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CHANGES MADE BY COURT

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
RIVERSIDE DIVISION

In re

AMJ PLUMBING SPECIALISTS
CORPORATION,

Debtor.

Case No. 6:17-bk-15717

Chapter: 11

**ORDER APPROVING STIPULATION
BETWEEN OPUS BANK AND
DEBTOR AUTHORIZING INTERIM
USE OF CASH COLLATERAL**

The Court having considered the Stipulation Between Opus Bank and Debtor Authorizing Interim Use of Cash Collateral (the "Stipulation"), and good cause appearing, hereby ORDERS as follows:

1. The Stipulation is approved in its entirety.¹
2. Authorization to Use Cash Collateral. Pursuant to the terms and conditions of the Stipulation, Debtor is authorized to use the Cash Collateral, as follows:

2.1 Expiration Date. Debtor is authorized to use Cash Collateral during the period (the "Operative Period") commencing on July 7, 2017 and terminating on the earlier of any of the following dates (the "Expiration Date"): (a) November 30, 2017, or

¹ Defined terms not defined herein shall have the meanings set forth in the Stipulation.

1 such further date as agreed to by Opus in writing, or (b) the date of the occurrence of an
2 Event of Default (as defined herein).

3 2.2 Budget. Debtor is authorized to use Cash Collateral solely to pay the
4 expenses set forth on the budget attached hereto as Exhibit A (the "Budget"), to the extent
5 actually incurred by Debtor for its business operations and not to exceed the amounts set
6 forth in the Budget by more than fifteen percent (15%) in the aggregate and by more than
7 fifteen percent (15%) for any line item expense category set forth on the Budget. Such
8 Budget may be amended or extended only by written agreement of Debtor and Opus. If
9 Debtor enters into new contracts for plumbing services that necessitate a revision to the
10 Budget, approval of such amended budget will not be unreasonably withheld by Opus.

11 2.3 Restricted Use. The Cash Collateral shall not be used for any purpose
12 relating to or in furtherance of an Adverse Opus Action, including without limitation the
13 payment of professional fees relating to such matters. "Adverse Opus Action" means (a)
14 any assertion, claim, counter-claim, action, proceeding, application, motion, objection,
15 defense or other contested matter: (i) challenging the legality, validity, priority, amount or
16 enforceability of the Prepetition Obligations, (ii) challenging the legality, validity, priority
17 or enforceability, or seeking to invalidate, set aside, avoid or subordinate, in whole or in
18 part, any Prepetition Lien in the Prepetition Collateral, or (iii) seeking to prevent, hinder or
19 delay the assertion or enforcement by Opus of any right, remedy, claim, benefit or
20 privilege of, or lien or interest in favor of Opus in the Collateral or realization upon any
21 Collateral.

22 3. Adequate Protection.

23 3.1 Postpetition Lien Granting. Opus is granted, effective as of the Petition
24 Date, a "replacement lien" pursuant to sections 361 and 363(e) (a "Postpetition Lien") in
25 all prepetition and postpetition assets in which and to the extent Debtor hold an interest,
26 whether tangible or intangible, whether by contract or operation of law, and including all
27 profits and proceeds thereof (collectively, the "Postpetition Collateral", and collectively
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1 with the Prepetition Collateral, the "Collateral"), including without limitation, claims or
2 causes of action possessed by Debtor' bankruptcy estates under sections 544, 545, 547,
3 548, 553(b), or 723(b), and all proceeds therefrom, but only to the extent there is a
4 diminution in value of the Prepetition Collateral, whether from the use of Cash Collateral
5 or otherwise.

6 3.2 Postpetition Lien Priority. The Postpetition Lien in favor of Opus shall be
7 senior in priority to any and all prepetition and postpetition claims, rights, liens and
8 interests, but subject and immediately junior only to any lien or security interest in the
9 Prepetition Collateral that is valid, perfected and senior to the interest of Opus effective as
10 of the Petition Date and not otherwise avoided or subordinated.

11 3.3 Postpetition Lien Perfection. This order shall constitute sufficient and
12 conclusive evidence of the granting, attachment, priority, perfection, and validity of the
13 Postpetition Lien, effective as of the date and time of entry of this order, without any
14 further act required under federal, state, or local law requiring notice, filing, registration,
15 recording, possession or other act to validate or perfect a security interest or lien, including
16 without limitation deposit account control agreements, merchant payment agreements,
17 merchant payment direction letters, cash transport agreements, and such other agreements
18 with any party possessing or asserting an interest in the Collateral.

19 3.4 Section 507(b) Priority. Opus shall have an allowed super priority
20 administrative claim of the kind and priority, to the extent applicable, under sections
21 503(b) and 507(b).

22 3.5 Adequate Protection Payments. Debtor shall pay Opus monthly adequate
23 protection payments, in cash, in the amount of \$4,000 each month that Debtor is
24 authorized to use Cash Collateral. Each monthly payment shall be paid by the first
25 business day and past due if not paid by the fifth calendar day of each month in which
26 Debtor is authorized to use Cash Collateral, except the payments for July and August 2017
27 shall be paid within 5 calendar days of the entry of this order. Opus shall be allowed, at its
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1 sole discretion, to permanently apply such adequate protection payments to any
2 obligations owed by Debtor to Opus under the Loan Documents.

3 3.6 Sufficiency of Adequate Protection. Opus does not concede that the
4 adequate protection provided herein constitutes sufficient adequate protection of its
5 interests, and its rights are reserved to seek any further or different adequate protection of
6 its interest in the Prepetition Collateral.

7 4. Reporting. Debtor shall timely provide Opus with (a) a current accounts
8 receivable ledger, a current accounts payable ledger and a monthly report comparing actual
9 collections and expenditures (by expense category) on a cash basis to those set forth in the Budget
10 for each month (a "Reconciliation Report") to be delivered to Opus not later than the 15th day of
11 the month following the month covered by the Reconciliation Report, (b) a cash flow statement
12 and balance sheet for Debtor to be delivered to Opus within 5 calendar days of the entry of this
13 order, (c) all reporting and other information as required under the Loan Documents, (d) all
14 documents and information submitted by Debtor to the United States Trustee, and (e) upon the
15 reasonable request of Opus, such other information pertaining to Debtor' operations, financial
16 affairs, and the Collateral, including but not limited to bills, invoices, bank statements, cancelled
17 checks, and receipts.

18 5. Access to Collateral. Upon the request of Opus, Debtor shall permit Opus
19 reasonable access to the Collateral and Debtor' books and records to conduct inspections and
20 audits.

21 6. Insurance. Debtor shall maintain at all times casualty and loss insurance coverage
22 of the Collateral in compliance with the United States Trustee Guidelines and in an amount
23 acceptable to Opus to sufficiently cover Opus's interests in the Collateral. Debtor shall deliver
24 proof of such insurance to Opus within 5 calendar days of the entry of this order.

25 7. Debtor's Waivers. Debtor waives any rights that it may have to (a) use Cash
26 Collateral pursuant to section 363 during the Operative Period on terms other than those set forth
27 in the Stipulation and this order, except under exigent circumstances and pursuant to further order
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1 of the Court; (b) incur financing or indebtedness from any other party other than Opus that
2 includes the granting of liens, claims or interests in favor of such other party that are senior or
3 pari passu with the liens, claims and interests in favor of Opus; or (c) object to, contest or seek to
4 reduce any claim or lien in favor of Opus.

5 8. Section 506(c) Waiver. No costs or expenses of administration incurred during the
6 Operative Period shall be charged against Opus or the Collateral pursuant to sections 105, 506(c),
7 552(b) (with respect to the Court's ability to order otherwise as provided in such section), or any
8 similar principle of law, without the prior written consent of Opus, and no such consent shall be
9 implied from any other action, inaction or acquiescence by Opus.

10 9. Event of Default. An Event of Default under the Stipulation shall occur upon any
11 of the following events: (a) a breach or failure to comply with any term, covenant, representation,
12 warranty or requirement of the Stipulation or this order; (b) the granting in favor of any party
13 other than Opus of a security interest in or lien upon any property of Debtor or Debtor' estate or a
14 claim against Debtor having priority senior or pari passu with the security interests, liens or
15 claims in favor of Opus, except to the extent that such party had a security interest in or lien upon
16 property of Debtor on the Petition Date which had priority senior or pari passu with the security
17 interests, liens or claims of Opus existing on the Petition Date; (c) entry of an order converting
18 this Case to a case under chapter 7 of the Bankruptcy Code; (d) entry of an order appointing a
19 trustee in this Case; (e) entry of an order granting relief in favor of any other party (including
20 lessors and landlords) that includes enabling such party to exercise state law or contractual rights
21 and remedies with respect to certain asset or assets of Debtor that could have a material adverse
22 effect on Debtor, their business and/or other assets, or (f) any stay, reversal, vacation or rescission
23 of the terms of the Stipulation, or any modification of any terms of the Stipulation that is not
24 reasonably acceptable to Opus.

25 10. Notice of Default. Upon the occurrence of an Event of Default, Opus shall give
26 written notice of default (a "Notice of Default") via email, facsimile or overnight mail to (a)
27 Debtor and (b) counsel for Debtor.
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11. Consequences Upon Notice of Default. Upon Debtor's failure to cure an Event of Default within 10 days after the delivery of the Notice of Default, Opus shall be entitled to schedule a hearing on shortened notice and request a determination from the Court that an Event of Default has occurred and was not timely cured. If the Court finds that an Event of Default occurred and was not timely cured, Debtor shall be prohibited from any further use of Cash Collateral and the Court shall enter an order granting Opus immediate relief from the automatic stay to exercise any and all rights and remedies with respect to its Collateral. Any such order shall include a waiver of the 14-day stay described by Bankruptcy Rule 4001(a)(3) and shall be binding and effective despite any conversion of this Case to a case under any other chapter of the Bankruptcy Code.

12. Retention of Rights. Notwithstanding the occurrence of an Event of Default or Expiration Date, Opus shall retain all rights, interests, liens, privileges, claims and protections pursuant to the Stipulation. Notwithstanding the occurrence of an Event of Default or Expiration Date, all of the rights, remedies, benefits and protections in favor of Opus pursuant to the Stipulation shall survive such event.

13. Limited Relief from Automatic Stay to Effectuate Order. The automatic stay provisions of section 362 and any other restriction or injunction imposed by an order of the Court or by law shall be modified and vacated to the extent necessary to permit Opus to perform any act authorized or permitted under the Stipulation and this order.

14. Power to Waive Rights; Duties to Third Parties. Opus shall be able to waive any interest, claim, right, remedy or privilege in its favor (a "Lender Right") and shall have no obligation or duty to any other party with respect to the exercise or enforcement, or failure to exercise or enforce any Lender Right, as applicable. Any waiver by Opus of any Lender Right shall not be or constitute a continuing waiver. A delay in or failure to exercise or enforce any Lender Right shall neither constitute a waiver of such Lender Right, subject Opus to any liability to any other party, nor cause or enable any other party to rely upon or in any way seek to assert as a defense to any obligation owed by Debtor, any obligor or any other person or entity to Opus.

