



The relief described hereinbelow is **SO ORDERED**.

Signed October 28, 2016.



Ronald B. King
Chief United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

In re:	§	Chapter 11
	§	
RITA RESTAURANT CORP., <i>et al</i> ¹	§	Case No. 16-52272-RBK
	§	
Debtors.	§	(Jointly Administered)

**SECOND INTERIM ORDER GRANTING EMERGENCY MOTION
(I) FOR AUTHORITY FOR THE DEBTORS TO USE CASH COLLATERAL AND
(II) DETERMINING ADEQUATE PROTECTION**

Came on for consideration the Emergency Motion (the "Emergency Motion") of Rita Restaurant Corp., *et al.* (collectively, the "Debtors"), debtors and debtors-in-possession in the above-captioned Chapter 11 cases (the "Chapter 11 Cases" or "Cases"), for entry of an order on an emergency basis (i) granting interim and final authority to use cash collateral, and (ii) determining adequate protection; and the Court having jurisdiction over this matter pursuant to

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Rita Restaurant Corp. (3919); Don Pablo's Operating, LLC (1986); and Hops Operating, LLC (1985). The address for all the Debtors is 120 Chula Vista, Hollywood Park, TX 78232.

28 U.S.C. §§ 1334 and 157; and this proceeding being a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(D) and (M); and finding that the Court may enter a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Emergency Motion in the Court being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Emergency Motion being given; and the Court having found that no other or further notice is needed or necessary; and the Court having reviewed and considered the Emergency Motion and the First Day Declaration; and the Court and having heard statements in support of the Emergency Motion at a hearing held before the Court (the "Hearing") and the Court having determined that the legal and factual bases set forth in the Emergency Motion and at the Hearing establish just cause for the relief granted herein; and the relief requested in the Emergency Motion being in the best interests of the Debtors' estates, their creditors, and other parties-in-interest; and any objections to the relief requested in the Emergency Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Emergency Motion is granted as set forth herein.
2. The Debtors are authorized to use cash collateral for the purposes of and in the amounts identified on the Budget attached to the Emergency Motion as **Exhibit A**, and as contemplated by the Order Granting Debtors' Emergency Motion for Entry of an Order (I) Establishing a Procedure for Determining Claims Arising Under the Perishable Agricultural Commodities Act; (II) Authorizing the Debtors to Pay Certain Pre-Petition Claims Arising Under the Perishable Agricultural Commodities Act, and (III) Granting Related Relief. The Debtors shall be allowed an expenditure variance of 10% on an aggregate basis.

3. To the extent of any diminution of the value of its collateral interests existing as of the Petition Date, as additional adequate protection, the Prepetition Lender shall receive replacement liens on all of the Debtors' assets that constituted collateral of the Prepetition Lender as of the Petition Date, in the order and priority as the Prepetition Lender's liens existed on the Petition Date (the "Replacement Liens"). To the extent the Prepetition Lender holds liens against the estate that are avoidable under Chapter 5 of the Bankruptcy Code, or otherwise unenforceable against the estates under other applicable law, any replacement liens granted to the Prepetition Lender for diminution in value of such avoidable liens shall also be avoidable to the same extent as the prepetition liens.

4. An additional interim hearing on this matter will be conducted on November 1, 2016 at 2:30 p.m. before the Honorable Ronald B. King, Hipolito F. Garcia Federal Building and United States Courthouse, 615 E. Houston St., Courtroom 1, San Antonio, Texas 78205.

5. A final hearing on this matter will be conducted on November 9, 2016 at 2:00 p.m. before the Honorable Ronald B. King, Hipolito F. Garcia Federal Building and United States Courthouse, 615 E. Houston St., Courtroom 1, San Antonio, Texas 78205.

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PREPARED AND SUBMITTED BY:

David W. Parham, SBN: 15459500
John E. Mitchell, SBN: 00797095
AKERMAN LLP
2001 Ross Avenue, Suite 2550
Dallas, TX 75201
Telephone: (214) 720-4300
Facsimile: (214) 981-9339
david.parham@akerman.com
john.mitchell@akerman.com

PROPOSED COUNSEL FOR
DEBTORS AND DEBTORS-IN-POSSESSION

Exhibit A

Rita Restaurant Corp
Four Week Cash Projection

	(9 days) Actual Week 1 ending 10/12	Forecast Week 2 ending 10/19	Forecast Week 3 ending 10/26	Forecast Week 4 ending 11/2
OPERATING CASH AVAILABLE				
Bank Cash less outstanding checks	53,867	1,212,594	600,794	213,994
Weekly Sales collections	965,281	568,080	568,080	568,080
DIP Loan Advance	750,000			
Other Cash Received				
Operating Cash to be Available	\$1,769,148	\$1,780,674	\$1,168,874	\$782,074

CASH DISBURSED				
Payroll Clearings and Taxes	\$495,264	175,000	300,000	150,000
Critical Vendors		350,000	100,000	
AB&T Visa Credit Card installment due				
Food Vendors ACH	18,000	338,580	173,580	173,580
Other weekly ACH (Fintech, utilities)	18,648	160,000	40,000	40,000
Non-Food Expenses		130,000	65,000	65,000
Insurance, Property Taxes				
Monthly Rents				225,000
Monthly Sales Taxes			250,000	
Management fees paid	24,642	26,300	26,300	26,300
Other Cash Disbursed				
Total Disbursements	\$556,554	\$1,179,880	\$954,880	\$679,880

CASH POSITION				
Net Operating Cash Available	1,212,594	600,794	213,994	102,194
Bank Loan Advances (Repayment)				
Savings and MMs				
Other Received/(Disbursed)				
End Of Week Projection	\$1,212,594	\$600,794	\$213,994	\$102,194