

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Midwest Asphalt Corporation,
Debtor.

Case No. 17-40075
Chapter 11

INTERIM ORDER FOR USE OF CASH COLLATERAL PENDING FINAL HEARING

The Debtor's expedited motion for an order authorizing the use of cash collateral pending a final hearing came on for a hearing on January 20th, 2017, before the Honorable William J. Fisher, United States Bankruptcy Judge. Appearances, if any, are noted on the record.

Based on the motion and supporting documents submitted by the Debtor for use of cash collateral, and the files and records herein,

IT IS HEREBY ORDERED:

1. Pending the final hearing, the Debtor is authorized to use cash collateral to the extent set forth in Exhibit D to Debtor's motion in an amount no greater than \$271,825.00. All banks, lenders or depository institutions used by the Debtor are directed and authorized to release and return to Debtor all of Debtor's cash collateral and deposits, including credit card payments, accounts receivable and all checks received prior to the filing date but which have not yet cleared, and all other cash collateral received on or after the filing date; and allow Debtor access to its cash and receivables in order that Debtor can use its funds in the normal course of business to the extent set forth in Exhibit D to the Debtor's motion, and give the Debtor an accounting of the same.

2. For purposes of adequate protection, the Debtor grants to Callidus Capital Corporation ("Callidus"): (i) a replacement lien in the Debtor's post-petition assets of the same type and nature as subject to Callidus' pre-petition liens, which such replacement liens shall have the same priority and effect as Callidus held on the pre-petition property of the Debtor; and (ii) only to the extent of diminution in the

value of cash collateral or other types of collateral during the pendency of this case, grants a post-petition lien to Callidus (a) on all currently unencumbered titled vehicles and rolling stock of the Debtor and its affiliates listed on Schedule 1 of the Debtor's motion and (b) an additional mortgage on the properties of the Debtor and its affiliates listed on Schedule 2 of the Debtor's motion in the aggregate amount of \$500,000.00.

3. The liens granted above to Callidus are deemed properly perfected without any further act or notice on the part of the Debtor or Callidus.

4. As additional adequate protection, Debtor shall (a) maintain insurance on all of the property in which Callidus (and any other secured creditors) claim a security interest; (b) pay all post-petition federal and state taxes, including timely deposit of payroll taxes; (c) provide Callidus (and any other secured creditors, upon reasonable notice), access during normal business hours for inspection of their collateral and the Debtor's business records; (d) deposit all cash proceeds and income into a Debtor in Possession Account ("DIP" account); (e) promptly disclose to Callidus copies of the Debtor's register showing all deposits and expenditures: (i) related to funds that were not deposited into Callidus' "blocked account" prepetition; (ii) from the date of filing to January 20th, 2017, and (iii) each week thereafter starting Monday, January 30th, 2017, for the prior week, until the date of the Final Hearing; and (f) respond to any reasonable request for explanation or information concerning the disclosures.

5. A final hearing on the Debtor's motion will be held on February 8, 2017, at 10:00 a.m. Courtroom 2B of the U.S. Courthouse, 316 North Robert Street, St. Paul, Minnesota 55101, before the Honorable William J. Fisher, United States Bankruptcy Judge. Any objection to the motion shall be filed and served or delivered prior to the final hearing in accordance with Local Rule 9006-1.

6. Entry of this order is without prejudice to: (i) the rights of any party-in-interest to dispute the validity, priority and effect of any security interest granted to any creditor claiming an interest in cash collateral; and (ii) the rights, claims, and defenses of Callidus related to the use of cash collateral, including but not limited to Callidus' rights pursuant to Section 552(b)(1) of the Bankruptcy Code.

Dated: *January 23, 2017*

/e/ William J. Fisher

William J. Fisher
United States Bankruptcy Judge