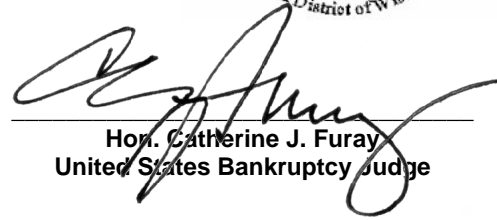




THIS ORDER IS SIGNED AND ENTERED.

Dated: September 21, 2018


Hon. Catherine J. Furay
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN**

In re:

PEDRO'S OF MADISON, INC.

Chapter 11

Case No. 18-13142-cjf

Debtor.

**INTERIM ORDER AUTHORIZING DEBTOR'S USE OF CASH COLLATERAL
AND GRANTING ADEQUATE PROTECTION**

Upon the Motion of Pedro's of Madison, Inc. d/b/a Pedro's Mexican Restaurante, the debtor herein (the "Debtor") for entry of an order (the "Order") for entry of an order (the "Order"), pursuant to 11 U.S.C. §§ 361 and 363(c), Federal Rules of Bankruptcy Procedure 4001(b)(1) and 9014, (i) authorizing Debtor to use cash collateral; (ii) granting adequate protection; (iii) setting a hearing on the motion to consider the entering of an interim order authorizing and approving the use of Cash Collateral pending a final hearing on the motion; and (iv) setting a final hearing on this motion (the "Motion"); and the Court having determined after the hearing on the Motion held on September 21, 2018, that the relief requested in the Motion is in the best interests of the Debtor,

its estate, creditors and other parties-in-interest; the Court having found that the temporary use of cash collateral was necessary to avoid immediate and irreparable harm to the estate pending a final hearing; and it appearing that notice of the interim relief requested was good and sufficient under the circumstances; and upon the record; and after due deliberation thereon; and good and sufficient cause appearing therefore; it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is Granted;
2. Summit Credit Union, the Debtor's pre-petition secured lender ("Summit") holds a perfected security interest in the assets of the Debtor as described in its security agreements as collateral for obligations owed to it by the Debtor, including but not limited to, equipment, fixtures, inventory, documents, general intangibles, accounts, and contract rights, and specifically including any and all accounts, deposit accounts and contract rights of Debtor, and proceeds thereof owned by Debtor and related to Debtor's restaurant operations.
3. In order to protect Summit's security interest in cash collateral that existed on or after the date of the filing of Debtor's bankruptcy petition, Summit is hereby provided with a first position post-petition replacement lien (the "Post-petition Lien") on the Debtor's personal property, including but not limited to, equipment, fixtures, inventory, documents, general intangibles, accounts, and contract rights, and specifically including any and all accounts, deposit accounts and contract rights of Debtor, and proceeds thereof owned by Debtor and related to Debtor's restaurant operations, except to the extent that any such collateral may be subject to valid, properly perfected, priority liens of pre-petition secured creditors other than Summit.
4. The Post-petition Lien shall be deemed perfected as of the Petition Date upon the entry of this Order. Summit may, but is not required to, file a financing statement with the Wisconsin Department of Financial Institutions to perfect the Post-petition Lien. The Post-petition

Lien shall be deemed to attach to any such assets that the Debtor has an interest in as described herein.

5. The Debtor may use Cash Collateral to pay post-petition expenses from the Petition Date through November 30, 2018, in accordance with the monthly budget attached to this Order (the "Approved Budget"). The Debtor may only use the Cash Collateral for those budgeted items in the amounts set forth on the Approved Budget, and Debtor is only authorized to use those funds paid to Debtor that are identified as Revenue on the Approved Budget as the source of funds to pay those expenses identified on the Approved Budget. The Debtor understands and acknowledges that attorney and accountant fees will only be paid after the respective professional's employment and fees are approved by this Court.

6. The Parties agree that Summit is entitled to adequate protection for the use of cash collateral, and as adequate protection payments, the Debtor shall continue to pay its monthly rent payments of \$4,000.00 per month to SME, which rent shall be paid by the Debtor on or before the 21st day of each month, with the first payment due on or before September 21, 2018, to SME, which monthly rent shall then be paid over to Summit. Such monthly rent payments shall constitute adequate protection payments to Summit (the "Adequate Protection Payment").

7. Upon the Debtor's failure to make a required Adequate Protection Payment to Summit, Summit shall provide written notice of such default to the Debtor, which written notice shall be accompanied by electronic mail (email) from Summit's counsel to Debtor's counsel at ereyes@ks-lawfirm.com with a copy by mail to the Debtor at its mailing address of 3555 East Washington Avenue, Madison, Wisconsin, 53704-4154. The Debtor's failure to cure a default for failure to make the Adequate Protection Payment within five (5) days of Summit's email notice to Debtor's counsel shall be considered an event of default under Order.

8. Other than as provided for in this Order, the Debtor shall not be entitled to use the

Cash Collateral.

9. The Debtor shall continue to insure its personal property assets used by the Debtor to conduct its business, and pay premiums when due. The Debtor shall furnish proof of adequate insurance on its personal property assets upon request by Summit.

10. Unless further extended pursuant to an agreement by the parties or by order of the Court, this agreed Order shall terminate at 4:00 p.m. on November 30, 2018.

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