Entered: June 4th, 2026

Signed: June 4th, 2026

SO ORDERED

DAVID E. RICE
U. S. BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)

IN RE: **JFY PROPERTIES LLC,** **Debtor and Debtor in Possession.**	**26-15569-DER** **CHAPTER 11**
IN RE: **JFY PROPERTIES II LLC,** **Debtor and Debtor in Possession.**	**26-15570-DER** **CHAPTER 11**

INTERIM ORDER (I) AUTHORIZING THE USE CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION PURSUANT TO 11 U.S.C. §§ 361 AND 363 AND (III) SCHEDULING A FINAL HEARING PURSUANT TO <u>BANKRUPTCY RULE 4001(b)</u>

UPON CONSIDERATION of the *Debtors' Motion for Entry of Interim Order Authorizing Use Cash Collateral and Granting Adequate Protection Pursuant to 11 U.S.C. §§*

361 and 363 and Scheduling Final Hearing (the “Motion”), any objection filed thereto; and after a preliminary hearing on the Motion pursuant to Fed. R. Bankr. P. 4001(b)(2) having been held before the Court on June 2, 2026 (the “Preliminary Hearing”); and this Court having found good and sufficient cause appearing therefor,

1. On May 26, 2026 (the "Petition Date"), the Debtors each filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code. Since the Petition Date, the Debtors have each remained in possession of their property and has continued to manage their affairs as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Code.

2. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. Notice of the Preliminary Hearing and proposed entry of this Interim Order was provided by the Debtors to (i) the twenty (20) largest creditors listed in the Debtors’ cases, (ii) the U.S. Trustee, (iii) Fund Investment 171, LLC (“Fund 171”); and (iv) those parties who requested notice in this bankruptcy case. The requisite notice of the Motion and the interim relief requested thereby and this Interim Order was provided in accordance with Bankruptcy Rule 4001, which notice is sufficient for all purposes under the Bankruptcy Code, including, without limitation, sections 102(1) and 363 of the Bankruptcy Code, and no other or further notice need be provided for entry of this Interim Order.

4. The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2). Absent entry of this Interim Order, the Debtors’ business, property and estate will be irreparably harmed.

5. Fund 171asserts a first priority lien secured claim against JFY II in the amount of not less than $11.2 million (the "Alleged Pre-Petition Indebtedness"). Fund 171 asserts a security interest in and lien upon, among other things, a first priority lien on substantially all assets of the JFY II (collectively, the "Alleged Prepetition Lien").

6. The rents and other rights to payment constitute Fund 171's collateral, pursuant to Section 541 of the Bankruptcy Code and cash collateral within the meaning of Section 363(a) of the Bankruptcy Code, and may be used by JFY II only with the consent of Fund 171 or upon further Order of this Court.

7. JFY II has moved for authorization to use cash collateral. The immediate use of cash collateral by JFY II is necessary to avoid immediate and irreparable harm to the JFY II's bankruptcy estate.

The Preliminary Hearing having been held by this Court and upon the record made by JFY II and other parties-in-interest at the Preliminary Hearing, and after due deliberation and consideration and sufficient cause appearing therefore,

NOW THEREFORE, in consideration of the foregoing, it is, by the United States Bankruptcy Court for the District of Maryland, hereby:

ORDERED, That the Motion is GRANTED, subject to and conditioned upon the terms of this Interim ORDER. This Interim ORDER shall immediately become effective upon its entry; and it is further

ORDERED, That JFY II is hereby authorized to use the Alleged Prepetition Collateral, including the cash collateral during the period from May 26, 2026 through and including June 30, 2026 (the "Expiration Date") for ordinary course purposes in accordance with the terms and conditions of this Interim Order and JFY II's budget (the "Budget")[1]; provided, however, that

[1] JFY II is also authorized to return security deposits to tenants in the ordinary course of business.

Fund 171 is granted adequate protection as hereinafter set forth and (b) except on the terms of this Interim Order, the Debtors shall be enjoined and prohibited from at any time using the Alleged Prepetition Collateral, including the cash collateral; and it is further

ORDERED, That to the extent the Cash Collateral is used by JFY II and such use results in a diminution of the value of the Cash Collateral, Fund 171 is entitled, pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, a replacement lien in and to all post-petition assets of the Debtors, of any kind or nature whatsoever, real or personal, whether now existing or hereafter acquired, and the proceeds of the foregoing, to the same extent and with the same priority as Fund 171's interest in the Alleged Prepetition Collateral; and it is further

ORDERED, That the liens and security interests granted hereby, including the Adequate Protection Liens, shall become and are duly perfected without the necessity for the execution, filing or recording of financing statements, security agreements and other documents which might otherwise be required pursuant to applicable non-bankruptcy law for the creation or perfection of such liens and security interests. Notwithstanding the foregoing, Fund 171 may, in its sole discretion, file such financing statements, security agreements, mortgages, deeds of trust, notices of lien, or similar instruments or otherwise confirm perfection of such liens, security interests, and mortgages consistent with this Order without seeking modification of the automatic stay under section 362 of the Bankruptcy Code, and all such documents shall be deemed to have been filed or recorded at the time of and on the Petition Date; and it is further

ORDERED, That notwithstanding any other provision hereof, the grants of adequate protection pursuant hereto are without prejudice to the rights of any party, including JFY II, to seek modification thereof so as to provide different, additional or no adequate protection at all and to seek relief from the automatic stay, and without prejudice to the right of JFY II to contest any such requested relief or modification. Except as expressly provided herein, nothing contained in this Order (including, without limitation, the authorization to use cash collateral) shall impair, waive or modify any rights, claims or defenses available in law or equity to the Debtors, the Estate and its creditors, regarding, without limitation, the extent and validity of Fund 171's interest in the Debtors' revenues, rents, payments or Cash Collateral; and it is further

ORDERED, That the provisions of this Interim Order and any actions taken pursuant hereto shall survive the entry of any order (i) confirming any plan of reorganization in the Chapter 11 case; (ii) converting the case to a Chapter 7 case; or (iii) dismissing the case, and the terms and provisions of this Interim Order as well as the Adequate Protection Liens granted pursuant to this Order shall continue in full force and effect notwithstanding the entry of any such order, and such claims and liens shall maintain their priority as provided by this Interim Order and to the maximum extent permitted by law; and it is further

ORDERED, That JFY II's use of cash collateral pursuant to this Interim Order shall terminate at the close of business on the Expiration Date (unless it has terminated prior thereto by order of the Court); and it is further

ORDERED, That a final hearing to consider the relief requested in the Motion is scheduled for **June 29, 2026 at 11:00 a.m.** prevailing Eastern Time, before this Court. The Debtors shall promptly mail copies of this Interim Order (which shall constitute adequate notice of the final hearing) to those parties having been given notice of the Preliminary Hearings on the Motion, any other person required by applicable rules of bankruptcy procedure to receive such notice, and to any other party that has filed a request for notices with this Court. Any party-in-interest objecting to the relief sought at the final hearing shall serve and file written objections; which objections shall be served upon McNamee, Hosea P.A., 6404 Ivy Lane, Suite 820, Greenbelt, MD 20770, Attn: Justin Fasano, Esq., Attorneys for the Debtors and (b) the Office of the United States Trustee, Office of the United States Trustee, 101 W Lombard St # 2625, Baltimore, MD 21201, and shall be filed with the Clerk of the United States Bankruptcy Court, in each case to allow actual receipt by the foregoing no later than **June 26, 2026 at 4:00 p.m.**.; and it is further

ORDERED, that Fund 171 expressly reserves all rights, remedies, and claims and reserves the right to seek further Adequate Protection than that provided for in this Interim Order for the use of its cash collateral in connection with a Final Order.

Copies to:

Justin Fasano
McNamee Hosea, et al.
6404 Ivy Lane
Suite 820
Greenbelt, MD 20770

Office of the United States Trustee
101 W Lombard St # 2625 Baltimore,
MD 21201

END OF ORDER

In re JFY Properties LLC and In re JFY Properties II, Cases No. 26-15569 and 15570 (Bankr.D. Md.)

	6/2026
Income	
Beginning Cash	$150,000.00
LEASE INCOME	**$123,188.00**
TOTAL INCOME	**$123,188.00**
Expenses:	
Advertising & Promotion	$1,235.00
Bank Service Charge	$12.00
Cleaning Service	$850.00
Management Fee	$7,000.00
Office Expense	$350.00
Telephone	$977.00
Postage & Delivery	$15.00
Building Repairs & Maint.	$500.00
Waste Disposal	$1,014.00
Water Department	$3,800.00
BGE (Power)	$3,500.00
Utility Deposit	$10,000.00
US Trustee Fees	
Total	$29,253.00
Elevator Maintenance	$4,200.00
Insurance	$2,746.00
TOTAL EXPENSES	**$36,199.00**

Income Net of Interest	**$86,989.00**
Reserve for Taxes	$150,000.00
Net cash change	-$63,011.00
Cash at end of period	$86,989.00