



IT IS ORDERED as set forth below:

Date: January 11, 2017

**Paul W. Bonapfel
U.S. Bankruptcy Court Judge**

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: : CHAPTER 11
: :
AUTUMN COVE APARTMENTS, LLC, : Case No. 16-71783-pwb
OAKLEY WOODS APARTMENTS, LLC : Case No. 16-71787-pwb
PINE KNOLL APARTMENTS, LLC : Case No. 16-71788-pwb
SHANNON WOODS APARTMENTS, LLC : Case No. 16-71790-pwb
GARDEN GATE APARTMENTS, LLC : Case No. 16-72175-pwb
: :
: Jointly Administered Under
Debtors : Case No. 16-71783-pwb
: :
: :

**FINAL ORDER AUTHORIZING LIMITED USE
OF CASH COLLATERAL BY DEBTORS IN POSSESSION
AND PROVIDING ADEQUATE PROTECTION**

Autumn Cove Apartments, LLC, debtor and debtor in possession ("Autumn Cove") and numerous affiliated debtors¹ (with Autumn Cove, each, a "Debtor," and collectively, "Debtors") filed a Motion pursuant to Section 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b)

¹ Oakley Woods Apartments, LLC ("Oakley Woods;" 16-71787), Pine Knoll Apartments, LLC ("Pine Knoll;" 16-71788), Shannon Woods Apartments, LLC ("Shannon Woods;" 16-71790), and Garden Gate Apartments, LLC ("Garden Gate;" 16-72175).

(Doc. No. 10) (the "Cash Collateral Motion") for interim and final authority to use certain cash that is subject to security interests and liens in favor of COMM 2014-LC17 Georgia Properties, LLC ("Lender"), and therefore constitutes cash collateral within the meaning of Section 363 of the Bankruptcy Code.

The Court held an interim hearing on December 15, 2016 (the "Preliminary Hearing"). Following the Preliminary Hearing, on December 16, 2016, the Court entered its "Interim Order Authorizing Use of Cash Collateral by Debtors in Possession and Providing Adequate Protection" (the "Interim Order") authorizing the use of cash collateral to avoid immediate and irreparable harm, providing adequate protection to Lender, and providing notice of a final hearing on cash collateral use on January 10, 2017, at 11:00 a.m. (the "Final Hearing").

At the Final Hearing, the Court heard from counsel for Debtors and Lender. Having considered the matters set forth in the Cash Collateral Motion, all representations of counsel at the Final Hearing, and the agreement of the parties to the provisions hereof, the Court makes the following findings of fact and conclusions of law applicable to the use of cash collateral by Debtors and the adequate protection sought by Lender (to the extent any findings of fact constitutes conclusion of law, they are adopted as such, and *vice versa*):

THE COURT HEREBY FINDS:

A. On December 5 and 6, 2016 (the "Petition Date"), Debtors filed with this Court their respective petitions for relief under Chapter 11 of the Bankruptcy Code commencing these chapter 11 cases (the "Chapter 11 Cases"). Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, Debtors have retained possession of their assets and are authorized to continue the operation and management of their businesses as debtors-in-possession.

B. Debtors have stipulated that each Debtor is a single purpose entity that owns and operates a single apartment complex (collectively, the "Apartments"), as follows: (i) Autumn Cove owns an apartment complex located at 6200 Hillandale Drive, Lithonia, GA 30058; (ii) Oakley Woods owns an apartment complex located at 6295 Oakley Road, Union City, GA 30291, (iii) Pine Knoll owns an apartment complex located at 7393 Tara Road, Jonesboro, GA 30236; (iv) Shannon Woods owns an apartment complex located at 100 Sunrise Court, Union City, GA 30291, and (v) Garden Gate owns an apartment complex located at 1608 Rhodes Lane, Griffin, GA 30224.

C. Debtors have stipulated that each Debtor executed, among other things, (i) a Promissory Note dated June 10, 2014 (the "Note"), in the original principal amount of \$11,000,000 in favor of German American Capital Corporation ("GACC"), (ii) a Loan Agreement dated June 10, 2014 (the "Agreement") in favor of GACC, and (iii) a Deed to Secure Debt, Assignment of Leases and Rents and Security Agreement covering the Apartments in favor of GACC as collateral for the Note (the "Security Deeds") (hereinafter, the Note, the Agreement,

the Security Deeds, and all documents, executed and related thereto are referred to as the "Loan Documents").

D. Debtors have stipulated that GACC assigned the Loan Documents to Wilmington Trust National Association, as Trustee, for the benefit of the holders of the COMM 2014-LC17 Mortgage Trust Commercial Mortgage Pass-Through Certificates, which assigned the Loan Documents to Lender.

E. Debtor have stipulated that Debtors' obligations to Lender are secured by the Apartments, their improvements, and all rents, leases, personal property, fixtures, equipment, furniture, furnishings, appliances and appurtenances located thereon (the "Collateral"). Any proceeds from the Collateral and all rents collected from the Apartments are Cash Collateral as that term is defined in Section 363 of the Bankruptcy Code.

F. An immediate and ongoing need exists for Debtors to use cash collateral to continue the operations of their businesses as debtors in possession under Chapter 11 of the Bankruptcy Code and to preserve the value of Debtors' assets as a "going concern." Debtors propose to use cash collateral during the Cash Collateral Period (as defined below) in the amounts and for the purposes specified in the budget prepared by Debtors and annexed hereto as Exhibit A (as the same may be amended from time to time with Lender's prior written consent, the "Budget").

G. Debtors' counsel has certified that a copy of the Interim Order has been served by electronic mail, telecopy transmission, overnight courier or first class United States mail upon the United States Trustee, Lender, and all creditors and parties in interest. The Court finds that notice of the Cash Collateral Motion, as it relates to this Order, is sufficient for all purposes under the Bankruptcy Code and the Bankruptcy Rules, including, without limitation, Sections 102(1) and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b).

H. Good cause has been shown for the entry of this Order and authorization for Debtors to use cash collateral. Debtors' need for the use of cash collateral is immediate and critical, and entry of this Order will minimize disruption of Debtors' business and serve to preserve the assets of Debtors' estates and is in the best interest of Debtors, their creditors and their respective estates.

I. Debtors stipulate that Lender is entitled to adequate protection of its interests in the Collateral.

J. This Court has jurisdiction to enter this Order pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Cash Collateral Motion constitutes a core proceeding, as defined in 28 U.S.C. § 157(b)(2).

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Disposition of Motion. The Cash Collateral Motion is hereby GRANTED as hereinafter set forth.

2. Limited Cash Collateral Use Authorized. During the Cash Collateral Period (as defined below), Debtors shall be authorized to use the rents and proceeds from the collection of accounts relating to the Apartments (the "Cash Collateral") only for Permitted Purposes (as defined below). As used herein:

(a) the term "Cash Collateral Period" shall mean the period commencing January 10, 2017, and ending on the sooner to occur of (a) June 30, 2017 (or such later date as Lender may agree in its sole discretion), or (b) the occurrence of an Event of Default (as defined in paragraph 8 below); and

(b) the term "Permitted Purposes" shall mean use by the Debtor of Cash Collateral to pay expenses shown on the Budget and limited to amounts and line items shown on the Budget, provided that the that no Cash Collateral may be used to pay any pre-petition claim against Debtors (other than casualty insurance premiums that may have accrued prepetition). Permitted Purposes shall also include (i) the payment of postpetition utilities incurred in the ordinary course of business, whether provided for in the budget or not, (ii) the payment of repairs, maintenance, and costs for the preservation of the Apartments incurred in the ordinary course of business, whether provided for in the budget or not, and (iii) the payment of U.S. Trustee quarterly fees, whether provided for in the budget or not.

3. Cash Collateral Subject to Lender's Liens. Until expended by Debtors, all Cash Collateral shall remain subject to the liens and claims of Lender.

4. Termination of Authority to Use Cash Collateral. After the expiration of the Cash Collateral Period or upon an Event of Default as set forth in Paragraph 8 below, Debtors shall forthwith cease to use any Cash Collateral except to the extent otherwise allowed by order of the Court after notice and a hearing. In no event shall the Lender be obligated to monitor or otherwise be responsible for Debtors' use of Cash Collateral in conformity with this Order or Debtors' compliance with this Order.

5. Adequate Protection Liens Granted to Lender. As partial adequate protection of its interests, Lender is hereby granted replacement liens ("Adequate Protection Liens") upon all post-petition property of Debtors of a kind as the prepetition property to which Lender's liens attached as of the Petition Date. The Adequate Protection Liens are granted as adequate protection of any liens and security interests of the Lender. The Adequate Protection Liens shall be deemed automatically valid and perfected upon entry of this Order without the necessity of the execution by Debtors. The Adequate Protection Liens shall not extend to the proceeds of any avoidance actions received by Debtors or the estate pursuant to Sections 544, 547, 548, 549 or 550 of the Bankruptcy Code ("Avoidance Actions"). Notwithstanding anything herein to the contrary, the liens granted to Lender hereunder in connection with the use of Cash Collateral

shall be subject and junior to the fees of the Office of the United States Trustee pursuant to 28 U.S.C. §1930. As further adequate protection for the Debtors' use of Cash Collateral, to the extent that the Adequate Protection Liens prove inadequate to protect fully Lender's interest in Cash Collateral against diminution, Lender shall have an allowed administrative expense claim pursuant to 11 U.S.C. § 507(b), with priority over all other administrative expenses and other claims.

6. Reservation of Rights. Nothing contained in this Order shall be deemed to constitute a finding with respect to the adequacy of the protection of the interests of Lender in the Collateral or a waiver by Lender of its right to seek other or additional relief from the Court, including, without limitation, the right to seek additional protection, to move for relief from the automatic stay, to seek a dismissal or conversion of this Chapter 11 case or to seek the appointment of a trustee or examiner.

7. Reasonable Access. Debtors shall provide Lender with access, promptly upon request, to records and financial information concerning their compliance with the attached budget and their accounting for Cash Collateral. Debtors shall allow Lender reasonable access to the Apartments, promptly upon request, for the purpose of conducting an appraisal of the Debtors' property in which Lender claims a priority security interest. Debtors shall also allow persons retained by Lender reasonable access to the Debtors' records and property for the purpose of evaluating the Debtors' financial condition and ability to continue to operate its business under a Chapter 11 Plan of Reorganization.

8. Events of Default. The occurrence or existence of any one or more of the following events or conditions shall constitute an "Event of Default": (i) the conversion or dismissal of the case; (ii) the appointment of a trustee or an examiner with expanded powers in the case; (iii) Debtors' failure to maintain casualty insurance insuring the Collateral; (iv) the confirmation of a plan; or (v) Debtors' failure duly and punctually to perform any of its obligations under this Order.

9. Adequate Protection Payments. Beginning no later than February 10, 2017, and continuing on a like day of each month thereafter, Debtors shall pay to Lender adequate protection payments in the amount of \$43,631.08.

10. Tax and Insurance Escrow. As adequate protection for Debtors' use of cash Collateral, Debtors shall pay the budgeted amount for taxes and insurance prior to payment of other budgeted expenses for the month. The sums paid by debtors hereunder shall be held by Lender in escrow pursuant to and in accordance with the Loan Documents.

11. Remedies upon Event of Default. Upon the occurrence of an Event of Default, Lender or its counsel may file under this Court's CM/ECF filing system an affidavit of default specifying such Event of Default. If Debtors dispute that an Event of Default has in fact occurred, Debtors may file a contravening affidavit within 5 calendar days of the date of filing of the affidavit of default. If no such contravening affidavit is timely filed, Debtors shall forthwith cease any further use of Cash Collateral and the Court may enter an order prohibiting further use

of Cash Collateral (but Debtors shall be prohibited from further use whether or not such an order is entered). If Debtors timely file a contravening affidavit, the Court shall set an expedited hearing.

12. Survival of Provisions of this Order. The provisions of this Order and any action taken pursuant to the terms hereof shall survive the entry of any order that may be entered dismissing the case or converting the cases to a case under Chapter 7 of the Bankruptcy Code, and all of the terms and conditions of this Order as well as the liens and security interests granted pursuant hereto shall continue in this or in any superseding case under the Bankruptcy Code, and such liens and security interests shall retain their priorities provided by this Order until satisfied and discharged.

13. No Consent to Surcharge. Neither this Order nor Lender's consent to the Budget or the use of Cash Collateral as herein provided shall constitute a consent provided by Lender to any surcharge under Section 506(c) of the Bankruptcy Code.

END OF DOCUMENT

Prepared and presented by:

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Identification of parties to be served:

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EXHIBIT "A"
(Budget)

Budgets Of All properties and Cash Flow Projections

Item	January	February	March	April	May	June	Total
Income							
Rental Oakley	\$ 12,555.00	\$ 20,159.00	\$ 22,159.00	\$ 24,559.00	\$ 26,559.00	\$ 28,559.00	\$ 134,550.00
Rental Shannon	\$ 23,000.00	\$ -					
Rental Garden Gate	\$ 28,252.00	\$ 37,355.00	\$ 37,355.00	\$ 37,355.00	\$ 37,355.00	\$ 37,355.00	\$ 215,027.00
Rental Autumn Cove	\$ 28,934.00	\$ 28,934.00	\$ 28,934.00	\$ 28,934.00	\$ 28,934.00	\$ 28,934.00	\$ 173,604.00
Rental Pine Knoll	\$ 25,748.00	\$ 24,748.00	\$ 24,748.00	\$ 24,748.00	\$ 24,748.00	\$ 24,748.00	\$ 24,748.00
Other Income	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 12,000.00
Total Income	\$ 120,489.00	\$ 113,196.00	\$ 115,196.00	\$ 117,596.00	\$ 119,596.00	\$ 121,596.00	\$ 559,929.00
Utilities Expenses							
Common Electric	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 7,500.00
Water & Sewer	\$ 20,250.00	\$ 15,250.00	\$ 15,250.00	\$ 15,250.00	\$ 15,250.00	\$ 15,250.00	\$ 96,500.00
Waste Removal	\$ 2,750.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 13,750.00
Pest Control	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 8,400.00
Landscaping	\$ 5,150.00	\$ 5,150.00	\$ 5,150.00	\$ 5,150.00	\$ 5,150.00	\$ 5,150.00	\$ 30,900.00
Total Utilities Expenses	\$ 30,800.00	\$ 25,250.00	\$ 25,250.00	\$ 25,250.00	\$ 25,250.00	\$ 25,250.00	\$ 157,050.00
Administrative Expenses							
Property Manager	\$ 8,840.00	\$ 8,840.00	\$ 8,840.00	\$ 8,840.00	\$ 8,840.00	\$ 8,840.00	\$ 53,040.00
Maintenance Tech	\$ 5,893.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 11,893.00
Management (IP)	\$ 6,024.45	\$ 5,659.80	\$ 5,759.80	\$ 5,879.80	\$ 5,979.80	\$ 6,079.80	\$ 35,383.45
Software and licensing	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 1,350.00
Payroll Administration	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,500.00
Office Supplies	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,500.00
Telephone /internet	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 6,000.00
Business License	\$ 7,500.00						
Corporate Licenses	\$ 6,250.00	\$ 6,250.00					
Total Administrative Expenses	\$ 36,232.45	\$ 23,674.80	\$ 17,524.80	\$ 17,644.80	\$ 17,744.80	\$ 17,844.80	\$ 110,666.45
Fixed Expenses							
Municipal Taxes Reserve		\$ 6,899.00	\$ 6,899.00	\$ 6,899.00	\$ 6,899.00	\$ 6,899.00	\$ 34,495.00
Shannon Oakley	\$ 39,405.00						
Insurance			\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 24,000.00
Mortgage Interest		\$ 43,631.08	\$ 43,631.08	\$ 43,631.08	\$ 43,631.08	\$ 43,631.08	\$ 218,155.40
Total Fixed Expenses	\$ 39,405.00	\$ 50,530.08	\$ 56,530.08	\$ 56,530.08	\$ 56,530.08	\$ 56,530.08	\$ 276,650.40
Property Improvement							
Maintenance Supplies	\$ 4,000.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,500.00
Ptac Units Appliances	\$ 4,000.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 7,000.00
Water line repairs	\$ 1,500.00	\$ 1,500.00					
Appliances	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 6,000.00
Carpet Replacement	\$ 3,500.00	\$ 1,000.00	\$ 1,000.00				
Total property Improvement	\$ 14,000.00	\$ 4,600.00	\$ 3,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 19,500.00
Total Expenses	\$ 120,437.45	\$ 104,054.88	\$ 102,404.88	\$ 101,524.88	\$ 101,624.88	\$ 101,724.88	\$ 631,771.85
Total Net Income	\$ 51.55	\$ 9,141.12	\$ 12,791.12	\$ 16,071.12	\$ 17,971.12	\$ 19,871.12	\$ 75,897.15