UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MICHIGAN

In Re: J &ST Dev., LLC

Debtor.
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Case No. 26-01366
Chapter 11-Subchapter V
Judge John T. Gregg

ORDER GRANTING DEBTOR'S AUTHORIZATION FOR DEBTOR'S INTERIM USE OF CASH COLLATERAL AND PROVIDING ADEQUATE PROTECTION TO THE STATE OF MICHIGAN

This matter came before the Court upon Debtor's Motion for Interim Order Authorizing Debtor's use of Cash Collateral filed on April 28, 2026. On May 5, 2026, the Court held a hearing on the Motion and entered an Order granting the Debtor the right to use cash collateral until May 12, 2026 and requiring the Debtor to provide additional notice to creditors and other interested parties. The Court has reviewed the Motion, and other pertinent pleadings, and has considered the statements made both at the May 5, 2026 hearing as well as at the second hearing held May 12, 2026. The Court is sufficiently advised in the premises.

A. On April 28, 2026 ("Petition Date"), the Debtor filed for relief under Chapter 11, Subchapter V of the United States Bankruptcy Code (the "Bankruptcy Code").

B. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

C. The Court's consideration of this Motion constitutes a core proceeding as defined in 28 U.S.C. §§ 157(b)(2)(A), (K) and (M).

D. The procedures set forth in this Order constitute sufficient "notice and hearing" under Section 102 and 363(c) of the Bankruptcy Code, Bankruptcy Rule 2002, 4001, 6004 and 9006. This Order is being entered solely on an interim basis pursuant to Bankruptcy Rule 4001, and expressly subject to the rights of parties in interest to object as specific provided in paragraph below.

E. Debtor requires funds to pay expenses in connection with maintaining operations, including satisfying taxes, payroll, paying utilities, insurance and inventory. Failure to pay these and similar critical expenses would cause Debtor immediate and irreparable harm by disrupting Debtor's ability to maintain operations, effectively shutting down the Debtor.

F. Debtor does not have sufficient unencumbered funds to meet these expenses. Accordingly Debtor requires authorization to use cash collateral to avoid immediate and irreparable harm. The amount of cash Debtor proposes to use before entry of a final order granting the Motion is $83,136.

G. The Debtor asserts it owes the State of Michigan the sum of $600,000. The State of Michigan has a filed tax lien on all personal property and is the only creditor with an interest in cash collateral. Unsecured creditor Web Bank has a security interest in accounts receivable. The Debtor had no accounts receivable on the date of filing.

NOW, THEREFORE, IT IS HEREBY ORDERED that the Debtor is authorized to use cash collateral, but only under the terms and conditions set forth in this Order.

1. As adequate protection, the State of Michigan is hereby granted security interests and replacement liens to the extent of the State of Michigan was secured as of the petition date, upon the following property of the Debtor: all assets of the Debtor including, but not limited to, all accounts that the Debtor maintains, accounts receivable, notes (and all collateral security therefor), general intangibles (including, but not limited to, any insurance proceeds), chooses in action, instruments, documents, chattel paper, goods, inventory, fixtures, equipment, chattels, machinery and furniture, and the products and proceeds of all of the foregoing, arising, created or acquired. subsequent to the filing of the Chapter 11 Petition provided, however, that any causes of action brought

under Chapter 5 of the Code and recoveries there from (collectively, "Chapter 5 Causes of Action") shall be excluded from the collateral of the Secured Creditor.

2. In addition to and separate from the replacement liens, the State of Michigan liens on the collateral pursuant to the security agreements will extend to post petition collateral and the products, profits and proceeds thereof under §552 (b). Finally the Debtor shall pay the sum of $3500 per month to the State of Michigan with the first payment due June 1, 2026 and on the first of each month thereafter through the date of confirmation. Payment should by made payable to "State of Michigan-CD are mailed to Michigan Department of Treasury/Rvenue/AG, PO BOX 30455, Lansing, Michigan 48909-7955.

3. Debtor's permission to use cash collateral shall terminate upon the occurrence of any of the following: (a) Debtor's failure to make the required adequate protection payments to the State of Michigan or to fail to file and pay all post petition tax returns and obligations as they come due to the State of Michigan. Should default occur the State of Michigan shall notify counsel for the debtor by email with a 14 day right to cure. (b) an order being entered dismissing this case or converting this case to a case under Chapter 7 of the Bankruptcy Code, appointing Trustee to perform any duties of the Debtor, or terminating the authority of the Debtor to conduct business; (c) Debtor's cessation of operations for any reason.

4. The Debtor shall duly pay as the same shall become due and payable all post-petition taxes, assessments and governmental and other charges, which if unpaid, might become a lien or charge upon the collateral, assets, earnings or business of the Debtor, as the case may be. The Debtor shall also pay when due, all administrative taxes, including any and all federal and state withholding taxes and personal property taxes. Further, the Debtor shall file all required monthly operating reports.

5. If this Order becomes a final order the provisions of this Order shall be binding upon the Debtor and its successors and assigns, and, except as otherwise set forth in this Order, the pre-petition indebtedness of the State of Michigan constitutes an allowed claim in accordance with §506(a) of the Bankruptcy Code for all purposes in this Case, and (ii) the liens and security interests in the collateral shall be deemed to be valid, legal, binding, perfected, not subject to avoidance or subordination and not subject to any other further challenge by any party in interest, seeking to exercise the rights of the Debtor's estate.

6. If any of the provisions of this Order are hereafter modified, vacated or stayed by subsequent order of this or any other Court, such stay, modification or vacatur shall not affect the validity and enforceability of any lien, priority, right, privilege or benefit authorized hereby with respect to the pre-petition indebtedness, including without limitation, the replacement liens.

7. Notwithstanding any provision contained herein, this Order shall not be binding on any future trustee (Chapter 7 or 11). To avoid immediate and irreparable harm to the Debtor pending a final hearing on the Motion, the Debtor may use cash collateral in accordance the budget provided by the debtor with the motion until June 9, 2026.

8. Debtor shall, within twenty-four (24) hours following the entry of this Order, serve copies of this Order on each of the Debtor's 20 Largest Unsecured Creditors, all the Secured Creditors, the SubChapter V Trustee, the United States Trustee's Office, and all other parties who are required to be served under F.R.Bankr.P.2002 and 4004.

9. This Order hereby incorporates by reference the attachment regarding the 4 week budget attached to the original motion for use of cash collateral.

10. All parties seeking to object to this Order must file a written objection within 3 business days of the hearing date below. A final hearing on the Motion will be held before the Honorable, United States Bankruptcy Judge, John T. Gregg's Courtroom, on June 9, 2026 at 11:00 a.m.E.T. at the Federal Court located at 315 W. Allegan St., Lansing, Michigan. If no objections are timely filed, this order shall become a final order and no final hearing will be held.

Signed: May 15, 2026

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MICHIGAN

John T. Gregg
United States Bankruptcy Judge