

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

In re:

**MISSISSIPPI PHOSPHATES
CORPORATION, *et al.*¹**

Debtors.

CASE NO. 14-51667-KMS
Chapter 11

(Jointly Administered)

**THIRD MOTION OF THE DEBTORS TO RENEW AND EXTEND 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; AND
(V) MODIFYING THE AUTOMATIC STAY**

Mississippi Phosphates Corporation, *et al.*, the Debtors and debtors-in-possession herein (the “**Debtors**”), by and through their attorneys, respectfully file this *Third Motion of the Debtors to Renew and Extend Interim Order Pursuant to 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; and (V) Modifying the Automatic Stay* (the “**Third Motion to Renew and Extend Interim DIP**”).

¹ The chapter 11 cases of the following affiliated Debtors have been administratively consolidated for joint administration pursuant to that certain *Order Granting Motion of the Debtor for Order Directing Joint Administration of Affiliated Cases Pursuant to Bankruptcy Rule 1015(b)*, dated October 29, 2014 [Dkt. # 62]: Mississippi Phosphates Corporation (“**MPC**”), Case No. 14-51667, Ammonia Tank Subsidiary, Inc. (“**ATS**”), Case No. 14-51668 and Sulfuric Acid Tanks Subsidiary, Inc. (“**SATS**”), Case No. 14-51671. These chapter 11 cases are sometimes referred to herein as the “**Bankruptcy Cases.**”

Order”). In support of the Third Motion to Renew and Extend Interim DIP Order, the Debtors present the following matters:

1. Paragraph 1 of the Initial Interim DIP Order [Dkt. # 66]² provided in part: “The term of this Order and the DIP Loan Documents authorized hereunder shall expire . . . 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. On March 10, 2015, the Court entered its *Order Granting Motion of the Debtors to Renew and Extend Interim Order Pursuant to 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* [Dkt. # 575] (the “**First DIP Extension Order**”) in which the Initial Interim DIP Order was renewed and extended for forty-five (45) days from the date of the First DIP Extension Order, or until April 24, 2015.

3. On April 27, 2015, the Court entered its *Order Granting Motion of the Debtors to Renew and Extend 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;*

² *Interim Order Pursuant to 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* [Dkt. # 66] (the “**Initial Interim DIP Order**”).

(II) Authorizing Use of Cash Collateral; (III) Granting Post-Petition Priming and Senior Priority Security Interests and Superpriority Claims; (IV) Granting Adequate Protection; and (V) Modifying the Automatic Stay [Dkt. # 717] (the “**Second DIP Extension Order**”) in which the Interim DIP Order was renewed and extended until June 15, 2015.

4. The Debtors respectfully request that the Court renew and extend the Initial Interim DIP Order to remain in effect until July 31, 2015, if the Final DIP Order has not been entered by the Court prior to such date.

5. The Debtors respectfully request that the Fourth Amended Term Sheet attached hereto as **Exhibit A** and the Third Amended Approved Budget for interim financing and use of cash collateral through July 5, 2015, attached hereto as **Exhibit B**, be substituted in lieu of Exhibits A and C to the DIP Motion [Dkt. # 14]³ and approved.

6. The Committee, the Lenders, and the Governments (together with the Debtors, the “**Parties**”) consent to the relief requested in this Third Motion to Renew and Extend Interim DIP Order.

7. Any extensions to the Third Amended Approved Budget will be by consent of the Parties or order of the Court.

WHEREFORE, the Debtors respectfully request that the Court enter an order:

(a) Renewing and extending the Initial Interim DIP Order to remain in effect until July 31, 2015, if the Final DIP Order has not been entered by the Court prior to such date;

³ Debtors’ Emergency Motion for Interim and Final Orders Pursuant to 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 [Dkt. # 14] (the “**DIP Motion**”).

(b) Approving the Fourth Amended Term Sheet and Third Amended Approved Budget for the proposed financing and use of cash collateral through July 5, 2015, and substituting the Fourth Amended Term Sheet and Third Amended Approved Budget in lieu of Exhibits A and C to the DIP Motion;

(c) Any extensions to the Third Amended Approved Budget will be by consent of the Parties or order of the Court; and,

(d) Granting the Debtors such other and further relief as is just and proper.

Dated: June 12, 2015.

Respectfully submitted,

MISSISSIPPI PHOSPHATES CORPORATION, *et al.*

By: /s/ Thomas M. Hewitt

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ATTORNEYS FOR THE DEBTORS

CERTIFICATE OF SERVICE

I certify that the foregoing pleading was filed electronically through the Court's ECF system and served electronically on all persons who are registered users of the CM/ECF System for the Bankruptcy Cases.

Dated: June 12, 2015.

/s/ Thomas M. Hewitt
THOMAS M. HEWITT

ButlerSnow 26396718v1
26396718v1

Exhibit A

Fourth Amended Term Sheet

**Summary of Indicative Terms and Conditions for
Proposed Interim Debtor-in-Possession Financing**

This Term Sheet (the “**Fourth Amended Term Sheet**”) sets forth the material terms of a proposed interim debtor-in-possession financing facility (the “**DIP Facility**”) to be provided by DIP Lenders¹ to the Debtors in their Chapter 11 Cases.

Incorporation of Initial Interim DIP Order and Term Sheet	Except as modified herein, all terms and provisions of the Term Sheet (as defined in the Initial Interim DIP Order) shall be incorporated herein by reference as if set forth in full
Loan Advances:	<p>Pursuant to the terms and conditions of this Fourth Amended Term Sheet and the Order approving the renewal, extension and amendment of the Initial Interim DIP Order (the “Third Extension DIP Order”), the DIP Lenders shall make advances (the “Loan Advances”) to the Debtors in an aggregate amount up to \$2,150,000, in addition to the amounts previously advanced by the DIP Lenders to the Debtors, to fund certain operational and administrative costs of the Chapter 11 Cases, with such Loan Advances subject to the timing and details of, and to be used in accordance, with the Third Amended Approved Budget prepared by the Debtors.</p> <p>An initial advance of \$250,000 shall be available during the period from the second business day after the entry of the Second Extension Order through the date of entry of the Final DIP Order. Subsequent advances, of up to \$500,000, shall be available to the Debtors provided that acceptable progress is being made on the DIP Lenders’ negotiations with the United States and Mississippi Department of Environmental Quality (together, the “Environmental Claimants”). The determination of whether such progress is acceptable shall be determined solely by the DIP Lenders in their reasonable judgment of whether they believe they will be able to reach a consensual resolution of the claims asserted by the Environmental Claimants.</p> <p>There shall be no undertaking or obligation by the DIP Agent or the DIP Lenders to fund more than an additional advance of \$2,150,000 under this Fourth Amended Term Sheet or the Third Extension DIP order or to make any further advances absent further agreement to do so and further order of the court which must be acceptable to the DIP Agent.</p> <p>All Loan Advances shall be deemed to be the DIP Agent’s cash collateral, which shall be used with the consent of the DIP Agent and DIP Lenders pursuant to the terms of this Fourth Amended Term Sheet, the Third Amended Approved Budget and the Third Extension DIP Order.</p> <p>The obligation of the DIP Lenders to fund any Loan Advances shall be</p>

¹ All otherwise undefined terms have the meanings set forth in the *Motion of the Debtors to Renew and Extend Interim Order Pursuant to 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; and (V) Modifying the Automatic Stay* (the “**Motion**”).

	expressly conditioned on the absence of any adversary proceeding, contested matter, lawsuit, or any other proceeding in any court, tribunal, administrative or regulatory forum, initiated or filed by any party-in-interest: (i) challenging or objecting to the amount of Agent's pre-petition claims, the validity, perfection, enforceability, or priority of the Agent's and Pre-Petition Lenders' security interests in and liens on the Pre-Petition Collateral, or the Agent's right to credit bid at any sale under sections 363 or 1129; (ii) seeking recharacterization or equitable subordination of the Agent's Pre-Petition Claims, or (iii) asserting any claim against the Agent or the Pre-Petition Lenders related to the Agent's liens and claims, including of a type or character.
Maturity Date:	<p>The Borrowers shall be obligated to repay the advances under the DIP Facility in full, including accrued interest thereon and related costs and expenses (collectively, the "DIP Obligations"), on July 31, 2015 (the "Maturity Date").</p> <p>Following the occurrence of the Maturity Date, the DIP Lenders shall not be obligated to fund further Loan Advances under the DIP Facility.</p>
Termination Events:	As provided in the Initial Interim DIP Order, <u>provided, however</u> , that there shall be no Termination Event or Event of Default for the failure to comply with any Sale Milestone.
Carve Out:	The super priority claims and Liens granted to the DIP Lenders or the DIP Agent under the DIP Orders shall be subject to the Carve Out (as defined in the DIP Orders) for (a) the unpaid fees of the Clerk of the Court and the U.S. Trustee; (b) 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; (c) to the extent provided in the Third Amended 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 (d) 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 <i>clause (c)</i> above, pro rata, in an aggregate amount not to exceed \$300,000 . Nothing herein shall impose an obligation on the DIP Lenders to advance any amounts to pay the Carve Out.

ButlerSnow 26365464v1

Exhibit B

Amended Approved Budget

ButlerSnow 26396696v2
26396696v2

	Actual	Projected	Projected	Projected	Projected	
Mississippi Phosphates Corp. DIP Budget	14	15	16	17	18	WE 6/14- 7/5
Week Ending:	6/7/15	6/14/15	6/21/15	6/28/15	7/5/15	Total
Beginning Cash	\$ 265,449	\$ 787,739	\$ 863,365	\$ 495,357	\$ 1,055,983	\$ 787,739
DAP/MAP Provisional Amount	-	-	-	-	-	-
MAP/DAP true-up on Netback	-	-	-	-	-	-
Truck Sales (Included in basic DAP sales above)	-	-	-	-	-	-
Terminal Management Fee Ammonia	395,202	-	-	-	-	-
Mazzuma and other refunds	-	-	-	-	-	-
Total Receipts	395,202	-	-	-	-	-
Total Cash Available	660,651	787,739	863,365	495,357	1,055,983	787,739
OPERATIONAL COST DISBURSEMENTS:						
Raw Material Purchased	-	-	-	-	-	-
Payroll	10,679	125,369	-	125,369	-	250,737
BCBS Claims	-	-	-	-	-	-
Workers Comp Claims	-	-	-	-	12,500	12,500
MSA/Corp. Governance	20,037	16,005	-	16,005	21,000	53,010
Utilities & Gas	26,078	30,000	30,000	30,000	30,000	120,000
Property and Casualty Insurance	-	-	430,008	-	-	430,008
Other Operational Spending	31,015	25,000	25,000	25,000	29,500	104,500
Property Tax Escrow	-	-	-	-	-	-
Sub-Total Operational Costs	87,809	196,374	485,008	196,374	93,000	970,756
PREPAID and CAPITAL ADDITION DISBURSEMENTS						
Contingency	-	10,000	10,000	10,000	10,000	40,000
Sub- Total Prepaid and Capital Addition Disbursements	-	10,000	10,000	10,000	10,000	40,000
Environmental Spending						
Environmental Management - Allen Engineering	5,000	25,000	-	25,000	-	50,000
Waste Water Treatment Chemicals/Environmental Spend	60,000	45,000	45,000	45,000	45,000	180,000
Financial Assurance Trust Payment	-	-	-	-	-	-
Sub-Total Environmental Spending	65,000	70,000	45,000	70,000	45,000	230,000
Bankruptcy Fees and Expenses						
Debtor Costs - Legal and other Services						
Butler Snow	-	275,000	-	135,000	-	410,000
Deloitte - CRO	27,533	28,000	28,000	28,000	28,000	112,000
Deloitte - Document Discovery	-	-	-	-	-	-
BMC	-	25,000	-	-	-	25,000
Sandler O'Neill	-	40,000	-	-	40,000	80,000
Debtor Interest Cost	-	-	-	-	-	-
UCC Professionals	-	80,000	-	-	-	80,000
US Trustee and Court Costs	-	-	-	-	20,000	20,000
Total Bankruptcy Costs	27,533	448,000	28,000	163,000	88,000	727,000
Cash Consumed	180,341	724,374	568,008	439,374	236,000	1,967,756
DIP Lending Activity	307,429	800,000	200,000	1,000,000	-	2,000,000
Ending Cash	\$ 787,739	\$ 863,365	\$ 495,357	\$ 1,055,983	\$ 819,983	\$ 819,983
Balance - DIP Borrowing	2,081,652	2,881,652	3,081,652	4,081,652	4,081,652	