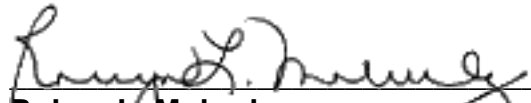


SO ORDERED: September 24, 2018.



  
Robyn L. Moberly  
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

IN RE:

REMODELING SERVICES AND COMPLETE  
RESTORATION, INC.,

Debtor.

Case No. 18-5638-RLM-11

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**AGREED FINAL ORDER AUTHORIZING DEBTOR IN POSSESSION  
TO USE CASH COLLATERAL OF GREENFIELD BANKING COMPANY  
AND GRANT LIENS CLAIMS AND ADEQUATE PROTECTION**

This matter is before the Court on the First Day Motion to Use Cash Collateral of Greenfield Banking Company (the "**Motion**"), dated July 25, 2018, filed by Remodeling Services and Complete Restoration, Inc., (the "**Borrower**", or the "**Debtor**"), as debtor and debtor-in-possession to use cash collateral; and grant lien claims and adequate protection, and the Court, having held a first day hearing on interim approval of the Motion pursuant to an Order that directed that notice of such hearing be given to the twenty largest unsecured creditors, counsel for the US Trustee and counsel for Greenfield Banking Company ("GBC"), such notice having been given, and the Court, having also conducted a final hearing on August 30, 2018

pursuant to notice to all parties and to which no objections were filed the Court, being duly advised in the premises, now finds as follows:

1. This Court has jurisdiction to consider this matter pursuant to 28 USC §§ 157 and 1334. This is a core proceeding pursuant to 28 USC §§ 157 (b).

2. Venue is proper before this Court pursuant to 28 USC §§ 1408 and 1409.

3. On July 25, 2018, a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code ("Bankruptcy Code") was filed by the Debtor (the "**Petition Date**").

4. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtor continues to operate its business and manage its affairs as a debtor in possession. No trustee, examiner or committee has been appointed in this Chapter 11 Case.

5. Debtor has filed its Motion to Use Cash Collateral of GBC, and for Scheduling of a Final Hearing Pursuant to Bankruptcy Rule 4001 (the "**Motion**").

6. Notice of the Motion has been provided in accordance with Bankruptcy Rule 4001.

7. GBC has made loans to the Debtor pursuant to various loan documents, including those attached to the Motion as exhibits (collectively, the "**Loan Documents**").

8. The Debtor is indebted to GBC pursuant to the Loan Documents in the outstanding principal amount of approximately One Million Two Hundred Thousand Dollars (\$1,200,000), plus accrued and unpaid interest and other charges as provided in the Loan Documents (collectively, the "**Obligations**"). GBC asserts a valid and properly perfected, unavoidable, indefeasible security interest and lien in all of the Debtor's assets (collectively, the "Pre-Petition Collateral").

9. The ability of the Debtor to finance its operations and the availability of sufficient working capital and liquidity is vital to the Debtor's ability to maintain its business and to a successful reorganization pursuant to the provisions of Chapter 11 of the Bankruptcy Code. This Order addresses only the use of cash collateral, as shown in the Budget attached hereto as Exhibit "A" ("**Budget**"), and does not provide for additional lending to the Debtor.

10. Debtor has determined that it can reorganize its business operations and that it is in the best interest of all of its creditors to allow the Debtor to do so. Debtor therefore intends to continue with ordinary course of business operations in furtherance of such objective. Debtor urgently needs working

capital to continue such business operations. Debtor's inability to obtain and maintain sufficient operating liquidity to meet its post-petition obligations on a timely basis may result in a permanent and irreplaceable loss of value in its assets and a resultant diminution in the value of the Debtor to the detriment of its creditors. This use of cash collateral generated by the collection of cash sales and the use of its operating accounts does not require GBC to advance new sums to the Debtor post-petition. Based on the Budget, the Debtor believes the proposed financing of its liquidation in this way is reasonable.

11. **"GBC Cash Collateral"** is defined as Debtor's cash, accounts receivable, negotiable instruments, documents of title, securities, deposit accounts, inventory, rents and profits, and other cash equivalents in which the Debtor has interest and includes proceeds thereof.

12. The Debtor's use of GBC Cash Collateral to the extent and on the terms and conditions set forth herein is in the best interest of creditors of the estate.

13. The Debtor will use the GBC Cash Collateral to pay actual expenses of the Debtor necessary to maintain and preserve the Debtor's assets and to continue the Debtor's operations.

14. The Debtor has offered, as adequate protection for the cash to be used, replacement post-petition liens to the Lender against the GBC Cash Collateral to the same extent and in the same priority as it presently holds existing liens and has agreed to maintain the combination of cash, receivables, and inventory at not less than their value as of the Petition Date.

15. GBC has consented to the use of the GBC Cash Collateral upon the terms and conditions set forth below, and in accordance with the Budget, until a final hearing on the Motion is held.

**ACCORDINGLY, IT IS HEREBY ORDERED AND ADJUDGED that:**

16. The above findings are incorporated by reference in this Interim Order.

17. The Motion is granted, and the Debtor is expressly authorized to use the GBC Cash Collateral in the ordinary course of business on an interim basis in accordance with the terms hereof and the Budget from the date of this Order through August 30, 2018 (the **"Interim Period"**).

18. The Debtor is hereby authorized on a limited basis to use the GBC Cash Collateral during the Interim Period; provided that the Debtor's expenditures made under this Order for any category of expenses included in the Budget may not exceed the expenditures provided in the Budget for that category

by more than ten percent (10%), and the Debtor's net cash flow for any period provided in the Budget must be equal to or greater than ninety percent (90%) of the net projected cash flow for such period in the Budget.

19. The Debtor is hereby required to effectuate the terms and agreements contained in this Interim Order.

20. The terms of this Interim Order constitute "findings of fact" with respect to "adequate protection" necessary to adequately protect GBC's interest in the GBC Cash Collateral pursuant to 11 U.S.C. Section 363.

21. The provisions of this Interim Order, which shall be effective immediately upon entry, and any actions taken pursuant hereto, shall survive entry of, and shall govern with respect to, the terms and provisions of this Interim Order and all rights of GBC created or arising pursuant hereto, shall continue in this case or any superseding case under the Bankruptcy Code, and GBC's ownership interests, security interests and liens shall maintain their priority as provided by this Interim Order until satisfied and discharged. If any or all of the provisions of this Interim Order are modified, vacated or stayed by subsequent order of this or any other court, such stay, modification or vacation shall not affect the validity of any lien or adequate protection given to GBC pursuant to this Interim Order and which is incurred prior to the effective date of such stay, modification or vacation. Notwithstanding such stay, modification or vacation, all amounts owed to GBC by Debtor pursuant to this Interim Order prior to the effective date of such modification, stay or vacation, to or for the benefit of Debtor, shall be governed in all respects by the original provisions of this Interim Order and GBC shall be entitled to all the rights, privileges and benefits, including the security interests and priorities granted herein, with respect to all such amounts and the course of conduct established in connection therewith.

22. In order to provide adequate protection pursuant to 11 U.S.C. § 363(e) in favor of GBC, the Debtor shall:

- A. Grant a perfected security interest and lien (the "**Replacement Lien**") (deemed perfected upon entry of this Order) in favor of GBC to the extent the GBC Cash Collateral is used by the Debtor (the "**Adequate Protection Claim**") against all of Debtor's property, including but not limited to, all cash (including all deposit accounts, checks, and any other cash equivalents), all accounts, goods, inventory,

equipment, general intangibles, rents and profits and all other post-petition property, real, personal or intangible acquired by Debtor, and all products and proceeds of all of the foregoing (collectively, the “**Post-Petition Collateral**”). GBC’s Replacement Lien granted herein shall constitute a first priority lien and security interest attaching to the Post-Petition Collateral subject only to pre-existing, pre-petition, non-voidable, perfected liens or security interests in favor of third parties that are not otherwise subject to avoidance or subordination. For purposes of valuing GBC’s Adequate Protection Claim, valuations of the GBC Cash Collateral will be consistent with the Loan Documents;

- B. Make monthly payments to GBC in the amount of Five Thousand Dollars (\$5,000.00) (the “**Adequate Protection Payments**”), beginning on August 15, 2018 and continuing on the same day of each month through the termination of the Interim Period;
- C. The Debtor shall pay reasonable attorneys’ fees and expenses incurred by GBC as and when invoiced to GBC (the “**GBC Expenses**”). GBC may debit any post-petition account of the Debtor with GBC to pay the GBC Expenses as invoiced to the Debtor upon five (5) days prior notice to the Debtor; and
- D. Maintain Post-Petition Collateral with a value not less than the Adequate Protection Claim.

23. The replacement liens and security interests granted to GBC are valid, enforceable, and fully perfected, and no filing or recordation or other act in accordance with any applicable local, state, or federal law, rule, or regulation is necessary to create or perfect such liens and security interests.

24. Upon reasonable notice by GBC, the Debtor shall permit GBC and any of its agents full and free access to the Debtor’s books, records, and place of business to verify the existence, condition, and location of property in which GBC holds security interests.

25. During the term of this Interim Period, to the extent that the Replacement Liens granted in the Post-Petition Collateral by this Interim Order prove to be insufficient adequate protection of GBC’s Adequate Protection Claim, GBC is granted an administrative super-priority claim, pursuant to 11 U.S.C.

§507(b), superior to all administrative expenses to satisfy its claim, subject only to fees payable to the United States Trustee and post-petition employee wages and salaries as set forth in the Budget and approved by GBC or the Court.

26. Debtor's right to use the GBC Cash Collateral during the Interim Period shall immediately terminate on any of the following occurrences: (i) a trustee is appointed in this Chapter 11 case, pursuant to 11 U.S.C. §1104; (ii) the Debtor's Chapter 11 case is converted to a Chapter 7 case or dismissed pursuant to 11 U.S.C. §1104; (iii) the Debtor fails to comply with any term of this Order, including but not limited to its payment obligations to GBC and compliance with the Budget; (iv) five (5) business days after GBC files a notice with the Court directing Debtor to stop using its Cash Collateral (a "**Termination Notice**"); or (v) the final hearing on Debtor's motion for use of cash collateral (collectively, items (i) through (iv) are "**Termination Events**"). If GBC files a Termination Notice, Debtor may request an emergency hearing to request continued use of the GBC Cash Collateral on such terms and conditions as the Court determines.

27. Absent further Order of this Court, at all times while this Interim Order is in effect, Debtor shall not (a) sell any of its collateral, (b) unless approved in writing by GBC, grant or allow the collateral to be subject to any lien, security interest, mortgage or other encumbrances of any nature or kind, or (c) make any payments or transfers of its assets except as set forth in the Budget, without the prior written consent of GBC.

28. The Debtor shall maintain and manage its business and operations in the ordinary course under the current circumstances, including without limitation the maintenance of adequate insurance coverage with respect to loss of or damage to the Post-Petition Collateral with GBC named as a loss payee on all such policies. The Debtor shall make every reasonable effort to preserve, maintain and protect the Post-Petition Collateral and the proceeds thereof.

29. Debtor shall pay any and all real estate taxes and personal property taxes assessed with regard to the Post-Petition Collateral, as and when such items become due.

30. The Debtor shall in good faith and in a reasonably prompt manner: (i) provide to GBC the financial reports submitted to the United States Trustee's Office, and such other information as GBC may from time to time request; (ii) answer inquiries and requests of GBC and its professionals for information, and/or documentation; (iii) provide full cooperation and information to GBC as to the value and description

of the assets of the Debtor and the sale or liquidation of those assets; (iv) comply with all reporting requirements and financial disclosures required by the Loan Documents, (v) provide GBC with monthly cash flow detail reports comparing actual performance to the Budget (each such report shall be a “**Variance Report**”) on or before the 20<sup>th</sup> day of each calendar month for the calendar month just ended.

31. Except as otherwise provided in this Interim Order, the terms and conditions of the Loan Documents and any other collateral documents shall remain in full force and effect, and GBC and the Debtor shall have all of their rights and remedies thereunder, subject to the provisions of the Bankruptcy Code and any orders of this Court.

32. Upon entry of this Interim Order, the Debtor shall be authorized and directed to (a) execute and deliver such agreements, information, statements and other documents as GBC may reasonably request, and (b) take such actions as may be necessary or appropriate in order to affect the agreements set forth in this Interim Order.

33. This Interim Order and GBC’s consent to the Debtor’s use of the GBC Cash Collateral shall not be deemed to be a waiver of any of Debtor’s obligations, a waiver of any defaults pursuant to any agreement between GBC and the Debtor, or a waiver of any claim GBC may have against any third parties, and is without prejudice to any of GBC’s rights, interests and claims of any nature against any person or entity, which rights, claims and interests are expressly reserved.

34. This Interim Order shall not be construed as a waiver by GBC or Debtor of any rights or remedies provided under the Bankruptcy Code or other applicable law.

35. The terms and provisions of this Interim Order shall be binding upon and inure to the benefit of GBC and Debtor and their respective successors and assigns, including but not limited to, any trustee hereinafter appointed as a representative of the estate herein, whether appointed under Chapter 11 or Chapter 7 of the Bankruptcy Code.

36. The Debtor’s right to use the GBC Cash Collateral shall terminate upon the termination of the Interim Period, unless terminated prior thereto pursuant to the terms of this Order.

37. This Interim Order, entered pursuant to motion, is in a “core” proceeding as defined in 28 U.S.C. Section 157, and is immediately valid and fully effective upon its entry, and GBC is entitled to the benefits of the provisions of 11 U.S.C. Section 507(b).

38. Nothing in this Interim Order shall constitute consent by the GBC to any such charges or the requisite court order allowing imposition of charges under Section 506(c). Furthermore, any and all payments or proceeds remitted, or deemed to be remitted, to GBC pursuant to the provisions of this Interim Order shall be received, or deemed received, by GBC for the benefit of GBC free and clear of any claim, charge, assessment or other liability including, without limitation, any claim or charge arising out of or based on Sections 506(c) or 552(b) of the Bankruptcy Code, whether directly or indirectly, all of which are hereby waived by the Debtor.

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