collateral described in the Motion to fund, among other things, the Debtors' cash requirements, working capital, required and approved capital expenses and general corporate purposes relating to post-petition operations, including the production and sale of DAP in the ordinary course of business and to fund maintenance of water treatment costs of the east gypsum disposal facility and treatment for water and leachate, as well as expenses related to a sales process for the Debtors' assets consistent with the terms set forth in this Order and the Approved Budget (defined below), and the DIP Loan Documents, and for other purposes permitted by the DIP Loan Documents.

(b) The Debtors are unable to obtain adequate unsecured credit allowable under section 503 of the Bankruptcy Code as an administrative expense or other financing under

section 364(c) or (d) of the Bankruptcy Code on equal or more favorable terms than those set forth in the DIP Facility and the other DIP Loan Documents within the time frame required by their needs to avoid immediate and irreparable harm. The Debtors are unable to obtain financing on a post-petition basis without the Debtors granting the Superpriority Claims (as defined below) and the DIP Liens (as defined below).

5. Good Cause. The Debtors' ability to obtain sufficient working capital and liquidity under the DIP Loan Documents is vital to the Debtors' estates and their creditors, so that the Debtors can continue to operate their businesses in the ordinary course, including preserving the jobs of their employees, meeting environmental obligations and maximizing the value of their assets. The Debtors' estates, creditors, and employees will be immediately and irreparably harmed if this Order is not entered. Consummation of the DIP Financing in accordance with this Order and the DIP Loan Documents is in the best interests of the Debtors' estates, creditors, and employees. Good cause thus has been shown for the interim relief sought in the Motion.

6. Good Faith; Fair Consideration. The terms of the DIP Loan Documents, including the interest rates and fees applicable thereto, are more favorable to the Debtors than those available from alternative sources. Based upon the record before the Court, the DIP Loan Documents have been negotiated in good faith and at arm's-length among the Debtors, the DIP Agent, and DIP Lenders. Any DIP Loans and other financial accommodations made to the Debtors by the DIP Agent and DIP Lenders pursuant to this Order and the DIP Facility or other DIP Loan Documents shall be deemed to have been extended by the DIP Agent and DIP Lenders in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and the DIP Agent and DIP Lenders shall be entitled to all protections afforded under section 364(e). The terms of the DIP Facility provided under the DIP Loan Documents are fair and reasonable, reflect the Debtors'

exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and/or fair consideration.

7. Immediate Entry of Order. The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). The permission granted herein to enter into the DIP Loan Documents and to obtain funds thereunder is necessary to avoid immediate and irreparable harm to the Debtors. This Court concludes that entry of this Order is in the best interests of the Debtors' respective estates and creditors as its implementation will, among other things, allow for access to the financing necessary for the continued flow of supplies and services to the Debtors necessary to sustain the operation of the Debtors' businesses, to maximize the value of the Debtors' assets, to meet the Debtors' environmental obligations and further enhance the Debtors' prospects for a successful restructuring.

8. Authorization to Use Cash Collateral. The Debtors are authorized to use Cash Collateral during the period from the Petition Date through and including the Maturity Date, in accordance with the terms, conditions, and limitations set forth in the Budget approved by the DIP Agent (the "Approved Budget")<sup>4</sup> and otherwise pursuant and subject to the terms and conditions of the DIP Loan Documents, section 363(c) of the Bankruptcy Code and this Order.

9. Interim Borrowing. Subject to the terms and conditions of this Order and the DIP Loan Documents, including without limitation, the covenants and Approved Budget as specified in the DIP Loan Documents, the Debtors are authorized to borrow up to \$5,000,000 in advances from the DIP Lenders in accordance with the Approved Budget and the DIP Facility pending entry of the Final DIP Order. For the avoidance of doubt, the Loan Advances under this Order shall be made in accordance with the terms and provisions of the Term Sheet. Notwithstanding anything in this Order to the contrary, the Debtors shall use the proceeds of the DIP Financing solely in

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<sup>4</sup> A copy of the Approved Budget is attached as Exhibit "B".

accordance with the covenants, formulae, Approved Budget and other terms and conditions set forth in the DIP Loan Documents and this Order. Neither the DIP Agent nor the DIP Lenders shall have any obligation with respect to the proceeds of the DIP Financing, nor shall any of them be obligated to ensure or monitor the Debtors' compliance with any such covenants, formulae, Approved Budget or other terms and conditions, or be obligated to pay any expenses incurred or authorized to be incurred pursuant to the DIP Loan Documents. The Approved Budget and any modifications to, or amendment or update of, the Approved Budget shall be in form and substance acceptable to and approved by the DIP Agent, and may be amended or modified without the need for further approval by this Court only with the written consent of the DIP Agent. The DIP Agent's consent to any budget shall not be construed as a commitment to continue to provide the DIP Financing after the occurrence of an Event of Default (as defined below) or beyond the Maturity Date, regardless of whether the aggregate funds described in the Approved Budget have been expended. None of the DIP Lenders shall have any obligation to make any loan or advance under the DIP Loan Documents, unless all of the conditions precedent to the making of such extension of credit under the applicable DIP Loan Documents and this Order have been satisfied in full or waived in writing or otherwise provided for in the DIP Loan Documents.

10. Superpriority Claim and DIP Liens.

(a) Except as provided in this Order with respect to the Carve Out, the DIP Agent and DIP Lenders are hereby granted, and all of the obligations of the Debtors under the DIP Facility, this Order and the DIP Loan Documents (collectively, the "DIP Obligations") shall and hereby do constitute, an allowed superpriority administrative expense claim against each Debtor (the "Superpriority Claims") pursuant to section 364(c)(1) of the Bankruptcy Code, having priority

over any and all administrative expense claims, adequate protection claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including without limitation, all claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 and any other provision of the Bankruptcy Code or otherwise, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. The Superpriority Claims shall be payable from and have recourse to all pre-petition and post-petition property of the Debtors and all proceeds thereof, including the proceeds or other amounts received in respect of the Debtors' claims and causes of action arising under state or federal law under sections 541, 542, 544, 545, 547, 548, 549, 550, 551, 552 and 553 of the Bankruptcy Code (collectively, the "Avoidance Actions"). The Superpriority Claims granted pursuant to this paragraph shall be subject and subordinate in priority of payment only to, during the occurrence and continuance of an Event of Default or after the Maturity Date, payment of the Carve Out. Except as set forth in this Order, no other superpriority claims shall be granted or allowed in these Chapter 11 Cases.

(a) (b) Under section 364(d) of the Bankruptcy Code, as security for the DIP Obligations, the DIP Agent, on behalf of itself and the DIP Lenders, is hereby granted, subject and subordinate in priority only to, and only during the occurrence and continuance of an Event of Default or after the Maturity Date, payment of the Carve Out, valid, enforceable and perfected first-priority priming security interests in and liens (the "DIP Liens") on all of the Debtors' property, assets, or interests in property or assets of any kind or nature whatsoever, real or personal, whether now owned or hereafter existing, and wherever located and whether now existing or hereafter acquired or created, including, without limitation, all property of the Debtors' estates, including, without limitation, inventory, accounts receivable, other rights to



payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, fixtures, goods, investment property, general intangibles, documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property, capital stock of subsidiaries, trademarks, trade names, all deposit accounts, all securities accounts, all cash maintained in deposit and other accounts, all commercial tort claims, all causes of action, Avoidance Actions, all cash and non-cash proceeds, rents, products and profits of any of the foregoing (collectively, the "Collateral"). The DIP Liens shall have priority over any and all pre-petition or post-petition liens and security interests; provided however, that the DIP Liens shall not have priority over any rights of setoff or recoupment of InterOceanic Corporation ("IOC"), and provided further however that the Collateral shall not include any property, whether or not held by the Debtors, to which title has passed to a party other than the Debtors, including pursuant to that certain Marketing Agreement dated February 27, 2014 (the "Marketing Agreement") between IOC and MPC, which provides in relevant part that legal title to each of the Products (as defined in the Marketing Agreement) passes from MPC to IOC upon delivery at the Delivery Point (as defined in the Marketing Agreement), which is "the point where the conveyor belts from the [Debtors'] Plant enter each of the Product storage warehouses at Pascagoula".

(c) The DIP Liens shall be effective automatically and immediately upon the entry of this Order, and no lien or security interest granted to the DIP Agent or DIP Lenders under this Order or the DIP Loan Documents, as approved by this Order, shall (i) be subject to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or (ii) hereafter be subordinated to or made pari passu with any other lien or security interest created and/or perfected pursuant to section 364(c) or (d) of the

Bankruptcy Code or otherwise. The DIP Liens arising hereunder shall be and hereby are fully perfected security interests, such that no additional steps need be taken by the DIP Agent or the DIP Lenders to perfect such interests. Any provision of any lease or other license, contract or other agreement that requires (y) the consent or approval of one or more landlords or other parties or (z) the payment of any fees or obligations to any governmental entity, in order for any Debtors to pledge, grant, sell, assign, or otherwise transfer any such leasehold interest or the proceeds thereof or other Collateral related thereto shall have no force and effect with respect to the transactions granting the DIP Lenders a priority security interest in such leasehold interest, license, contract or agreement, or the proceeds of any assignment and/or sale thereof by any Debtors in favor of the DIP Agent or the DIP Lenders in accordance with the terms of the DIP Loan Documents.

(d) The DIP Liens and Superpriority Claims and other rights and remedies granted to the DIP Agent and DIP Lenders under this Order shall continue in the Chapter 11 Cases and in any superseding case or cases for the Debtors under any Chapter of the Bankruptcy Code, and such liens, security interests and claims shall maintain their priority as provided in this Order until all the DIP Obligations have been indefeasibly paid in full in cash and the total commitment has been terminated in accordance with the DIP Loan Documents.

11. Acknowledgements. Without prejudice to the rights of any other party (but subject to the limitations contained in paragraph 21), the Debtors and the Guarantor acknowledge, represent, stipulate and agree that:

(a) the Debtors have obtained all authorizations, consents and approvals required to be obtained from, and have made all filings with and given all notices required to be made or given to, all federal, state and local governmental agencies, authorities and instrumentalities in

connection with the execution, delivery, performance, validity and enforceability of the DIP Loan Documents to which any Debtor is a party;

(b) as consideration for entry into the DIP Loan Documents, until such time as all DIP Obligations are indefeasibly paid in full in cash and the total commitment is terminated in accordance with the DIP Facility, and except with respect to the Carve Out upon the occurrence and during the continuance of an Event of Default, the Debtors shall not in any way prime or seek to prime (or otherwise cause to be subordinated in any way) the DIP Liens and Adequate Protection Liens (as defined below) provided to the DIP Agent, DIP Lenders, Agent and Pre-Petition Lenders (all as defined below) under this Order, the Final DIP Order or the DIP Loan Documents by offering a subsequent lender or a party-in-interest a superior or pari passu lien or security interest pursuant to section 364(c) or (d) of the Bankruptcy Code or otherwise, other than any additional liens granted to the DIP Agent and DIP Lenders in the Final DIP Order as may be contemplated in the DIP Facility and the Motion;

(c) as consideration for entry into the DIP Loan Documents, until such time as all DIP Obligations are indefeasibly paid in full in cash and the total commitment is terminated in accordance with the DIP Facility, the Debtors shall not in any way or at any time, permit to exist an administrative expense claim against any of the Debtors of any kind or nature whatsoever, including without limitation any administrative expenses of the kind specified in, or arising or ordered under, sections 105, 326, 328, 503(b), 506(c), 507(a), 507(b), 546(c) 726, 1113 and 1114 of the Bankruptcy Code having priority equal or superior to the priority of the Superpriority Claims as provided herein, except with respect to the Carve Out upon the occurrence and during the continuance of an Event of Default;

(d) the Debtors are parties to pre-petition revolving and term loans provided pursuant

to that certain Amended and Restated Credit Agreement, dated as of September 4, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "Pre-Petition Credit Agreement"), among the Debtors, as borrowers, and Phosphate Holdings, Inc. as guarantor (the "Guarantor"), the lenders from time to time party thereto (the "Pre-Petition Lenders") and STUW LLC, as administrative agent for the Pre-Petition Lenders (the "Agent"), and all agreements, documents, and instruments delivered in connection therewith (together with the Pre-Petition Credit Agreement, the "Pre-Petition Loan Documents"). As of the Petition Date, the Debtors and the Guarantor were jointly and severally indebted to the Agent and Pre-Petition Lenders under the Pre-Petition Credit Agreement in the approximate principal amount of \$57.5 million, plus additional interest, fees and costs (the "Pre-Petition Indebtedness");

(e) The Pre-Petition Indebtedness is valid, enforceable and existing, and all liens, claims and interests held by the Pre-Petition Lenders to secure the Pre-Petition Indebtedness (or the Agent, on their behalf) are valid, existing properly perfected, enforceable, first-priority liens on the collateral identified therein (the "Pre-Petition Collateral");

(f) all of the Debtors' cash, including cash in the deposit accounts, whether as originally collateral or proceeds of other Pre-Petition Collateral, constitutes Cash Collateral of the Agent and Pre-Petition Lenders; and

(g) the Debtors are aware of no claim or cause of action that they or their estates have against IOC, other than claims for payment for the sale of Product to IOC under the Marketing Agreement.

12. Fees and Expenses. The DIP Agent and DIP Lenders shall submit summary invoices for fees and expenses to the United States Trustee, counsel for Debtors, and counsel for the official committee of unsecured creditors (the "Committee") and such parties shall have five (5)

business days to object to the reasonableness of the invoiced fees and expenses. If no party objects to the fees and expenses, the fees and expenses shall increase the DIP Obligations. If a party objects to a portion of the expenses, the remaining fees shall be added to the DIP Obligations. If the parties are unable to resolve the objection to any portion of the remaining fees, the DIP Agent may file an application requesting approval of the remaining fees with the Court. Notwithstanding the forgoing, none of the DIP Agent's or DIP Lenders' costs, fees, charges, or expenses shall be required to be maintained in accordance with the United States Trustee guidelines or file any interim or final fee application with the Court.

13. Indemnity. Whether or not the DIP Financing transaction is consummated, each Debtor shall indemnify and hold harmless the DIP Agent, each DIP Lender, their respective subsidiaries and affiliates, and their respective shareholders, members, partners, officers, directors, employees, agents and advisors from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted against such entity or individual in connection with the DIP Financing, except to the extent any of the foregoing results from the willful misconduct of such entity or individual as determined by a final judgment of a court of competent jurisdiction.

14. Recording and Filing Fees. All fees and costs and/or expenses payable by the Debtors in connection with the recording, filing and insuring of financing statements, mortgages and financing statements to confirm or evidence the perfection of the security interests granted or authorized by this Order are hereby approved and shall be promptly paid in full by the Debtors without the necessity of the Debtors, the DIP Lenders or the DIP Agent filing any further application with the Court for approval or payment of such fees, costs and/or expenses.

15. Authority to Execute and Deliver Necessary Documents. Without limiting paragraph

10(c) above, each of the Debtors is hereby authorized and empowered and directed to:

(a) enter into and deliver the Term Sheet and the other DIP Loan Documents, including, but not limited to, UCC financing statements and mortgages or deeds of trust as necessary or appropriate;

(b) to perform all of its obligations under the DIP Loan Documents and such other agreements as may be required by the DIP Loan Documents to give effect to the terms of the financing provided for in the DIP Loan Documents as approved by this Order;

(c) to perform all acts required under the DIP Loan Documents and this Order, including, without limitation, the payment of all principal, interest, charges, fees, and the reimbursement of present and future reasonable costs and expenses (including without limitation, reasonable attorneys' fees and legal expenses) paid or incurred by the DIP Lenders or the DIP Agent as provided for in this Order and the DIP Loan Documents; and

(d) to perform all other acts, to make, execute and deliver all other instruments, agreements and documents, which may be required or necessary for the Debtors to perform all of their obligations under this Order and the DIP Loan Documents, without further order of the Court and pending the Final Hearing.

16. Amendments. The Debtors, DIP Agent and DIP Lenders may enter into any amendments or modifications to the DIP Facility and the other DIP Loan Documents without the need of further notice and hearing or order of this Court, in each case in such form as the Debtors, the DIP Agent and DIP Lenders may agree and a copy of which is delivered to the Committee and the United States Trustee; provided, however, that notice of any material modification or amendment shall be provided to the Committee and the United States Trustee, each of which shall have five (5) days from the date of such notice within which to object in

writing; provided, further, however, that if any such objection is timely made, then such modification or amendment shall be permitted only pursuant to an order of the Court (or upon withdrawal of the objection). If no Committee is appointed, the Debtors shall docket a notice of any material modification or amendment and parties-in-interest shall have five (5) days to file an objection in writing, provided, however, that if such objection is timely made, then such modification or amendment shall be permitted only pursuant to an order of the Court.

17. Carve Out.

(a) The DIP Liens and the Superpriority Claims shall be subject to (i) the unpaid fees of the Clerk of the Court and the United States Trustee; (ii) the fees and expenses incurred by any Chapter 7 trustee and any professionals retained by such trustee, in an aggregate amount not to exceed \$50,000; (iii) to the extent provided in the Approved Budget and allowed by final order (which cannot exceed such budgeted amounts), all unpaid fees and expenses of Chapter 11 professionals retained by the Debtors or the Committee, which are incurred at any time on or before the first business day following a Termination Event, whether allowed by the Court prior to or after the Termination Event; and (iv) after the first business day following a Termination Event, to the extent allowed by a final order, the payment of reasonable fees of such Chapter 11 professionals referenced in *clause (iii)* above in an aggregate amount not to exceed \$100,000; ((i) through (iv), the "Carve Out"). No fees or disbursements shall be compensable from the Carve Out to the extent such fees are related to the preparation for, or commencement and prosecution of any Challenge (as defined below) or objection to the debt or collateral position of the DIP Agent or the DIP Lenders or hindering or delaying the DIP Agent's or any DIP Lender's enforcement or realization upon the Collateral once an Event of Default has occurred and is continuing. Notwithstanding the foregoing restrictions, up to an aggregate of \$50,000 of Cash

Collateral or proceeds of the DIP Loans may be used to pay professional fees and expenses incurred by the Committee to investigate the extent, validity and priority of claims and liens of the Agent and/or Pre-Petition Lenders relating to the Pre-Petition Loan Documents, but not to challenge any liens or claims under the Pre-Petition Loan Documents.

(b) Any payment of fees and expenses incurred after the occurrence and during the continuance of an Event of Default, including any payment of Chapter 11 professional fees, shall permanently reduce the Carve Out on a dollar-for-dollar basis. The payment of the Carve Out from the proceeds of DIP Agent and DIP Lenders' Collateral shall be (i) added to and made part of the DIP Obligations, (ii) secured by the Collateral, and (iii) otherwise entitled to the protections granted under this Order, the DIP Loan Documents, the Bankruptcy Code and applicable law.

(c) Nothing contained in this Order shall be construed: (i) to exempt those persons hereafter receiving interim compensation payments or reimbursement of expenses pursuant to any such Court-approved procedure from the applicable provisions of bankruptcy law, including the requirements that such compensation or reimbursement be allowed on a final basis after the filing of appropriate fee applications, and, if applicable, any subsequent order of this Court requiring that such payments be disgorged, and/or (ii) as consent to the allowance of any fees and expenses referred to above, and shall not affect any right of the DIP Agent or the DIP Lenders to object to the reasonableness of such amounts.

18. Prohibited Uses of Cash Collateral/DIP Proceeds. Neither Cash Collateral nor proceeds of any of the DIP Financing shall be used to request the use of Cash Collateral without the DIP Agent's and DIP Lenders' prior written consent, or authorization to obtain post-petition loans or other financial accommodations pursuant to section 364(c) or (d) of the Bankruptcy



Code, or otherwise, other than from the DIP Lenders without the consent of the DIP Lenders. Neither Cash Collateral nor proceeds of any of the DIP Financing shall be used for the payment or reimbursement of any fees or disbursements of the Debtors, the Committee, any trustee appointed in these Chapter 11 Cases, or any other person that are incurred in connection with the assertion and prosecution of, or joinder in, any claim, counterclaim, action, proceeding, application, motion, objection, defense or other contested matter (a) asserting claims pursuant to sections 542, 544, 545, 546, 547, 548, 549, 550, 551, 553(b) or 724(a) of the Bankruptcy Code or other cause of action (whether arising under state law, the Bankruptcy Code or other federal law) against any of the DIP Lenders, DIP Agent, Agent, or Pre-Petition Lenders, including any action with respect to the validity and extent of the DIP Obligations or the Pre-Petition Indebtedness or the validity, extent, priority and enforceability of liens and security interests securing the DIP Obligations or the Pre-Petition Indebtedness; (b) invalidating, setting aside, avoiding or subordinating, in whole or in part, the DIP Lenders' and/or DIP Agent's liens on and security interests in the Collateral, or the Agent's and/or Pre-Petition Lenders' liens on and security interests in the Pre-Petition Collateral; or (c) seeking to modify any of the rights granted to the DIP Agent or the DIP Lenders or the Adequate Protection Claims and Adequate Protection Liens granted to the Agent and Pre-Petition Lenders under this Order or the DIP Loan Documents.

19.Limitation on Surcharges. Subject to entry of the Final DIP Order, except to the extent of the Carve Out, no costs or expenses of administration or other surcharge, lien, assessment or claim incurred on or after the Petition Date of any person or entity shall be imposed against any of the Collateral, the Pre-Petition Collateral, any Pre-Petition Lenders, the Agent, any DIP Lenders, or the DIP Agent, nor shall the Collateral, the Pre-Petition Collateral, any Pre-Petition Lenders, the Agent, any DIP Lenders or the DIP Agent be subject to surcharge by any party-in-

interest for any amounts arising or accruing after the Petition Date pursuant to sections 506(c), 552(b) or 105(a) of the Bankruptcy Code or similar principle of law. No action, inaction, or acquiescence by the Pre-Petition Lenders, Agent, DIP Lenders or DIP Agent in these Chapter 11 Cases, including the Pre-Petition Lenders' or DIP Lenders' funding of the Debtors' ongoing operations under this Order or the Final DIP Order, or the DIP Loan Documents, shall be deemed to be or shall be considered as evidence of any alleged consent by the Pre-Petition Lenders, Agent, DIP Lenders or DIP Agent to a charge against the Pre-Petition Collateral, the Collateral, any Pre-Petition Lender, the Agent, any DIP Lender, or the DIP Agent pursuant to sections 506(c), 552(b) or 105(a) of the Bankruptcy Code. Neither the Pre-Petition Lenders, Agent, DIP Agent nor DIP Lenders shall be subject in any way whatsoever to the equitable doctrine of "marshaling" or any similar doctrine with respect to the Collateral or the Pre-Petition Collateral.

20. Adequate Protection. The Debtors, in connection with the Pre-Petition Credit Agreement, granted the Agent and Pre-Petition Lenders, mortgages, liens on and security interests in the Pre-Petition Collateral. The Agent and Pre-Petition Lenders are entitled, pursuant to sections 105, 361, 363 and 364 of the Bankruptcy Code, to adequate protection of their interests in the Pre-Petition Collateral, including Cash Collateral, in an amount equal to the diminution in value of the Pre-Petition Collateral. As adequate protection, the Agent and Pre-Petition Lenders are hereby granted the following:

(a) Adequate Protection Claims. The Agent and Pre-Petition Lenders are granted allowed superpriority administrative expenses claims against the Debtors (the "Adequate Protection Claims") as provided in section 507(b) of the Bankruptcy Code. The Adequate Protection Claims shall have recourse to and be payable from all Collateral. Notwithstanding the foregoing, the Adequate Protection Claims shall be subordinate and subject to (i) the Carve Out

and (ii) the Superpriority Claims.

(b) Adequate Protection Liens. To the extent of any diminution in value of the Pre-Petition Collateral, as additional adequate protection, the Agent and Pre-Petition Lenders are hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on all of the Collateral (the "Adequate Protection Liens") to secure any Adequate Protection Claim, subject and subordinate only to the DIP Liens and the Carve Out.

(c) Reservation of Rights to Seek Additional Adequate Protection. The grant of adequate protection to the Agent and Pre-Petition Lenders is without prejudice to the right of the Agent and Pre-Petition Lenders to seek modification of the grant of adequate protection provided by this Order so as to provide different or additional adequate protection; provided, however, that any such additional or modified adequate protection shall at all times be subordinate and junior to the Carve Out and the claims and liens granted to the DIP Agent and DIP Lenders under this Order and the DIP Loan Documents.

21. Challenge to Pre-Petition Indebtedness and Liens. Any party-in-interest (including the Committee and any trustee appointed or elected in the Chapter 11 Cases prior to the termination of the Challenge Period (as defined in this paragraph)<sup>5</sup> but excluding the Debtors and the Guarantor), predetermined by the Court to have standing, shall have until the later of: (a) sixty (60) days following the entry of this Order, (b) a later date consented to by the Agent and Pre-Petition Lenders; or (c) a date ordered by the Court (the "Challenge Period")<sup>6</sup> to file an adversary

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<sup>5</sup> Upon request to counsel for the Agent by any party-in-interest, the Agent shall provide electronic access to the Pre-Petition Loan Documents.

<sup>6</sup> Until the occurrence of the Investigation Termination Date, the Debtors' acknowledgements, representations, stipulations and agreements contained in this Order shall not be binding upon the Committee or any non-debtor