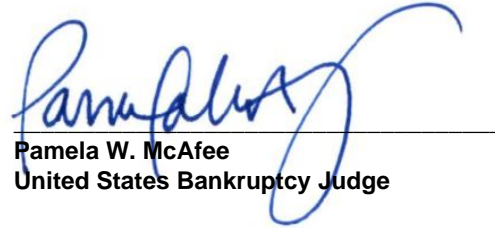




SO ORDERED

SIGNED this 12 day of February, 2026.


Pamela W. McAfee
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION**

IN RE:

**A-1 GRADING, INC.,
DEBTOR.**

**CHAPTER 11
CASE NO. 26-00593-5-PWM**

INTERIM ORDER ALLOWING USE OF CASH COLLATERAL

This matter came before the court on the motion of A-1 Grading, Inc., (“Debtor”), Debtor-in-Possession, for an Order allowing the use of cash collateral pursuant to 11 U.S.C. § 363. The Court conducted a hearing on February 12, 2026. Based upon the evidence presented and the arguments of counsel, the Court finds and concludes as follows:

1. Debtor filed a voluntary petition for relief pursuant to Chapter 11 of the United States Bankruptcy Code on February 9, 2026.
2. The Court has jurisdiction to consider this motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157.
3. The Debtor is a North Carolina corporation that has operated for the past twenty years as a grading contractor in the Raleigh, North Carolina and surrounding areas. The Debtor seeks to reorganize operations, reduce cash flow requirements and continue with this line of

business through a consensual reorganization under Chapter 11.

4. It appears that five of the Debtor's creditors may have an interest in the cash collateral generated by the Debtor's collection of ongoing revenues.

5. The Debtor believes that the parties that may have an interest in its cash collateral are identified as follows:

- a. U.S. Small Business Administration, ("SBA") - by way of Security Agreement and UCC-1 financing statement number 20200065730G on May 30, 2020 with the North Carolina Secretary of State. Attached as Exhibit "A".
- b. CAN Capital, ("CAN Capital") - by way of Security Agreement and UCC-1 financing statement number 20220086667M on June 21, 2022 with the North Carolina Secretary of State. Attached as Exhibit "A".
- c. ODK Capital, LLC, ("On Deck") - by way of Security Agreement and UCC-1 financing statement number 20230146939M on December 1, 2023 with the North Carolina Secretary of State. Attached as Exhibit "A".
- d. Flagler Advance, LLC, ("Flagler") - by way of Security Agreement and UCC-1 financing statement number 20250056575J on May 7, 2025 with the North Carolina Secretary of State. Attached as Exhibit "A".
- e. EN OD Capital, ("EN OD") - by way of Security Agreement and UCC-1 financing statement number 20250098383A on July 1, 2025 with the North Carolina Secretary of State. Attached as Exhibit "A".

6. The potentially secured parties have not yet consented to the Debtor's use of cash collateral.

7. At the time of the petition, the Debtor had cash on hand of approximately \$2,405.38 in its bank accounts, all of which was transferred to the Debtor's DIP account after filing and unencumbered personal property, (including receivables, inventory not subject to a prior lien, equipment, furnishings, raw materials and finished goods), valued at approximately \$32,334.42. The Debtor needs to use the funds in the DIP account to continue normal operations and to maintain its going concern value.

8. Debtor believes that its cash will be replenished through normal operations such that the total value of cash and personal property will increase over time. The Debtor proposes to adequately protect the Potential Secured Creditors by giving it a replacement lien on post-petition cash and personal property to the same extent, and with the same priority, as any pre-petition perfected lien. The Debtor further proposes an adequate protection payments to the SBA in the amount of \$594.88, an amount that is the actual projected monthly secured payment that Debtor expects to provide for the SBA in its Plan of Reorganization.

9. Debtor has filed a Plan and believes that it can obtain sufficient creditor support to effectively reorganize.

10. Debtor has monthly operating expenses that must be maintained in order to effectively reorganize. The Debtor attached a projected budget as Exhibit "B" to the Motion.

11. The Debtor has opened a Debtor-in-possession, ("DIP"), checking account. The Debtor has deposited all funds held in its pre-petition accounts into the DIP Account. The Debtor will pay all expenses and creditor payments from this account as approved by the Court and as necessary to maintain operations.

WHEREFORE, IT IS ORDERED, ADJUDGED AND DECREED that the Debtor is authorized to use Cash Collateral, subject to the following terms and conditions:

1. The Debtor may use cash collateral consistent with the budget attached to this Order as Exhibit A, and may make expenditures of up to 10% more than the budgeted amount. To the extent the Debtor needs to use more than this permitted amount, the Debtor may seek court approval on an expedited basis.

2. As adequate protection, and to the extent that cash collateral is used, the Potential Secured Creditor shall receive a post-petition lien on the Debtor's cash and inventory to the extent of the use and to the extent that the pre-petition lien in the same type of collateral was valid, perfected, enforceable, and non-avoidable as of the petition date. In addition, Debtor will make an adequate protection payments to the SBA in the amount of \$594.88, beginning March 1, 2026 and continuing monthly for as long as the Debtor's use of cash collateral is authorized.

3. The Debtor shall provide copies of its bank statements to the Bankruptcy Administrator each month after the statements are issued by the bank.

4. The Debtor shall make deposits of all of its receipts into its Debtor-in-Possession bank account.

5. The Debtor shall dispose of no asset of the Debtor outside the ordinary course of business, except upon approval of this Court.

6. The Debtor shall serve notice of this Order on all parties entitled to receive the same pursuant to Rules 1007 and 4001 of the Bankruptcy Rules.

7. The Debtor's use of cash collateral shall expire or terminate on the earlier of: (i) the Debtor ceasing operations of its business; or (ii) the non-compliance or default of the Debtor with any terms and provisions of this Order.

8. Nothing herein shall prejudice the right of any party to contest any security interest including without limitation the priority of any security interest referenced herein.

9. The next hearing on the interim use of cash collateral shall be held on March 4, 2026 at 10:30 a.m. at the U.S. Bankruptcy Court, Eastern District of North Carolina, 300 Fayetteville Street, 2nd Floor Courtroom in Raleigh, North Carolina 27601

END OF DOCUMENT

EXHIBIT A

A-1 Grading, Inc., February/March 2026 cash collateral budget

Starting cash:	\$2,405.38
Estimated Gross Revenue:	\$30,000.00
Expenses:	
SBA (Adequate protection)	\$594.88
Employee Wages	\$6,000.00
Payroll Taxes/expenses	\$580.00
Sales Tax State	\$800.00
Maintenance & Repairs Expense	\$500.00
Fuel	\$3,000.00
Lot Rent for Parking	\$400.00
Equipment rentals expense	\$5,570.29
Bank/Merchant Charges	\$64.88
Utilities Expense	\$300.00
Advertising Expense	\$400.00
Insurance	\$1,110.00
Total Expenses	\$19,320.05
Net Revenue:	\$10,679.95
Ending Cash:	\$13,085.33