



SO ORDERED.

SIGNED this 04 day of August, 2004.


LEIF M. CLARK
UNITED STATES BANKRUPTCY JUDGE

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

IN RE:	§	
SCHLOTZSKY'S, INC.	§	CASE NO. 04-54504
SCHLOTZSKY'S RESTAURANTS, INC.	§	CASE NO. 04-54506
SCHLOTZSKY'S REAL ESTATE, INC.	§	CASE NO. 04-54507
SCHLOTZSKY'S FRANCHISOR, LLC	§	CASE NO. 04-54508
SCHLOTZSKY'S FRANCHISE OPERATIONS, LLC	§	CASE NO. 04-54509
SCHLOTZSKY'S BRAND PRODUCTS, LLC	§	CASE NO. 04-54510
DFW RESTAURANT TRANSFER CORP.	§	CASE NO. 04-54511
56 TH AND 6 TH , INC.	§	CASE NO. 04-54512
RAD ACQUISITION CORP.	§	CASE NO. 04-54513
SAN FELIPE, LLC,	§	CASE NO. 04-54514
Debtors.	§	CHAPTER 11
	§	(Motion for Joint Administration Pending)

ORDER GRANTING DEBTORS' EMERGENCY MOTION FOR AUTHORITY TO GRANT ADMINISTRATIVE EXPENSE PRIORITY STATUS TO DEBTORS' OBLIGATIONS ARISING FROM THE POSTPETITION DELIVERY OF GOODS AND SERVICES ORDERED PRIOR TO BANKRUPTCY AND TO PAY SUCH OBLIGATIONS IN THE ORDINARY COURSE OF BUSINESS

Came on for consideration the Debtors' Emergency Motion for Authority to Grant Administrative Expense Priority Status to Debtors' Obligations Arising from the Postpetition Delivery of Goods and Services Ordered Prior to Bankruptcy and to Pay Such Obligations in the Ordinary Course of Business (the "Motion"),¹ filed by Schlotzsky's, Inc. ("SI"), Schlotzsky's Restaurants, Inc. ("Restaurants"), Schlotzsky's Real Estate, Inc. ("Real Estate"), Schlotzsky's Franchisor, LLC ("Franchisor"), Schlotzsky's Franchise Operations, LLC ("Franchise Operations"), and Schlotzsky's Brand Products, LLC ("Brand Products"), DFW Restaurant Transfer Corp. ("DFW"), 56th and 6th, Inc. ("56th and 6th"), RAD Acquisition Corp. ("RAD"), and San Felipe, LLC ("San Felipe") (collectively, "Schlotzsky's" or the "Debtors"). The Court finds that (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; (iv) proper and adequate notice of the Motion and the hearing thereon has been given under the circumstances and no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon good and sufficient cause exists for the granting of the relief as set forth herein,

IT IS HEREBY:

ORDERED that the Motion is granted; and it is further

¹ Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

ORDERED that administrative priority status under 11 U.S.C. § 503(b) is hereby granted to the Debtors' undisputed obligations arising from the postpetition delivery of goods and services that were ordered prior to the Petition Date and that are delivered or performed after the Petition Date; and it is further

ORDERED that the Debtors are authorized to pay such obligations in the ordinary course of business under 11 U.S.C. § 363(c); and it is further

ORDERED that, notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall constitute, nor is it intended to constitute, the assumption of any contract or agreement under 11 U.S.C. § 365; and it is further

ORDERED that, notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall create, nor is it intended to create, any rights in favor of, or enhance the status of, any claim held by any person.

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