

1 Howard J. Weg (State Bar No. 91057)  
hweg@pwkllp.com  
2 Lorie A. Ball (State Bar No. 210703)  
lball@pwkllp.com  
3 PEITZMAN, WEG & KEMPINSKY LLP  
4 2029 Century Park East, Suite 3100  
Los Angeles, CA 90067  
5 Telephone: (310) 552-3100  
Facsimile: (310) 552-3101  
6



7 Proposed Counsel for Debtor and Debtor in Possession  
8

9 **UNITED STATES BANKRUPTCY COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **LOS ANGELES DIVISION**

12 In re  
13 GATEWAY METRO CENTER, LLC, a  
California limited liability company,  
14 Debtor and Debtor in Possession.

Case No: 2:11-bk-47919

Chapter 11

**FINAL AGREED ORDER AUTHORIZING  
AND APPROVING (A) USE OF CASH  
COLLATERAL, (B) GRANT OF ADEQUATE  
PROTECTION TO CERTAIN SECURED  
CREDITORS AND (C) ADEQUATE  
PROTECTION PAYMENTS UNDER  
SECURED EQUIPMENT FINANCING  
AGREEMENT**

Final Hearing:

Date: October 3, 2011

Time: 2:00 p.m.

Place: Courtroom 1668

255 East Temple Street

Los Angeles, CA 90012

23  
24  
25 *The Emergency Motion Of Debtor For Order Authorizing And Approving (A) Use Of Cash*  
26 *Collateral, (B) Grant Of Adequate Protection To Certain Secured Creditors And (C) Adequate*  
27 *Protection Payments Under Secured Equipment Financing Agreement (the “Motion”), filed by the*  
28 *above-captioned debtor (the “Debtor”), came on for final hearing before the Honorable Barry Russell,*

1 United States Bankruptcy Judge, on October 3, 2011, at 2:00 p.m. (the "Hearing"). Appearances were  
2 made as reflected in the Bankruptcy Court's record. Capitalized terms used herein shall have the  
3 meaning ascribed to them in the Motion, unless otherwise defined.

4 After consideration of the Motion and accompanying supporting papers, the arguments of  
5 counsel, the files and records in this chapter 11 case, and sufficient cause appearing;

6 **THE BANKRUPTCY COURT HEREBY MAKES THE FOLLOWING FINDINGS OF**  
7 **FACT AND CONCLUSIONS OF LAW:**

8 1. Petition. On September 6, 2011, the Debtor filed its voluntary petition (the "Petition  
9 Date") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtor is a  
10 debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

11 2. Jurisdiction. The Bankruptcy Court has jurisdiction of this proceeding and the parties  
12 and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. The Motion is a "core"  
13 proceeding as defined in 28 U.S.C. § 157(b)(2)(A), (D), and (M). Venue of this case and the Motion in  
14 this Bankruptcy Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

15 3. Notice. Under the circumstances, the notice given by the Debtor of the Motion and this  
16 hearing constitutes, appropriate, due and sufficient notice thereof and complies with Bankruptcy Rule  
17 4001(c).

18 4. Road Bay's Asserted Secured Interest. Road Bay Investments, LLC ( "Road Bay")  
19 asserts that it is the holder of security interests, liens and mortgages in all or substantially all of the  
20 Debtor's property, including, but not limited to: (i) Gateway Metro Center and improvements thereon;  
21 (ii) all of the Debtor's rights, title and interests in all accounts, escrow funds, deposits and reserves that  
22 relate to, are derived from or are used in connection with the property of the Debtor; (iii) all of the  
23 Debtor's rights, title and interests in all machinery, equipment, fittings, furniture, furnishings, and  
24 fixtures; and (iv) all contracts, leases, documents and agreements to which the Debtor is a party. Road  
25 Bay asserts that all of the Debtor's proceeds from Road Bay's collateral are cash collateral of Road Bay  
26 within the meaning of section 363(a) of the Bankruptcy Code. The Debtor's indebtedness to Road Bay  
27 is evidenced by, among other things, that certain Mortgage Note, dated October 3, 2006, by and between  
28 Pacific Starr Pasadena, LLC and Allstate Life Insurance Company (the "Note").

1           5.     Flying Tigers, LLC Asserted Secured Interest. Flying Tigers, LLC (“Flying Tigers”),  
2 together with Road Bay, the “Lenders”) asserts that it is the holder of security interests and liens in (i)  
3 Gateway Metro Center and the Land and improvements thereon; and (ii) rents, issues and profits thereof.  
4 Flying Tigers asserts that all of the Debtor’s proceeds from Flying Tigers’ collateral are cash collateral  
5 of Flying Tigers within the meaning of section 363(a) of the Bankruptcy Code. Road Bay disputes  
6 Flying Tigers’ asserted security interest in Gateway Metro Center and the rents, issues and profits  
7 thereof. Road Bay further asserts that Flying Tigers is an insider of the Debtor whose asserted lien arose  
8 fewer than ninety days before the Petition Date. Flying Tigers asserts that its liens arose in  
9 consideration for and concurrently with a prepetition advance of \$350,000 to the Debtor.

10           6.     The Debtor’s Assertions. The Debtor asserts that the Lenders are adequately protected  
11 based on the following: (a) as reflected in the Budget, the Debtor is profitable, cash flow is projected to  
12 increase during the Bankruptcy Case, cash collateral is used to maintain and preserve the Lenders’  
13 collateral, and therefore, there is no projected diminution in the collateral; (b) the Lenders are being  
14 provided with Replacement Liens (as defined herein), to the extent of cash collateral used, on all  
15 postpetition property of the same type and character as the property to which the Lenders’ valid,  
16 perfected and unavoidable prepetition liens, if any, extended; (c) the Lenders are protected by an equity  
17 cushion; and (d) the Debtor will provide Lenders with reasonable reports and information during the  
18 pendency of the Bankruptcy Case. The Debtor further asserts that Road Bay does not hold a security  
19 interest in the Land.

20           7.     Immediate Entry. Sufficient cause exists for immediate entry of this final order (the  
21 “Order”) pursuant to Bankruptcy Rules 4001(b)(2). No party appearing in this case has filed or made an  
22 objection to the relief sought in the Motion and the entry of this Order, or any objections that were made  
23 are hereby overruled, or have been resolved by agreement.

24           Based upon the foregoing, and after due consideration and good cause appearing therefor;

25           **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

26           **I.     AUTHORIZATION AND CONDITIONS TO USE OF CASH COLLATERAL**

27           A.     Motion Granted. Except as modified herein, the Motion is granted pursuant to  
28 Bankruptcy Rule 4001(b)(2) to the extent that the Debtor is authorized to use cash collateral to pay

1 actual expenses in accordance with Exhibit "A" attached hereto (the "Budget"). On a monthly basis, the  
2 expenses of the Debtor shall not exceed 15% per line item, and 15% in the aggregate, absent the written  
3 consent of the Lenders, which consent shall not be unreasonably withheld, conditioned or delayed.  
4 Subject to the preceding sentence, amounts not spent on expenses in any one month may be spent in any  
5 of the subsequent two (2) months of the Budget; provided, however, that the sum of any unpaid  
6 postpetition expenses in any one line item and the cash expended in that line item does not exceed the  
7 aggregate budgeted amount in that line item during the entire period covered by the Budget. This Order  
8 shall control the operations of the Debtor until entry of a subsequent order. This Order does not  
9 authorize the Debtor to pay any prepetition obligations. Except as set forth in this Order and the Budget,  
10 the Debtor is not entitled to make any payments to "insiders" as such term is defined by section 101(31)  
11 of the Bankruptcy Code. The Debtor shall have the right to seek further authority to use cash collateral  
12 on an expedited basis from the Bankruptcy Court, including for any period beyond the period set forth in  
13 the Budget.

14 B. Leasing Commissions/Tenant Improvements. In addition to the expenses set forth in the  
15 Budget, in order to procure new tenants for Gateway Metro Center, Lenders agree that the Debtor shall  
16 be allowed to pay leasing commissions and/or tenant improvement costs up to \$10,000 per month in the  
17 aggregate. Leasing commissions shall not exceed six (6%) of the total gross rental income under each  
18 new lease and shall comply with all requirements for leases under the Deed of Trust, Assignment of  
19 Leases, Rent And Contracts, Security Agreement And Fixture Filing between the Debtor and Allstate  
20 Life Insurance Company<sup>1</sup> dated October 3, 2006. To the extent that any new lease is for greater than  
21 10,000 square feet, Debtor shall provide Lenders with a copy of the proposed lease at least seventy-two  
22 (72) hours prior to executing and entering into the lease.

23 C. Reporting Requirements. The Debtor shall provide the Lenders a written accounting of all  
24 expenses and receipts on a monthly basis. Such accounting shall be provided no later than fifteen (15)  
25 days following the relevant month. For example, no later than October 15, 2011, the Debtor shall

26 \_\_\_\_\_  
27 <sup>1</sup> Road Bay is successor in interest to Allstate Life Insurance Company pursuant to that certain Assignment of Security and  
28 Mortgage Agreement dated June 30, 2011 and recorded on July 14, 2011 as document number 20110944579 in the Recorders  
Office of Los Angeles County, California.

1 provide an accounting for the month of September.

2 During the term of this Order, the Debtor shall provide to the Lenders, (1) the reports and  
3 information specified in the prepetition agreements between the parties at the times such reports and  
4 information are required to be provided; (2) copies of all public information; (3) all documents  
5 submitted to the U.S Trustee; and (4) such other information and documents as the Lenders may  
6 reasonably request.

7 Road Bay shall keep confidential all information and documents provided by the Debtor that are  
8 not publicly available (the "Confidential Information") and shall not disclose, disseminate or share the  
9 Confidential Information except to its lawyers, appraisers, financial advisors or expert witnesses or the  
10 employees, lawyers, appraisers, financial advisors, or expert witnesses of Allstate Life Insurance  
11 Company (such parties, the "Restricted Parties"). The Confidential Information shall not be disclosed or  
12 disseminated to or shared with any other persons or entities except the Restricted Parties unless such  
13 party agrees to be bound by the confidentiality provisions contained herein; provided, however, that  
14 under no circumstances shall Confidential Information be provided to any sales, note or leasing brokers.  
15 Within five days of providing Confidential Information to any person or entity that is not a Restricted  
16 Party, Road Bay agrees to provide the Debtor with the identity of any such person or entity receiving  
17 Confidential Information under the terms of this Order.

## 18 **II. POSTPETITION LIEN; ADEQUATE PROTECTION**

19 A. Postpetition Lien of the Lenders. As adequate protection for any diminution in the value  
20 of the Lenders' interest in collateral caused by the Debtor's use of cash collateral, the Lenders are  
21 hereby granted valid, perfected, and enforceable replacement security interests in and liens and  
22 mortgages (the "Replacement Liens") upon all property of the Debtor and its estate, whether now  
23 existing or hereafter acquired or arising, upon which the Lenders held valid, perfected and enforceable  
24 prepetition liens, security interests and mortgages, and all proceeds, rents, issues, products or profits  
25 thereof, including, without limitation, the collateral owned by the Debtor as of the Petition Date  
26 (collectively, the "Postpetition Collateral"). The Replacement Liens shall at all times be senior to the  
27 rights of the Debtor and any successor trustees in this or any subsequent proceedings under the  
28 Bankruptcy Code to the extent the Lenders' prepetition security interests, liens and mortgages are senior  
to the rights of the Debtor. The Replacement Liens herein granted (i) are and shall be in addition to all

1 security interests, liens, mortgages and rights to set off, if any, existing in favor of the Lenders on the  
2 Petition Date; (ii) are in the same priority as prepetition to the extent that prepetition liens, security  
3 interests and mortgages are valid, perfected, enforceable and nonavoidable; (iii) shall be senior to any  
4 liens and security interests granted to secure post-petition financing pursuant to section 364 of the  
5 Bankruptcy Code; and (iv) are and shall be valid, perfected, enforceable and effective as of the Petition  
6 Date without any further action by the Debtor or the Lenders and without the execution, filing or  
7 recordation of any financing statements, security agreements, mortgages or other documents.

8 Nothing in this Order shall limit the Lenders' rights to assert postpetition liens under section 552  
9 of the Bankruptcy Code. The Lenders shall not be afforded a lien in any Chapter 5 causes of action. To  
10 the extent that the Replacement Liens are insufficient to adequately protect any interest of the Lenders,  
11 the Lenders are hereby granted a superpriority administrative expense claim and all of the benefits and  
12 protections allowable under section 507(b) of the Bankruptcy Code; provided however, that the  
13 superpriority administrative expense claim granted to Flying Tigers in this Order shall be subordinated  
14 to the superpriority administrative expense claim of Road Bay. To the extent that any applicable non-  
15 bankruptcy law otherwise would restrict the granting, scope, enforceability, attachment or perfection of  
16 the Replacement Liens, or otherwise would impose filing or registration requirements with respect to the  
17 Replacement Liens, such law is hereby preempted to the maximum extent permitted by the Bankruptcy  
18 Code, other applicable federal law, and the judicial power of the Bankruptcy Court.

19 B. Postpetition Lien Perfection. This Order shall be sufficient and conclusive evidence of  
20 the priority, perfection and validity of the liens granted herein, effective as of the date and time of entry  
21 of this Order, without any further act and without regard to any other federal, state or local requirements  
22 or law requiring notice, filing, registration, recording or possession of the collateral or other act to  
23 validate or perfect such security interest or lien. If the Lenders hereafter request that the Debtor execute  
24 and deliver to the Lenders financing statements, mortgages or other instruments or documents  
25 considered by the Lenders to be necessary or desirable to further evidence the perfection of the  
26 Replacement Liens and security interests granted in this Order, the Debtor is authorized and directed to  
27 execute and deliver those financing statements, instruments and documents. Nothing in this Order shall  
28 in any way restrict the scope of the Lenders' prepetition liens, security interests, mortgages, rights of set-  
off or claims with respect to its collateral, and all liens, security interests, and mortgages on the Lenders'

1 collateral shall extend to the fullest extent permitted by, and subject to, section 552(b) of the Bankruptcy  
2 Code.

3 C. Lien On Postpetition Collateral Subordinated to Trustee's Fees. The liens on the  
4 Postpetition Collateral are subordinated to fees payable to the U.S. Trustee pursuant to 28 U.S.C. §  
5 1930(a)(6).

6 D. Challenge to Prepetition Liens. All parties in interest shall have until December 12, 2011  
7 to challenge the perfection of Lenders' prepetition liens in prepetition collateral, except that any official  
8 committee appointed by the U.S. Trustee shall have ninety days to challenge the perfection of such liens  
9 from the date of their formation. Upon the expiration of such ninety days, the Lenders' prepetition liens  
10 in the collateral shall not be subject to challenge for lack of perfection by the Debtor or any other party  
11 in interest. Notwithstanding the foregoing, to the extent Road Bay asserts a secured interest in the Land,  
12 the foregoing time limits shall not apply to challenging the perfection of any prepetition liens asserted by  
13 Road Bay in the Land.

14 E. Carve Out. All liens and claims of the Lenders, irrespective of their nature or priority,  
15 shall be subject to the Carve Out (as defined herein). As used herein, the term "Carve Out" shall mean  
16 quarterly fees required to be paid pursuant to 28 U.S.C. §1930(a)(6) and any fees payable to the Clerk of  
17 the Bankruptcy Court.

18 F. No Finding of Adequate Protection. Nothing contained in this Order shall be deemed a  
19 finding with respect to the adequate protection (as that term is defined in section 361 of the Bankruptcy  
20 Code) of the interest of the Lenders other than the adequate protection set forth in section II.A. above.  
21 Without limiting the foregoing in any respect, the Lenders may, at any time, request the Bankruptcy  
22 Court increase the payments to or other protections for the benefit of the Lenders as a condition to the  
23 continued use by the Debtor of the cash collateral. Moreover, nothing herein shall prejudice the  
24 Lenders' rights to seek relief from the automatic stay or as a dismissal of the Debtor's bankruptcy case.  
25 Nothing in this Order shall limit the Debtor's right, at any time, to assert that the Lenders are adequately  
26 protected, to object to any requests for additional adequate protection, including payments to the  
27 Lenders, or to oppose relief from the automatic stay.

28 G. Maintenance of Property. The Debtor shall use its best efforts, to the extent funds are  
available, to maintain and keep the property and all other property constituting the collateral in good

1 repair and condition, make all necessary replacements thereof, operate the property safely, efficiently,  
2 and in compliance with all applicable laws, codes and ordinances, and not commit any waste in  
3 connection with any collateral or operation of the property.

4 H. Payments to M-Theory. The Debtor is authorized to pay adequate protection payments  
5 to M-Theory in the amount of \$117 per month in accordance with the Budget.

6 I. Payments to John F. Pipia and Betty W. Ma For Reimbursement of Expenses. The  
7 Debtor is authorized to reimburse John F. Pipia, President, and Betty W. Ma, Senior Vice President  
8 and Secretary, for reasonable, actual out-of-pocket expenses of up to \$500 per month and in  
9 accordance with the Budget and the Order.

10 J. Payments to Pacific Starr Group, LLC For Reimbursement of Expenses. The Debtor is  
11 authorized to reimburse Pacific Starr Group, LLC up to \$803 per month for (a) allocated overhead  
12 expenses, and (2) reasonable, actual out-of-pocket expenses of up to \$803 per month in accordance  
13 with the Budget and this Order.

14 K. Payments to Skeeahan & Company, Proposed Accountant For the Debtor. Subject to  
15 entry of a Bankruptcy Court Order approving the Application For Order (1) Authorizing Debtor To  
16 Employ Skeeahan & Company ("Skeeahan") As Its Accountant Pursuant To 11 U.S.C. §§ 327 and 328  
17 And (2) Approving Procedure For Payment of Compensation (the "Skeeahan Application"), the Debtor  
18 is authorized to use cash collateral to pay Skeeahan the amount of \$900 during the term of the Budget  
19 in accordance with the Budget and the Order. Any Additional Fees (as that term is used in the  
20 Skeeahan Application) incurred during the term of the Budget, if any, shall accrue and be subject to  
21 further approval of the Bankruptcy Court.

22 L. Lenders' Reservation of Rights. Notwithstanding anything to the contrary in this Order:  
23 (i) entry of this Order is without prejudice to any and all rights, remedies and claims that Lenders may  
24 have against the Debtor or third parties, and does not bar or limit the Lenders from seeking further or  
25 additional relief, including without limitation, seeking additional adequate protection and seeking to  
26 terminate or modify the automatic stay; and (ii) no act committed or action taken by the Lenders under  
27 this Order shall be used, construed or deemed to hold the Lenders to be in control of the Debtor, or the  
28 governance, management or operations of the Debtor's business for any purpose. The Lenders shall

1 not be held as a “responsible person” or “owner or operator” or a person in “control” with respect to  
2 the governance, management or operation of the Debtor's business (as such terms, or any similar  
3 terms, are used in the Internal Revenue Code, Comprehensive Environmental Response,  
4 Compensation and Liability Act, Bankruptcy Code, each as may be amended from time to time, or any  
5 other federal or state statute at law, in equity, or otherwise) by virtue of the interests, rights and  
6 remedies granted to or conferred upon the Lenders under this Order, including, without limitation,  
7 such rights and remedies as may be exercisable by the Lenders in connection with this Order.

8 M. Debtor's Reservation of Rights. Notwithstanding anything to the contrary in this Order,  
9 entry of this Order is without prejudice to any and all rights, remedies and claims that Debtor may  
10 have against Lenders or third parties, and does not bar or limit the Debtor from seeking further or  
11 additional relief, except as provided in section II. D above.

12 N. Defaults Under the Order. Unless specifically waived in writing by the Lenders (which  
13 waiver shall not be implied from any action, inaction, course of conduct or acquiescence by the  
14 Lenders), the Debtor's right and authority to use cash collateral shall immediately terminate upon the  
15 occurrence of any of the following (each, a “Default”): (i) five (5) business days following delivery of  
16 a notice (either written or via email) of a breach by the Debtor of any obligation under this Order  
17 which breach remains uncured or otherwise continues to exist at the end of such five business day  
18 notice period; (ii) conversion of the Debtor's chapter 11 case to a case under chapter 7 of the  
19 Bankruptcy Code; (iii) the entry of any order, other than a subsequent interim or final cash collateral  
20 order or any other order authorizing the use of cash collateral, modifying, reversing, revoking, staying,  
21 rescinding, vacating or amending this Order without the express prior written consent of the Lenders  
22 (and no such consent shall be implied from any action, inaction, course of conduct or acquiescence by  
23 the Lenders) (iv) the lifting of the automatic stay for any party other than the Lenders and/or any party  
24 foreclosing or otherwise seeking to enforce any lien or other right such other party may have in and to  
25 any property of the Debtor's estate upon which the Lenders hold or assert a lien or security interest;  
26 and (v) termination or expiration of this Order, unless a subsequent cash collateral order has been  
27 entered by the Bankruptcy Court.

28

1 Submitted by:

2 Peitzman, Weg & Kempinsky LLP

3           /s/ Lorie A. Ball

4 Lorie A. Ball

5 Proposed Attorneys for Debtor and Debtor in Possession

6 The Debtor certifies that this Final Agreed Order Authorizing And Approving (A) Use Of Cash  
7 Collateral, (B) Grant Of Adequate Protection To Certain Secured Creditors And (C) Adequate  
8 Protection Payments Under Secured Equipment Financing Agreement was circulated to, and approved  
as to form and content by, counsel to Road Bay.

9  
10 # # # END OF ORDER # # #

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

DATED: October 3, 2011

  
United States Bankruptcy Judge

# **EXHIBIT A**

Schedule Of Prospective Cash Flow to Weeks Ending 9/9/11 to 12/31/11

For the Week Ending Date	9/9/11	9/16/11	9/23/11	9/30/11	Month 9 Sep-2011	10/7/11	10/14/11	10/21/11	10/28/11	Month 10 Oct-2011	11/4/11	11/11/11	11/18/11	11/25/11	Month 11 Nov-2011	12/2/11	12/9/11	12/16/11	12/23/11	12/30/11	Month 12 Dec-2011	Total	
<b>Revenue</b>																							
Total Base Rental Revenue	148,109	-	-	11,363	159,472	138,752	-	-	11,363	150,115	-	143,764	-	11,363	155,127	-	147,500	-	11,363	-	158,863	623,577	
Total Reimbursement Revenue	898	-	-	-	898	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	898	
<b>Miscellaneous Revenue</b>																							
Parking & Other Income	15,683	125	125	125	16,058	15,313	125	125	125	15,688	-	14,913	125	125	15,163	-	16,943	125	125	125	17,318	64,227	
Tax Escrow Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,135	-	-	-	27,135	27,135	
Total Miscellaneous Revenue	15,683	125	125	125	16,058	15,313	125	125	125	15,688	-	14,913	125	125	15,163	-	44,078	125	125	125	44,453	91,362	
<b>Total Revenue</b>	<b>164,690</b>	<b>125</b>	<b>125</b>	<b>11,488</b>	<b>176,428</b>	<b>154,065</b>	<b>125</b>	<b>125</b>	<b>11,488</b>	<b>165,803</b>	<b>-</b>	<b>158,677</b>	<b>125</b>	<b>11,488</b>	<b>170,290</b>	<b>-</b>	<b>191,578</b>	<b>125</b>	<b>11,488</b>	<b>125</b>	<b>203,316</b>	<b>715,837</b>	
<b>Operating Expenses</b>																							
Janitorial/Repairs&Maint./Landscape	841	1,650	8,584	3,845	14,920	841	3,889	8,493	1,286	14,509	-	1,041	5,420	8,391	14,852	-	841	5,495	8,628	-	14,964	59,245	
Electrical/Plumbing/Elevator	5,638	-	-	-	5,638	4,100	-	-	-	4,100	-	400	-	-	400	-	-	287	-	-	-	287	10,425
HVAC	3,801	-	-	-	3,801	700	-	-	-	700	-	11,616	-	-	11,616	-	-	1,425	-	-	-	1,425	17,542
Architectural	-	200	-	-	200	200	-	-	-	200	-	-	200	-	200	-	-	-	200	-	-	200	800
Utilities	3,491	683	-	-	4,174	30,180	1,225	-	-	31,405	-	30,747	1,830	-	32,577	-	30,597	3,310	-	-	-	33,907	102,063
Fire Protection	-	-	2,850	-	2,850	-	4,565	-	-	4,565	120	365	-	900	1,385	-	-	-	-	1,810	-	1,810	10,610
Marketing	-	-	-	250	250	-	-	-	250	250	-	-	-	250	250	-	-	-	-	-	250	250	1,000
Computer Equipment Loan	117	-	-	-	117	117	-	-	-	117	-	117	-	-	117	-	-	-	117	-	-	117	467
Property Management	-	500	-	8,990	9,490	-	5,550	500	9,193	15,243	-	-	7,552	500	8,052	8,871	-	6,000	-	17,036	-	31,906	64,692
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159,623	-	-	-	-	159,623	
Insurance	-	-	-	-	-	-	2,757	-	-	2,757	-	-	-	2,757	2,757	-	-	-	-	2,757	-	2,757	8,271
Parking	100	-	-	-	100	100	-	2,911	-	3,011	-	100	3,186	-	3,286	-	-	100	2,861	-	-	2,961	9,358
Expense Reimbursement	-	-	-	-	-	1,303	-	-	-	1,303	-	1,303	-	-	1,303	-	1,303	-	-	-	-	1,303	3,909
<b>Total Operating Expenses</b>	<b>13,988</b>	<b>3,033</b>	<b>11,434</b>	<b>13,085</b>	<b>41,540</b>	<b>37,341</b>	<b>15,429</b>	<b>14,661</b>	<b>10,729</b>	<b>78,160</b>	<b>120</b>	<b>45,689</b>	<b>18,188</b>	<b>12,798</b>	<b>76,795</b>	<b>8,871</b>	<b>192,364</b>	<b>16,734</b>	<b>16,256</b>	<b>17,286</b>	<b>251,510</b>	<b>448,004</b>	
<b>Net Operating Income</b>	<b>150,702</b>	<b>(2,908)</b>	<b>(11,309)</b>	<b>(1,597)</b>	<b>134,888</b>	<b>116,724</b>	<b>(15,304)</b>	<b>(14,536)</b>	<b>759</b>	<b>87,643</b>	<b>(120)</b>	<b>112,988</b>	<b>(18,063)</b>	<b>(1,310)</b>	<b>93,495</b>	<b>(8,871)</b>	<b>(786)</b>	<b>(16,609)</b>	<b>(4,768)</b>	<b>(17,161)</b>	<b>(48,194)</b>	<b>267,832</b>	
<b>Leasing &amp; Capital Costs</b>																							
Tenant Improvements	-	-	-	-	-	560	-	-	11,500	12,060	-	-	-	-	-	-	-	-	-	-	-	12,060	
Leasing Commissions	-	-	-	-	-	3,991	20,810	6,516	-	31,317	-	3,991	-	-	3,991	-	-	-	-	-	-	35,308	
Deposit/Electricity	-	-	-	-	-	-	66,000	-	-	66,000	-	-	-	-	-	-	-	-	-	-	-	66,000	
General Capital Expenditures	-	-	-	1,517	1,517	-	-	-	1,517	1,517	-	-	-	1,517	1,517	-	-	-	-	-	1,517	1,517	6,068
Security Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Security Deposits Refunded	-	-	-	-	-	-	-	-	12,010	12,010	-	-	-	-	-	-	-	-	-	-	-	12,010	
<b>Total Leasing &amp; Capital Costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,517</b>	<b>1,517</b>	<b>4,551</b>	<b>86,810</b>	<b>6,516</b>	<b>25,027</b>	<b>122,904</b>	<b>-</b>	<b>3,991</b>	<b>-</b>	<b>1,517</b>	<b>5,508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,517</b>	<b>1,517</b>	<b>131,446</b>	
<b>Non-Operating Expenses</b>																							
U.S.Trustee	-	-	-	-	-	-	-	-	1,625	1,625	-	-	-	-	-	-	-	-	-	-	-	1,625	
Skeehan & Company	-	-	-	-	-	-	900	-	-	900	-	-	-	-	-	-	-	-	-	-	-	900	
<b>Total Other Non-Operating Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>900</b>	<b>1,625</b>	<b>1,625</b>	<b>2,525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,525</b>	
<b>NET CASH FLOW</b>	<b>150,702</b>	<b>(2,908)</b>	<b>(11,309)</b>	<b>(3,114)</b>	<b>133,371</b>	<b>112,173</b>	<b>(102,114)</b>	<b>(21,952)</b>	<b>(25,893)</b>	<b>(37,786)</b>	<b>(120)</b>	<b>108,997</b>	<b>(18,063)</b>	<b>(2,827)</b>	<b>87,987</b>	<b>(8,871)</b>	<b>(786)</b>	<b>(16,609)</b>	<b>(4,768)</b>	<b>(18,678)</b>	<b>(49,711)</b>	<b>133,861</b>	
<b>BEGINNING CASH</b>	<b>293,135</b>	<b>443,837</b>	<b>440,929</b>	<b>429,620</b>	<b>293,135</b>	<b>426,506</b>	<b>538,679</b>	<b>436,565</b>	<b>414,613</b>	<b>426,506</b>	<b>388,720</b>	<b>388,600</b>	<b>497,597</b>	<b>479,534</b>	<b>388,720</b>	<b>476,707</b>	<b>467,837</b>	<b>467,051</b>	<b>450,442</b>	<b>445,674</b>	<b>476,707</b>	<b>293,135</b>	
<b>ENDING CASH</b>	<b>443,837</b>	<b>440,929</b>	<b>429,620</b>	<b>426,506</b>	<b>426,506</b>	<b>538,679</b>	<b>436,565</b>	<b>414,613</b>	<b>388,720</b>	<b>388,720</b>	<b>388,600</b>	<b>497,597</b>	<b>479,534</b>	<b>476,707</b>	<b>476,707</b>	<b>467,837</b>	<b>467,051</b>	<b>450,442</b>	<b>445,674</b>	<b>426,996</b>	<b>426,996</b>	<b>426,996</b>	
<b>Est. Accrued &amp; Unpaid Prof. Fees</b>																							
Professional Fees																							
Legal - PWK	10,000	10,000	10,000	10,000	40,000	10,000	10,000	10,000	10,000	40,000	10,000	10,000	10,000	10,000	40,000	10,000	10,000	10,000	10,000	10,000	10,000	50,000	170,000
Legal - Real Estate	500	500	500	500	2,000	500	500	500	500	2,000	500	500	500	500	2,000	500	500	500	500	500	500	2,500	8,500
Financial Advisor	7,500	7,500	7,500	7,500	30,000	7,500	7,500	7,500	7,500	30,000	7,500	7,500	7,500	7,500	30,000	7,500	7,500	7,500	7,500	7,500	7,500	37,500	127,500
Accounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Est. Accrued&amp;Unpaid Prof. Fees</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>72,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>72,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>72,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>90,000</b>	<b>306,000</b>	

\* Property Taxes - \$27,135.00 in Newmark Escrow Account which should be refunded. Total Estimated Tax Payment of \$159,622.79 due no later than 12/10/11.

**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

A true and correct copy of the foregoing document described as **Final Agreed Order Authorizing And Approving (A) Use Of Cash Collateral, (B) Grant Of Adequate Protection To Certain Secured Creditors And (C) Adequate Protection Payments Under Secured Equipment Financing Agreement** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner indicated below:

I. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On \_\_\_\_\_, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Service information continued on attached page

II. **SERVED BY U.S. MAIL OR OVERNIGHT MAIL**(indicate method for each person or entity served):

On **October 3, 2011**, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**Served by U.S. Mail:**

Hon. Barry Russell  
United States Bankruptcy Court - Central District of California  
Edward R. Roybal Federal Building and Courthouse  
255 E. Temple Street, Suite 1660  
Los Angeles, CA 90012

Service information continued on attached page

III. **SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page



**NOTE TO USERS OF THIS FORM:**

- 1) Attach this form to the last page of a proposed Order or Judgment. Do not file as a separate document.
- 2) The title of the judgment or order and all service information must be filled in by the party lodging the order.
- 3) **Category I.** below: The United States trustee and case trustee (if any) will always be in this category.
- 4) **Category II.** below: List ONLY addresses for debtor (and attorney), movant (or attorney) and person/entity (or attorney) who filed an opposition to the requested relief. DO NOT list an address if person/entity is listed in category I.

**NOTICE OF ENTERED ORDER AND SERVICE LIST**

Notice is given by the court that a judgment or order entitled (*specify*) **Final Agreed Order Authorizing And Approving (A) Use Of Cash Collateral, (B) Grant Of Adequate Protection To Certain Secured Creditors And (C) Adequate Protection Payments Under Secured Equipment Financing Agreement** was entered on the date indicated as Entered on the first page of this judgment or order and will be served in the manner indicated below:

**I. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”)** Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s), the foregoing document was served on the following person(s) by the court via NEF and hyperlink to the judgment or order. As of **October 3, 2011**, the following person(s) are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email address(es) indicated below.

- Lorie A Ball lball@pwkllp.com
- Alvin Mar alvin.mar@usdoj.gov
- Ron Maroko ron.maroko@usdoj.gov
- Christina M Padien cpadien@akingump.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Howard J Weg hweg@pwkllp.com

Service information continued on attached page

**II. SERVED BY THE COURT VIA U.S. MAIL:** A copy of this notice and a true copy of this judgment or order was sent by United States Mail, first class, postage prepaid, to the following person(s) and/or entity(ies) at the address(es) indicated below:

Service information continued on attached page

**III. TO BE SERVED BY THE LODGING PARTY:** Within 72 hours after receipt of a copy of this judgment or order which bears an Entered stamp, the party lodging the judgment or order will serve a complete copy bearing an Entered stamp by U.S. Mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following person(s) and/or entity(ies) at the address(es), facsimile transmission number(s), and/or email address(es) indicated below:

Service information continued on attached page

---

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.