



A handwritten signature in blue ink, reading "David L. Bissett", is written over a horizontal line.

David L. Bissett
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA**

In re: WILFONG HOSPITALITY II, LLC, Chapter 11

Case No.

Debtor.

**FINAL ORDER (I) AUTHORIZING THE USE OF CASH COLLATERAL
AND (II) GRANTING RELATED RELIEF**

Upon the Motion¹ filed by the above-captioned Debtor and Debtor in possession (the “Debtor”) for entry of a final order (this “Final Order”): (a) authorizing the Debtor to (i) use Cash Collateral on a final basis and (ii) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction over the matters raised in the Motion pursuant to [28 U.S.C. §§ 157 and 1334](#); and the Court having found that this is a core proceeding pursuant to [28 U.S.C. § 157\(b\)\(2\)](#) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to [28 U.S.C. §§ 1408 and 1409](#); and the Court having determined that the relief requested in the Motion is in the best interests of the Debtor, the estates, its creditors, and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given under the circumstances, and that no other or further notice of the Motion is necessary; and

¹ Capitalized terms used but not otherwise defined shall have the meaning set forth in the Motion.

upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore:

IT IS HEREBY FOUND AND CONCLUDED that:

i. On May 28, 2026 (the “Petition Date”), the Debtor commenced a voluntary case (the “Chapter 11 Case”) under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of West Virginia (the “Court”).

ii. The Debtor is the borrower and sole obligor under that certain Loan Agreement (as amended, modified, restated, or supplemented from time to time, the “Citizens Loan”), dated as of February 14, 2013, with Citizens, in the original principal amount of \$3,686,900.00. The Citizens Loan is a U.S. Small Business Administration backed loan. The Citizens Loan is evidenced by that certain promissory note (the “Citizens Note”), also dated as of February 14, 2013, and is secured by that certain Deed of Trust and Security Agreement (the “Citizens Deed of Trust” together with the Citizens Loan and Citizens Note, the “Citizens Loan Documents”), recorded at Instrument Number 201300006551 with the Office of the Clerk of the County Commission of Marion County, West Virginia. The Debtor reaffirms and ratifies all of the Citizens Loan Documents, including all terms, conditions, and obligations thereunder and further acknowledges and agrees that the indebtedness under the terms of the Citizens Loan Documents, together with additional interest at the contractual per diem rate plus late charges and fees and costs, including without limitation attorneys fees and costs, only to the extent allowed under Section 506 of the Bankruptcy Code, are legal, valid, binding, and non-avoidable obligations of the Debtor, and are not subject to any contest, defense, counterclaim, offset, recharacterization, subordination, cause of action or other challenge of any nature under the Bankruptcy Code (including any avoidance actions under Chapter 5 of the Bankruptcy Code).

iii. Pursuant to the Citizens Loan Documents, the Citizens Secured Obligations purport to be secured by valid, binding, perfected first-priority security interests in and liens on (the “Citizens Prepetition Liens”) substantially all real and personal property assets of Debtor (the “Citizens Prepetition Collateral”). The Debtor agrees that the Citizens Prepetition Liens constitute valid, perfected, binding, enforceable, and nonavoidable first priority liens and security interests in the Citizens Prepetition Collateral.

iv. As of the Petition Date, the Debtor’s obligations to Citizens, upon information and belief, is approximately \$2,632,815.61 (the “Citizens Secured Obligations”).

v. The Debtor is also the borrower under that certain Loan Agreement (the “B&H Loan”), dated as of October 9, 2014, with B&H, as successor in interest to Summit Community Bank as the original lender, in the original principal amount of \$400,000.00. The B&H Loan is evidenced by that certain promissory note (the “B&H Note”), dated as of October 9, 2014, and is secured by that certain Real Estate Deed of Trust (the “B&H Deed of Trust” together with the B&H Loan and B&H Note, the “B&H Loan Documents”), dated October 10, 2014 and recorded at Instrument Number 201400011795 with the Office of the Clerk of the County Commission of Marion County, West Virginia. The Debtor reaffirms and ratifies all of the B&H Loan Documents, including all terms, conditions, and obligations thereunder and further acknowledges and agrees that the indebtedness under the terms of the B&H Loan Documents, together with additional interest at the contractual per diem rate plus late charges and fees and costs, including without limitation attorneys’ fees and costs, only to the extent allowed under Section 506 of the Bankruptcy Code, are legal, valid, binding, and non-avoidable obligations of the Debtor, and are not subject to any contest, defense, counterclaim, offset, recharacterization, subordination, cause of action or

other challenge of any nature under the Bankruptcy Code (including any avoidance actions under Chapter 5 of the Bankruptcy Code).

vi. Pursuant to the B&H Loan Documents, the B&H Secured Obligations appear to be secured by valid, binding, perfected second-priority security interests in and liens on (the “B&H Prepetition Liens”) substantially all real and personal property assets of Debtor (the “B&H Prepetition Collateral”). The Debtor agrees that the B&H Prepetition Liens constitute valid, perfected, binding, enforceable, and nonavoidable second priority liens and security interests in the Citizens Prepetition Collateral.

vii. As of the Petition Date, the Debtor’s obligations to B&H, upon information and belief, is approximately \$146,867.66 (the “B&H Secured Obligations”).

viii. As explained more fully in the Debtor’s Cash Management Motion, the Debtor holds cash in three accounts at Fairmont Federal Credit Union.

ix. All of the Debtor’s cash as of the Petition Date constitutes the Lenders’ Cash Collateral.

x. The Debtor requires the use of Cash Collateral to fund its Chapter 11 Case, absent which immediate and irreparable harm will result to the Debtor, its estates and creditors. Absent the use of Cash Collateral, it would be impossible for the Debtor to either conduct a reorganization of its liabilities and business affairs or conduct a sale process that preserve and maintain—to the greatest extent possible—the value of the Debtor’s assets for the benefit of creditors. The Debtor does not have enough sources of working capital and financing to operate its business through this Chapter 11 Case without the use of Cash Collateral. Accordingly, entry of this Final Order is in the best interests of the Debtor, its estate and creditors.

xi. The Debtor proposes to use Cash Collateral in accordance with the budget attached to the Motion as **Exhibit B** (the “Budget”).

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Motion is **GRANTED** and the Debtor’s use of Cash Collateral on a final basis is hereby authorized, subject to the terms and conditions set forth in this Final Order. The Debtor shall not use any Cash Collateral except as expressly authorized and permitted herein or by subsequent order of the Court. All objections to the Motion to the extent not withdrawn or resolved are hereby overruled.

2. Use of Cash Collateral: The Debtor is authorized to use Cash Collateral in its accounts during this Chapter 11 Case solely for purpose of funding the ordinary and necessary costs of operating and maintaining its business and in a manner reasonably consistent with the Budget. The Budget may be amended or supplemented with the written consent of the Lenders and the Debtor and without further order of this Court; provided that a copy of such amended Budget shall be promptly filed after such amendment on the docket of this case.

3. The Debtor will segregate and separately account for all income, receipts, receivables and all forms of Cash Collateral relating to the Collateral. Debtor will maintain detailed records of its receipts and disbursements. Debtor shall ensure that no Cash Collateral will be used for purposes unrelated to operations of the business of the Debtor and the Property; instead, Cash Collateral shall be used to pay expenses necessary to preserve, maintain, and enhance the Debtor’s property and operate the business of the Debtor and the Property in accordance with Section 363(b) of the Bankruptcy Code.

4. Adequate Protection. In addition to the equity cushion existing based on the value of the Property, as adequate protection, the Lenders are hereby granted, solely to the extent of any

diminution in value of the Lenders' interests in the Prepetition Collateral from and after the Petition Date resulting from, among other things, the use of Cash Collateral, the use, sale, lease, consumption, or disposition of the Collateral, or the imposition of the automatic stay (collectively, the "Diminution in Value"), the following (such adequate protection as set forth in clauses (a)-(b) below, collectively the "Adequate Protection Obligations"):

a. Citizens Adequate Protection

Adequate Protection Liens. Subject to the entry of a final order, as adequate protection of the interests of Citizens in the Collateral against any Diminution in Value of such interests, pursuant to sections 361 and 363(e) of the Bankruptcy Code, Citizens is hereby granted, solely to the extent of any Diminution in Value, continuing valid, binding, enforceable, non-avoidable, and automatically perfected postpetition replacement security interests in and liens (the "Citizens Adequate Protection Liens") on all of the collateral and the proceeds and products thereof, whether such property and assets were acquired by the Debtor before or after the Petition Date, of any kind or nature, whether real or personal, tangible or intangible, wherever located (collectively, together with the Prepetition Collateral and the Cash Collateral, the "Collateral") to the same extent, validity and priority of the liens and security interests pursuant to the Citizens Loan Documents. The Citizens Adequate Protection Liens shall be enforceable against the Debtor, its estates, and any successors thereto, including, without limitation, any trustee or other estate representative appointed in this Chapter 11 Case, or any case under chapter 7 of the Bankruptcy Code upon the conversion of this Chapter 11 Case, upon the dismissal of this Chapter 11 Case, or in any other proceedings superseding or related to any of the foregoing (collectively, "Successor Cases"). For the avoidance of doubt, the Citizens Adequate Protection Liens shall be deemed to be effective and perfected automatically as of the Petition Date and without the necessity of the execution by the Debtor, or the filing of, as applicable, mortgages, security agreements, pledge agreements, financing statements, state or federal notices, recordings, or other agreements and without the necessity of taking possession or control of any Collateral; Citizens reserves the right to seek additional adequate protection and the agreement of Citizens to the adequate protection being granted under this Order, including Citizens' agreement on the amount of the Adequate Protection Payments shall not be construed as a waiver of Citizens' to seek additional adequate protection or increased Adequate Protection Payments; and

Loan Payments. As contemplated by the Budget, the Debtor will make monthly payments to Citizens in the monthly amount of \$10,000.00 throughout the pendency of the Debtor's Chapter 11 Case.

c. B&H Adequate Protection

Adequate Protection Liens. Subject to the entry of a final order, as adequate protection of the interests of B&H in the Collateral against any Diminution in Value of such interests, pursuant to sections 361 and 363(e) of the Bankruptcy Code, the B&H is hereby granted, solely to the extent of any Diminution in Value, continuing valid, binding, enforceable, non-avoidable, and automatically perfected postpetition replacement security interests in and liens (the “B&H Adequate Protection Liens”) on all of the Collateral to the same extent, validity and priority of the liens and security interests pursuant to the B&H Loan Documents. The B&H Adequate Protection Liens shall be enforceable against the Debtor, its estates, and any successors thereto, including, without limitation, any trustee or other estate representative appointed in this Chapter 11 Case, or any case under chapter 7 of the Bankruptcy Code upon the conversion of this Chapter 11 Case, upon the dismissal of this Chapter 11 Case, or in any Successor Cases. For the avoidance of doubt, the B&H Adequate Protection Liens shall be deemed to be effective and perfected automatically as of the Petition Date and without the necessity of the execution by the Debtor, or the filing of, as applicable, mortgages, security agreements, pledge agreements, financing statements, state or federal notices, recordings, or other agreements and without the necessity of taking possession or control of any Collateral; and

Loan Payments. The Debtor will make monthly payments to B&H in the monthly amount of \$1,000.00 throughout the pendency of the Debtor’s Chapter 11 Case.

5. Case Milestones: Subject to the terms of this Final Order, the Debtor shall use commercially reasonable efforts to achieve the following milestones (collectively, the “Milestones”) by the dates set forth below; provided, however, that the Debtor may move the Court for extension of any Milestones, upon notice to all parties in interest, or after consultation with its Lenders, may amend, modify, supplement, waive, extend, or replace any Milestone or Milestone deadline without further order of the Court:

- a. On or before 45 days after the Petition Date, the Bankruptcy Court shall have entered the Final Order, and such order shall not have been reversed, modified, amended, stayed, or vacated;
- b. On or before 21 days after the Petition Date, the Debtor shall have filed an application to retain Black Diamond Realty as broker to market a sale of the Debtor’s assets (“Broker Retention Application”);

- c. On or before 14 days after approval of the Broker Retention Application, the Debtor shall have filed a sale motion (the “Sale Motion”) and motion seeking approval of bidding procedures (the “Bid Procedures Motion”) and related relief in connection with a sale transaction (the “Sale Transaction”);
- d. On or before 21 days after filing the Bid Procedures Motion, the Bankruptcy Court shall have entered an order approving bidding procedures and related relief (the “Bidding Procedures Order”);
- e. On or before 60 days after entry of the Bidding Procedures Order, the Debtor shall have conducted a combined auction and hearing on the Sale Motion;
- f. On or before 5 days after the auction and sale hearing, the Bankruptcy Court shall have entered an order approving the Sale Transaction; and
- g. On or before 14 days after entry of the order approving the Sale Transaction, the Sale Transaction shall have closed.

6. Request for Hearing on Milestones. In the event that the Debtor fails, despite good faith efforts, to comply with any Milestone(s) and such Milestone(s) had not previously been extended either by Court order or by consent with the Lenders, the Debtor may seek emergency relief with regard to such Milestones, which request(s) shall stay the Milestones until such request for emergency relief is heard and determined by the Court.

7. Modification of Automatic Stay. The automatic stay imposed under section 362(a) of the Bankruptcy Code is modified as necessary to effectuate all of the terms and provisions of this Final Order, including, without limitation, to: (a) permit the Debtor to grant the Adequate Protection Liens; (b) permit the Debtor to perform such acts as necessary, in its reasonable discretion, to assure the perfection and priority of the liens granted herein; and (c) authorize the Debtor to pay, and the Lenders to retain and apply, payments made in accordance with the terms of this Final Order (if any).

8. No Waiver of Lenders’ Rights; Reservation of Rights. Notwithstanding any provision in this Final Order to the contrary but subject to applicable law, this Final Order is

without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Lenders' rights with respect to any person or entity or with respect to any other collateral owned or held by any person or entity. The rights of the Lenders are expressly reserved and entry of this Final Order shall be without prejudice to, and does not constitute a waiver, expressly or implicitly, of: (a) the Lenders' rights under any of the Loan Documents; (b) the Lenders' rights to seek any other or supplemental relief in respect of the Debtor; (c) the Lenders' rights to seek modification of the grant of adequate protection provided under this Final Order so as to provide different or additional adequate protection at any time; or (d) any other rights, claims, or privileges (whether legal, equitable, or otherwise) of the Lenders.

9. Binding Effect of Final Order. Immediately upon entry by this Court, the terms and provisions of this Interim Order shall become valid and binding upon and inure to the benefit of the Debtor, the Lenders, and the respective successors and assigns of each of the foregoing, including any chapter 7 or chapter 11 trustee or other fiduciary hereafter appointed or elected for the estate of the Debtor or with respect to the property of the estates of the Debtor in this Chapter 11 Case, any Successor Cases, or upon dismissal of this Chapter 11 Case or any Successor Cases.

10. No Modification of Final Order. Notwithstanding any reversal, modification, vacation or stay of this Final Order, any use of Cash Collateral or Adequate Protection Obligations incurred by the Debtor to the Lenders prior to the actual receipt of written notice by the Lenders of the effective date of such reversal, modification, vacation or stay shall be governed in all respects by the original provisions of this Final Order.

11. No Third-Party Rights. Except as explicitly provided for herein, this Final Order shall not create any rights for the benefit of any third party, creditor, equity holder, or any direct, indirect, or incidental beneficiary.

12. Retention of Jurisdiction. The Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Prepared by: /s/ Mark A. Lindsay
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