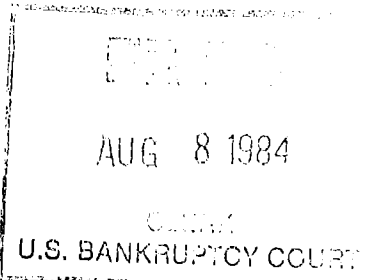


UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WISCONSIN



In re:

Case Number:

TESMER CONSTRUCTION  
CORPORATION,

WF11-84-00307

Debtor.

FINDINGS OF FACT, CONCLUSION OF LAW  
AND  
ORDER GRANTING SENIOR LIEN

Debtor, Tesmer Construction Corporation, having filed an application to be authorized to borrow money giving a security interest in tangible assets of the corporation on a senior priority basis; and the matter having come on for hearing before the Court; and the Debtor having appeared by William J. Dehn, one of its counsel; and the Neillsville Bank by Frank R. Vazquez having filed written objections to the granting of a senior lien loan; and the Court having heard the evidence of appraisers on each side and other witnesses relative to the necessity of the loan and the inability to get other financing, and having heard the arguments of counsel and considered the legal authorities submitted to the Court, and being fully advised in the premises, FINDS THAT:

1. The Debtor filed for reorganization under Chapter 11 of the Code on February 21, 1984.

2. Debtor is a construction firm and has pending several construction contracts, and most of the present suppliers have placed the company on a C.O.D. basis.

3. Increased business and the delay of processing and securing payments on work, which is usual in the construction business, have created severe cash flow problems for the Debtor.

4. Debtor is possessed of assets with a claimed reasonable value as follows:

a. Real estate - 2 acres with office building and two large warehouse-workshop buildings	\$125,000.00
b. Autos and trucks	68,450.00
c. Equipment	107,000.00
d. Office equipment	<u>3,000.00</u>
TOTAL	\$303,450.00

5. The liquidation value of such property is estimated at:

a. Real estate	\$100,000.00
b. Autos, trucks, building and equipment	<u>100,000.00</u>
TOTAL	\$200,000.00

6. Creditor, Neillsville Bank, alleges the values to be as follows, based on a going concern with sufficient time to liquidate:

a. Real estate - 2 acres with office building and two large warehouse-workshop buildings	\$ 75,000.00
b. Autos and trucks	30,000.00
c. Equipment	50,000.00
d. Office equipment	<u>500.00</u>
TOTAL	\$155,500.00

and estimates the total liquidation value of all the property at:

a. Real estate and improvements	\$ 50,000.00
b. Autos, trucks, buildings and equipment	<u>40,000.00</u>
TOTAL	\$ 90,000.00

7. The First National Bank of Neillsville, Wisconsin, has agreed to loan the Debtor \$75,000.00, with a first super priority lien on the real estate and a second security agreement on the personal property.

8. The amount due to the Neillsville Bank on the present first mortgage on the real estate and personal property is the sum of \$85,202 plus accrued interest.

9. The proposed loan from the First National Bank of Neillsville would be based on 14 1/2% per annum rate of interest, amortized monthly on a 15-year rate, payment to be made in full on or before 10 years, with monthly payments to be \$1,163.43.

10. The funds from the new loan are needed to accomplish a successful reorganization.

11. The Debtor has not been able to secure an unsecured loan or any other secured loans other than the loan herein described.

11 U.S.C. sec. 364(d)(1)(A).

12. The Court determines that the liquidation value of the real estate and personal property is the sum of at least \$200,000.

13. There is ample security and protection to the Neillsville Bank after the authorization of the senior priority lien herein granted. 11 U.S.C. secs. 361 & 364(d)(1)(B).

14. The proposed financing meets the requirements of Section 364(d) of the Bankruptcy Code.

CONCLUSION OF LAW

That an order be entered granting the Debtor's Petition and allowing a senior lien loan as herein described above to the First National Bank of Neillsville, Wisconsin.

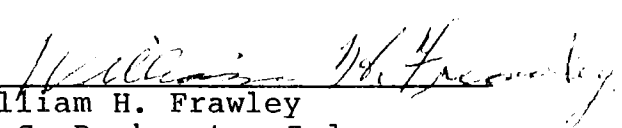
ORDER

IT IS ORDERED that the application of Debtor to borrow the sum of \$75,000 and granting the First National Bank of Neillsville, Wisconsin, a first super priority lien on the real estate and a second security agreement on the personal property described in the application be, and the same hereby is, GRANTED.

IT IS FURTHER ORDERED that the officers of said Debtor are authorized to execute the necessary papers and documents to complete said loan transaction.

Dated: August 8, 1984.

BY THE COURT:

  
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William H. Frawley  
U. S. Bankruptcy Judge