

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

Case No. 25-36245 (KYP)

FIT AND FUN PLAYSAPES, LLC,

Debtor.

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**STIPULATION AND FINAL ORDER AUTHORIZING USE OF CASH
COLLATERAL BY DEBTOR PURSUANT TO 11 U.S.C. SECTION 363**

UPON the motion dated December 8, 2025 [ECF Docket No. 8] (the “Motion”) of Fit and Fun Playscapes, LLC, the above-captioned debtor and debtor-in-possession (the “Debtor”) seeking authority to, *inter alia*, use cash collateral in which M&T Bank (“M&T” or the “Secured Creditor”) may assert a security interest pursuant to Sections 363(c)(2) and 361 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) and Federal Rules of Bankruptcy Procedure 4001; and an final hearing scheduled for February 3, 2026, (the “Interim Hearing”), and no objections to the Motion having been filed, and upon the consent of the Secured Creditor to the granting of the relief in the Motion on an Final basis, subject to the terms of this Final Order, and all of the pleadings heretofore filed in this proceeding, it is hereby found and determined as follows:

A. On December 8, 2025 (the “Petition Date”) the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”), and has continued in possession of its property and the management of its business pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

B. As of the date hereof, the United States Trustee has not appointed an Official Creditors’ Committee as provided for in Section 1102 of the Bankruptcy Code. No trustee or examiner has been heretofore appointed in this proceeding.

C. The Debtor operates in the design and manufacture of printed graphics for schools and businesses with the goal of inspiring children to move. The Debtor is located in Poughkeepsie, New York.

D. In or about May, 2022, the Debtor borrowed \$200,000.00 from the Secured Creditor, which was memorialized in a promissory note (the "Note"). The Note was secured by a lien granted by the Debtor to the Secured Creditor in the Debtor's assets as set forth more fully in a Security Agreement entered into on the same date. The balance due to Secured Creditor as of the Petition Date was approximately \$191,740.61.

E. The Secured Creditor duly perfected its lien in the Debtor's assets by filing a UCC-1 financing statement evidencing such lien on June 14, 2022 (the "Pre-Petition Liens").

F. The term "Cash Collateral" shall mean and include all "cash collateral," as that term is defined by 11 U.S.C. § 363, in or on which the Secured Creditor has liens that attach and/or a security interest.

G. The Debtor's use of Cash Collateral is essential to the continued preservation and maximization of the Debtor's estate.

H. The Secured Creditor is entitled to receive adequate protection within the meaning of, and pursuant to 11 U.S.C. § 363(e), for any decrease in the value of the Secured Creditor's interest since the Petition Date in the Cash Collateral as set forth in this Order.

I. Continued use of the Cash Collateral is necessary to prevent immediate and irreparable harm to the Debtor's estate in that without authorization to use the Cash Collateral, the Debtor's ability to sustain its operations and meet its current, necessary, and integral business obligations will be impossible.

J. The value of Debtor's estate will be maximized by the continuation of the Debtor

as a going business, and the use of the Cash Collateral is essential to such operation.

BASED UPON THE FOREGOING, it is hereby ORDERED as follows:

1. The Motion is GRANTED on a final basis. Effective as of today and continuing through and including May 31, 2026, the Debtor is authorized to use the Cash Collateral subject to the terms of this Order, in accordance with the budget annexed hereto as Exhibit A and in the ordinary course of its business.

2. This Court has jurisdiction over these proceedings and the parties and property affected hereby pursuant to 28 U.S.C. § 1334 and this is a “core” proceeding pursuant to 28 U.S.C. § 157. Venue is proper in this Court pursuant to 28 U.S.C. § 1408. Notice of relief sought herein was adequate and appropriate in the current circumstances of this Chapter 11 case as contemplated by 11 U.S.C. § 102(1)(A) and Fed. R. Bankr. P. 4001(b)(2).

3. In addition to the existing rights and interests of the Secured Creditor in the Cash Collateral and for the purpose of adequately protecting it from Collateral Diminution,¹ the Secured Creditor is hereby granted a valid, enforceable, fully-perfected, security interest (the “Replacement Lien”), to the extent that the Pre-Petition Liens were valid, perfected and enforceable as of the Petition Date, to the extent of, and as security for any decrease in the value of the Secured Creditor’s interest in the Cash Collateral since the Petition Date in, to and upon all existing and hereafter-acquired property of Debtor of any kind or nature including, but not limited to, Debtor’s real, personal, tangible and intangible property, as well as any and all proceeds, products, offspring, rents and profits thereof, in the same validity, order and priority as the Pre-Petition Liens, subject, in accordance with the priority as set forth herein, and subordinate only to: (i)

¹ For purposes of this Order, “Collateral Diminution” shall mean any diminution in value of the Secured Creditor’s interests in Debtor’s property as of the Petition Date by reason of Debtor’s use of Cash Collateral in accordance with this Order.

United States Trustee fees pursuant to 28 U.S.C. Section 1930, together with interest, if any, pursuant to 31 U.S.C. Section 3717 and any Clerk's filing fees; and (ii) the fees and commissions of a hypothetical Chapter 7 trustee in an amount not to exceed \$10,000. In addition, the Replacement Lien granted hereby shall not attach to the proceeds of any recoveries of estate causes of action under Sections 542 through 553 of the Bankruptcy Code.

4. As further adequate protection for the Secured Creditor, the Debtor shall make a monthly payment, not later than the thirtieth day of each month beginning in February, 2026 (the "Adequate Protection Payment") as adequate protection for any diminution in the value of any collateral securing the Secured Claim as a result of the use of Cash Collateral, commencing in the month of the date of entry of this Order.

5. The Adequate Protection Payment shall be an amount equal to \$1,365.00.

6. All of the Debtor's expenditures shall be specifically accounted for in detailed monthly operating reports which the Debtor shall file with the Bankruptcy Court. The Debtor shall promptly provide to the Secured Creditor any and all financial information reasonably requested by the Secured Creditor and shall permit the Secured Creditor, upon prior reasonable notice, to review its books and records with respect to the subject matter of this Order, and make copies thereof during normal business hours.

7. The security interests and liens herein granted and regranted, including the Replacement Lien: (i) are and shall be in addition to, and not in substitution of, all security interests, liens, encumbrances, and rights of set-off existing in favor of the Secured Creditor on the Petition Date, or other rights of the Secured Creditor currently existing or hereinafter arising; (ii) shall secure, in whole or in part, the payment of indebtedness to the Secured Creditor; and (iii) shall be deemed to be perfected without the necessity of any further action by the Secured Creditor

or the Debtor. Without limitation, therefore, the Secured Creditor shall not be required to file financing statements or other documents in any jurisdiction or take any other action to validate or perfect the liens and security interests granted by this Order. This Order shall be sufficient and conclusive evidence of the validity of the Replacement Lien.

8. The Secured Creditor shall have the right to assert a superpriority claim pursuant to 11 U.S.C. § 507(b), and the Debtor shall have the right to its defenses to such a claim.

9. The payments authorized by this Order shall be applied by the Secured Creditor in its discretion toward the claim it has for the underlying loan.

10. The Debtor shall maintain all necessary insurances, including, without limitation, liability and workmen's compensation as may be required, and obtain such additional insurances in an amount as is appropriate for the businesses in which the Debtor is engaged.

11. The right of Debtor to use the Cash Collateral shall terminate immediately upon the occurrence of any of the following events:

- a) the entry of an order of the Court converting or dismissing the Chapter 11 case;
- b) the entry of an order of the Court confirming a plan of reorganization in the Chapter 11 case;
- c) the failure of the Debtor (i) to perform any of its obligations under this Order (a "Default"), and (ii) to cure such Default within ten (10) business days after the giving of written notice thereof to the Debtor, the United States Trustee and any official committee appointed in the Chapter 11 Case (the "Cure Period");

- d) the amendment, supplementation, waiver or other modification of all or part of this Order without the Secured Creditor having been given at least seventy-two (72) hours advance, written notice, by overnight service upon the Secured Creditor (unless otherwise prescribed by the Bankruptcy Court having jurisdiction over Debtor's case). However, in no event shall the Debtor seek emergency relief concerning this Order from the Court without the Secured Creditor having been given at least twenty-four (24) hours advance, actual notice (via telephone or electronic mail); or
- e) the termination of all or substantially all of the operations of the Debtor, whether by voluntary act(s) or omission(s) of the Debtor, or otherwise.

12. Nothing contained in this Order shall be construed to create rights of third parties for or against the Secured Creditor not otherwise provided by law.

13. The Secured Creditor may, in its discretion, file a certified copy of this Order in any jurisdiction in which the Debtor has or comes to have real or personal property, and in such event, the subject filing/recording officer is hereby authorized and directed to file/record such certified copy.

14. The provisions of this Order shall remain in full force and effect unless modified or vacated by subsequent order of this Court with the consent of the Secured Creditor and the Debtor.

15. If any or all of the provisions of this Order are hereafter modified, vacated, or stayed by subsequent order of this Court or any other court, such stay, modification or vacatur shall not affect the validity and enforceability of any lien, priority or benefit with respect to any indebtedness of the Debtor to the Secured Creditor.

16. The findings contained in this Order are binding upon the Debtor and all parties in interest (including but not limited to any statutory committee subsequently appointed in the chapter 11 case), and any application of Cash Collateral under this Order shall be infeasible, unless (a) an adversary proceeding or contested matter challenging the validity, enforceability or priority of the Cash Collateral, the prepetition obligations to the Secured Creditor under the Note ("Prepetition Obligation"), the Replacement Liens, or the Pre-Petition Liens is properly commenced no later than one hundred twenty (120) days from the entry of a final order plus such additional time as the Court, for cause shown, authorizes, and (b) a final order is entered in favor of the plaintiff or movant in any such timely and properly filed adversary proceeding or contested matter. If no such adversary proceeding or contested matter is properly commenced as of such date, the Cash Collateral and the Prepetition Obligation shall constitute allowed claims for all purposes in the chapter 11 case and any subsequent Chapter 7 case, the Replacement Liens and the Prepetition Liens shall be deemed legal, valid, binding, perfected, and the Cash Collateral, the Prepetition Obligation, the Replacement Liens, and the Prepetition Liens shall not be subject to avoidance or any other similar challenge by any party in interest seeking to exercise the rights of the Debtor's estate, including, without limitation, and successor(s) thereto. If any such proceeding or contested matter is properly commenced, the Bankruptcy Court shall determine the validity, enforceability, and priority of the Cash Collateral, the Prepetition Obligations, the Replacement Liens and the Prepetition Liens, but only with respect to and to the extent of the objections raised in such adversary proceeding or contested matter, and all other matters and objections not raised in such adversary proceeding or contested matter shall be deemed forever waived.

17. The findings contained in this Order are binding upon the Debtor and all parties in interest (including but not limited to any statutory committee subsequently appointed in the

Chapter 11 case).

18. This Order shall be binding upon any subsequently appointed or elected trustee in a successor case under Chapter 7 of the Code.

19. The Bankruptcy Court shall retain jurisdiction with respect to all matters pertaining to this Order.

No Objection:
GETMAN BIRYLA
Attorneys for M&T Bank
By: /s/ Seth Hibbert
Seth Hibbert
Dated: February 9, 2026

GENOVA, MALIN & TRIER, LLP
Attorneys for the Debtor
By: /s/ Michelle L. Trier
Michelle L. Trier
Dated: February 9, 2026

Dated: February 10, 2026
Poughkeepsie, New York



/s/ Kyu Y. Paek

Hon. Kyu Y. Paek
U.S. Bankruptcy Judge