

IT IS ORDERED as set forth below:



Date: October 13, 2017

Susan D. Barrett

Susan D. Barrett
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
AUGUSTA DIVISION**

IN RE:) **No. 17-11176-SDB**
)
INTERIOR & EXTERIOR) **Chapter 11**
ASSOCIATES, INC.,)
)
Debtors.)

**FINAL ORDER AUTHORIZING THE USE OF CASH COLLATERAL
OF QUEENSBOROUGH**

This matter came before the Court on Debtor’s Motion for an order authorizing the use of certain cash collateral of Queensborough National Bank and Trust Co. (“Creditor”), a secured creditor in the above-referenced proceeding. Debtor seeks to use such cash collateral and the proceeds therefrom in order to continue and maintain Debtor’s business operations involving exterior and interior construction, commercial and residential. The Debtor alleges that the use of such cash collateral is necessary to preserve the value of the Debtor/estate as a going concern, that the use of the cash collateral is necessary to effectuate an effective reorganization of the Debtor corporation, and that the Debtor will suffer irreparable harm and injury without the use of such cash collateral. Debtor proposes to provide the adequate protection to the interests of Creditor as provided for by 11 U.S.C. § 363 by transferring the lien of Creditor to the new account receivable created by the continued operation of Debtor’s business with the same force and effect and to the same extent and priority, as the lien attached to the existing receivables. Further, Debtor proposes to maintain adequate insurance on all tangible assets of Debtor in Possession.

The Court finds that such use of all of the cash collateral of Creditor are necessary to preserve the value of the estate and that the prohibition of such use would produce irreparable harm and injury to the value of the Debtor/estate. This Court previously granted Debtor's request on an interim basis, but now enters its Final Order on the issue.

1. Debtor shall maintain adequate insurance on the subject collateral at all times during these proceedings and without fail, and shall name Creditor as a "loss payee" on any such policy; and

2. Creditor shall have a post-petition lien on the post-petition accounts receivable (which post-petition lien shall attach to the same extent, validity, and priority as the pre-petition lien of Creditor as it existed on the date of the filing of the Chapter 11) generated by the Debtor's continued operations, which lien is transferred subject to the same terms and conditions as originally agreed to between the Debtor and Creditor ("Replacement Lien"); and

3. Debtor shall pay to Creditor, on a monthly basis, the sum of \$954.65 per month with such sum due on the first day of each month, beginning August 20, 2017 and continuing on the 20th day of each month subsequent, until confirmation of any Chapter 11 plan or until further Order of this Court; and

4. Debtor shall timely remit all fees to the United States Trustee; and

5. Debtor shall fully and timely comply with all of the requirements of a Chapter 11 Debtor as set forth by the Court, the United States Trustee's Office or the United States Bankruptcy Code, to include but which is not limited to the payment of any and all post-petition tax obligations and the filing of all post-petition tax filings; and

6. Debtor shall timely and completely file all operating reports, schedules, statements, and the like (and all amendments and attachments thereto) as may be required by the Court, the United States Trustee's Office or the United States Bankruptcy Code; and

7. Debtor shall file its proposed plan of reorganization and disclosure statement on or before December 8, 2017; and

8. Debtor shall get no further than thirty (30) days behind on any of its obligations set forth in Paragraphs 1-7 of this Order.

9. In the event the Debtor fails to comply with any of the terms of this Order, any party in interest, through its attorney of record or authorized representative, may file an affidavit setting forth the default served upon Debtor and Debtor's attorney. Upon the

¹ Notwithstanding the foregoing, Replacement Lien shall not attach to any cause of action under Chapter 5 of Title 11 of the United States Code and nothing in this Order shall be considered a determination as to the priority, existence, or perfection of any person's pre-petition security or ownership interest in any property of the Debtor (including but not limited to the rents).

expiration of fourteen (14) days without the filing of a counter-affidavit by the Debtor disputing the fact of default, an Order shall be entered converting the instant Chapter 11 proceeding to a case under Chapter 7. For any default under the terms of this Order and prior to filing an Affidavit of Default by Party in Interest pursuant to this section, said Party in Interest shall first provide written notice (via regular mail, email or facsimile) of such default and a 10 day right to cure to the default to Debtor's Counsel in writing ("Default Notice"), and only after the expiration of ten days following receipt of Default Notice and Debtor's failure to cure the default within the allotted time period, shall said Party in Interest be authorized to file such Affidavit of Default. In the case of a default by Debtor under Numbered Paragraph 7 above, then no such Default Notice shall be required

10. No post-petition attorney's fees will be paid to Debtor's counsel without first complying with 11 U.S.C. §§ 327 – 331 or any applicable order of this Court approving interim compensation procedures for professionals. Total interim compensation paid to all professionals in any particular month shall not exceed the amount allocated for professional fees in the monthly budget attached hereto.

It is further Ordered that the Debtor shall not pay (absent other Court approval), prior to the confirmation of any plan of reorganization, any pre-petition unsecured debts, regardless of the priority or status of such debts.

It is further Ordered that the Debtor shall not make any equitable distributions to any shareholders without first consulting with the Office of the United States Trustee, Creditor, or their respective Counsel (if of record) in the instant Chapter 11 case.

Therefore, IT IS HEREBY ORDERED that Debtor in Possession shall be authorized to use the cash collateral of Creditor in Debtor in Possession's continued operations all as provided for in the attached budget (attached hereto as "Exhibit A").

It is further ORDERED THAT Creditor shall not be required to make any filings to perfect any respective post-petition interest in the collateral.

[END OF DOCUMENT]

Presented By:

/s/ Charles W. Wills

Charles W. Wills

Attorney for Debtor

Georgia Bar No.: 254329

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Consented to By:

/s/ James C. Overstreet, Jr.
James C. Overstreet, Jr.
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No Opposition By:

/s/ Joel Paschke
Joel Paschke
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Exhibit A

Interior& Exterior Associates, Inc	
Exhibit "A " To Cash Collateral Motion : Final	
	Estimated Monthly Average
Revenues (Estimated)	183,000
<u>COGS</u>	
Direct Labor	48,641
Job Materials	61,633.33
Subcontractors	4,400
Equipment Rental & other	1,641
Employee Travel & Per Diem	6144.17
Subtotal	122,460
<u>Payroll</u>	
Officer Payroll	12,000
Estimator (Cliff)	6890
Subtotal	18890
<u>Taxes</u>	
Payroll Taxes	5,740.17
Property Taxes	0
Subtotal	5740.17
<u>Utilities</u>	
Georgia Power	574
Gas	75
Water	370
Other	256.83
Telephone	751
Subtotal	2,026.83
<u>Repairs & Maintenance</u>	
Auto Expenses	7214
Building	50
Office Cleaning	433.33
Small Tools	300
Subtotal	7997.33
<u>Miscellaneous</u>	
Office	705.16
Insurance	10,221
Finance Charges	410.17
Accounting	475

Legal	1500	
Quarterly Fees	1,616.67	1,625 (CW)
Subtotal	13311.33	
Taxes Past Due		
Georgia Department of Rev	333	
IRS	2100	
Subtotal	2433	
Secured Truck Loan	3000	
Total Expenses	175,858	175,866 (CW)
NET INCOME	7,142	7,150 (CW)