THIS ORDER IS APPROVED.

Dated: May 29, 2026

Scott H. Gan, Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re: CALLAHAN ENTERPRISES, LLC, Debtor.	In Chapter 11 Proceedings Case No. 2:26-bk-04051-SHG **FINAL ORDER AUTHORIZING DEBTOR’S USE OF CASH COLLATERAL**

This matter having come before the Court on the *Motion for Order Authorizing Debtor’s Use of Cash Collateral* [DE 20] (the “Motion”) filed by Callahan Enterprises, LLC (the “Debtor”), seeking interim and final orders authorizing the Debtor’s use of cash collateral; and the Debtor having provided due and sufficient notice of the Motion and related hearings to all affected lienholders and interested parties; and

The Court having held an interim hearing on May 7, 2026 (the “Interim Hearing”) and a final hearing on May 26, 2026 (the “Final Hearing”); and any objections to the Motion having been resolved, withdrawn, or overruled; and the Court having considered the Motion, the Declaration of Preston Callahan, the evidence presented at the hearings, and the entire record in this case; and good cause appearing:

THE COURT HEREBY FINDS AND ORDERS AS FOLLOWS:

A. <u>Final Authorization to Use Cash Collateral</u>. The Interim Order is hereby ratified, confirmed, and made final. The Debtor is authorized to continue using cash collateral to pay ordinary and necessary operating expenses through August 11, 2026, in accordance with the terms of this Final Order and the Final Budget attached hereto as **Exhibit "A"** (the "Final Budget"). The Debtor shall not permit cumulative operating cash disbursements (on a consolidated basis) to exceed the amounts set forth in the Final Budget by more than 10%.

B. Adequate Protection.

1. As adequate protection of the interests of lienholders (the "Secured Creditors"), the Secured Creditors are hereby granted a replacement lien in any assets acquired by the Debtor post-petition, including but not limited to cash collateral, with such liens having the same validity, priority, and extent as the prepetition liens held by Secured Creditors.
2. In addition, the Debtor shall make monthly payments of $438.50 to the U.S. Small Business Administration ("SBA") as further adequate protection of the SBA's first-position lien in cash collateral, with payments due on the 15th day of each month.

C. Payments to Subchapter V Trustee and Debtor's Counsel. Beginning on May 25, 2026, and the 25th day of each month thereafter, Debtor shall make the following payments toward anticipated administrative claims:

1. Subchapter V Trustee – $2,000.00 paid directly to Trustee Michael Carmel and held in trust pending Court approval of the Trustee's fees and costs.
2. Debtor's Counsel – $5,000.00 paid directly to Davis Miles, PLLC and held in trust pending Court approval of counsel's fees and costs.

D. Final Approval of Budget. The Interim Budget and Final Budget are approved on a final basis.

E. Authority to Implement. Debtor is authorized to take all actions necessary to effectuate the relief granted in this Final Order.

DATED AND SIGNED ABOVE

EXHIBIT A

Callahan Enterprises, LLC

FINAL CASH COLLATERAL BUDGET

April 24, 2026 - August 11, 2026

Beginning Date	**4/24/2026**	**5/1/2026**	**6/1/2026**	**7/1/2026**	**8/1/2026**
End Date	**4/30/2026**	**5/31/2026**	**6/30/2026**	**7/31/2026**	**8/11/2026**
Beginning Cash	**4/24/2026**	**5/1/2026**	**6/1/2026**	**7/1/2026**	**8/1/2026**
Beginning Bank Account Balances	$ 20,708.40	$ 21,467.53	$ 13,920.20	$15,448.91	$ 3,041.08
Total Beginning Cash	**$ 20,708.40**	**$ 21,467.53**	**$ 13,920.20**	**$ 15,448.91**	**$ 3,041.08**
Gross Business Revenue					
Income	$ 28,445.00	$ 126,000.00	$ 126,000.00	$ 126,000.00	$ 126,000.00
Other Income	$ -	$ 3,545.50	$ -	$ -	$ -
Total Operating Income	**$ 28,445.00**	**$ 129,545.50**	**$ 126,000.00**	**$ 126,000.00**	**$ 126,000.00**
Operating Expenses					
Cost of Goods Sold					
Auto Parts	$ 2,067.00	$ 8,265.00	$ 8,265.00	$ 8,265.00	$ 2,755.00
Subcontractor Expense	$ 350.00	$ 1,397.00	$ 1,397.00	$ 1,397.00	$ 465.67
Supplies/Materials	$ 3,634.00	$ 14,535.00	$ 14,535.00	$ 14,535.00	$ 4,845.00
Advertising & Marketing	$ -	$ 718.00	$ 718.00	$ 718.00	$ 239.33
Commercial Leases					
Country Club Location - Rent	$ -	$ 6,705.00	$ 6,705.00	$ 6,705.00	$ 6,705.00
Country Club arrears (w/ Court approval)	$ -	$ -	$ -	$ -	$ 6,905.00
Apache Location - Rent	$ -	$ 11,443.00	$ 11,443.00	$ 11,443.00	$ 11,443.00
Payroll Expenses:					
Employee Payroll (paid weekly)	$ 7,056.48	$ 52,116.30	$ 41,693.04	$ 52,116.30	$ 10,423.26
Insider Comp (Preston/Raylene Callahan)	$ -	$ 10,185.00	$ 9,200.00	$ 11,500.00	$ 2,300.00
Payroll Taxes	$ 540.95	$ 4,003.50	$ 3,202.80	$ 4,003.50	$ 800.70
Payroll Processing Fees - ADP	$ 290.39	$ 2,062.90	$ 1,650.32	$ 2,062.90	$ 412.58
Employer Health Insurance	$ -	$ 2,985.00	$ 2,985.00	$ 2,985.00	$ 2,985.00
Employer Disability Insurance	$ -	$ 223.02	$ 223.02	$ 223.02	$ 223.02
Utilities					
Internet - Cox	$ 226.48	$ 226.48	$ 226.48	$ 226.48	$ 226.48
Cellular Phone Service - Verizon	$ 705.82	$ 705.82	$ 705.82	$ 705.82	$ 705.82
Electricity - SRP	$ 268.74	$ 268.74	$ 268.74	$ 268.74	$ 268.74
City of Mesa	$ 502.35	$ 502.35	$ 502.35	$ 502.35	$ 502.35
City of Mesa - Fire Inspection	$ 268.00	$ 268.00	$ 268.00	$ 268.00	$ 268.00
Vehicles					
Vehicles - Fuel	$ 200.00	$ 800.00	$ 800.00	$ 800.00	$ 266.67
Vehicles - Registration Fees	$ 1,378.00	$ -	$ -	$ -	$ -
Vehicles - Maintenance & Repairs	$ 175.00	$ 350.00	$ 350.00	$ 350.00	$ 116.67
Taxes & Insurance					
Federated Insurance - Gen Liability	$ 6,000.00	$ 4,380.00	$ 4,380.00	$ 4,380.00	$ 4,380.00
Federated Insurance - Vehicles	$ 2,000.00	$ 1,398.00	$ 1,398.00	$ 1,398.00	$ 1,398.00
Federated Insurance - Life Policies	$ 1,122.66	$ 1,122.66	$ 1,122.66	$ 1,122.66	$ 1,122.66
ADOR - Sales Tax (post-petition)	$ 375.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 500.00
Subscriptions & Software Licensing					
Quickbooks - subscription	$ -	$ 81.23	$ 81.23	$ 81.23	$ 81.23
Google Workspace	$ -	$ 218.33	$ 218.33	$ 218.33	$ 218.33
TekMetric Software	$ 425.00	$ 1,700.00	$ 1,700.00	$ 1,700.00	$ 566.67

Other Software & Apps	$ -	$ 525.00	$ 525.00	$ 525.00	$ 175.00
Other Shop Supplies and Expenses					
Uniforms		$ 686.00	$ 686.00	$ 686.00	$ 228.67
Security - commercial premises	$ -	$ 83.00	$ 83.00	$ 83.00	$ 27.67
Disposal & Waste Fees	$ 100.00	$ 200.00	$ 200.00	$ 200.00	$ 66.67
Case Administration					
Trust reserve - Subchapter V Trustee	$ -	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ -
Trust reserve - Debtor's Counsel	$ -	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ -
Adequate Protection - SBA	$ -	$ 438.50	$ 438.50	$ 438.50	$ -
Total Operating Expenses	**$ 27,685.87**	**$ 137,092.83**	**$ 124,471.29**	**$ 138,407.83**	**$ 61,622.17**
NET OPERATING INCOME (LOSS)	**$ 759.13**	**$ (7,547.33)**	**$ 1,528.71**	**$ (12,407.83)**	**$ 64,377.83**
Cash Balance (at close of period)	**4/30/2026**	**5/31/2026**	**6/30/2026**	**7/31/2026**	**8/11/2026**
Ending Bank Account Balance	$ 21,467.53	$ 13,920.20	$15,448.91	$3,041.08	$67,418.91
Total Ending Cash	**$ 21,467.53**	**$ 13,920.20**	**$15,448.91**	**$3,041.08**	**$67,418.91**
Payroll Summary	1 Week	5 Weeks	4 Weeks	5 Weeks	1 Week
Total Payroll Expense	**$ 7,887.82**	**$ 71,575.72**	**$ 58,954.18**	**$ 72,890.72**	**$ 17,144.56**
Payroll/Gross Income (%)	**27.7%**	**55.3%**	**46.8%**	**57.8%**	**13.6%**