

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

NORTHPORT BAY INC.
a/k/a 45 BAYVIEW HOLDINGS,

Chapter 11
Case No. 16-75598 (LAS)

Debtor.

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**ORDER (1) DENYING DEBTOR’S APPLICATION FOR AN ORDER
AUTHORIZING THE USE OF CASH COLLATERAL AND
(2) DIRECTING DEBTOR’S TURNOVER OF INFORMATION AND RENTS**

UPON the application of Northport Bay Inc. (the “Debtor”), the debtor and debtor-in-possession in the above captioned Chapter 11 case, by its proposed counsel Thaler Law Firm PLLC, seeking an Order pursuant to 11 U.S.C. §363 Authorizing the Use of Cash Collateral [ECF Docket No. 22] (the “Application”); and upon the objection to the Application filed by secured creditor National Loan Investors, L.P. (“NLI”) [ECF Docket No. 29] (the “Opposition”); and upon the Debtor’s Reply to NLI’s Objection [ECF Docket No. 34]; and the Court having held a hearing on January 26, 2017 to consider the Application and all responses thereto and upon the record and transcript of that hearing and due deliberation; it is hereby

ORDERED, that the Debtor’s Application is denied; and it is further

ORDERED, that the Debtor shall have no authority to use any of the rents pending further Order of the Court; and it is further

ORDERED, by no later than February 3, 2017, the Debtor shall turn over to counsel for NLI all rents collected by the Debtor, its principal or any third party arising from the rental/ lease of any portion of the Debtor’s real property located at 45 Bayview Avenue, Inwood, New York 11096 (the “Property”) in the Debtor’s possession, including but not limited to all monies

currently on deposit in the Debtor's debtor-in-possession bank account ("DIP Account"), together with a detailed accounting of all rents collected since the filing of the Chapter 11 including but not limited to the funds being turned over; and it is further

ORDERED, by no later than February 2, 2017, the Debtor shall provide counsel for NLI with contact information for each tenant currently residing at the Premises and the agreed amount of monthly rent to be paid therefor and any other relevant lease terms, if any; and it is further

ORDERED, that the Debtor is directed to continue to diligently and in good faith collect rents from all tenants at the Property, which rents shall be deposited directly into the Debtor's DIP Account, and within two business days of clearance, turned over to NLI's counsel with a detailed accounting of the funds being turned over; and it is further

ORDERED, that NLI shall pay, from the funds turned over from the Debtor, only to the extent that sufficient funds are turned over, all insurance and utility costs associated with the Property, within ten (10) business days of presentment of supporting documentation including but not limited to billing statements in their original form; and it is further

ORDERED, that the Debtor may submit requests to NLI for the payment of other Property related expenses, including but not limited to maintenance and garbage removal, which NLI may approve and pay or disapprove and decline for payment, in its sole and absolute discretion; and it is further

ORDERED, that NLI shall pay, from the funds turned over from the Debtor and to the extent that there are sufficient funds turned over, all quarterly fees due to the United States Trustee; and it is further

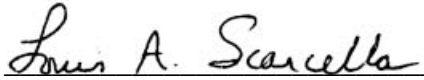
ORDERED, that NLI shall pay to the utility providers for the Property, from the funds turned over from the Debtor and only to the extent that sufficient funds are turned over, such amounts as may be directed by an Order of the Court granting the Debtor's motion to approve adequate assurance for utility providers pursuant to 11 U.S.C. § 366 [Motion at ECF Docket No. 23]; and it is further

ORDERED, that the Debtor shall be permitted to leave \$10.00 on deposit in the DIP Account to ensure the account remains open; and it is further

ORDERED, that nothing contained herein, including but not limited to the turnover of rents as directed herein, shall be deemed a waiver of any of NLI's rights, claims or interest under the Loan Documents (as that term is defined in the Opposition), its Judgment of Foreclosure and Sale (as amended) or its pending Motion to Convert or Dismiss the Chapter 11 case or in the alternative, for Relief from the Automatic Stay [ECF Docket No. 30].

Dated: January 30, 2017
Central Islip, New York




Louis A. Scarcella
United States Bankruptcy Judge