IT IS ORDERED as set forth below:

Date: June 10, 2026

Jeffery W. Cavender
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE:	)	CHAPTER 11
	)	
VERACRUZ INVESTMENT	)	
GROUP, LLC	)	CASE NUMBER: 26-57257-JWC
	)	
Debtor.	)	
	)	

<u>ORDER ALLOWING INTERIM USE OF CASH COLLATERAL AND SETTING FINAL HEARING ON USE OF CASH COLLATERAL</u>

This case came before the Court on an expedited hearing on June 5, 2026, pursuant to an *Order Granting Motion for Order Shortening Notice and Expediting Hearing on First-Day Motions and Scheduling Hearing* [Doc.12] to consider Debtor's *Motion to Authorize Interim and Final Use of Cash Collateral and Request for Expedited Preliminary Hearing* [Doc. 10] and *Emergency Motion for Order Authorizing Payment of Pre Petition*

Wages to Maintenance Personnel [Doc. 11] (together the "Motions"). Based upon the Motions, the arguments of counsel, and the record in this case, the Court hereby finds and **ORDERS** as follows:

1.

Debtor is the owner of a 156-unit apartment complex located at 5738 Old Dixie Highway, Forest Park, Georgia 30297 (the **"Property"**). On or about March 24, 2023, the Debtor executed a *Multi Family Note* ("**Note**") payable to Newpoint Real Estate Capital, LLC ("**Newpoint**"), pursuant to which it obtained a loan in the principal amount of Nine Million Fifty-Five Thousand Dollars ($9,055,000) (the **"Loan"**). In connection with the Loan, the Debtor also executed a *Multifamily Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement and Fixture Filing* ("**DSD**"), granting Newpoint a security interest in the Property as described therein. It is Debtor's understanding that Newpoint subsequently assigned its interest in the Loan, Note, DSD and related documents (the "**Security Agreements**") to EMG Transfer Agent, LLC ("**Lender**") sometime in early 2025. As a result, upon information and belief, Lender may assert a security interest in both the Property and rents, income and other cash proceeds of the Property (**"Cash Collateral"**).

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2.

Pursuant to Fed. R. Bankr. P. 4001(b)(2), the Debtor filed the Motions showing that it will suffer immediate and irreparable harm if it is not permitted to use Cash Collateral (defined below) on an interim basis as authorized herein.

3.

Upon consideration of the Motions and the presentation at the June 5, 2026 hearing, the Debtor is authorized, through and including June 25, 2026 (the "**Interim Period**") to use Cash Collateral, subject to and solely in accordance with the budget attached as **<u>Exhibit "A"</u>** to the Motion (the "**Budget**") plus United States Trustee Fees, pursuant to and in accordance with the terms and conditions of this Order, and subject to Permitted Variances (as defined below).

4.

<u>Permitted Variances</u>: The Debtor shall not permit actual disbursements or accruals to be more than 110% of any line items, nor permit actual aggregate disbursements to be more than 105% of the aggregate projected disbursements, in each relevant monthly period set forth in the Budget (such deviations from the applicable projected amount set forth in the Budget being the "**Permitted Variances**"), without written approval of Lender or order of this Court. In the event Debtor deems it necessary to exceed the amounts set out in the Budget, together with the Permitted Variances, Debtor and Lender shall promptly confer in good faith about such necessary expenses and, if unable to agree, may seek expedited relief from this Court.

5.

Notwithstanding any contrary provisions in the Budget, Debtor is not authorized to pay any amounts to insiders, officers, directors, or managers of the Debtor during the Interim Period; provided, however, that Debtor may pay a management fee of 5% of monthly collected income to Horizon Realty Partners, Inc., provided that such fee is consistent with the prepetition fee arrangement between the Debtor and Horizon Realty Partners, Inc.

6.

Debtor shall not be permitted or authorized to use Cash Collateral other than as expressly authorized by this Order, a subsequent order of this Court, or the prior written consent of the Lender. The Debtor shall not use any Cash Collateral to pay pre-petition debts except as may be otherwise allowed by order of this Court. The Debtor is authorized to pay the pre petition wages in any order granting the *Emergency Motion for Order Authorizing Payment of Pre Petition Wages to Maintenance Personnel*.

7.

Lender is entitled, pursuant to §§ 361, 362, 363(c)(2), and 363(e) of the Bankruptcy Code, to the following adequate protection (the "**Adequate Protection Obligations**") for any diminution in value on account of Debtor's use of Cash Collateral and the imposition of the automatic stay (collectively, the "**Diminution in Value**") with such Adequate Protection Obligations being legal, valid and binding obligations of the Debtor and enforceable against the Debtor, and its estate, including without limitation, any trustee appointed in the Debtor case or in any case under chapter 7 of the Bankruptcy Code upon conversion of such cases or any other proceeding superseding or related to any of the foregoing, subject to the terms set forth in this Order:

<u>Replacement Liens</u>. The Lender is hereby granted pursuant to §§ 361 and 363 of the Bankruptcy Code, and solely to the extent of the Diminution in Value, valid, binding, enforceable, and perfected replacement liens upon and security interests in all prepetition

and post-petition assets of the Debtor, including but not limited to the Cash Collateral of the Debtor generated from and after the commencement of this bankruptcy case, to the same extent, validity, priority and nature as Lender's liens and security interests therein as of the Petition Date (the "**Replacement Liens**").

Periodic Reporting. In addition to the Debtor's reporting obligations under the Bankruptcy Code and Local Rules, the Debtor shall provide Lender with access to and copies of its books and records from time to time upon reasonable request including, without limitation, copies of insurance policies, copies of agreements with Horizon Realty Partners, Inc., and copies of any bills, statements, and receipts that evidence or support the Debtor's use of Cash Collateral.

8.

The Debtor shall not sell, transfer, lease, encumber or otherwise dispose of any portion of property to which any Replacement Lien attaches outside of the ordinary course of business.

9.

If any or all of the provisions of this Order are hereafter modified, vacated or stayed by any Order of this Court or any other court, any Cash Collateral used by Debtor pursuant to this Order prior to the effective date of such modification, stay or vacation shall be governed in all respects by the provisions of this Order.

10.

The failure of the Lender to seek relief or otherwise exercise its rights and remedies under this Order, the Security Agreements, or otherwise, as applicable, shall not constitute a waiver of the Lender's rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Order is without prejudice to, and does not constitute a waiver of or otherwise impair the Lender's rights under the Bankruptcy Code or under non-bankruptcy law including, without limitation, Lender's right to request additional adequate protection or relief with respect to the Debtor's continued use of Cash Collateral.

11.

The Debtor's right to use the Cash Collateral pursuant to this Order shall terminate (the date of any such termination, the "**Termination Date**") without further notice or hearing on the earliest to occur of (i) the date of the hearing scheduled below, unless extended in writing by consent of the parties, or (ii) the Debtor's failure to perform any of its obligations under this Order or its failure to comply with any of the terms or conditions of this Order and such failure is not cured by Debtor within ten (10) days from receipt of written notice from Lender (each, a "**Termination Event**"). Upon the occurrence and during the continuance of a Termination Event, the Debtor shall not be authorized to continue to use Cash Collateral unless such use is consented to by the Lender or is otherwise authorized by further order of the Court.

12.

Notwithstanding any order that may be entered dismissing the Bankruptcy Case under § 1112 of the Bankruptcy Code: (i) the Replacement Liens, shall continue in full force and effect and shall maintain their priorities as provided in this and other orders of the Court until such obligations shall have been paid in full; (ii) the other rights granted by this Order shall not be affected; and (iii) the Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in this paragraph and otherwise in this Order.

13.

The provisions of this Order and any actions taken pursuant hereto shall survive the entry of any order: (i) converting the Bankruptcy Case to a Chapter 7 case; or (ii) dismissing the Bankruptcy Case.

14.

Nothing contained herein shall preclude the Lender from making appropriate requests of the Court for such other and further relief they may deem appropriate under the Bankruptcy Code, including without limitation relief from the automatic stay pursuant to § 362 of the Bankruptcy Code.

15.

Notwithstanding any applicability of any Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

16.

The Court shall retain jurisdiction over any and all matters arising from or related to the interpretation or implementation of this Order.

17.

The Court shall hold a final hearing on the Debtor's use of Cash Collateral at **June 25, 2026 at 11 a.m. IN COURTROOM 1203, U.S. COURTHOUSE, 75 TED TURNER DRIVE, SW, ATLANTA, GEORGIA 30303**, which may be attended in person or via the Court's Virtual Hearing Room to consider the Motions. Parties in interest may join the

Virtual Hearing Room through the "Dial-In and Virtual Bankruptcy Hearing Information" link at the top of the homepage of the Court's website, www.ganb.uscourts.gov, or the link on the judge's webpage, which can also be found on the Court's website. Please also review the "Hearing Information" tab on the judge's webpage for further information about the hearing. Parties in interest should be prepared to appear at the hearing via video, but may leave their camera in the off position until the Court instructs otherwise. Unrepresented persons who do not have video capability may use the telephone dial-in information on the judge's webpage.

18.

Debtor's counsel shall serve a copy of this order within three (3) days of entry on the Office of the United States Trustee, any party asserting a security interest in assets of the Debtor, and the Debtor's twenty (20) largest unsecured creditors and file a certificate of such service.

[END OF DOCUMENT]

Prepared and presented by:
/s/ John A Christy
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EXHIBIT "A"

Veracruz Apartments

Horizon Realty Partners

2 week Budget

Cash - Accounting Book: Default

Account	Jun 1 - 15th 2026
INCOME	
Net Rental Income	
Residential Income	
4110 Gross Market Rent	170,400.00
4120 Loss / Gain to Old Lease	(87.00)
Total Residential Income	170,313.00
Less: Economic Variables	
4210 Loss Rent	(990.00)
4220 Vacancy Loss	(31,800.00)
4226 Admin/ Employee	(1,520.00)
4230 Delinquent Rent	(20,500.00)
4240 Prepaid Income	(13,500.00)
4260 One Time Concessions	(2,175.00)
Total Less: Economic Variables	(70,485.00)
Total Net Rental Income	99,828.00
Plus: Other Income	
4305 Bad Debt Recovery	0.00
4330 Utility	9,385.00
4405 Administration Fees	685.00
4415 Application Fees	250.00
4418 Attorney / Court Fees	750.00
4440 Late Fees	1,700.00
4448 Lease Termination Fees	0.00
4450 Month to Month Fees	300.00
4455 Non-refundable Pet Fees	0.00
4456 Pet Rent	60.00
4460 NSF Check Fees	45.00
4470 Resident Misc. Income	300.00
4472 Tenant Bond	0.00
4498 Miscellaneous Income	50.00
Total Plus: Other Income	13,525.00
TOTAL INCOME	113,353.00
EXPENSE	
Controllable Operating Expenses	
Administration Costs	
Total Administration Costs	1,137.00
Legal & Professional	
Total Legal & Professional	1,000.00
6250 Management Fees	3,400.59

Marketing & Leasing	
Total Marketing & Leasing	1,129.00
Salaries & Payroll Related	
Total Salaries & Payroll Related	19,040.00
Contract Services	
Total Contract Services	3,525.00
Maintenance Related	
Total Maintenance Related	2,100.00
Turnover Costs	
Total Turnover Costs	3,000.00
Grounds	
Total Grounds	2,400.00
Utilities	
Total Utilities	27,600.00
Total Controllable Operating Expenses	64,331.59
Insurance & Taxes	
7120 Insurance	12,165.00
7130 Property Taxes	11,300.00
Total Insurance & Taxes	23,465.00
TOTAL EXPENSE	87,796.59
	25,556.41

DISTRIBUTION LIST

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