



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: October 12, 2018.

**CRAIG A. GARGOTTA
UNITED STATES BANKRUPTCY JUDGE**

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

IN RE: § CASE NO. 18-52054-CAG
ACME INVESTMENT CORPORATION, §
DEBTOR(S) § CHAPTER 11

AGREED INTERIM ORDER GRANTING DEBTOR'S FIRST MOTION FOR AUTHORIZATION TO USE COMPASS BANK, N.A. CASH COLLATERAL

Debtor had requested that this court enter this order allowing the Debtor limited use of Compass Bank's cash collateral, subject to the terms and conditions set forth herein, and it fmther appearing that notice is proper, the Court finds as follows:

1. The Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the "Code") on August 31, 2018 (the "Petition Date"). The Debtor is a debtor-in-possession within the meaning of the Code.

2. The lender, Compass Bank ("Compass") has two claims from two loans with balances which total approximately \$3,531,117.00 as of the Petition Date, together with interest accruing thereafter and expenses pursuant to the terms and provisions of the note(s), deed(s) of trust and other

loan documents and instruments executed in connection with those extensions of credit,

3. All existing cash and cash equivalents in the Debtor's bankruptcy estate as of the Petition Date, and all hereafter arising cash and cash equivalent proceeds of the Prepetition Collateral secure Compass' claim, pursuant to the Loan Agreements and § 552(b) of the Code, and constitute Compass' Cash Collateral within the meaning of § 363 of the Code. (All such cash, and all hereafter arising revenue from the Debtor's Property, together with all cash and cash equivalent proceeds of the liens and security interests granted herein and under the Loan Agreements, are hereinafter referred to as "Cash Collateral"). The lien(s) securing Compass' claim and defining its Cash Collateral are subject to any federal tax liens filed of record as of the Petition Date.

4. As of the Petition Date federal tax liens totaling \$390,000.00 securing IRS claims for prepetition 941 taxes have been filed. The Debtor is entering into an agreed order with the IRS allowing it to use the Cash Collateral defined above subject to the IRS' tax liens.

5. The Debtor is authorized to use Compass' Cash Collateral under § 363 of the Code pursuant to the terms hereof, but not otherwise. Absent the relief provided herein, Compass would not permit the Debtor to use Cash Collateral or to continue using the Prepetition Collateral and would immediately seek from the Court adequate protection of its interests in the Cash Collateral and the Prepetition Collateral and/or relief from the automatic stay to enforce its rights to foreclose on the Cash Collateral.

6. The Debtor's use of Cash Collateral, as provided herein, is necessary to avoid immediate and irreparable harm to the bankruptcy estate. If such Cash Collateral is not immediately made available to the Debtor, all of the Debtor's operations will cease, and cause an immediate diminution in the value of property of the bankruptcy estate.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. Budget. Attached hereto as Exhibit A is the Debtor's budget for the period from September 1, 2018 through November 30, 2018,

2. Use of Cash Collateral. The Debtor is authorized to use Cash Collateral until the Termination Date, as defined below, solely for the purpose of funding its operations pursuant to and in accordance with the attached Projected Use of Cash (Exhibit A). The Debtor shall not incur or pay for expenses in an amount that exceeds each line item in the Approved Budget by ten percent (10%) or more without Compass' written consent. All expenses shall be paid when due and payable.

3. Termination Date. As used herein, the term "Termination Date" shall be defined as November 30, 2018, or such later date to which Compass may stipulate in a written notice to the Debtor's counsel of record in this case without further notice to creditors or order of the Court. The Termination Date may be extended by further order of the Court and by amendment or supplement to this order.

4. Grant of Post-Petition Lien. To secure Compass' Claim and to provide Compass with protection of its interests in the property of the Debtor bankruptcy estate in consideration of the Debtor's use of Cash Collateral, Compass is hereby granted a valid, perfected and enforceable priority replacement lien and security interest equivalent to a lien granted under §364(d) of the Code, in accordance with Bankruptcy Code Sections 361, 363, 364(c)(2), 364(e), 501(b)(1) and 552, having the same priority over all other creditors as Compass Bank's lien position prior to the Debtor filing for bankruptcy protection in this case, in and upon all of the presently existing and hereafter acquired or arising property of the Debtor and the Debtor's bankruptcy estate (the "Post-Petition Collateral"), including without limitation all of the Debtor's and the Debtor's bankruptcy estate's

presently existing and hereafter arising or acquired cash and cash equivalents, accounts, contract rights, inventory, equivalent, fixtures, general intangibles, chattel paper, hereafter acquired instruments and documents (as said terms are defined in the Texas Business and Commerce Code), real property and interests in real property, and all present and future rents, issues, profits, revenues and income from the Property, and all present and future products and proceeds from any of the foregoing, and all present and future accessions, parts, substitutions, renewals, improvements, replacements and additions thereto; provided, however: (i) Compass' liens in tangible personal property owned by the Debtor prepetition shall be limited to those items subject to valid security interests recorded in accordance with applicable state law; (ii) Compass' liens in tangible personal property acquired by the Debtor post-petition shall be limited to those items constituting proceeds of Compass' prepetition collateral or proceeds of Cash Collateral. Compass' security interest in the Post-Petition Collateral shall be subject to no equal or prior lien, whether previously, contemporaneously or hereafter granted save and except for any federal tax liens. Subject to the federal tax liens, all prepetition security interests and liens heretofore perfected by Compass are, by this Order and authority, recognized as post-petition liens. Notwithstanding the foregoing, no determination has been made as to the lien priority of COMPASS BANK versus the loan priority of the INTERNAL REVENUE SERVICE, or vice versa. Accordingly, the replacement liens granted to COMPASS BANK and to the INTERNAL REVENUE SERVICE are in the same priority as were their respective lien positions prior to the Debtor filing for bankruptcy protection in this case.

5. The replacement liens granted to the Lender in this order are automatically perfected without the need for filing of a UCC-1 financing statement with the Secretary of State's Office or any other such act of perfection.

6. All cash accounts of Debtor and all accounts receivable collections by Debtor post-

petition shall be deposited in a separate cash collateral account, being Debtor's debtor-in- possession account, subject to the terms of the Order Granting Debtor's Motion to Maintain Pre- Petition Bank Accounts.

7. The automatic stay under Section 362(a) of the Bankruptcy Code shall be, and it hereby is, modified to the extent necessary to permit the Lender to retrieve, collect and apply payments and proceeds in respect of the Pre-petition Collateral and Post-petition Collateral in accordance with the terms and provisions of this Order upon written notice of the default delivered in writing to Debtor and Debtor's counsel. The Debtor shall then have an opportunity to cure the default during a period of no greater than ten (10) business days from the date of the notice of default. In the event the default is not cured within the ten day period the stay shall lift by operation of this order.

8. The Debtor shall execute and deliver to the Lender all such agreements, financing statements, instruments and other documents as the Lender may reasonably request to evidence, confirm, validate or perfect the liens granted pursuant hereto.

9. The Debtor shall deliver a copy of its Monthly Operating Report to the Lender's counsel by the 25th day of each month beginning September 25, 2018.

10. The Debtor shall make monthly payments in the amount of \$8,186.00 and \$15,352.00 to Compass Bank on or before the 2th of each month beginning on September 25, 2018.

11. The Debtor shall deliver to the Lender on a monthly basis copies of payments to employees and copies of payments on Sales Tax.

12. Debtor obligations. The Debtor is required to do the following:

- (a) The Debtor shall continue to maintain, insure and otherwise preserve and protect all Prepetition and Post-Petition Collateral.

- (b) The Debtor shall further provide all financial and other reports required to be provided to Compass under the Loan Agreements.

13. Default. Any of the following shall constitute an event of default:

- (a) The Debtor fails to comply with any of the provisions of this order or the order conditionally extending the automatic stay.
- (b) The Debtor transmits any materially false financial or other information to Greystone.
- (c) The Debtor fails to properly maintain its accounts.

14. Remedies. Upon the occurrence of an event of default, Compass may file with the Court a notice describing such event of default. After the filing of such notice and delivery to the Debtor, and after a ten (10) business day opportunity for the Debtor to cure the default, if the Debtor has not cured the default prior to the expiration of the ten business day cure period, without further Court order the Debtor's right to use cash collateral will terminate and the automatic stay will terminate as set forth in Paragraph 7 above. as to any and all property that Compass has a lien on. The Debtor, its partners employees representatives and agents shall be enjoined from further use of the Cash Collateral. Notice of default is effective when delivered to Debtor's counsel. Additionally, nothing contained herein limits the Lender's right to petition the Court to terminate the Debtor's use of Cash Collateral and to petition the Court for relief of automatic stay.

15. Core Proceeding and Jurisdiction. This is a core proceeding as defined by 28 USC §157. The court has jurisdiction pursuant to 28 USC §1334. All disputes concerning this order and the interpretation of this order shall be subject to this Court's exclusive jurisdiction.

16. This Order shall be served on all parties in interest and the US Trustee with fourteen (14) day negative notice language. All objections to it must be in writing and served on the Debtor's

and Compass' counsel. If no timely objection is made, the Debtor is authorized to continue using Cash Collateral as provided herein.

17. The provisions of this Order shall be binding upon and inure to the benefit of Compass and the Debtor. However, nothing herein shall prevent the Lender from seeking any form of relief under the Bankruptcy Code.

17. It is further ORDERED, ADJUDGED AND DECREED that notwithstanding any provision of this Order and any further Order pertaining to Cash Collateral, the ad valorem tax liens held by Bexar County shall neither be primed by nor subordinated to any liens granted herein.

18. It is further ordered that the court has set this matter for final hearing on the Debtor's Motion to Use Compass Bank's Cash Collateral for November 26, 2018 at 10:00 o'clock a.m. in the Courtroom No. 3, 5th Floor, 615 E. Houston Street, San Antonio, Texas 78205.

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AGREED:

/s/Richard J. Cinclair, Jr.

Richard J. Cinclair, Jr.
Richard J. Cinclaire, Jr., P.C.
5335 Spring Valley Road
Dallas, Texas 75254
Phone: 972-991-2121
Fax: 972-991-3220
SBN: 04251375
Counsel for Compass Bank

/s/James S. Wilkins

JAMES S. WILKINS
Attorney for Debtor
711 Navarro Street, Suite 711
San Antonio, Texas 78205-1711
Telephone: (210) 271-9212
Facsimile: (210) 271-9389

State Bar No. 21486500
E-mail: jwilkins@stic.net

PREPARED & SUBMITTED BY:

WILLIS & WILKINS, L.L.P.
JAMES S. WILKINS
Attorney for Debtor
711 Navarro Street, Suite 711
San Antonio, Texas 78205-1711
Telephone: (210) 271-9212
Facsimile: (210) 271-9389
State Bar No. 21486500

OAK HILLS LANES

PROJECTED USE OF CASH
September, 2018 to November, 2018

	Sep '18	Oct '18	Nov '18
Income			
Bowling Sales	90,264	89,233	89,851
Food Sales	33,239	30,419	31,465
Bar Sales	32,138	28,381	29,841
Total Income	155,641	148,033	151,157
Cost of Goods Sold			
Food	13,960	12,776	13,215
Bar	9,320	8,230	8,654
Total COGS	23,280	21,006	21,869
Gross Profit	132,361	127,027	129,288
Expenses			
Advertising	200	200	2,700
Admin Costs	3,000	3,000	3,000
Bowl Pins/Shoes	1,860	790	790
Bank Charges	3,113	2,961	3,023
Dues & Subs	1,868	1,776	1,814
Insurance	2,136	2,136	2,136
Janitorial	1,700	1,700	1,700
Repairs & Maint	7,004	6,661	6,802
Office Expenses	350	350	350
Legal & Professional	12,500	-	-
Linens	778	740	756
Marketing	1,000	1,000	1,000
Miscellaneous	311	296	302
Rent - Equipment	1,500	1,500	1,500
Security Services	-	420	-
Supplies	195	185	189
Taxes - Payroll	4,472	4,253	4,343
Taxes - Liquor	2,153	6,631	1,999
Taxes - Propeerty	4,500	4,500	4,500
Taxes - Franchise	-	-	3,000
Telephone	1,170	1,170	1,170
US Trustee fees	-	-	5,500
Utilities	6,500	6,500	6,500
Contingency Allow	3,113	2,961	3,023
Wages	52,918	50,331	51,393
Total Expense	112,341	100,061	107,490
Income Before Debt Service	20,020	26,966	21,798
Debt Service			
BBVA Compass	8,186	8,186	8,186
BBVA Compass	15,352	15,352	15,352
KLC Financial	2,000	2,000	2,000
Amtec Leasing	603	603	603
Total Debt Service	26,141	26,141	26,141
Net Available	(6,121)	825	(4,343)