UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

In re: A&C AUTOWORKS INC., Debtor.	Case No. 26-14422-MER Chapter 11, Subchapter V

FINAL ORDER GRANTING MOTION FOR AUTHORITY TO USE CASH COLLATERAL ON AN INTERIM AND FINAL BASIS AND GRANTING ADEQUATE PROTECTION

This Final Order (the "Final Order") is before the Court pursuant to the *Motion for Authority to Use Cash Collateral on an Interim and Final Basis and Granting Adequate Protection* (the "Motion") [Docket No. 12] filed by A&C Autoworks Inc. ("Debtor"); this Court having considered the Motion and being fully advised; notice of the Motion having been given; it appearing that the relief requested in the Motion is in the best interest of Debtor and its bankruptcy estate, creditors and other parties in interest and that all objections to the entry of this Order have been withdrawn or are overruled. Accordingly, this Court grants the relief requested in the Motion, subject to the following representations:

1. On June 18, 2026, the Debtor filed a voluntary petition for relief (the "Petition Date") under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") electing to proceed under subchapter V in the United States Bankruptcy Court for the District of Colorado (the "Court").

2. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408.

4. The statutory predicates for the relief requested in this Motion are sections 105, 363, and 1205(b) of title 11 of the United States Code (the "Bankruptcy Code"), the Federal Rules

of Bankruptcy Procedure (the "Rules") and the local rules of bankruptcy procedure of this Court (the "Local Rules").

5. Adequate and sufficient notice of the hearing and the relief requested in the Motion, as evidenced by the applicable certificates of service filed with the Court and as stated on the record, was given in accordance with the provisions of §§ 102(1), 363, 1205(b) of the Bankruptcy Code and Rules 2002, 4001(c), and 4001(d), and the Local Rules. Further, adequate and sufficient notice of the Interim Order was provided to interested parties pursuant to Local Rules 2081-1 and 4001-2. Under the circumstances, no further notice is required.

6. In 2020, the United States Small Business Administration ("SBA") made a $500,000 loan to Debtor secured by substantially all of Debtor's personal property.

7. In 2022, VelocitySBA LLC ("VelocitySBA") made a $1,600,000 loan to Debtor secured by substantially all personal property and the real property and improvements located at 12590 First Street, Thornton, Colorado.

8. Debtor asserts it failed to remit sales taxes to the Colorado Department of Revenue ("CDOR") in 2025 for which CDOR has or may have a statutory lien pursuant to Colo. Rev. Stat. § 39-26-117, in addition to such other rights as CDOR may assert. Debtor asserts it failed to remit sales taxes to the City of Thornton ("Thornton"), which has or may have a lien pursuant to City of Thornton Municipal Code 26-399(a).

9. In 2025, Debtor entered into a transaction with the predecessor in interest to United Capital Experts LLC ("United Capital"), for which it may assert a lien in accounts and receivables.

10. In 2026, Debtor entered into a transaction with Westwood Funding Solutions LLC ("Westwood"), for which it may assert a lien in substantially all of Debtor's personal property.

11. SBA, VelocitySBA, the CDOR, Thornton, United Capital, and Westwood are collectively defined as the "Cash Collateral Creditors." As of the Petition Date, all of the Debtor's cash, including but not limited to any cash in deposit accounts, inventory and amounts generated by the collection of accounts receivable, and proceeds of any of the foregoing, constitutes "cash collateral" subject to prepetition liens of the Cash Collateral Creditors under 11 U.S.C. § 363(a) (the "Cash Collateral").

12. Replacement Lien as Adequate Protection. Except as set forth below in paragraph 13, in accordance with 11 U.S.C. §§ 363 and 361, as adequate protection to the Cash Collateral Creditors for the Debtor's use of the Cash Collateral as set forth herein, and solely to the extent of the diminution in value of the Cash Collateral Creditors' respective interest in the Debtor's' portion of the Cash Collateral including without limitation, any such diminution resulting from the sale, lease or use by the Debtor (or other decline in value) of Debtor's portion of the Cash Collateral and the imposition of the automatic stay pursuant to Section 362 of the Bankruptcy Code, the Cash Collateral Creditors shall have post-petition security interests and replacement liens to the same validity, extent and priority in Cash Collateral, after the commencement of this Bankruptcy Case. The post-petition security interest and replacement liens granted to the Cash Collateral Creditors includes all proceeds, products, replacements, substitutions, additions, and accessions relating to the collateral. Such replacement liens and security interests shall be deemed valid, automatically perfected, continuing, unavoidable, and enforceable, not subject to subordination, impairment, or avoidance, without any additional action by the Cash Collateral Creditors, who are entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code.

13. Given the express terms of 11 U.S.C. § 552(a), and as adequate protection to CDOR for the Debtor's use of the Cash Collateral as set forth herein, and for the imposition of the

automatic stay pursuant to Section 362 of the Bankruptcy Code, CDOR shall have a post-petition security interest and replacement lien to the same validity, extent and priority as before the commencement of this Bankruptcy Case.

14. No Surcharge. No consent shall be implied from any action, inaction, or acquiescence by the Cash Collateral Creditors; and nothing contained in this Order shall be deemed to be a consent by the Cash Collateral Creditors to any charge, lien, assessment, or claim against the Collateral under 11 U.S.C. § 506(c) or otherwise.

15. Need for Cash Collateral. The Debtor has an immediate, continuing, and critical need to use the Cash Collateral, and to pay, on an the Debtor's ordinary post-petition operational expenses and the adequate protection payments identified in the Budget, in order to permit, among other things, the orderly continuation of the operation of the businesses, all toward the goal of a successful reorganization.

16. Use of Cash Collateral. Based on the Motion, the terms set forth herein, the Interim Order, and the record before the Court, the Debtor is authorized to use Cash Collateral as set forth in this Order and any other pending or additional orders by the Court.

17. Conditions for Use of Cash Collateral. The Debtor's use of the Cash Collateral, which expires upon the earlier of December 31, 2026, or the occurrence of an Event of Default as set forth below, is conditioned upon:

(a) the Debtor operating within the budget (the "Budget") attached to the Order as **Exhibit 1**, subject to increase by no more than ten percent (10%) per line item per week, with any unused portion to carry over week-to-week(the "Permitted Variances);

(b) the Debtor not selling, transferring, leasing, encumbering, or otherwise disposing of any assets other than in the ordinary course of business consistent with past practice;

(c) the Debtor's continued compliance with any other Orders of this Court;

(d) the Debtor shall provide to VelocitySBA, and other of the Cash Collateral Creditors who request it from Debtor's counsel in writing, a budget-to-actual report for the prior two week's receipts and expenses no later than the Friday of the week following such period;

(e) Debtor shall timely collect and remit all sales taxes coming due from and after the Petition Date and timely file sales tax returns; and

(f) Debtor shall continue to maintain appropriate insurance coverage for its business and property.

18. Event of Default. It shall constitute an Event of Default and terminate the right of the Debtor to use Cash Collateral if there occurs:

(a) a failure of the Debtor to: (i) observe or perform any of the material terms or provisions contained in this Order or any other Court Orders; or (ii) comply with any covenant or agreement in this Order or any other Court Orders in any material respect;

(b) an order converting to a case under chapter 7 of the Bankruptcy Code or dismissing this Chapter 11 Case;

(c) the general cessation of the day-to-day operations of the Debtor; and/or

(d) the entry of any order granting any relief from the automatic stay so as to allow a third party to proceed against any material asset or assets of the estate.

20. This Order shall constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052 and shall take effect and be fully enforceable immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014 of the Bankruptcy Rules or any Local Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Order.

21. Continued Jurisdiction. The Court shall retain jurisdiction to enforce the provisions of this Order, and this retention of jurisdiction shall survive the confirmation and consummation of any chapter 11 plan.

22. Cash Collateral Authorization and Budget. The Debtor shall be authorized to use Cash Collateral through and including December 31, 2026 (the "Cash Collateral Period"). The Budget attached as **Exhibit 1** to this Order shall govern the use of Cash Collateral during the Cash Collateral Period. Debtor is authorized to make the adequate protection payments identified in the Budget.

23. Continued Jurisdiction. The Court shall retain jurisdiction to enforce the provisions of this Final Order.

24. Service. Debtor shall cause this Order to be served on all creditors and parties in interest within 3 business days of the entry of this Order.

Dated: July 23, 2026

UNITED STATES BANKRUPTCY COURT

Honorable Michael E. Romero
United States Bankruptcy Court Judge

Exhibit 1

Budget

EXHIBIT 1
A&C AUTOWORKS INC. CASH COLLATERAL BUDGET

	July 20-31	Aug	Sep	Oct	Nov	Dec
Beginning cash	**47,008.50**	**41,201.14**	**36,359.98**	**34,018.83**	**31,677.68**	**29,544.94**
Income						
Discount - Sales/Service	(587)	(1,469)	(1,469)	(1,469)	(1,469)	(1,469)
Haz Waste	126	315	315	315	315	315
Labor Income	14,000	35,000	35,000	35,000	35,000	35,000
Parts Income	10,000	25,000	25,000	25,000	25,000	25,000
Sales - Sublet/Miscellaneous	77	192	192	192	192	192
Shop Supplies	726	1,816	1,816	1,816	1,816	1,816
Split Payment	551	1,376	1,376	1,376	1,376	1,376
Sales Tax Collected	912	2,279	2,279	2,279	2,279	2,279
Total Income	25,804	64,510	64,510	64,510	64,510	64,510
Cost of Goods						
Gasoline	113	283	283	283	283	283
Parts Purchases	8,715	21,788	21,788	21,788	21,788	21,788
Shop Expense	98	246	246	246	246	246
Shop Tools	230	576	576	576	576	576
Subcontracted Services	204	511	511	511	511	511
Sales Tax Paid	2,279	2,279	2,279	2,279	2,279	2,279
Towing Costs	117	293	293	293	293	293
Total Cost of Goods	11,758	25,976	25,976	25,976	25,976	25,976
G&A						
Bookkeeping & CPA	1,000	3,500	1,000	1,000	1,000	1,000
Advertising and Promotion	750	750	750	750	542	542
Bank Fees	128	128	128	128	128	128
Business Licenses and Permits	8	8	8	8	8	8
Computer and Internet Services	290	290	290	290	290	290
Equipment Rental	47	47	47	47	47	47
Insurance Expense	2,100	2,100	2,100	2,100	2,100	2,100
Meals and Entertainment	27	27	27	27	27	27
Merchant Account Fees	105	105	105	105	105	105
Office Supplies	88	88	88	88	88	88
Payroll Fees	129	129	129	129	129	129
Payroll Tax - Employer	635	1,270	1,270	1,270	1,270	1,270
Wages	8,300	16,600	16,600	16,600	16,600	16,600
Programing	111	111	111	111	111	111
Repairs and Maintenance	102	102	102	102	102	102
Security Expense	79	79	79	79	79	79
Small Tools and Equipment	477	477	477	477	477	477
Software	565	565	565	565	565	565
Supplies	947	947	947	947	947	947
Uniforms	92	92	92	92	92	92
Utilities	824	824	824	824	824	824
Vehicle expense/ payment on F250						
Website	50	50	50	50	50	50
Total G&A	16,853	28,288	25,788	25,788	25,580	25,580
Net revenue		10,246	12,746	12,746	12,954	12,954
Bankruptcy Expenses						
Sub V retainer	(3,000)					
Atty fees		(5,000)	(5,000)	(5,000)	(5,000)	
CPA (included in CPA in G&A)						
Total Bankruptcy Expenses	(3,000)	(5,000)	(5,000)	(5,000)	(5,000)	-
Adequate Protection						
Colorado Department of Revenue		(1,719)	(1,719)	(1,719)	(1,719)	(1,719)
City of Thornton		(982)	(982)	(982)	(982)	(982)
SBA (EIDL)		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
VelocitySBA		(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Adams County Treasurer		(1,386)	(1,386)	(1,386)	(1,386)	(1,386)
Total Adequate Protection		(10,087)	(10,087)	(10,087)	(10,087)	(10,087)
Ending Cash	41,201	36,360	34,019	31,678	29,545	32,412