


ORDERED.

Dated: September 14, 2016



Roberta A. Colton
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

In re:

CHARTER SCHOOL DEVELOPMENT
SERVICES, INC.

Case No. 6:16-bk-04312-RAC
Chapter 11 – Lead Case

EDU-PRO MANAGEMENT, LLC

Case No. 6:16-bk-04313-RAC
Jointly Administered

Debtors.

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**SECOND INTERIM ORDER GRANTING DEBTOR’S MOTION TO USE
CASH COLLATERAL AND NOTICE OF CONTINUED HEARING (DOC. 3)**

THIS CASE came on for a second preliminary hearing on September 7, 2016 (the “Hearing”) upon the Emergency Motion to Use Cash Collateral filed by Charter School Development Services, Inc. (the “Debtor”), filed on June 30, 2016 (Doc. No. 3) (the “Motion”). The Motion seeks authority to use cash collateral and to provide adequate protection to Patrick Cavanaugh, as receiver for First Farmers Financial, LLC (“Lender”) on an interim basis and was granted by this Court on an interim basis pursuant to the First Interim Order Granting Debtor’s Motion to Use Cash Collateral and Notice of Continued Hearing (the “Interim Order”). Upon consideration of the Motion, the evidence presented, and the positions of the parties at the Hearing, it is

ORDERED:

1. Interim Authorization Granted. The Motion is granted on an interim basis as provided herein, subject to the right of any party in interest to petition the Court for reconsideration of this Order at any time prior to the confirmation of any plan of reorganization of the Debtor.

2. Cash Collateral Authorization. Subject to the provisions of this order, the Debtor is authorized to use cash collateral to pay: (a) amounts expressly authorized by this Court, including payments to the United States Trustee for quarterly fees; (b) the current and necessary expenses set forth in the budget attached as Exhibit A attached hereto, plus an amount not to exceed ten percent (10%) for each line item (provided no amount shall be disbursed for pre-petition sales tax, absent proper application and entry of an order by the Court); and (c) such additional amounts as may be expressly approved in writing by Lender and any other legitimate creditor (collectively, the “Creditors”), to the extent such Creditor has an interest in such cash collateral. This authorization will continue until October 12, 2016, or until further order of this Court. Except as authorized in this order, the Debtor is prohibited from use of cash collateral.

3. Debtor Obligations. The Debtor shall timely perform all obligations of a debtor-in-possession required by the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, and the orders of this Court.

4. Access to Records and Premises. Upon reasonable notice, and provided that it does not unreasonably interfere with the business of the Debtor, the Debtor shall grant the Creditors access to the Debtor’s business records and premises for inspection.

5. Replacement Lien. The Creditors shall have a perfected post-petition lien against cash collateral to the same extent and with the same validity and priority as its respective prepetition liens, without the need to file or execute any document as may otherwise be required under applicable nonbankruptcy law.

6. Insurance. The Debtor shall maintain all its insurances including liability and casualty insurance coverage in accordance with state law and its obligations under the agreements with its Creditors.

7. Without Prejudice. This Order is without prejudice to: (a) any subsequent request by a party-in-interest for modified adequate protection or restrictions on use of cash collateral; or (b) any other right or remedy which may be available to the Creditors.

8. Creditors Committee. The provisions of this Order are without prejudice to the rights of the United States Trustee to appoint a committee or any rights of a duly-appointed committee to challenge the validity, priority, or extent of any lien(s) asserted against cash collateral.

9. Enforcement. The Court shall retain jurisdiction to enforce the terms of this Order.

10. Continued Hearing. The hearing on this Motion is continued to October 12, 2016, at 10:00 a.m.

Attorney Michael Nardella is directed to serve a copy of this order on interested who are non-CM/ECF users parties and file a proof of service within 3 days of entry of the order.

Exhibit A

Monthly Budget - Charter School

	<u>Revenue</u>	<u>Repairs</u>	<u>Insurance</u>	<u>Maintenance</u>	<u>IT-Maint.</u>	<u>Expenses</u>	<u>Balance</u>
July 2016	\$28,000.00	\$1,000.00	\$1,395.55	\$800.00	\$3,000.00	\$6,195.55	\$21,804.45
Aug 2016	\$28,000.00	\$1,000.00	\$1,395.55	\$800.00	\$3,000.00	\$6,195.55	\$21,804.45
Sep 2016	\$28,000.00	\$1,000.00	\$1,395.55	\$800.00	\$3,000.00	\$6,195.55	\$21,804.45
Oct 2016	\$28,000.00	\$1,000.00	\$1,395.55	\$800.00	\$3,000.00	\$6,195.55	\$21,804.45
Nov 2016	\$28,000.00	\$1,000.00	\$1,395.55	\$800.00	\$3,000.00	\$6,195.55	\$21,804.45
Dec 2016	\$28,000.00	\$1,000.00	\$1,395.55	\$800.00	\$3,000.00	\$6,195.55	\$21,804.45
	\$168,000.00	\$6,000.00	\$8,373.30	\$4,800.00	\$18,000.00	\$37,173.30	\$130,826.70