



IT IS ORDERED as set forth below:

Date: November 19, 2007

Mary Grace Diehl

**Mary Grace Diehl
U.S. Bankruptcy Court Judge**

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:

PIKE NURSERY HOLDING LLC,

Debtor

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Chapter 11

Case No. 07-79129-mgd

INTERIM ORDER (A) AUTHORIZING DEBTOR IN POSSESSION TO OBTAIN SECURED POSTPETITION FINANCING FROM PDIP LLC WITH PRIORITY SET FORTH HEREIN; (B) APPROVING AGREEMENTS RELATING TO THE FOREGOING; (C) SCHEDULING A FINAL HEARING AND PRESCRIBING FORM AND MANNER OF NOTICE WITH RESPECT THERETO;
AND

(D) GRANTING RELATED RELIEF

THIS MATTER having come before the Court at the hearing (the "Interim Hearing") of the Motion (the "Motion") of Pike Nursery Holding LLC, a debtor and debtor in possession (the "Debtor"), seeking entry of this order (the "Order"):

(a) authorizing the Debtor to obtain credit and incur debt secured by liens (as defined in Section 101(37) of title 11 of the United States Code, as amended (the "Bankruptcy Code")) on certain

property of the Debtor's estate pursuant to Sections 364(c)(2) and (c)(3) of the Bankruptcy Code and with priority, as to administrative expenses, as provided in Section 364(c)(1) of the Bankruptcy Code;

(b) authorizing the Debtor to establish that financing arrangement (the "PDIP Facility") with PDIP LLC ("DIP Lender"), which is contemplated by that certain Credit and Security Agreement (the "PDIP Agreement"), substantially in the form annexed to the Motion as Exhibit A, and incur the obligations as provided for in the PDIP Agreement (the "Obligations");

(c) authorizing the Debtor to provide DIP Lender with liens upon the Debtor's property as provided in and as contemplated by the PDIP Agreement, and as supplemented by this Order (the PDIP Agreement and all such instruments and documents as may be executed and delivered in connection therewith or which relate thereto being referred to hereinafter collectively, as the "PDIP Loan Documents");

(d) authorizing the Debtor to grant DIP Lender a Super-Priority Claim (defined below) over any and all administrative expenses other than as set forth in Paragraph 11, below; and

(e) scheduling a final hearing ("Final Hearing") for approval of the PDIP Facility and entry of a final order ("Final Order") approving the PDIP Facility.

It appearing that absent the relief requested herein, the Debtor will suffer immediate and irreparable harm; and it further appearing that notice of the Motion is sufficient and complies with the requirements of Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules" or "Bankruptcy Rule") 4001(c) and 4001 (d); and for good cause shown;

IT IS HEREBY FOUND AND, WHERE APPLICABLE, STIPULATED THAT:

A. On November 14, 2007 (the "Petition Date"), the Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code.

B. The Debtor has continued in the management and operation of its business and property as debtor in possession pursuant to Bankruptcy Code Sections 1107 and 1108. No trustee or examiner

has been appointed in this case, and no official creditors' committee has been formed as of the date hereof.

C. This Court has jurisdiction, pursuant to 28 U.S.C. §§ 157(b) and 1334, over this proceeding, and over the persons and property affected hereby. The statutory predicates for the relief sought herein are Sections 105, 361, 362, 363 and 364 of the Bankruptcy Code and Bankruptcy Rules 4001(c) and 4001(d). Venue of the Debtor's chapter 11 case and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

D. The Debtor represents that: (i) an immediate and critical need exists for the Debtor to obtain funds in order to continue the operation of its business; (ii) without such funds, the Debtor will not be able to pay its payroll and other direct operating expenses and obtain inventory and services needed to carry on its business during this sensitive period in a manner that will avoid irreparable harm to the Debtor's estate and permit a successful reorganization; and (iii) at this time, the ability of the Debtor to finance its operations, and the availability to it of sufficient working capital and liquidity through the incurrence of new indebtedness for borrowed money and other financial accommodations are vital to restore the confidence of the Debtor's trade vendors and suppliers of other goods and services, to its customers and to the preservation and maintenance of the going concern value of the Debtor's estate.

E. The Debtor is unable to obtain the required funds in the form of unsecured credit or unsecured debt allowable only under Section 503(b)(1) of the Bankruptcy Code as an administrative expense pursuant to Section 364(a) or (b) of the Bankruptcy Code, unsecured debt having the priority afforded only by Section 364(c)(1) or debt secured only as described in Section 364(c)(2) or (3).

F. The Debtor is also unable to obtain secured credit (other than the \$9,750,000 secured loan to be provided by PNC Bank, National Association PNC (in its capacity as "Prepetition Agent", a "Prepetition Lender", the "DIP Agent" or the "DIP Lender" as each term is used in the applicable PNC Order, "PNC")), allowable only under Bankruptcy Code Sections 364(c)(2) or 364(c)(3), except under the terms and conditions provided in this Order. The Debtor is unable to obtain credit for borrowed money from DIP Lender without the Debtor granting to DIP Lender (i) liens in substantially all of the real and

personal property assets, as more particularly described in the PDIP Agreement ("Collateral"), of the Debtor pursuant to Bankruptcy Code Sections 364(c)(2) and (c)(3) ("the DIP Liens"), and (ii) a super-priority administrative expense claim status pursuant to Sections 364(c)(1) of the Bankruptcy Code and as provided by this Interim Order.

G. DIP Lender has indicated a willingness to consent and agree to the Debtor entering into the financing arrangements contemplated by the PDIP Loan Documents and this Order, and DIP Lender is willing to provide the additional financing contemplated thereby, upon approval of the terms and subject to the conditions set forth herein and in the PDIP Loan Documents and a finding by the Court that the PDIP Facility is essential to the Debtor's estate and is being provided in good faith, and that DIP Lender's security interests, liens, claims, super-priority claims and other protections granted pursuant to this Order and the PDIP Agreement will not be affected by any subsequent renewal or modification of this Order or any other order, as provided in Section 364(e) of the Bankruptcy Code.

H. The relief requested in the Motion is necessary, essential and appropriate for the continued operation of the Debtor's business and the management and preservation of its property.

I. It is in the best interest of Debtor's estate to be allowed to establish the PDIP Facility contemplated by the PDIP Loan Documents.

J. The terms and conditions of the PDIP Facility, including those which provide for the payment of interest to, and fees of, DIP Lender at the times, and in the manner provided under the PDIP Facility, are believed to be fair, reasonable, and the best available under the circumstances.

K. The PDIP Agreement was negotiated in good faith and at arms length between the Debtor, on the one hand, and DIP Lender, on the other. Credit to be extended under the PDIP Facility will be so extended in good faith, in consequence of which DIP Lender is entitled to the protection and benefits of Bankruptcy Code Section 364(e).

L. The notice of the Interim Hearing at which this Order was entered, which notice was provided by the Debtor to the Prepetition Agent, the Prepetition Lenders, the DIP Lenders, the DIP Agent, the Debtor's twenty largest unsecured creditors, counsel for the Bank of America, counsel for

PNC, the United States Trustee, the Office of the United States Attorney for the Northern District of Georgia, and all lienholders of record, constitutes adequate notice under the circumstances in accordance with Bankruptcy Rule 4001(c) and Bankruptcy Code Section 102(1), as required by Bankruptcy Code Section 364(c) in light of the emergency nature of the relief requested in the Motion.

M. Good and sufficient cause has been shown for the entry of this Order. Among other things, the entry of this Order will: enable the Debtor to continue the operation of its business; increase the possibility for a successful reorganization; and be in the best interest of the Debtor, its creditors, and its estate.

NOW, THEREFORE, on the Motion of the Debtor and the record before the Court with respect to the Motion made by the Debtor, and with the consent of the Debtor and PDIP Lender to the form and entry of this Order, and good cause appearing, it is HEREBY ORDERED that:

APPROVAL OF AND AUTHORIZATION AS TO BORROWING

1. The terms and the conditions of the PDIP Facility and the PDIP Loan Documents are hereby approved. The Debtor is authorized to:

- (a) establish the PDIP Facility;
- (b) execute each of the PDIP Loan Documents to which any Debtor is a party; and
- (c) borrow \$2,000,000 under the loan provisions of the PDIP Facility, pending the

Final Hearing on the Motion.

2. The Debtor is hereby authorized and required to do and perform all acts and to make, execute, and deliver all instruments and documents which may be requisite or necessary for the performance by the Debtor under the PDIP Loan Documents and the creation and perfection of the DIP Liens described in and provided for by the PDIP Loan Documents and to assure the priority thereof as contemplated herein. The DIP Liens are granted to DIP Lender.

3. The Debtor is hereby authorized to grant to DIP Lender valid, binding, enforceable and perfected DIP Liens in and to all of the Collateral to secure all Obligations, of any kind, incurred under

the PDIP Loan Documents. The Collateral shall consist of all the personal and real assets and properties of the Debtor, now owned or hereafter acquired, or in which the Debtor has an interest or hereafter acquires an interest, and without regard to whether acquired prior or subsequent to the Petition Date, including, without limitation, (a) all inventory, accounts, equipment, general intangibles, investment property, chattel paper, documents, instruments and goods (respectively as defined in the Uniform Commercial Code); (b) all present and future fee and leasehold interests in which the Debtor has an interest; (c) all cash, utility deposits, and funds on deposit in any bank accounts, and (d) the products and proceeds thereof.

4. The automatic stay imposed under Bankruptcy Code Section 362(a)(4) is hereby lifted to permit the Debtor to grant the aforesaid DIP Liens and to perform the acts required or permitted by the PDIP Loan Documents and this Order.

5. Each officer of the Debtor is hereby authorized to execute and deliver each of the PDIP Loan Documents, such execution and delivery to be conclusive evidence of their respective authority to act in the name of and on behalf of the Debtor.

6. The DIP Liens created and granted to DIP Lender, as provided in Paragraph 3, above, are created pursuant to Bankruptcy Code Sections 364(c)(2) and (c)(3) and shall have the following priorities:

(a) To the extent that any of the Collateral was not subject to a perfected lien in favor of any party as of the Petition Date, the DIP Liens in such collateral are first priority liens pursuant to Section 364(c)(2) of the Bankruptcy Code subject and subordinate in all respects to any liens in such Collateral (whether securing prepetition or postpetition obligations) granted to PNC under the orders (such orders, the "PNC Orders") permitting the Debtor to enter into that certain Debtor-In-Possession Revolving Credit and Security Agreement with PNC Bank, National Association.

(b) To the extent any portion of the Collateral is subject to a lien or interest in favor of any party ("Senior Lienholder") which was, on the Petition Date, an unavoidable, perfected interest, DIP Lender is hereby granted a junior lien in that portion of the Collateral, pursuant to

Section 364(c)(3), which lien shall be junior in interest only to the liens and interests of PNC under the PNC Orders and any Senior Lienholder, but superior to the interest of any other lienholder.

7. This Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens upon the Collateral granted hereunder, without the necessity of filing or recording any financing statement or other instrument or document which may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the DIP Liens or to entitle DIP Lender to the priorities granted herein, *provided, however*, the Debtor may execute and DIP Lender may file or record financing statements or other instruments to evidence and to perfect the DIP Liens authorized hereby, *provided further, however*, no such filing or recordation shall be necessary or required in order to create or perfect any DIP Liens. If DIP Lender shall, in its discretion, choose to file such mortgages, financing statements, or other documents (or amendments to or continuations of any existing financing statements) and otherwise confirm perfection of such security interests and liens, all such financing statements or similar instruments shall be deemed to have been filed or recorded at the time and on the date of entry of this Order.

8. DIP Lender, in its discretion, may file a xerographic copy of this Order as a financing statement, or other document evidencing a lien or security interest, with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which the Debtor has real or personal property. Any recording officer designated to file financing statements or with any registry of deeds or similar office may accept this Order as a financing statement or any other document evidencing a lien or security interest.

9. The PDIP Loan Documents, respectively shall constitute and evidence the valid and binding Obligations of the Debtor, which Obligations shall be enforceable against the Debtor in accordance with their terms.

10. All reasonable costs and expenses incurred by DIP Lender in connection with the negotiation and drafting of any documentation of the financing described herein, or any amendments

thereto, the preservation, protection, and enforcement of rights of DIP Lender hereunder or the PDIP Loan Documents or in the collection of the Obligations, including, without limitation, all filing and recording fees and reasonable attorneys' fees incurred in connection with any of the foregoing, whether any of the foregoing were incurred prior to or after the Petition Date, shall form a part of the Obligations without any further order of the Court and shall be paid immediately; *provided that* the reasonableness of any legal fees shall be subject to review upon motion requesting such review by any interested party.

ADMINISTRATIVE CLAIM

11. The Obligations under the PDIP Facility shall be an allowed administrative expense claim (the "Super-Priority Claim") with priority, subject and subordinate to the Mandatory Fees and the rights, claims and benefits granted to PNC under the PNC Orders, under Bankruptcy Code Section 364(c)(1), and otherwise over all administrative expense claims and unsecured claims against the Debtor, now existing or hereafter arising, of any kind or nature whatsoever including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to Bankruptcy Code Sections 105, 326, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), and 1114.

12. Except for the Mandatory Fees and the liens and claims of PNC under the PNC Orders, no costs or expenses of administration that have been or may be incurred in this Chapter 11 case, including, without limitation, professional fees allowed and payable under Bankruptcy Code Sections 330, 331 or charges which might be allowable under 506(c), and no claims against the Collateral are, or will be, prior to or on a parity with the Obligations under the PDIP Facility, or with any other claims of DIP Lender arising under the PDIP Loan Documents or this Order.

13. Unless (i) permitted under the PDIP Loan Documents, (ii) DIP Lender has provided its prior written consent, or (iii) all Obligations under the PDIP Facility have been paid in full, the Debtor shall not seek in this proceeding, or in any successor case, any order which authorizes:

(a) the obtaining of credit or the incurring of indebtedness (other than the indebtedness secured by the liens and claims of PNC under the PNC Orders_ that is (i) secured by

a security or collateral interest or other lien on all or any portion of the Collateral which is equal or senior to the liens and security interests held by DIP Lender, or (ii) entitled to priority administrative status which is equal or senior to the Super-Priority Claim; or

(b) the enforcement of any claimed security or collateral interest or other lien of any person (other than of DIP Lender or PNC) on all or any portion of the Collateral (other than liens on property of the estate which, as of the Petition Date, was subject to a valid and perfected lien in each case only to the extent having priority over the DIP Liens); or

(c) the Debtor's return of goods constituting Collateral pursuant to Section 546(h) of the Bankruptcy Code.

14. Nothing contained herein shall limit the rights of DIP Lender to (i) seek relief from the automatic stay of section 362 of the Bankruptcy Code at any future time, (ii) request a conversion of the Debtor's chapter 11 case to chapter 7 or the appointment of a trustee or an examiner under section 1104 of the Bankruptcy Code, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans in this chapter 11 case.

15. All Obligations of the Debtor to DIP Lender under the PDIP Facility are due and payable upon the earliest to occur of:

(a) July 15, 2008 (unless extended by mutual written agreement of DIP Lender and the Debtor and approved by order of this Court); or

(b) the date the PDIP Agreement is terminated for any reason whatsoever pursuant to the terms of the PDIP Loan Agreement; or

(c) the effective date of any plan of reorganization for the Debtor in this Chapter 11 case.

The protections afforded to DIP Lender under the PDIP Loan Documents and hereunder, shall survive the entry of any order confirming a plan of reorganization or converting this case into a case pursuant to Chapter 7 of the Bankruptcy Code, and the DIP Liens in and to the Collateral and the Super-Priority Claim shall continue in these proceedings and in any such successor case, and the DIP Liens, and Super-

Priority Claim shall maintain their perfection and enforceability as provided by the PDIP Loan Documents and this Order until the Obligations under the PDIP Facility have been paid and satisfied in full.

16. If, in the course of this Chapter 11 Case, this Court grants liens or security interests to others pursuant to Section 364(d), or any other provisions, of the Bankruptcy Code, which liens or security interests are senior or equal to the DIP Liens, then any advances of loans or extensions of credit secured by such senior or pari passu liens or security interests shall be applied first to payment of the Obligations of the Debtor to the Lender, including all accrued interest, costs and expenses, and the Lender shall retain all liens and security interests held by it until all of the Obligations are paid in full.

17. The amount, time, and manner of payment of the Obligations pursuant to the PDIP Facility, the creation, scope, perfection and priority of the DIP Liens in the Collateral and the Super-Priority Claim shall not be altered or impaired by any plan of reorganization which may hereafter be confirmed or by any further order which may hereafter be entered.

REMEDIES UPON AN EVENT OF DEFAULT

18.. Any automatic stay otherwise applicable to DIP Lender is hereby modified so that upon the occurrence of an event of default under any provision of the PDIP Loan Documents and upon five (5) Business Days' (as such term is defined in the PDIP Agreement) prior written notice of such occurrence, in each case given to the Debtor, counsel to any official creditor's committee appointed in these proceedings, and the United States Trustee, DIP Lender shall be entitled to exercise its rights and remedies upon default, provided that, without the express written consent of PNC, DIP Lender shall not take any action against the Collateral until the expiration of a period of 30 days has passed from the delivery of written notice to PNC of the existence of an event of default and the DIP Lender's intent to exercise remedies under the PDIP Loan Documents. Following the giving of notice by DIP Lender of the occurrence of any event of default under the PDIP Loan Documents:

(a) the Debtor shall continue to deliver and cause the delivery of the proceeds of Collateral to DIP Lender, as provided in the PDIP Loan Document, subject to rights of PNC as provided for in the PNC Orders and provided that such funds are not required to be paid over to PNC under the PNC Orders or the loan documents entered into in connection with the PNC Orders;

(b) DIP Lender shall continue to apply such proceeds in accordance with the provisions of the PDIP Loan Documents and in accordance with this Order, subject to rights of PNC as provided for the PNC Orders and provided that such funds are not required to be paid over to PNC under the PNC Orders or the loan documents entered into in connection with the PNC Orders; and

(c) the Debtor shall have no right to use any of such proceeds other than towards the satisfaction of the Obligations due to PNC, DIP Lender under the PDIP Facility and the Mandatory Fees.

19.. The Debtor hereby waives any right to seek relief under the Bankruptcy Code, including, without limitation, under Section 105 of the Bankruptcy Code, to the extent such relief would restrict or impair the rights and remedies of DIP Lender set forth in this Order or the PDIP Loan Documents.

20. In the exercise of the DIP Lender's rights and remedies upon default, DIP Lender may take any action authorized under the PDIP Loan Documents, subject to the provisions of this Order.

21. Nothing included herein shall prejudice, impair, or otherwise affect the DIP Lender's right to seek any other or supplemental relief in respect of the Debtor or the Collateral (provided that such relief is consistent with the terms of the PNC Orders and the loan documents entered into in connection with the PNC Orders) nor the DIP Lender's right, as provided in the PDIP Loan Documents, to suspend or terminate the making of loans, advances or extensions of credit under the PDIP Loan Documents.

MISCELLANEOUS PROVISIONS

22. If any provision of this Order is hereafter modified, vacated or stayed by subsequent order of this or any other Court for any reason, such modification, vacation, or stay shall not affect the validity of any of the Obligations incurred pursuant to this Order and prior to the later of (a) the effective date of such modification, vacation, or stay, or (b) the entry of the order pursuant to which such modification, vacation, or stay was established, nor the validity, priority, or enforceability of any of the DIP Liens granted by the Debtor to DIP Lender.

23. Any payments made, Obligations incurred, and the DIP Liens and Super-Priority Claims granted to DIP Lender, under the PDIP Facility or this Order, and the priority thereof, shall be binding on the Debtor, any successor trustee for the Debtor and all creditors of the Debtor, and DIP Lender shall otherwise be entitled to all of the benefits and protections of Bankruptcy Code Section 364(e).

24.. DIP Lender's failure to seek relief or otherwise exercise its rights and remedies under the PDIP Loan Documents or this Order shall not constitute a waiver of any of the DIP Lender's rights hereunder, thereunder or otherwise.

25.. The Debtor and DIP Lender may amend or waive any provision of the PDIP Loan Documents, provided that such amendment or waiver, in the judgment of the Debtor and DIP Lender, is either non-prejudicial to the rights of third parties or is not material. Except as otherwise provided herein, no waiver, modification, or amendment of any of the provisions hereof shall be effective unless set forth in writing, signed by the Debtor and DIP Lender and approved by the Court and PNC.

26.. In the event of any inconsistency between the terms and conditions of any of the PDIP Loan Documents and of this Order, the provisions of this Order shall govern and control.

27.. The Debtor hereby waives any and all claims or causes of action against DIP Lender and any of its officers, directors, employees, attorneys, advisors or representatives exclusively related to or solely arising in connection with the DIP Loan or the PDIP Loan Documents.

28.. Notwithstanding anything to the contrary set forth herein or any other document, the proceeds of the PDIP Facility shall not be used to reduce any pre-petition indebtedness owed to PNC.

29.. The Debtor shall, on or before November 20, 2007, serve by U.S. mail copies of the notice of approval of this Order, together with a copy of this Order to (i) parties having been given notice of the Interim Hearing, (ii) any other party which has filed a request for special notice with this Court and served such request upon the Debtor's counsel, (iii) counsel for any statutory committee, (iv) counsel for Bank of America, (v) counsel for PNC, (vi) counsel for DIP Lender and (vii) the Debtor's twenty largest unsecured creditors. The notice of approval of this Order shall state that any party in interest objecting to the PDIP Facility or the terms of the Final Order shall file written objections with the United States Bankruptcy Court Clerk for the Northern District of Georgia no later than November 30, 2007, which objections shall be served so that same are received by no later than 4:00 p.m. (Eastern time) on such date by the United States Trustee, counsel for the Debtor and counsel for DIP Lender.

30.. The Final Hearing to consider the Motion and Final Order shall be held on 9:30 a.m., December 4, 2007 at 75 Spring Street, Courtroom 1201, Atlanta, GA 30303 before the Honorable Judge Mary Grace Diehl, United States Bankruptcy Judge.

31.. All objections to the entry of this Order have been withdrawn or are hereby overruled.

[END OF DOCUMENT]

Prepared and presented by:
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