



SO ORDERED.

SIGNED this 19th day of October, 2016.

Catharine R Aron

UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

IN RE:)	
)	CASE NO. 16-50876
CITIES GRILL AND BAR, INC.)	
)	
)	Chapter 11
Debtor.)	
_____)	

**FOURTH INTERIM ORDER AUTHORIZING DEBTOR’S USE OF CASH
COLLATERAL PURSUANT TO 11 U.S.C. § 363**

THIS MATTER came on through the consent of the parties in interest who have made an appearance in this matter, upon the Motion of Cities Grill and Bar, Inc. (“Debtor”) for authority for an emergency cash collateral order. Consenting to the entry of an interim order are proposed counsel for the Debtor, Kenneth Love, Nathan Strup, counsel for the Internal Revenue Service and Robert E. Price, Jr. for the U.S. Bankruptcy Administrator. The Court, after considering the consent of the parties, finds that good and sufficient cause exists to grant the motion on an interim basis through the scheduled hearing on October 19, 2016. The Court makes the following findings of fact and conclusions of law.

1. The Debtor filed its voluntary Chapter 11 bankruptcy petition on August 25,

2016. The Debtor is continuing as debtor-in-possession.

2. This Court has jurisdiction of this matter pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. §§ 1107 and 1008. This is a core proceeding under 28 U.S.C. § 157.

3. The Debtor is a corporation that operates a dine in restaurant on real property owned by the corporation.

4. CommunityOne Bank, N.A., NewBridge Bank, the Internal Revenue Service and GRP Funding are duly scheduled creditors of Cities Grill and Bar, Inc. and are parties-in-interest in this bankruptcy case.

5. There is some confusion as to which creditors have security upon the cash receivables of the corporation.

6. The Debtor and Creditors need time to confirm the security held by their respective UCC filings and lien positions between them.

7. At the time of filing, payments to GRP Funding are current. Payments to CommunityOne Bank, N.A. and NewBridge bank are severely past due.

8. The Debtor contends that CommunityOne Bank, N.A. Bank, NewBridge Bank, the Internal Revenue Service and GRP Funding are entitled to adequate protection relative to their interests, as is to be determined in the cash collateral. Prior to the October 5th hearing, CommunityOne Bank and Debtor entered into a consent agreement concerning CommunityOne Bank's Motion for Relief from the Automatic Stay.

9. The Debtor is entitled to use the Cash Collateral for its ordinary and reasonable operating expenses, which shall include payment of reasonable and necessary operating expenses in line with the budget as consented to by the parties, subject to explicit

limitations as previously issued by the Court.

10. The limitations by the Court include that the order is effective through Wednesday, October 19, 2016. The Debtor is authorized to make payments subject to the attached budget, subject to a variance of no more than 10%. The Budget was generated for the entire month of October, although the hearing was continued for 2 weeks. Therefore a proration of the proposed budget shall be adhered to. Budgets for the first half of the month and second half of the month are attached to this Order.

No adequate protection payments will be made until further order of the Court.

11. The Debtor asserts that the terms, conditions, and limitations of this Order are reasonably tailored to protect the interests of all creditors of the bankruptcy estate.

12. The authorized use of the cash collateral as set forth herein is necessary to avoid immediate and irreparable harm to the estate pending further hearing.

13. The requirements of the Bankruptcy Rules and the Bankruptcy Code, including without limitation Bankruptcy Rule 4001(d), have been satisfied for the Debtor's use of the secured creditor's Cash Collateral

NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED as follows:

(a), Authority to Use Cash Collateral. Subject to further Orders of this Court, by entry of the Order, Debtor is authorized through and including October 19, 2016 to use Cash Collateral in the ordinary course of business provided such use is limited to the payment of necessary and reasonable operating expenses, as set forth in the budget attached hereto as Exhibit A and as stated above.

(b). Prohibition Against Unauthorized Use. Except as specifically authorized hereunder, the Debtor and its principals, shall not expend Cash Collateral pending further hearing and Order of this Court. Unless otherwise authorized by order of the Court, Debtor shall not use Cash Collateral for payment of any prepetition indebtedness or obligations of, or prepetition claims against the Debtor.

(c). Preservation of Rights. This Order is without prejudice to the rights of any party, including a subsequently appointed trustee.

(d). Service of Order. Counsel for the Debtor shall serve a copy of this Order electronically or by first class mail (which pursuant to the Bankruptcy Rules, will be deemed sufficient) upon (i) the Bankruptcy Administrator; (ii) the creditors included on the list filed pursuant to Bankruptcy Rule 1007(d); (iii) all known secured creditors; and (iv) any person who has filed with this Court on or before the dated of this Order a request to be served with copies of all pleadings, notices, and other papers filed in this bankruptcy case.

(f). Adequate Protection. No adequate protection payments shall be made pending further order of the Court.

(g). Monthly reports. By the 20th of each month, the Debtor shall provide to CommunityOne Bank, N.A., NewBridge, Internal Revenue Service, GRP Funding, and the Bankruptcy Administrator a budget to actual report, reflecting the actual income received and the expenses incurred during the previous month compared to the budget attached hereto.

(h). Access to Property. Upon reasonable prior notice of at least 24 hours, the Debtor shall provide to representative, agents and/or employees of CommunityOne Bank,

N.A., NewBridge, Internal Revenue Service, and GRP Funding, physical access to the Property for the purpose of appraising or evaluating its collateral.

(i) . Default. It shall be a default hereunder for one or more of the following to occur. (1) The Debtor shall fail to comply with any of the terms or conditions of this Order; (2) The Debtor shall use Cash Collateral other than as agreed by this Order; (3) Appointment of a trustee or examiner in this proceedings, or conversion of this case to a proceeding under Chapter 7 of the Bankruptcy Code (4) Cancellation or lapse of the Debtor's applicable insurance coverage; (5) Cessation of business operations by Debtor; or (6) Dismissal of this case.

Upon service upon Debtor's counsel by CommunityOne Bank, N.A., Internal Revenue Service, NewBridge, GRP Funding, or the Bankruptcy Administrator of a written notice of any default (which shall be served upon the Debtor and the Debtor's counsel by facsimile or electronic mail and shall be served upon the Bankruptcy Administrator by electronic mail), the Debtor shall have a period of five (5) business days to cure such default. If the Debtor fails to cure the default within such cure period, the Debtor's authority to use Cash Collateral shall be terminated immediately, pending further order of this Court.

(j). Continuing Validity of Post-Petition Liens. If any or all of the provisions of this Order are hereby modified, vacated, or stayed by subsequent order of this Court, or by any other Court, or the use of Cash Collateral pursuant hereto is terminated, such stay, modification, vacation, or termination shall not affect the validity and enforceability of any lien or priority authorized herein with respect to CommunityOne Bank, N.A., NewBridge,

GRP Funding, and/or Corporation Service Company/the bank or entity with whom it is associated.

(k). Further Hearing. This Order is a preliminary order on use of Cash Collateral, and a further interim hearing (the “Further Hearing”) shall be held on October 19, 2016 at 2:00pm at the U.S. Bankruptcy Court for the Middle District of North Carolina, 226 S Liberty Street, Winston Salem, NC 27101.

END OF DOCUMENT

