

IN THE UNITED STATES BANKRUPTCY
COURT FOR THE NORTHERN DISTRICT OF
ILLINOIS EASTERN DIVISION

In re:)	
)	Chapter 11
Spruha Shah, LLC, <i>et al.</i>)	No. 17-18858
)	Jointly Administered
Debtors.)	<i>Hon. Deborah L. Thorne</i>

**AGREED SECOND INTERIM ORDER AUTHORIZING DEBTORS'
USE OF CASH COLLATERAL PURSUANT TO 11 U.S.C. §363**

THIS CAUSE coming on to be heard upon the Motion of the joint debtors, as debtors-in-possession, in the above-referenced Chapter 11 Cases (the “Debtors”), for the entry of an interim order authorizing the use of cash collateral of MB Financial Bank (“MB”) pursuant to Sections 361 and 363 of the United States Bankruptcy Code (“Code”); written notice of the Motion having been given in accordance with Rule 4001 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”) to all of the Debtors’ secured creditors, the Office of the United States Trustee (“Trustee”) and all other parties claiming a security interest in the Debtors’ assets.

The Court reviewed the Motion. Debtors and MB agreed that as of the commencement of the Chapter 11 Case, the Co-Debtors were indebted to MB in an amount in excess of \$900,000, plus additional accrued and unpaid interest and other amounts owing to MB under the applicable loan documents. Debtors do not dispute that MB holds a perfected first and third mortgage and assignment of rents on the real estate that is the subject of this single asset bankruptcy commonly known as 500 S. Hicks, Palatine, IL 60067 (the “Premises”), as well as perfected UCC Security Interests in the Debtors’ assets. Debtors assert that an immediate need exists for use of certain of the proceeds of the collateral comprising the cash collateral, as defined in Section 363(a) of the Bankruptcy Code (“Cash Collateral”), in order to continue the operation of the Debtors’ businesses.

The parties have agreed that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §157 and 1334. Venue is proper in this Court pursuant to 28 U.S.C. §§1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(M).

NOW THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. Debtors are authorized to use cash collateral conditioned on the following terms and conditions:

(a) Spruha Shah, LLC, must make a \$11,033.60 adequate protection payment, of which \$4,571.03 is to be applied to the payment of real estate tax bills issued after the date of this Order, to MB on or before August 15, 2017, and thereafter in the same amount on the 15th day of each subsequent month.

(b) Sneh and Sahil Enterprises, Inc., must make a \$2,100.00 adequate protection payment to MB on or before August 15, 2017, and thereafter in the same amount on the 15th day of each subsequent month.

(c) MB is granted post-petition replacement liens in the Debtors' property to the extent that the value of their pre-petition cash-collateral diminishes post-petition.

(e) Upon entry of this Order, each Debtor must establish its sole Debtor-in-Possession operating account at MB and must maintain the operating account at MB throughout this bankruptcy proceeding. Debtors may not establish or maintain any other deposit account at any other financial institution while this bankruptcy proceeding is pending without the prior written consent of MB.

(f) Debtors are authorized to pay from the funds in their Debtor-in-Possession operating accounts only: (i) those types of expenditures specified in the Budgets, attached as Group Exhibit A hereto and made a part of this Order for the applicable

periods set forth in the Budget and (ii) in the amounts set forth for each line item expenditure in the Budget. Total expenditures may not exceed 10% over the proposed expenditures in the Budget.

(g) Debtors shall not use, sell or otherwise dispose of any of Debtors' assets, except in the ordinary course of their business, without further order of this Court;

(h) Debtors agree not to incur any further indebtedness other than in the ordinary course of business, grant or provide liens, or guaranty other obligations, without the prior written consent of MB and this Court.

2. Debtors shall maintain all insurance coverage requirements pursuant to the provisions of its existing agreements with MB, including maintaining MB as loss payee under Debtors' property insurance policy on the Premises, and shall promptly provide MB with a certificate of insurance upon request.

3. Debtors shall timely pay all real estate tax bills on the Premises issued by the Cook County Treasurer subsequent to entry of this Order.

4. Debtors shall properly maintain the Premises in good repair and properly manage such Premises.

5. Debtors shall permit MB to inspect, upon reasonable notice, Debtors' books and records.

6. Nothing herein shall preclude MB from seeking any other relief that it may deem appropriate, including relief from the automatic stay.

7. The occurrence of any of the following events, unless and until waived specifically in writing by MB, shall constitute an "Event of Default" hereunder which shall result in the termination of the Debtors' authority to use cash collateral:

- (a) material non-compliance by either Debtor with any of the terms or provisions of this Order including material non-authorized use of cash collateral or the failure to timely pay a real estate tax bill on the Premises;
- (b) a trustee or examiner is appointed for either Debtor or a motion seeking such appointment is filed by the Trustee, or any other party in interest, alleging fraud, defalcation, criminal wrongdoing or intentional tort by either Debtor, which motion is not denied or withdrawn within fifteen (15) business days of its presentation;
- (c) either Debtor fails to keep its assets insured as provided herein;
- (d) an order modifying or terminating the automatic stay is entered on a motion brought by MB or by other entities without consent of MB against either Debtor;
- (e) consummation of the sale of all or substantially all of either Debtor's assets;
- (f) confirmation of any Chapter 11 Plan for either Debtor;
- (g) the Chapter 11 Case is dismissed or converted to a case under Chapter 7;
- (h) either Debtor fail to adhere to the Budgets in any material respect; or
- (i) the occurrence of a material adverse change in the business of the either Debtor.

8. This Order is an Interim Order pursuant to Rule 4001(b) of the Federal Rules of Bankruptcy Procedure.

9. Except as expressly set forth herein: (a) the loan documents between the Debtors and MB and SBA ("Loan Documents") shall remain in full force and effect in accordance with their respective terms; and (b) nothing contained in this Order shall: (i) modify or alter any of the terms or provisions in the Loan Documents in any manner whatsoever; (ii) cure, waive, release or postpone any defaults now or hereafter existing under the Loan Documents; (iii) establish a custom between any of the parties hereto; or (iv) in any way waive, limit, or condition the rights

or remedies of the Lenders and/or the Debtor under the Loan Documents or Illinois and Bankruptcy law.

10. Debtors may use cash collateral under the terms and conditions of this Order through and including September 4, 2017, subject to the terms and conditions of this Order.

11. A hearing on the Debtors' further use of Cash Collateral (the "Hearing") will be held before this Court on August 31, 2017, at 10:00 a.m.

Dated: August 7, 2017

Enter:



U.S. Bankruptcy Judge

Approved :

/s/ Timothy C. Culbertson
Timothy C. Culbertson
Attorney for the Debtors

/s/ Brandon R. Freud
Brandon R. Freud
Attorney for MB Financial Bank

**GROUP EXHIBIT A - Three Month Budget
Spruha Shah, LLC
17-18858**

<u>Revenue:</u>	Aug., 2017	Sept., 2017	Oct., 2017
Projected Monthly Rental Income	<u>\$ 16,350.00</u>	<u>\$ 16,350.00</u>	<u>\$ 16,350.00</u>
	\$ 16,350.00	\$ 16,350.00	\$ 16,350.00
<u>Expenses:</u>			
1 st Mortgage (MB Financial)	\$ 11,033.60	\$ 11,033.60	\$ 11,033.60
2 nd Mortgage (SBA)	<u>\$ 4,965.00</u>	<u>\$ 4,965.00</u>	<u>\$ 4,965.00</u>
	\$ 15,998.60	\$ 15,998.60	\$ 15,998.60
Projected Monthly Reserve		\$ 351.40 x 3 = 1,054.20	

**Three Month Budget
Sneh and Sahil Enterprises, Inc.
17-18861**

<u>Revenue:</u>	Aug., 2017	Sept., 2017	Oct., 2017
Projected Monthly Income	<u>\$ 92,000.00</u>	<u>\$ 92,000.00</u>	<u>\$ 92,000.00</u>
	\$ 92,000.00	\$ 92,000.00	\$ 92,000.00
<u>Expenses:</u>			
Rent	\$ 13,133.60	\$ 13,133.60	\$ 13,133.60
Equipment Leases	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00
Payroll, including taxes	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00
Other Taxes	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
Utilities	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00
Insurance	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
Inventory Additions	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00
Vehicle Maintenance	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Gasoline	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
Landscaping Materials	<u>\$ 4,000.00</u>	<u>\$ 4,000.00</u>	<u>\$ 4,000.00</u>
	\$ 81,333.60	\$ 81,333.60	\$ 81,333.60
Projected Monthly Reserve	\$ 10,666.40 x 3 months = 31,999.20		