

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION**

In Re) Chapter 11
)
Preferred Concrete & Excavating Inc.) No. 16-81114
)
Debtor.)
) Honorable Judge Thomas M. Lynch
)
)

**THIRD INTERIM ORDER AUTHORIZING DEBTOR TO MOTION FOR AUTHORITY
TO USE CASH COLLATERAL FOR RELATED RELIEF**

THIS CASE COMING to be heard on the Motion ("Motion") for an Interim Order Authorizing the Debtor to Use Cash Collateral; Grant Security Interests and Obtain Related Relief filed by Preferred Concrete & Excavating Inc. (the "Debtor"), the above-captioned debtor and debtor in possession, seeking authority to use the cash collateral of Internal Revenue Service ("IRS"); the Court finding notice of the Motion to be sufficient under the circumstances; and the Court being fully advised in the premises, including the Debtor's stipulations and representations herein, and the Court finding good cause exists for the immediate approval of this Order,

The Debtor and the IRS stipulating and representing as follows:

A. The Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on May 4, 2016 (the "Petition Date").

B. The IRS assessed tax liability debt against the Debtor in the amounts and for the periods set forth in the IRS's claim (Claim No. 2), which imposed a lien in favor of the IRS on all of the Debtor's property under 26 U.S.C. § 6321. As described in its Claim No. 2, the IRS filed notices of federal tax lien for certain of the assessed tax debts. This stipulation does not affect the Debtor's right to object to the principal amount claimed in the proof of claim to be filed as of the petition due.

C. By virtue of its assessment and its filing of notices of federal tax lien, the IRS obtained a perfected first priority security interest upon all Debtor's property and rights to property, whether real or personal (the "Collateral"), some of which constitutes "cash collateral" within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

IT IS HEREBY ORDERED that:

1. The Debtor is authorized to use IRS's Cash Collateral only to pay actual, ordinary and necessary operating expenses for the purposes and up to the amounts set forth in the

budget attached hereto as Exhibit A (the "Budget"). The use of IRS's Cash Collateral to pay any expense in excess of the budgeted amounts shall require the prior written approval of the IRS, or further order of the Court with appropriate notice to the IRS.

2. The Debtor will pay the IRS the amount of \$3,348.19 on the 25th day of each month beginning July 25, 2016, as adequate protection for the use of Cash Collateral. Payment will be made by check (bearing the docket number for this case and the month for which payment is being made) and delivered to:

P.O. Box 330500, mail stop 15
Detroit MI 48232
Attn: Linda Merritt

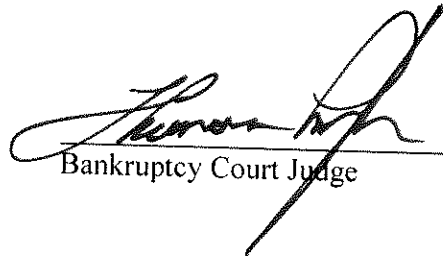
3. As adequate protection, the IRS is hereby granted valid, binding, enforceable and perfected liens and security interests in and on any of the Debtor's now owned Collateral or Collateral acquired since the Petition Date, wherever located (effective and continuing without the necessity of the execution, filing and/or recordation of mortgages, deeds of trusts, security agreements, financing statements or otherwise), to the same extent, validity and priority held by the IRS prior to the Petition Date and to the extent of the diminution in the amount of IRS's Cash Collateral used by the Debtor after the Petition Date.
4. Any expense on Exhibit A to the Motion that is budgeted for payment in one month but is not paid in such month shall be carried over for payment by the Debtor in subsequent months.
5. The Debtor to maintain insurance coverage on Properties.
6. The Debtor will not commingle IRS's Cash Collateral with monies from other sources and will deposit all IRS's Cash Collateral in a Debtor in Possession bank account that is funded only with IRS's Cash Collateral.
7. The Failure to maintain insurance coverage, pay taxes, timely file tax returns when due, or otherwise meet all requirements under the Order and failure to cure same within 30 days after notice may constitute an event of default.
8. The Debtor must cure any missing tax returns identified on the IRS's Claim No. 2 by filing such returns by the applicable due date.
9. If the debtor defaults in any of the conditions of adequate protection the Internal Revenue Service may provide the debtor with written notice of such default. If the default has not been cured within 30 days after the notice of default is mailed, the automatic stay provided by 11 U.S.C. 362 shall be lifted and the Internal Revenue Service will be permitted to

proceed with administrative collection action, or alternatively, upon filing of a declaration by the Internal Revenue Service with the Court as evidence of the default and failure to cure by the debtor, this case will be converted to a proceeding under Chapter 7.

10. The debtor shall become current and stay current with their Federal Tax Deposits and file tax returns timely, the IRS shall receive replacement liens on after-acquired assets, such as inventory or accounts receivable
11. The Debtor's right to use cash collateral under the terms of this Order shall automatically expire without further action or notice unless further extended by Order of the Court on February 8, 2017.
12. A status hearing on the Debtor's right to use cash collateral and entry of a final order shall be held on February 1, 2017 at 10:30 a.m.

Enter:

NOV 30 2016


Bankruptcy Court Judge

**Monthly Budget
Preferred Concrete & Excavating Inc.**

Income	
	\$149,436.00
Expenses	
Material	\$58,444.37
Equipment Rental	\$1,288.48
Sub contractor	\$40,000
Auto Expenses	\$1,250.79
Insurance	\$5,514.00
Accounting	\$1,000.00
Office Supplies	\$200.00
Rent	\$1,200.00
Utilities	\$830.00
Wages	\$31000
IRS	\$3,346.19
Trustee Fees	\$1,625.00
Total Expenses	\$144698.83
NET INCOME	\$4,737.17