

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In Re:

945 LITTLE EAST NECK ROAD, LLC, ET. AL.

Case No. 8-16-74897-las
Chapter 11

Debtors.

Jointly Administered

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**STIPULATION ALLOWING DEBTOR'S
USE OF CASH COLLATERAL AND PROVIDING
BANK OF HOPE WITH ADEQUATE PROTECTION
FOR THE DEBTOR'S USE OF CASH COLLATERAL**

WHEREAS, 945 Little East Neck Road, LLC ("945 LENR"), and its affiliates, **956 Little East Neck Road, LLC** ("956 LENR"), and **1041 Little East Neck Road, LLC** ("1041 LENR"), , ("Debtors"), contemporaneously filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code on October 20, 2016, and

WHEREAS, the Debtors have continued in possession and management of their assets and businesses pursuant to Sections 1107 and 1108 of the Bankruptcy Code, and

WHEREAS, Bank of Hope, as successor by merger to BBCN Bank. ("BofH"), asserts a pre-petition claim against the Debtors in the principal amount of \$294,965.46, which claim arises from a loan and security agreement dated May 28, 2009, which was most recently amended on June 30, 2016; and

WHEREAS, BofH asserts a lien and security interest in all of the Debtors' assets ("Collateral") to secure the debt, and

WHEREAS, the proceeds of the Debtors' operations and collection of accounts receivable constitute cash collateral of BofH as defined in Section 363(a) of the Code

("Cash Collateral") to the extent the BofH secured debt is valid, perfected and enforceable;
and

WHEREAS, to continue the operation of its business, the Debtors must pay costs and expenses necessary to operate its businesses and preserve and maintain its businesses, including without limitation. wages, salaries, rent, supplies and other expenses;
and

WHEREAS, the Debtors wish to continue to use Cash Collateral subject to the lien of BofH and conditioned upon the Court's approval of this Stipulation, BofH consents to such use of cash collateral;

IT IS HEREBY STIPULATED AND AGREED by and between the undersigned counsel for the Debtor and BofH, as follows:

1. Subject to the terms and conditions of this Stipulation, the Debtors are hereby authorized and empowered to use Cash Collateral (i) in the ordinary course of its businesses for payment of expenses incurred, or to be incurred in the ordinary course of business; (ii) for payment of any filing fees or United States Trustee fees in connection with these cases; and (iii) for payment of any professional fees and expenses, to the extent allowed in this case.

2. As adequate protection to secure any loss, decrease or decline in the value of the Collateral resulting from the use, sale or lease of the Collateral (including Cash Collateral) by the Debtors ("Post-Petition Loss"), the Debtors hereby grant to BofH a continuing post-petition security interest ("Adequate Protection Lien") in all of the assets of the Debtors and all substitutions therefore which are created, acquired and in which the

Debtors obtain an interest subsequent to the filing of the petitions herein, provided however, that such lien does not extend to any avoidance power recoveries available to the estate.

3. The Adequate Protection Lien will be subject only to the BofH Lien and to any other valid pre-petition security interests or liens to the extent existing and perfected as of the commencement of these cases.

4. The Adequate Protection Lien shall be deemed a valid, enforceable and perfected lien to secure the Post-Petition Loss; and such lien shall remain valid and perfected in the event of dismissal or conversion of the Proceedings, or release of any property of the estate, without the necessity that BofH make any filings or recordings or otherwise perfect its lien under applicable law, provided that BofH may make applicable filing and recordings without waiving the benefit of this provision.

5. As additional consideration for BofH's consent to the use of cash collateral and, as additional adequate protection for such use of cash collateral, **the Debtors shall make monthly adequate protection payments in the total monthly amount of \$6,440.11 to BofH ("Adequate Protection Payments")** until the maturity of the pertinent loan on May 28, 2017, or such time as each of the Debtors' cases has resulted in confirmation of a Chapter 11 Plan, dismissal, or conversion to a case under Chapter 7, whichever is earlier.

6. The authorization to use Cash Collateral provided for herein shall be effective until the maturity of the pertinent loan on May 28, 2017, or such time as each of the Debtors' cases has resulted in confirmation of a Chapter 11 Plan, dismissal, or conversion to a case under Chapter 7, whichever is earlier.

7. Debtors shall make Adequate Protection Payments on or before the 28th day

of each month, retroactive to a first payment on October 28, 2016. Payments shall be mailed to BofH's counsel at:

Bank of Hope
Attn: Dan Kim
485 Great Neck Road
Great Neck, NY 11021

8. BofH will apply payments to principal, interest, late fees and costs pursuant to the pre-petition amortization schedule and loan documents for the relevant loan from BofH to the Debtors.

9. The Debtors hereby represent and acknowledge that they have opened debtor-in-possession bank accounts. The Debtors hereby covenant and agree that they shall deposit all of the proceeds of all sales of its property, including collections of its pre-petition accounts receivable, and any other funds the Debtors may receive, into one or more such debtor-in-possession bank accounts.

10. In the event that the Debtors default in the Adequate Protection Payments required hereunder or in any other representation or warranty set forth herein, shall constitute an "Event of Default."

11. The occurrence of any other below listed event shall also be an Event of Default, except that no bankruptcy filing or insolvency shall be treated as a default under the said loan documents:

- a. Non payment of the amounts due.
- b. Default under the Business Loan Agreement (attached as Exhibit "A") between borrowers and BofH Bank, with the exception of the filing of bankruptcy petitions, pursuant to terms of such agreement or instrument.

- c. Default under the Commercial Security Agreements (attached as Exhibit "B") by Debtors, pursuant to terms of such agreement or instrument.

12. Upon the occurrence of an Event of Default, BofH shall be entitled to seek relief from the automatic stay to exercise its rights under the BofH Lien.

13. Any notice in connection herewith shall be deemed to be delivered if it is issued in writing and is either delivered by hand or by regular mail or by overnight mail service to the parties' counsel at their addresses set forth below.

14. This agreement shall be subject to the approval of the United States Bankruptcy Court for the Eastern District of New York. The Debtors hereby agree to submit this Stipulation and Order to the Bankruptcy Court for consideration and approval, on notice to the United States Trustee, creditors committee counsel, if appointed, all other parties with an interest in cash collateral, all other secured creditors, and the twenty largest unsecured creditors.

15. This Stipulation and Order is without prejudice to the rights of either party to apply to the Court on such notice as the Court may deem appropriate for such relief as either party may deem just and proper under the circumstances.

16. This Stipulation and Order shall be binding upon the parties hereto, their respective successors and assigns, all parties who receive notice hereof, and upon any trustees appointed in this or any converted Chapter 7 proceeding.

Dated: January 6, 2017

/s/ Craig D. Robins

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/s/ Tae H. Whang

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