

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF VIRGINIA  
Richmond Division**

**In re: ROADRUNNER ENTERPRISES, INC.,  
Debtor-in-Possession.**

**Case No. 15-30604-KRH  
Chapter 11**

**STIPULATED ORDER BETWEEN DEBTOR AND PRESIDENTIAL BANK  
AUTHORIZING DEBTOR'S INTERIM AND LIMITED USE OF  
CASH COLLATERAL AND FOR ADEQUATE PROTECTION**

The Debtor, Roadrunner Enterprises, Inc., ("Debtor") and Presidential Bank, FSB ("Presidential Bank"), by their respective undersigned counsel, represent and agree as follows:

**BACKGROUND**

A. On February 6, 2015 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code ("Bankruptcy Code").

C. The Debtor has, since the filing of the Petition, continued to operate its business as a debtor-in-possession pursuant to § 1107 of the Bankruptcy Code.

B. The Debtor owns certain real estate located in Chesterfield County, Virginia, commonly known as the Roadrunner Campground with a street address of 13830, 13900, and 13902 Jefferson Davis Highway, Chester, Virginia 23831 ("Campground"). The Campground is more fully described as:

ALL those certain pieces or parcels of land with improvements thereon and appurtenances thereto belonging, lying and being in the Bermuda District, of Chesterfield County, Virginia, and more particularly shown as Lots 10, 11 and 12, Mid-City Farms, all as more particularly shown on plat made by Townes Site Engineering, dated April 25, 2003, and entitled "Plat of Lots 10-12 Mid-City Farms Bermuda District, Chesterfield County, Virginia," a copy of which Plat was recorded in the Clerk's Office, Circuit Court of Chesterfield County, Virginia on June 9, 2003, in Plat Book 134,

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page 27, and to which plat reference is hereby made for a more particular description of the property.

D. On or about June 6, 2003, the Debtor executed that certain Deed of Trust Note payable to Presidential Bank, FSB in the original principal amount of \$442,000.00 (the “Note”).

E. The Note is secured by a first-priority Deed of Trust, Security Agreement, and Financing Statement executed by Debtor in favor of Presidential Bank on the Campground (“Deed of Trust”). The Deed of Trust contains, inter alia, an Assignment of Proceeds and an Assignment of Rents-Leases. The obligations due under the Note and Deed of Trust mentioned aforesaid in favor of Presidential Bank are defined herein as the “Obligations.”

F. Pursuant to the Note and Deed of Trust, Presidential Bank has a first-priority lien and security interest in the Campground and the cash, personal property, negotiable instruments, items of payment, and other proceeds generated by the Campground and the operation of Debtor’s business on the Campground (collectively the “Collateral”).

G. The Debtor requires use of cash collateral (as defined in § 363(a) of the Bankruptcy Code) to continue its business, including the cash collateral arising from or relating to the Campground and the Collateral (“Cash Collateral”). The proposed use of the Cash Collateral is necessary to avoid immediate and irreparable harm to the Debtor and the estate. Presidential Bank is willing to consent to the Debtor’s interim use of the Cash Collateral, subject to the Debtor’s strict compliance with the terms and conditions of this Stipulation and Order, and upon the Court’s approval of the adequate protection set forth below.

H. On February 12, 2015 the Debtor filed a Motion for Interim and Final Orders (I) Authorizing the Use of Cash Collateral; (II) Granting of Adequate Protection; and (III) Scheduling a Final Hearing. This Order constitutes an interim Order governing the rights of

the Debtor with respect to the Debtor's continued use of the Cash Collateral, upon the provision of adequate protection to Presidential Bank.

I. The Debtor proposes to use the Cash Collateral in the ordinary and normal course of its business and subject to the Budget attached as "Exhibit A" ("Budget").

### **ORDER**

1. This Order shall govern the Debtor's use of the Cash Collateral for the period through and including May 6, 2015.

2. As adequate protection for the Debtor's use of the Cash Collateral, the Debtor shall make the following payments to Presidential Bank:

(a) On or before April 3, 2015, the Debtor shall make payment to Presidential Bank in the amount of \$3,480.82; and

(b) On or before May 5, 2015, the Debtor shall make payment to Presidential Bank in the amount of \$1,740.41.

3. The Debtor is authorized to receive, collect, and make use of all Cash Collateral in its ordinary course of business for actual expenses incurred according to the Budget, subject to Presidential Bank's continuing first priority liens and security interests, and subject to the terms and conditions of this Stipulation and Order. By accepting or authorizing payments hereunder, Presidential Bank will not be deemed to have waived any default or any event of default which may exist or any rights, remedies or privileges available under the terms of the Note and Deed of Trust, or any other applicable law except to the extent specifically set forth herein or as may be modified by application of the Bankruptcy Code. In making decisions to permit the use of Cash Collateral or in connection with operating within this Cash Collateral Stipulation and Order,

Presidential Bank shall not be deemed to be in control of the operations of the Debtor or to be acting as a “responsible person” or “owner or operator” with respect to the operation or management of the Debtor (as such terms, or any similar terms, are used in the United States Comprehensive, Environmental Response, Compensation and Liability Act, as amended, or any similar Federal or state statute).

4. The Debtor may use Cash Collateral only to pay actual post-petition expenses incurred as itemized in the Budget.

5. All excess Cash Collateral received, held, or collected by Debtor after the payments permitted and required hereunder are made, must be deposited into the Debtor’s DIP Operating Account and accounted for in the monthly Debtor-in-Possession Operating Reports filed in this case. The Debtor shall separately account for the Cash Collateral as distinct from the cash collateral in which any other lenders have an interest.

6. Except in strict accordance with the Budget, the Debtor shall not use the Cash Collateral to make any payments to insiders (as such term is defined by § 101(31) of the Bankruptcy Code) of the Debtor without the prior written consent of Presidential Bank. No portion of the Cash Collateral shall be used to pay for attorneys’, accountants’ or other professionals’ fees or expenses incurred by the Debtor during this bankruptcy proceeding. Any additional requested payment or expenditure or post-petition expenditures outside the ordinary course of the Debtor’s business shall be approved and authorized by Presidential Bank in its sole discretion. Nothing herein shall be deemed to be a consent by Presidential Bank to subordinate its secured claim to the administrative expenses of this bankruptcy proceeding or any superseding proceeding under the Bankruptcy Code, and the Debtor hereby waives its right to surcharge

Presidential Bank or any portion of the Collateral pursuant to § 506(c) of the Bankruptcy Code. To the extent that any part of the Cash Collateral is used by the Debtor for purposes not permitted by this Order or to the extent that the value of the Collateral diminishes during the course of this case, Presidential Bank shall have an allowed claim therefor, which claim shall have priority over all other administrative expenses allowable under Bankruptcy Code § 507(a)(1) all as contemplated by § 507(b) of the Bankruptcy Code. The foregoing is without prejudice to any other claim that Presidential Bank may have under § 507(b) of the Bankruptcy Code arising under the circumstances contemplated by § 507(b) of the Bankruptcy Code.

7. The Debtor hereby grants, confirms, and acknowledges to Presidential Bank a perfected first priority lien and security interest in the Collateral of the Debtor whether now owned or hereafter acquired, whether generated or received prior to or after the filing of the Debtor's bankruptcy petition, as security for any and all Obligations owed by the Debtor to Presidential Bank whether arising before or after the date of the Debtor's bankruptcy filing and hereby acknowledges the validity, priority, and perfection of the security interests in favor of Presidential Bank as evidenced by the Note and Deed of Trust. The Debtor shall not cause or permit, or consent to cause or permit, any liens, mortgages, or security interests, pursuant to § 364 of the Bankruptcy Code having priority, equal or senior to any of the security interests or liens evidenced by the Note and Deed of Trust.

8. The Debtor agrees it shall permit Presidential Bank, its agents and employees to examine its property, financial records, and operations upon two (2) business days notice. The Debtor shall not delay or otherwise prevent or interfere with such inspection and Presidential Bank shall use reasonable efforts to minimize the disruption to the Debtor.

9. The Debtor agrees to provide promptly to Presidential Bank, directly or through its counsel, such information and documents as Presidential Bank shall reasonably request. Specifically, Debtor shall provide the following information to Presidential Bank without the necessity of specific request:

(a) all reports provided to the Office of the United States Trustee pursuant to the terms and conditions of the Consent Order between the Debtor and the Office of the United States Trustee;

(b) monthly profit and loss statements for the Debtor.

10. The full amount of any diminution in value of the Collateral shall be given priority status under § 364(c)(1) and § 507(b) of the Bankruptcy Code. No costs or expenses of administration which have been or may be incurred in these proceedings, or in any other proceeding related thereto, and no priority claims are or will be prior to or on parity with the adequate protection claims of Presidential Bank and no such costs or expense of administration shall be imposed upon Presidential Bank or the Collateral.

11. Upon the sale and/or other disposition of any Collateral other than in the ordinary course of business the Debtor shall immediately tender the proceeds thereof to Presidential Bank and the same shall be applied to the Debtor's obligations to Presidential Bank according to the terms of the Obligations.

12. No provision in this Order is intended as a waiver, release, or modification of obligations of third-party guarantors under any guarantees or of the obligations of the Debtor, nor does Presidential Bank make any representations or agreement whatsoever that it will forbear from enforcing its rights against any guarantors.

13. The Debtor shall provide to Presidential Bank such other and further financial, accounts receivable, inventory, accounting, or operational information relating to the Debtor as Presidential Bank may reasonably request from the Debtor from time to time, to be in a form containing such information and detail as Presidential Bank may reasonably request.

14. The Debtor's authorization to use the Cash Collateral subject to and on the terms and conditions of this Order, shall terminate without any further Order of this Court at 5:00 p.m. on May 6, 2015 unless the Debtor's right to use Cash Collateral has been previously terminated pursuant to the provisions of this Order.

15. In the event of (i) failure of the Debtor to fully perform any of its obligations as provided in this Order or breach of any covenant made herein, (ii) appointment of a trustee or of an examiner with enhanced powers for the Debtor or the property of the estate of the Debtor, or (iii) conversion of the Chapter 11 case to a case under Chapter 7 of the Bankruptcy Code, (iv) dismissal of the Chapter 11 case or of any subsequent case under Chapter 7 of the Bankruptcy Code, or (v) confirmation of a Chapter 11 plan of reorganization for the Debtor (collectively "Default Events"); then and upon the occurrence of any of the foregoing, which remains uncured for two (2) business days after a written notice of a Default Event has been given to counsel for the Debtor, the Debtor shall immediately cease using Cash Collateral and deliver all Cash Collateral to Presidential Bank. Termination of the Debtor's right to use Cash Collateral shall in no manner affect the validity, enforceability, or priority of the claims, liens, or other protections accorded to Presidential Bank pursuant to the provisions of this Order.

16. All of the terms and provisions of this Order, including but not limited to the security interests and liens created and perfected hereby, shall be binding upon the Debtor, any

subsequently appointed trustee either under Chapter 7 or Chapter 11 of the Bankruptcy Code, and upon all creditors of the Debtor, including those that may have extended or may hereafter extend credit to the Debtor, and all other parties in interest.

17. The Debtor agrees not to create, permit, assume, or suffer to exist any lien or security interest in favor of any person or entity other than Presidential Bank on any property of the Debtor, except any liens or security interests that existed prior to the date of the commencement of this case or any liens or security interests expressly consented to in advance in writing by Presidential Bank.

18. The Debtor agrees that this Order is not intended nor shall it be construed as a waiver or limitation in any way by Presidential Bank of any rights or remedies it may have under the Note and Deed of Trust, or under the Bankruptcy Code, or other applicable law which it may have against any party except as specifically set forth herein, including but not limited to the right to request additional adequate protection of its interest in the Collateral or the collateral granted herein, object to further use of cash collateral, file a motion for relief from or modification of the automatic stay under § 362 of the Bankruptcy Code, request the appointment of a Trustee or Examiner, or propose a Chapter 11 plan or plans and nothing contained herein shall be construed as an indication that Presidential Bank regards itself as being fully and adequately protected.

19. This Stipulation and Order is not intended to cause and shall not cause a novation of the Obligations, the Note, or the Deed of Trust, nor shall it extinguish, affect, or impair the Debtor's, any guarantor's or any co-obligor's obligations under the Obligations, the Note or the Deed of Trust. This Stipulation and Order shall not release, terminate, or limit the priority of any



security interests and liens held by Presidential Bank in any assets of the Debtor or of any guarantor of the Obligations.

20. This Order is immediately valid and fully effective upon its entry, and is subject to a final order authorizing use of cash collateral. A final hearing on the Debtor's Motion is hereby set for May 6, 2015 at 2:00 p.m. Counsel for the Debtor is directed to serve a copy of this Order and a Notice of the final hearing on the creditors listed in the Debtor's Schedules pursuant to Federal Bankruptcy Rule 1007(d).

21. The provisions of this Agreement and any order confirming this Agreement and any action taken pursuant hereto shall be binding upon any trustee or examiner appointed in this case or any superseding case and shall survive the entry of any order confirming a plan of reorganization (unless any such order or plan shall otherwise provide), dismissing the Debtor's bankruptcy case, or converting the Debtor's bankruptcy case to a case under Chapter 7 of the Bankruptcy Code. The terms and conditions of this Agreement, as well as liens and security interests granted, re-granted or confirmed to Presidential Bank hereunder, shall continue in full force and effect in this or any subsequent proceeding under the Bankruptcy Code, and such liens and security interests shall retain their priorities as provided in this Agreement until satisfied, discharged or otherwise modified by an order of the Bankruptcy Court.

22. The automatic stay of § 362 of the Bankruptcy Code is modified to the extent necessary to effectuate this Agreement. The provisions of this Order and any action taken hereto shall survive the entry of any Order that may be entered dismissing this case or converting this case to one under Chapter 7 of the Bankruptcy Code, and the terms and conditions of this Order as well as the liens and security interests granted pursuant hereto shall continue in this and/or any

superseding proceeding under the Code and such liens and security interests shall retain their priorities provided by this Order until satisfied and discharged or otherwise modified by Order of the Court.

It is so **ORDERED** this \_\_\_\_ day of April, 2015.

Apr 16 2015

/s/ Kevin R. Huennekens

Kevin R. Huennekens, Judge  
United States Bankruptcy Court  
Eastern District of Virginia

At: Richmond, Virginia

Entered on Docket:4/16/15

WE ASK FOR THIS:

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SEEN:

Judy A. Robbins  
Judy A. Robbins, United States Trustee  
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Richmond, VA 23219

**CERTIFICATION**

I hereby certify that the foregoing proposed Stipulation and Order has been endorsed by all necessary parties pursuant to the Rules of Bankruptcy Procedure and Local Rules.

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**EXHIBIT A**

Feb 2015 - May 2015 Budget  
Jeff Davis C-store

	<b>Feb. 2015</b>	<b>Mar. 2015</b>	<b>Apr. 2015</b>	<b>May 2015</b>
<b>Income</b>				
Beer	\$10,600	\$9,858	\$9,858	\$9,858
Cigarettes	\$11,284	\$10,720	\$10,720	\$10,720
Groceries	\$8,400	\$7,980	\$7,980	\$7,980
Tobacco	\$1,389	\$1,319	\$1,319	\$1,319
Propane	\$6,800	\$6,460	\$5,000	\$5,000
Non-taxables	\$1,800	\$1,710	\$1,300	\$1,300
Expected Net Lottery	\$2,120	\$2,014	\$2,014	\$2,014
			<b>\$38,191</b>	<b>\$38,191</b>
<b>Total Income</b>	<b>\$42,393</b>	<b>\$40,061</b>	<b>1</b>	<b>1</b>
<b>Expenses</b>				
Beer	\$8,154	\$7,583	\$7,583	\$7,583
Cigarettes	\$9,403	\$8,933	\$8,933	\$8,933
Groceries	\$6,563	\$6,234	\$6,234	\$6,234
Tobacco	\$1,120	\$1,064	\$1,064	\$1,064
Propane	\$3,676	\$3,492	\$2,703	\$2,703
Utilities	\$1,000	\$1,000	800	800
CC Fees	\$1,000	\$1,000	\$1,000	\$1,000
Est. Payroll 3 Clerks	\$4,800	\$4,800	4800	4800
Delivery Payroll	\$600	\$600	\$600	\$600
Payroll (Bookkeeping 15%)	\$344	\$517	\$517	\$517
Payroll (Diana 10%)	\$883	\$704	\$704	\$704
Alfa Insurance	\$153	\$153	\$153	\$153
Bankruptcy Fees (25%)			\$488	
Misc. Repair	\$1,600	\$200	\$200	\$200
			<b>\$35,778</b>	<b>\$35,291</b>
<b>Total Expense</b>	<b>\$39,296</b>	<b>\$36,280</b>	<b>8</b>	<b>1</b>
<b>Total Net Income</b>	<b>\$3,097</b>	<b>\$3,781</b>	<b>\$2,413</b>	<b>\$2,900</b>

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