

**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 EVB AUTHORIZING
DEBTOR'S INTERIM AND LIMITED USE OF
CASH COLLATERAL AND FOR ADEQUATE PROTECTION**

The Debtor, Roadrunner Enterprises, Inc. ("Debtor"), and EVB, by their respective undersigned counsel, stipulate, 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 (the "Bankruptcy Code").

B. The Debtor owns real estate as set forth on the attached **Exhibit A** (the "Properties").

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

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2211 Pump Road
Richmond, VA 23233
804.741.0400 x202

Counsel for EVB

D. The Debtor is indebted to EVB on account of numerous loans and other financial accommodations evidenced by the promissory notes and other instruments listed on **Exhibit B** (the “Debt Instruments”). The obligations evidenced by the Debt Instruments (the “Obligations”) are secured by deed of trust liens and rent assignments encumbering the Properties pursuant to the instruments listed in **Exhibit C** (the “Security Instruments” and together with the Debt Instruments, the “Loan Documents”).

E. The Debtor requires use of cash collateral (as defined in Bankruptcy Code Section 363(a)) to continue its business, including the cash collateral arising from or relating to the Properties (the “Cash Collateral” and together with the Properties, the “EVB Collateral”). The proposed use of the Cash Collateral is necessary to avoid immediate and irreparable harm to the Debtor and the estate. EVB 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 Order, and upon the Court’s approval of the adequate protection set forth below with respect to the EVB Collateral.

F. 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 EVB of its interests in and to the EVB Collateral.

G. 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 D** (the “Budget”).

ORDER

1. This Order governs the Debtor's use of the Cash Collateral and the adequate protection of EVB's interests in and to the EVB Collateral for the period through and including May 6, 2015.

2. The Debtor hereby grants, confirms and acknowledges to EVB a perfected first priority lien and security interest in the EVB Collateral, whether now owned or hereafter acquired, whether generated or received prior to or after the Petition Date, as security for any and all obligations owed by the Debtor to EVB whether arising before or after the Petition Date, including the Obligations, and the Debtor hereby acknowledges the validity, priority, and perfection of the security interests in favor of EVB as evidenced by the Loan Documents. As adequate protection for the Debtor's use of the Cash Collateral, EVB is hereby granted post-petition replacement and renewal liens in the EVB Collateral. Notwithstanding the foregoing, upon the entry of this Order, the Debtor shall execute and deliver any and all documents that EVB may reasonably require to create, perfect, confirm or protect the security interests, liens and other rights in favor of EVB in the EVB Collateral and to consummate the provisions of this Agreement. The Debtor shall not cause or permit, or consent to cause or permit, any liens, mortgages or security interests, pursuant to Bankruptcy Code Section 364 having priority, equal or senior to any of the security interests or liens evidenced by the Loan Documents.

3. The Debtor is authorized to receive, collect and make use of the Cash Collateral in its ordinary course of business for actual expenses incurred of the type and nature set forth in the Budget, subject to: (a) the limitations set forth therein with respect to "Shared Expenses," and (b) EVB's continuing first priority liens and security interests, and subject to the terms and

conditions of this Order. The Debtor shall separately account for the Cash Collateral as distinct from the cash collateral in which any other lenders have an interest. By accepting or authorizing payments hereunder, EVB 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 Loan Documents, 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 the Cash Collateral or in connection with operating within this Order, EVB 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 the Cash Collateral only to pay actual post-petition expenses incurred as itemized in the Budget and subject to the limitations set forth therein with respect to “Shared Expenses.”

5. On April 30, 2015, the Debtor shall make payment to EVB of all Cash Collateral in excess of expenditures made in accordance with the Budget.

6. Except in strict accordance with the Budget and the limitations therein set forth, the Debtor shall not use the Cash Collateral to make any payments to insiders (as such term is defined by Bankruptcy Code Section 101(31)) of the Debtor without the prior written consent of EVB. 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 EVB in its sole discretion. Nothing herein shall be deemed to be a consent by EVB 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 EVB or any portion of the EVB Collateral pursuant to Bankruptcy Code Section 506(c). 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 EVB Collateral diminishes during the course of this case, EVB shall have an allowed claim therefor, which claim shall have priority over all other administrative expenses allowable under Bankruptcy Code Section 507(a)(1) all as contemplated by Bankruptcy Code Section 507(b). The foregoing is without prejudice to any other claim that EVB may have under Bankruptcy Code Section 507(b) arising under the circumstances contemplated by Bankruptcy Code Section 507(b).

7. The Debtor agrees it shall permit EVB, its agents, servants 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 EVB shall use reasonable efforts to minimize the disruption to the Debtor.

8. The Debtor agrees to provide promptly to EVB, directly or through its counsel, such information and documents as EVB shall reasonably request. Specifically, Debtor shall provide the following information to EVB 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.

9. The full amount of any diminution in value of the EVB Collateral shall be given priority status under Bankruptcy Code Sections 364(c)(1) and 507(b). 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 EVB and no such costs or expense of administration shall be imposed upon EVB or the EVB Collateral.

10. Upon the sale and/or other disposition of any EVB Collateral other than in the ordinary course of business the Debtor shall immediately tender to EVB the proceeds or portion thereof to which EVB is entitled under the Loan Documents, as appropriate, and the same shall be applied to the Debtor's obligations to EVB according to the terms of the Loan Documents. As additional adequate protection of EVB's interests in the Collateral, the Debtor shall promptly cause the Waverly Properties and the Rosewood Lots (both as defined in Exhibit A hereto) to be marketed for sale by Sperry Van Ness/Motley's in a manner approved by EVB.

11. 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 EVB make any representations or agreement whatsoever that it will forbear from enforcing its rights against any guarantors.

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

13. 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 the Cash Collateral has been previously terminated pursuant to the provisions of this Order.

14. 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 the Cash Collateral and deliver the Cash Collateral to EVB. Termination of the Debtor's right to use the Cash Collateral shall in no manner affect the validity, enforceability, or priority of the claims, liens or other protections accorded to EVB pursuant to the provisions of this Order.

15. 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.

16. 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 EVB on any property of the Debtor, except any liens or security interests that existed prior to the Petition Date or any liens or security interests expressly consented to in advance in writing by EVB.

17. The Debtor agrees that this Order is not intended nor shall it be construed as a waiver or limitation in any way by EVB of any rights or remedies it may have under the Loan Documents, 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 EVB Collateral or the collateral granted herein, object to further use of the Cash Collateral, file a motion for relief from or modification of the automatic stay under Bankruptcy Code Section 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 EVB regards itself as being fully and adequately protected.

18. This Order is not intended to cause and shall not cause a novation of the Obligations, the Loan Documents, nor shall it extinguish, affect or impair the Debtor's, any guarantor's or any co-obligor's obligations under the Obligations or the Loan Documents. This Order shall not release, terminate or limit the priority of any security interests and liens held by EVB in any assets of the Debtor or of any guarantor of the Obligations.

19. This Order is immediately valid and fully effective upon its entry, and is subject to a final order authorizing use of the 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).

20. The provisions of this Order 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 EVB 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.

21. The automatic stay of Bankruptcy Code Section 362 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:

/s/ William A. Broschious

William A. Broschious, Esquire (VSB #27436)
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Counsel for EVB

/s/ David K. Spiro

David K. Spiro, Esquire (VSB #28152)
Hirschler Fleischer
P.O. Box 500
Richmond, VA 23218-0500

Counsel for the Debtor

SEEN:

/s/ Judy A. Robbins

Judy A. Robbins, United States Trustee
Office of the U.S. Trustee - Region 4 –R
701 E. Broad Street, Suite 4304
Richmond, VA 23219

CERTIFICATION

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

/s/ David K. Spiro

EXHIBIT A

2730 East Hundred Road, Chester, Virginia Tax Map Parcel No. 829642982500000
(the “**Rt. 10 Store**”);

Lot 4 (7324) Coppahaunk Avenue, Waverly, Virginia Tax Map Parcel No. 28-A-30
(the “**Lot 4 (7324) Coppahaunk Avenue**”)

906 and 910-916 West Main Street, Waverly, Virginia Tax Map Parcel Nos. 28A6-(A)-
18 and 28A6-(A)-17 (the “**Waverly Properties**”);

9 “Rosewood” lots located in Chesterfield County, Virginia Tax Map Parcel Nos.
7926199637, 7926190144, 7926197086, 7926209035, 7926198562, 7926198253,
7926197546, 7926191573, and 7926192182 (the “**Rosewood Lots**”)

EXHIBIT B

1. Promissory Note made by the Debtor in the stated principal amount of \$950,000.00, dated May 10, 2006, as amended from time to time by, among other instruments, that certain Change in Terms Agreement dated June 16, 2010
2. Promissory Note made by the Debtor in the stated principal amount of \$100,000.00, dated August 14, 2008
3. Promissory Note made by the Debtor in the stated principal amount of \$171,000.00, dated August 11, 2014, in substitution of, and not in satisfaction of, certain prior promissory notes, including that certain Promissory Note in the stated principal amount of \$195,000.00, dated May 4, 2006
4. Guaranty made by the Debtor for the benefit of EVB, dated December 31, 2008, guarantying full and punctual payment of the indebtedness of Diana D. Adenauer to EVB, including the indebtedness evidenced by that certain Promissory Note made by Ms. Adenauer in the stated principal amount of \$120,000.00, dated December 31, 2008, and that certain Credit Agreement dated October 15, 2008, providing Ms. Adenauer with a line of credit up to \$450,000.00

EXHIBIT C

Encumbering the Rt. 10 Store:

1. Deed of Trust made by the Debtor for the benefit of EVB, dated May 10, 2006, and recorded May 11, 2006, in the Circuit Court for the County of Chesterfield, Virginia, as Instrument No. 33827
2. Assignment of Leases and Rents made by the Debtor for the benefit of EVB, dated May 10, 2006, and recorded May 11, 2006, in the Circuit Court for the County of Chesterfield, Virginia, as Instrument No. 33828
3. Deed of Trust made by the Debtor for the benefit of EVB, dated July 27, 2011, and recorded July 28, 2011, in the Circuit Court for the County of Chesterfield, Virginia, as Instrument No. 32220

Encumbering Lot 4 (7324) Coppahaunk Avenue:

1. Deed of Trust made by the Debtor for the benefit of EVB, dated December 31, 2008, and recorded January 5, 2009, in the Circuit Court for the County of Chesterfield, Virginia, at Deed Book 247 Page 433
2. Assignment of Leases and Rents made by the Debtor for the benefit of EVB, dated December 31, 2008, and recorded January 5, 2009, in the Circuit Court for the County of Chesterfield, Virginia, at Deed Book 247 Page 447

Encumbering the Waverly Lots:

1. Deed of Trust made by the Debtor for the benefit of EVB, dated and recorded August 14, 2008, in the Circuit Court for the County of Chesterfield, Virginia, at Deed Book 244 Page 770
2. Assignment of Leases and Rents made by the Debtor for the benefit of EVB, dated and recorded August 14, 2008, in the Circuit Court for the County of Chesterfield, Virginia, at Deed Book 244 Page 783

Encumbering the Rosewood Lots:

1. Deed of Trust made by the Debtor for the benefit of EVB, dated and recorded May 4, 2006, in the Circuit Court for the County of Chesterfield, Virginia, as Instrument No. 32220

EXHIBIT D

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6560005-1 040414.00006

BUDGET

	Feb. 2015	Mar. 2015	Apr. 2015	May 2015
Rental Income				
7324 Coppahaunk	\$1,000	\$1,000	\$1,000	\$1,000
916 W. Main	\$0	\$550	\$550	\$550
912 W. Main	\$600	\$600	\$600	\$600
906 W. Main	\$400	\$400	\$400	\$400
Total Gross Rent	\$2,000	\$2,550	\$2,550	\$2,550
-12% expected delinquency	-\$240	-\$306	-\$306	-\$306
Effective Gross Income	\$1,760	\$2,244	\$2,244	\$2,244
Insurance Expense by Property				
7324 Coppahaunk	\$39	\$39	\$39	\$39 State Farm
916 W. Main	\$17	\$17	\$17	\$17 Alfa
912 W. Main	\$0	\$0	\$0	\$0 ***
906 W. Main	\$25	\$25	\$25	\$25 Alfa
Total Insurance Expense	\$81	\$81	\$81	\$81
Five Percent (5.00%) of the following Shared Expenses:				
Est. Regular Maintenance	\$3,800	\$3,800	\$3,801	\$3,802
Payroll (Rental Repairs)	\$2,769	\$2,769	\$2,769	\$2,769
Payroll (Property MGMT)	\$892	\$892	\$892	\$892
Payroll (Bookkeeping 70%)	\$2,755	\$2,411	\$2,411	\$2,411
Payroll (Diana 80%)	\$7,064	\$5,631	\$5,631	\$5,631
Diana Health Ins.	\$500	\$500	\$500	\$500
Alfa Ins.- Auto	\$131	\$131	\$131	\$131
Bankruptcy Court Fees (25%)			\$488	
Vehicles-Gas Silverado	\$400	\$400	\$400	\$400
Vehicles-Gas Escalade	\$200	\$200	\$200	\$200
Total Expense	\$18,512	\$16,734	\$17,223	\$16,736
Five Percent (5.00%):	\$952.60	\$836.70	\$861.15	\$836.80
Net Cash Collateral	\$726	\$1,326	\$1,302	\$1,326