

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS**

In Re:) **Chapter 11**
PETROLEX MANAGEMENT, LLC.)
) **Case No. 16-41322 (CJP)**
Debtor)

**MOTION BY DEBTOR FOR AN ORDER EXTENDING
THE USE OF CASH COLLATERAL**

To the Honorable, Bankruptcy Judge Christopher J. Panos:

Now respectfully represents Petrolex Management, LLC (hereinafter “Debtor”) and moves this Honorable Court for an order extending the Debtor’s ability to use cash collateral pursuant to Sections 105 and 363 of the Bankruptcy Code, and Massachusetts Local Bankruptcy Rule 4001-2 on the terms and conditions set forth herein.

In support hereof, the Debtor represents the following:

1. The Debtor filed a Petition for relief under Chapter 11 of the U.S. Bankruptcy Code (the “Code”) on July 27, 2016 (the “Petition Date”).
2. The Debtor owns a commercial property located at 80 Chelmsford Road, Billerica, Massachusetts (the “Property”) which is leased to an entity called IMS Petroleum, Inc. which operates a gas station and convenience store on the site and sublets space to a Dunkin Donuts franchisee, thus producing rental income.
3. On or about August 9, 2016, the Debtor filed its motion pursuant to the above referenced authority for the Interim and Permanent use of cash collateral.

4. On August 25, 2016, after hearing, the Court approved the Debtor's interim use of cash collateral.

5. On or about August 31, 2016, the Court issued an order providing for the interim use of cash collateral for operating and reorganization expenses as they become due, consistent with the proposed budget attached thereto as Exhibit A, which included a monthly adequate protection payment to the first mortgage holder, Petroleum and Franchise Capital, LLC as servicer for Petroleum and Franchise Holding, LLC, as successor to Questech Financial, LLC ("PFC"), in the amount of fourteen thousand, six hundred eighty-nine dollars and fifty-eight cents (\$14,689.58) (the "Interim Cash Collateral Order").

6. The Debtor has been making timely adequate protection payments to PFC.

7. The Debtor requests the use of permanent cash collateral for operating and reorganization expenses as they become due, consistent with the proposed budget attached hereto as Exhibit A, and which includes the continued adequate protection payments to PFC and now includes monthly interest payments to the second mortgage holder, Home Loan Investment Bank ("Home Loan"), as required under Section 362(d)(3)(B) of the Code.

8. The Debtor requires the income generated from the rental property to pay expenses. If the Debtor is not permitted to continue to use the rent, it will be unable to make adequate protection payments and other payments required under the Code.

9. The Debtor seeks to utilize cash collateral from the Property as set forth in the projections which proposed budget is based upon historical and projected income and expenses. See Exhibit A for proposed budget.

10. The Court granted the Secured Creditors replacement liens in the Interim Cash Collateral Order and the Debtor, seeks the continuation of all terms contained in the Interim Cash Collateral Order except as may be revised in the proposed order.

11. The Debtor believes that continued ownership and operation of the Property is in the best interest of the estate because it will preserve the value, thereby increasing the likelihood of reorganization and minimizing the disruption caused by the Chapter 11 filing.

12. The Secured Creditors are adequately protected as the collateral is real estate and the rent shall be used in part for the purpose of funding the Plan of Reorganization which is in prospect, and during the pendency of the proceedings, the net income shall be offered as adequate protection payments to the first mortgage lender and the second mortgage lender pursuant to 11 U.S.C. §361, as provided for in Exhibit A.

13. To the best of Debtor's information and belief there are no other creditors with an interest in Debtor's cash collateral.

WHEREFORE, the Debtor respectfully requests that the Court:

a. Enter an order authorizing the Debtor to continue to use cash collateral on the basis provided for herein, without prejudice to the Debtor's right to seek to modify such order for any other reasons, upon further notice and a hearing;

b. Such other relief as the court deems appropriate and just.

DATED: October 24, 2016

Respectfully submitted,
PETROLEX MANAGEMENT, LLC,
By its attorney,

/s/ Gary M. Hogan

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