

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re

BXP1 LLC

Case No. 10-15608

Debtor.

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**NOTICE OF HEARING**

PLEASE TAKE NOTICE, that a hearing will be held on November 29, 2010 at 11:00 a.m. (the "Hearing") before the Honorable Sean H. Lane, United States Bankruptcy Judge, at the United States Bankruptcy Court, One Bowling Green, New York, New York 10004 to consider the application of BXP 1 LLC (the "Debtor") to use cash collateral pursuant to section 363 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE, that objections, if any, must be in writing, served upon the undersigned proposed Debtor's counsel, and filed with the Clerk of the Bankruptcy Court, with a courtesy copy to Judge Lane's chambers, so as to be received at least three seven days prior to the Hearing date.

Dated: New York, New York  
October 29, 2010

BACKENROTH FRANKEL & KRINSKY,  
LLP  
Proposed Attorneys for the Debtor

By: s/ Mark Frankel  
489 Fifth Avenue  
New York, New York 10017  
(212) 593-1100

UNITED STATES BANKRUPTCY COURT  
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**APPLICATION FOR AUTHORITY TO USE OF CASH COLLATERAL**

BXP 1 LLC, the Debtor and Debtor-in-Possession ("Debtor") by its counsel, Backenroth Frankel & Krinsky LLP, as and for its application for use of cash collateral, respectfully represents as follows:

**BACKGROUND**

1. On October 27, 2010, the Debtor filed a petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§101 et seq. (the "Bankruptcy Code").
2. The Debtor owns six apartment buildings in the Bronx, New York: 1268 Stratford Ave., 1350 University Ave., 1585 East 172nd St., 1589 East 172nd St., 1636 University Ave., and 1640 University Ave. Although the Debtor has no current appraisals, the Debtor believes that it has equity in each of the properties.

3. Each property appears to be encumbered by a mortgage in favor of the Bluestone Group as well as statutory liens in favor of the City of New York in the amounts set forth below:

	NYC Liens	1 <sup>st</sup> Mortgage	Total Liens	Value (est)	Equity (est)
1268 Statford	155,503	3,270,000	3,425,503	4,700,000	1,274,497
1350-52 University	101,820	1,940,000	2,041,820	2,800,000	758,180
1585 East 172 <sup>nd</sup> St.	71,411	2,460,000	2,531,411	3,100,000	568,589
1589-91 East 172 <sup>nd</sup> St	29,896	2,950,000	2,979,896	4,100,000	1,120,104
1636-40 University	197,915	2,530,000	2,727,915	3,200,000	472,085

4. Each property is subject to a foreclosure proceeding pending in the Bronx County Supreme Court. A receiver was appointed for one of the properties, however, the Debtor and the secured creditor subsequently stipulated to the Debtor's retention of the receiver's proposed managing agent to manage all of the Debtor's properties in lieu of the receiver taking possession.

5. The Debtor's general unsecured creditors have claims totaling approximately \$225,000. Approximately \$84,000 of that amount represents insider debt.

6. The Debtor's financial problems are primarily the result of mismanagement by the Debtor's former managing agent, together with the economic downturn

which caused a number of tenants to default and/or vacate their apartments, high oil prices and tax increases. While the properties are presently being stabilized, more work needs to be done.

7. Having made substantial progress towards stabilizing its finances, the Debtor's objective in this Chapter 11 case is to restructure, refinance, reinstate the existing loans, or to liquidate the properties in a manner that will facilitate a fair and realistic return for all interested parties.

8. In the meantime, the Debtor intends to seek authorization to use cash collateral solely to preserve and protect the properties, with the existing managing agent remaining in control.

### **RELIEF REQUESTED HEREIN**

9. By this application, therefore, the Debtor seek an order of this Court authorizing the Debtor to use cash collateral, and declaring the mortgagees adequately protected in connection therewith.

10. Section 363(a) of the Bankruptcy Code provides that "cash collateral" includes both cash and cash equivalents in which a debtor and another entity have an interest. Section 363(c)(2), in turn, provides that a debtor may use cash collateral if (a) the other entity with an interest in the cash collateral consents, or (b) the Bankruptcy Court, after notice and

hearing, authorizes such use. In this case, the Property's rents and its cash on hand may constitute cash collateral under section 363(a) either by assignment of rents provisions in the mortgages or pursuant to section 552(b) of the Code.

11. Without the use of cash collateral, the Debtor will not be able to continue to operate and the Property and the tenants will suffer harm. The Debtor, therefore, proposes to use the Property's rents to fund the ordinary and necessary operating expenses for the Property.

12. The Debtor's use of cash collateral in the ordinary course of business will allow the Debtor to preserve and protect the Property, and thus the Debtor will be protecting the mortgagee's collateral, including cash collateral, so that it does not decline in value during this case. As stated in In re Pine Lake Village Apartment Co. 16 B.R. 750, 756 (Bankr. S.D.N.Y. 1982):

. . . the application of rent income solely to maintain and repair the property so as to prevent further deterioration will enhance the value of the property which serves as the collateral for the . . . plaintiff-mortgagee's claim. [The use of such funds] without any diversion . . . to the debtor, clearly ensures that the plaintiff-mortgagee's investment is adequately protected.

Accord, In re 499 W. Warren Street Associates, Ltd. Partnership 142 B.R. 53 (Bankr. N.D.N.Y. 1992); In re Constable Plaza Associates, L.P. 125 B.R. 98, 105 (Bankr. S.D.N.Y. 1991); In re Cardinal Industries, Inc. 118 B.R. 971 (Bankr..S.D.Ohio 1990).

13. Indeed, if the Debtor cannot use cash collateral, the Property may suffer immediate deterioration, thereby jeopardizing the value of the Property and the payment of rent by the tenants, not to mention the very real immediate day to day harm that tenants will suffer.

14. In summary, subject to further order of this Court, the Debtor will (a) use cash collateral only in the ordinary course of business to preserve and protect the Property, (b) maintain strict records with respect to the use of cash collateral, (c) furnish the Mortgagee with monthly operating reports required by the United States Trustee, and (d) provide the Mortgagee with a replacement lien on the Debtor's assets to the extent of any erosion of the Mortgagee's cash collateral as a result of the Debtor's use of the rents. Most important, the Debtor will continue to employ a managing agent subject to the Mortgagee's approval. Limiting the use of cash collateral in such fashion further serves to adequately protect the Mortgagee.

15. Despite the Debtor's best efforts, the Debtor has been unable to obtain financing from any other source for meeting its expenses.

16. No prior application has been made for the relief sought herein.

**CONCLUSION**

WHEREFORE, the Debtor respectfully requests that the Court authorize the Debtor to use cash collateral pursuant to the terms stated herein, and that the Court grant such other and further relief as the court deems just and proper.

Dated: New York, New York  
October 27, 2010

BACKENROTH FRANKEL & KRINSKY, LLP  
Proposed Attorneys for the Debtor

By: s/Mark Frankel  
489 Fifth Avenue  
New York, New York 10017  
(212) 593-1100

# 1268 Stratford

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Total
<b>Income</b>							
Net Rental Income							
Net Apartment Income							
INCOME RENTAL - RESIDENTIAL	12,500	15,000	18,000	21,600	25,920	31,104	124,124
Total Net Apartment Income	12,500	15,000	18,000	21,600	25,920	31,104	124,124
Total Net Rental Income	12,500	15,000	18,000	21,600	25,920	31,104	124,124
<b>Total Income</b>	<b>12,500</b>	<b>15,000</b>	<b>18,000</b>	<b>21,600</b>	<b>25,920</b>	<b>31,104</b>	<b>124,124</b>
<b>Operating Expense</b>							
Payroll							
SALARY & RELATED - RESIDENTIAL	3,850	3,850	3,850	3,850	3,850	3,850	23,102
Total Payroll	3,850	3,850	3,850	3,850	3,850	3,850	23,102
Maintenance							
BUILDING MAINTENANCE							
Building Supplies	454	454	454	454	454	454	2,723
Maintenance / Operating	167	167	167	167	167	167	1,000
Permits & Filing Fees	57	57	57	57	57	57	341
Repairs	1,929	1,929	1,929	1,929	1,929	1,929	11,573
Repairs - Elevator	300	300	300	300	300	300	1,800
Total BUILDING MAINTENANCE	2,906	2,906	2,906	2,906	2,906	2,906	17,437
Total Maintenance	2,906	2,906	2,906	2,906	2,906	2,906	17,437
Utilities							
UTILITIES							
Electric	227	227	227	227	227	227	1,361
Gas	136	136	136	136	136	136	817
Oil	3,782	3,782	3,782	3,782	3,782	3,782	22,693
Telephone Services	23	23	23	23	23	23	136
Water and Sewer	2,374	2,374	2,374	2,374	2,374	2,374	14,246
Total UTILITIES	6,542	6,542	6,542	6,542	6,542	6,542	39,253
Total Utilities	6,542	6,542	6,542	6,542	6,542	6,542	39,253
Administrative							
MANAGEMENT FEES	750	900	1,080	1,296	1,555	1,866	7,447
Total Administrative	3,342	3,342	3,342	3,342	3,342	3,342	20,053
Legal, Finance & Insurance							
INSURANCE	2,269	2,269	2,269	2,269	2,269	2,269	13,616
PROFESSIONAL FEES							
Legal - Landlord & Tenant	340	340	340	340	340	340	2,042
Tax Preparation	91	91	91	91	91	91	545
Total PROFESSIONAL FEES	431	431	431	431	431	431	5,174
Total Legal, Finance & Insurance	2,700	2,700	2,700	2,700	2,700	2,700	16,202
Taxes, Interest							
REAL ESTATE TAXES	6,540	6,540	6,540	6,540	6,540	6,540	39,237
Total Taxes, Interest	6,540	6,540	6,540	6,540	6,540	6,540	39,237
<b>Total Operating Expense</b>	<b>25,881</b>	<b>25,881</b>	<b>25,881</b>	<b>25,881</b>	<b>25,881</b>	<b>25,881</b>	<b>155,283</b>
<b>Net Property Income</b>	<b>-13,381</b>	<b>-10,881</b>	<b>-7,881</b>	<b>-4,281</b>	<b>39</b>	<b>5,223</b>	<b>-31,159</b>



# 1350 University

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Total
<b>Income</b>							
Net Rental Income							
Net Apartment Income							
INCOME RENTAL - RESIDENTIAL	15,000	18,000	21,600	25,920	31,104	37,325	148,949
Total Net Apartment Income	15,000	18,000	21,600	25,920	31,104	37,325	148,949
Total Net Rental Income	15,000	18,000	21,600	25,920	31,104	37,325	148,949
<b>Total Income</b>	<b>15,000</b>	<b>18,000</b>	<b>21,600</b>	<b>25,920</b>	<b>31,104</b>	<b>37,325</b>	<b>148,949</b>
<b>Operating Expense</b>							
Payroll							
SALARY & RELATED - RESIDENTIAL	2,664	2,664	2,664	2,664	2,664	2,664	15,986
Total Payroll	2,664	2,664	2,664	2,664	2,664	2,664	15,986
Maintenance							
BUILDING MAINTENANCE							
Building Supplies	331	331	331	331	331	331	1,985
Maintenance / Operating	167	167	167	167	167	167	1,000
Permits & Filing Fees	41	41	41	41	41	41	248
Repairs	1,406	1,406	1,406	1,406	1,406	1,406	8,435
Total BUILDING MAINTENANCE	1,945	1,945	1,945	1,945	1,945	1,945	11,667
Total Maintenance	1,945	1,945	1,945	1,945	1,945	1,945	11,667
Utilities							
UTILITIES							
Electric	165	165	165	165	165	165	992
Gas	99	99	99	99	99	99	596
Oil	2,756	2,756	2,756	2,756	2,756	2,756	16,538
Telephone Services	17	17	17	17	17	17	99
Water and Sewer	2,638	2,638	2,638	2,638	2,638	2,638	15,829
Total UTILITIES	5,676	5,676	5,676	5,676	5,676	5,676	34,054
Total Utilities	5,676	5,676	5,676	5,676	5,676	5,676	34,054
Administrative							
MANAGEMENT FEES	900	1,080	1,296	1,555	1,866	2,239	8,937
Total Administrative	2,139	2,139	2,139	2,139	2,139	2,139	12,832
Legal, Finance & Insurance							
INSURANCE	1,654	1,654	1,654	1,654	1,654	1,654	9,923
PROFESSIONAL FEES							
Legal - Landlord & Tenant	248	248	248	248	248	248	1,489
Tax Preparation	66	66	66	66	66	66	397
Total PROFESSIONAL FEES	314	314	314	314	314	314	1,886
Total Legal, Finance & Insurance	1,968	1,968	1,968	1,968	1,968	1,968	11,809
Taxes, Interest							
REAL ESTATE TAXES	2,760	2,760	2,760	2,760	2,760	2,760	16,559
Total Taxes, Interest	2,760	2,760	2,760	2,760	2,760	2,760	16,559
<b>Total Operating Expense</b>	<b>17,151</b>	<b>17,151</b>	<b>17,151</b>	<b>17,151</b>	<b>17,151</b>	<b>17,151</b>	<b>102,906</b>
<b>Net Property Income</b>	<b>-2,151</b>	<b>849</b>	<b>4,449</b>	<b>8,769</b>	<b>13,953</b>	<b>20,174</b>	<b>46,043</b>

# 1585 East 172nd

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Total
<b>Income</b>							
Net Rental Income							
Net Apartment Income							
INCOME RENTAL - RESIDENTIAL	10,500	12,600	15,120	18,144	21,773	26,127	104,264
Total Net Apartment Income	10,500	12,600	15,120	18,144	21,773	26,127	104,264
Total Net Rental Income	10,500	12,600	15,120	18,144	21,773	26,127	104,264
<b>Total Income</b>	<b>10,500</b>	<b>12,600</b>	<b>15,120</b>	<b>18,144</b>	<b>21,773</b>	<b>26,127</b>	<b>104,264</b>
<b>Operating Expense</b>							
Payroll							
SALARY & RELATED - RESIDENTIAL	3,524	3,524	3,524	3,524	3,524	3,524	21,146
Total Payroll	3,524	3,524	3,524	3,524	3,524	3,524	21,146
Maintenance							
BUILDING MAINTENANCE							
Building Supplies	377	377	377	377	377	377	2,261
Maintenance / Operating	167	167	167	167	167	167	1,000
Permits & Filing Fees	47	47	47	47	47	47	283
Repairs	1,602	1,602	1,602	1,602	1,602	1,602	9,611
Total BUILDING MAINTENANCE	2,193	2,193	2,193	2,193	2,193	2,193	13,155
Total Maintenance	2,193	2,193	2,193	2,193	2,193	2,193	13,155
Utilities							
UTILITIES							
Electric	189	189	189	189	189	189	1,131
Gas	113	113	113	113	113	113	679
Oil	3,141	3,141	3,141	3,141	3,141	3,141	18,846
Telephone Services	19	19	19	19	19	19	113
Water and Sewer	2,243	2,243	2,243	2,243	2,243	2,243	13,458
Total UTILITIES	5,704	5,704	5,704	5,704	5,704	5,704	34,227
Total Utilities	5,704	5,704	5,704	5,704	5,704	5,704	34,227
Administrative							
MANAGEMENT FEES	630	756	907	1,089	1,306	1,568	6,256
Total Administrative	630	756	907	1,089	1,306	1,568	6,256
Legal, Finance & Insurance							
INSURANCE	1,885	1,885	1,885	1,885	1,885	1,885	11,308
PROFESSIONAL FEES							
Legal - Landlord & Tenant	283	283	283	283	283	283	1,696
Tax Preparation	75	75	75	75	75	75	452
Total PROFESSIONAL FEES	358	358	358	358	358	358	2,148
Total Legal, Finance & Insurance	2,243	2,243	2,243	2,243	2,243	2,243	13,456
Taxes, Interest							
REAL ESTATE TAXES	2,581	2,581	2,581	2,581	2,581	2,581	15,485
Total Taxes, Interest	2,581	2,581	2,581	2,581	2,581	2,581	15,485
<b>Total Operating Expense</b>	<b>16,875</b>	<b>17,001</b>	<b>17,152</b>	<b>17,334</b>	<b>17,551</b>	<b>17,813</b>	<b>103,725</b>
<b>Net Property Income</b>	<b>-6,375</b>	<b>-4,401</b>	<b>-2,032</b>	<b>810</b>	<b>4,222</b>	<b>8,315</b>	<b>539</b>

# 1589 East 172nd

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Total
<b>Income</b>							
Net Rental Income							
Net Apartment Income							
INCOME RENTAL - RESIDENTIAL	11,000	13,200	15,840	19,008	22,810	27,372	109,229
Total Net Apartment Income	11,000	13,200	15,840	19,008	22,810	27,372	109,229
Total Net Rental Income	11,000	13,200	15,840	19,008	22,810	27,372	109,229
<b>Total Income</b>	<b>11,000</b>	<b>13,200</b>	<b>15,840</b>	<b>19,008</b>	<b>22,810</b>	<b>27,372</b>	<b>109,229</b>
<b>Operating Expense</b>							
Payroll							
SALARY & RELATED - RESIDENTIAL	3,158	3,158	3,158	3,158	3,158	3,158	18,947
Total Payroll	3,158	3,158	3,158	3,158	3,158	3,158	18,947
Maintenance							
BUILDING MAINTENANCE							
Building Supplies	454	454	454	454	454	454	2,723
Maintenance / Operating	167	167	167	167	167	167	1,000
Permits & Filing Fees	57	57	57	57	57	57	341
Repairs	1,929	1,929	1,929	1,929	1,929	1,929	11,573
Total BUILDING MAINTENANCE	2,606	2,606	2,606	2,606	2,606	2,606	15,637
Total Maintenance	2,606	2,606	2,606	2,606	2,606	2,606	15,637
Utilities							
UTILITIES							
Electric	227	227	227	227	227	227	1,361
Gas	136	136	136	136	136	136	817
Oil	3,782	3,782	3,782	3,782	3,782	3,782	22,693
Telephone Services	23	23	23	23	23	23	136
Water and Sewer	2,642	2,642	2,642	2,642	2,642	2,642	15,850
Total UTILITIES	6,809	6,809	6,809	6,809	6,809	6,809	40,856
Total Utilities	6,809	6,809	6,809	6,809	6,809	6,809	40,856
Administrative							
MANAGEMENT FEES	660	792	950	1,140	1,369	1,642	6,554
Total Administrative	3,196	3,196	3,196	3,196	3,196	3,196	19,178
Legal, Finance & Insurance							
INSURANCE	2,269	2,269	2,269	2,269	2,269	2,269	13,616
PROFESSIONAL FEES							
Legal - Landlord & Tenant	340	340	340	340	340	340	2,042
Tax Preparation	91	91	91	91	91	91	545
Total PROFESSIONAL FEES	431	431	431	431	431	431	2,587
Total Legal, Finance & Insurance	2,700	2,700	2,700	2,700	2,700	2,700	2,587
Taxes, Interest							
REAL ESTATE TAXES	3,024	3,024	3,024	3,024	3,024	3,024	18,143
Total Taxes, Interest	3,024	3,024	3,024	3,024	3,024	3,024	18,143
<b>Total Operating Expense</b>	<b>21,494</b>	<b>21,494</b>	<b>21,494</b>	<b>21,494</b>	<b>21,494</b>	<b>21,494</b>	<b>128,964</b>
<b>Net Property Income</b>	<b>-10,494</b>	<b>-8,294</b>	<b>-5,654</b>	<b>-2,486</b>	<b>1,316</b>	<b>5,878</b>	<b>-19,735</b>

# 1636 University

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Total
<b>Income</b>							
Net Rental Income							
Net Apartment Income							
INCOME RENTAL - RESIDENTIAL	10,000	12,000	14,400	17,280	20,736	24,883	99,299
Total Net Apartment Income	10,000	12,000	14,400	17,280	20,736	24,883	99,299
Total Net Rental Income	10,000	12,000	14,400	17,280	20,736	24,883	99,299
<b>Total Income</b>	<b>10,000</b>	<b>12,000</b>	<b>14,400</b>	<b>17,280</b>	<b>20,736</b>	<b>24,883</b>	<b>99,299</b>
<b>Operating Expense</b>							
Payroll							
SALARY & RELATED - RESIDENTIAL	2,484	2,484	2,484	2,484	2,484	2,484	14,903
Total Payroll	2,484	2,484	2,484	2,484	2,484	2,484	14,903
Maintenance							
BUILDING MAINTENANCE							
Building Supplies	192	192	192	192	192	192	1,154
Maintenance / Operating	167	167	167	167	167	167	1,000
Permits & Filing Fees	24	24	24	24	24	24	144
Repairs	817	817	817	817	817	817	4,904
Total BUILDING MAINTENANCE	1,200	1,200	1,200	1,200	1,200	1,200	7,202
Total Maintenance	1,200	1,200	1,200	1,200	1,200	1,200	7,202
Utilities							
UTILITIES							
Electric	96	96	96	96	96	96	577
Gas	58	58	58	58	58	58	346
Oil	1,603	1,603	1,603	1,603	1,603	1,603	9,616
Telephone Services	10	10	10	10	10	10	58
Water and Sewer	573	573	573	573	573	573	3,440
Total UTILITIES	2,339	2,339	2,339	2,339	2,339	2,339	14,036
Total Utilities	2,339	2,339	2,339	2,339	2,339	2,339	14,036
Administrative							
MANAGEMENT FEES	600	720	864	1,037	1,244	1,493	5,958
Total Administrative	1,426	1,426	1,426	1,426	1,426	1,426	8,554
Legal, Finance & Insurance							
INSURANCE	962	962	962	962	962	962	5,769
PROFESSIONAL FEES							
Legal - Landlord & Tenant	144	144	144	144	144	144	866
Tax Preparation	39	39	39	39	39	39	231
Total PROFESSIONAL FEES	183	183	183	183	183	183	1,097
Total Legal, Finance & Insurance	1,144	1,144	1,144	1,144	1,144	1,144	1,097
Taxes, Interest							
REAL ESTATE TAXES	1,293	1,293	1,293	1,293	1,293	1,293	7,756
Total Taxes, Interest	1,293	1,293	1,293	1,293	1,293	1,293	7,756
<b>Total Operating Expense</b>	<b>9,886</b>	<b>9,886</b>	<b>9,886</b>	<b>9,886</b>	<b>9,886</b>	<b>9,886</b>	<b>59,317</b>
<b>Net Property Income</b>	<b>114</b>	<b>2,114</b>	<b>4,514</b>	<b>7,394</b>	<b>10,850</b>	<b>14,997</b>	<b>39,983</b>

# 1640 University

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Total
<b>Income</b>							
Net Rental Income							
Net Apartment Income							
INCOME RENTAL - RESIDENTIAL	6,000	7,200	8,640	10,368	12,442	14,930	59,580
Total Net Apartment Income	6,000	7,200	8,640	10,368	12,442	14,930	59,580
Total Net Rental Income	6,000	7,200	8,640	10,368	12,442	14,930	59,580
<b>Total Income</b>	<b>6,000</b>	<b>7,200</b>	<b>8,640</b>	<b>10,368</b>	<b>12,442</b>	<b>14,930</b>	<b>59,580</b>
<b>Operating Expense</b>							
Payroll							
SALARY & RELATED - RESIDENTIAL	2,600	2,600	2,600	2,600	2,600	2,600	15,599
Total Payroll	2,600	2,600	2,600	2,600	2,600	2,600	15,599
Maintenance							
BUILDING MAINTENANCE							
Building Supplies	192	192	192	192	192	192	1,154
Maintenance / Operating	167	167	167	167	167	167	1,000
Permits & Filing Fees	24	24	24	24	24	24	144
Repairs	817	817	817	817	817	817	4,904
Total BUILDING MAINTENANCE	1,200	1,200	1,200	1,200	1,200	1,200	7,202
Total Maintenance	1,200	1,200	1,200	1,200	1,200	1,200	7,202
Utilities							
UTILITIES							
Electric	96	96	96	96	96	96	577
Gas	58	58	58	58	58	58	346
Oil	1,603	1,603	1,603	1,603	1,603	1,603	9,616
Telephone Services	10	10	10	10	10	10	58
Water and Sewer	573	573	573	573	573	573	3,440
Total UTILITIES	2,339	2,339	2,339	2,339	2,339	2,339	14,036
Total Utilities	2,339	2,339	2,339	2,339	2,339	2,339	14,036
Administrative							
MANAGEMENT FEES	360	432	518	622	746	896	3,575
Total Administrative	1,230	1,230	1,230	1,230	1,230	1,230	7,382
Legal, Finance & Insurance							
INSURANCE	962	962	962	962	962	962	5,769
PROFESSIONAL FEES							
Legal - Landlord & Tenant	144	144	144	144	144	144	866
Tax Preparation	39	39	39	39	39	39	231
Total PROFESSIONAL FEES	183	183	183	183	183	183	1,097
Total Legal, Finance & Insurance	1,144	1,144	1,144	1,144	1,144	1,144	1,097
Taxes, Interest							
REAL ESTATE TAXES	1,293	1,293	1,293	1,293	1,293	1,293	7,756
Total Taxes, Interest	1,293	1,293	1,293	1,293	1,293	1,293	7,756
<b>Total Operating Expense</b>	<b>9,807</b>	<b>9,807</b>	<b>9,807</b>	<b>9,807</b>	<b>9,807</b>	<b>9,807</b>	<b>58,841</b>
<b>Net Property Income</b>	<b>-3,807</b>	<b>-2,607</b>	<b>-1,167</b>	<b>561</b>	<b>2,635</b>	<b>5,123</b>	<b>739</b>

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re

BXP1 LLC

Case No. 10-15608

Debtor.

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**ORDER AUTHORIZING USE OF CASH COLLATERAL**

Upon the application (the “Application”) of BXP 1 LLC, the debtor and debtor-in-possession (the “Debtor”), for an order pursuant to § 363(c) of the Bankruptcy Code (the “Code”) authorizing the use of “cash collateral” as that term is defined in § 363(a) of the Code (“Cash Collateral”), and upon the hearing held before this Court on \_\_\_\_\_, and after due deliberation and sufficient cause appearing therefor; it is

ORDERED, that the Debtor be, and it hereby is, authorized to use the rents generated by the Debtor’s real properties (the “Properties”), as set forth in the Application solely for the purposes of protecting and preserving the Properties by making payment only for ordinary and necessary expenses (the “Monthly Expenses”); and it is further

ORDERED, that pending the final hearing, the Debtor shall for the purpose of paying adequate protection payments to its mortgagees, as set forth in the Application: (a) use cash collateral only in the ordinary course of business to preserve and protect the Property, (b) maintain strict records with respect to the use of cash collateral, (c) furnish the mortgagees with

monthly operating reports required by the United States Trustee, and (d) shall be deemed to have provided the mortgagees with a replacement lien on the Debtor's assets to the extent of any erosion of any mortgagee's cash collateral as a result of the Debtor's use of the rents under this order

Dated: New York, New York  
October \_\_, 2010

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UNITED STATES BANKRUPTCY JUDGE