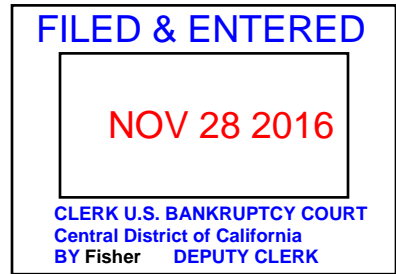


1 LAW OFFICES OF STEVEN R. FOX  
2 Steven R. Fox, CBN 138808  
3 17835 Ventura Blvd., Suite 306  
4 Encino, CA 91316  
(818) 774-3545 Fax (818) 774-3707



5 Attorneys for Debtor-in-Possession  
6

7  
8 UNITED STATES BANKRUPTCY COURT  
9 CENTRAL DISTRICT OF CALIFORNIA  
10 SAN FERNANDO VALLEY DIVISION

11 In re ) **CASE NO: 1:16-bk-12518 MT**  
12 ) **CHAPTER 11**  
13 )  
14 Ireland Needlecraft, Inc. d/b/a H&S ) **ORDER GRANTING MOTION ON A**  
15 Bicycles, ) **FINAL BASIS TO AUTHORIZE**  
16 ) **DEBTOR TO ENTER INTO POST-**  
17 Debtor. ) **PETITION FINANCING WITH CYCLING**  
18 ) **SPORTS GROUP, INC.**  
19 ) Date: November 17, 2016  
20 ) Time: 11:30 a.m.  
21 ) Place: Courtroom 302

22 \_\_\_\_\_  
23 The Court has before it the Debtor's "MOTION TO AUTHORIZE DEBTOR TO  
24 ENTER INTO POST-PETITION FINANCING WITH CYCLING SPORTS GROUP,  
25 INC." ("Motion")

26 The Court has considered the Motion and "Supplement to Debtor's Motion to  
27 Authorize Debtor to Enter into Post-Petition Financing with Cycling Sports Group, Inc.  
28 Attaching Dealer Agreement" ("Supplement").

No party in interest has filed an opposition to the Motion. The Court finds that  
notice of the hearing was appropriate, that the relief sought is necessary, and that no  
hearing is required. Based thereon, the Court makes the following orders:

1. The Motion be, and hereby is, granted on a final basis pursuant to the  
terms specified in the Motion and the line of credit.

1           2.     The Debtor is authorized to enter into a finance agreement with Cycling  
2           Sports Group, Inc. under the terms specified in the Motion and in the line  
3           of credit attached to the Supplement. The terms specified in the Motion  
4           and in the line of credit attached to the Supplement are approved.

5           3.     The Debtor is authorized to take all appropriate action to effectuate or  
6           implement the terms of the agreement of the parties and the terms of the  
7           line of credit.

8           A.     CSG to provide to the Debtor a line of credit with a maximum  
9           amount of \$30,000 with 30 day repayment terms.

10           B.    After the Debtor has 3 months of on time payment in full, then the  
11           line will increase to 50,000. If thereafter the Debtor makes any late or partial  
12           payment, at CSG's discretion, the credit limit on the line of credit will revert back  
13           to \$30,000 for another 3 month minimum period before rising again to \$50,000.

14           C.    Qualifying orders to receive freight benefits with on-time payment.

15           D.    CSG shall be entitled to charge contractual (not default) rate  
16           interest pursuant to the terms of the line of credit. The interest rate for late  
17           payments on the line of credit shall be 1.5% per month which the Debtor  
18           understands is the same interest rate CSG charges to its customers outside of  
19           bankruptcy.

20           E.    CSG's lien to be cross collateralized by all prepetition and post-  
21           petition CSG supplied bicycle inventory.

22           F.    CSG to support confirmation of a plan the Debtor proposes which  
23           does not materially conflict with or alter the terms of this agreement and the line  
24           of credit the Court approves. Supporting confirmation shall mean casting  
25           accepting ballots in any class(es) in which CSG is entitled to vote or may be  
26           entitled to vote. CSG may decline to cast such ballot(s) if H&S is in material  
27           default under the agreement as of 2 business days prior to the deadline to cast  
28           ballots, e.g. including by failing to timely remit payment for any bikes sold.

1 G. This agreement is subject to approval of the Bankruptcy Court  
2 hearing the chapter 11 case of In re Ireland Needlecraft, Inc..

3 H. To the extent CSG holds a secured claim at the time of plan  
4 confirmation, CSG will accept payment of its prepetition claim for a period of as  
5 long as five years. During such payment period, CSG shall retain its lien and  
6 receive replacement liens in new CSG supplied bicycle inventory. CSG's post-  
7 petition claim shall be deemed to be an administrative claim and shall be paid  
8 pre-confirmation and post-confirmation of a plan pursuant to the terms of the  
9 line of credit. In the event this case is converted to one under chapter 7 prior to  
10 confirmation of a plan, CSG's then post-petition claim shall be deemed to be an  
11 administrative claim under chapter 11.

12 I. To the extent that CSG's contractual relationship with the Debtor is  
13 supported by any guaranties, such guaranties will not be enforced during the  
14 chapter 11 case and during a plan term so long as the Debtor is making  
15 payments timely to CSG under this agreement and under the plan. If the  
16 Debtor does not timely or contractually making payments to CSG, CSG shall  
17 provide written notice of such default to the Debtor and to its counsel, both by  
18 email and the Debtor shall have a period of ten days to cure such monetary  
19 default(s) (the "default period"). The Debtor shall have a period of 30 days to  
20 cure any non-monetary defaults. It is a material provision of the agreement that  
21 the guarantor(s) and CSG enter into a separate tolling agreement.

22 ###

23  
24  
25 Date: November 28, 2016

  
Maureen A. Tighe  
United States Bankruptcy Judge