

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS**

|                         |   |                              |
|-------------------------|---|------------------------------|
| <b>In Re:</b>           | ) | <b>Chapter 11</b>            |
| <b>WORCESTER RE</b>     | ) |                              |
| <b>INVESTMENTS LLC,</b> | ) |                              |
|                         | ) | <b>Case No. 17-40511-CJP</b> |
| <b>Debtor</b>           | ) |                              |

**INTERIM ORDER AUTHORIZING DEBTOR USE OF CASH COLLATERAL  
AND PROVIDING ADEQUATE PROTECTION**

The debtor-in-possession in the above captioned case, Worcester RE Investments LLC (the “Debtor”) having filed an emergency motion [Docket No. 14] (the “Motion”) seeking authority to use cash collateral and providing adequate protection pursuant to 11 U.S.C. §§ 105, 363 and Federal Rules of Bankruptcy Procedure (“FRBP”) 2002, 4001, and 9014, all parties in interest having been notified as reflected in the certificate of service filed on behalf of the Debtor [Docket No. 18], said notice being due and sufficient under the circumstances, and no objection having been presented, and after hearing thereon, and after due deliberation and consideration and sufficient cause appearing thereof, based solely on the representations made by the Debtor, the Court finds on a preliminary basis as follows:

A. On March 23, 2017 (the “Petition Date”), the Debtor filed its voluntary petition for relief under Chapter 11, title 11 U.S.C. (“Bankruptcy Code”). In accordance with §§ 1107 and 1108 of the Bankruptcy Code, Debtor is authorized to continue in possession of the property and operate and manage its business as a debtor-in-possession. No trustee or examiner has been appointed in these proceedings. No creditors committee has yet been formed.

B. Debtor's business is owner of four (4) multi-family residential rental properties located at 23 Sigourney Street, Worcester, Massachusetts, 6 Hobson Street, Worcester, Massachusetts, 6 Dorchester Street, Worcester, Massachusetts, and 35 East Main Street, Milford, Massachusetts (the "Properties").

C. It is essential to the Debtor's business and operations that it obtains an order to use cash on hand and rental payments from the Debtor's operation of the Properties, each of which are subject to the liens and security interests as set forth in Paragraph 3 below ("Cash Collateral") to pay certain ordinary course of business expenses including debt service, insurance, and taxes on an emergency basis to avoid immediate and irreparable harm to the estate pending a final hearing.

D. This Court finds that it is in the best interest of the Debtor, its estate, and all creditors and parties-in-interest and necessary that the use by the Debtor of Cash Collateral on the terms and conditions set forth herein be approved. Based on the foregoing, IT IS ORDERED, ADJUDGED AND DECREED:

1) The Debtor is authorized, pursuant to FRBP 4001(b), to use cash collateral in the ordinary course of business to the extent (i) reflected in the budget attached hereto as "Exhibit A" and (ii) required to pay administrative expenses (including the statutory fees of the United States Trustee as provided in 28 U.S.C. §1930(a)) of the Debtor, including monthly payments for post-petition maintenance, overhead expenses, and to otherwise pay expenses to preserve the value of the Property, to avoid immediate and irreparable harm to the estate pending a final hearing.

2) The Debtor shall file with the Court as a supplement to the Motion and serve on the Notice Parties as defined in paragraph 7 herein a further amended three-month budget and form of final order on or before **April 21, 2017 at 4:30 p.m.** A final hearing on the Motion shall be held on **April 27, 2017 at 10:00 a.m.** (the “Hearing”) in Courtroom 3, Donohue Federal Building and Courthouse, 595 Main Street, Worcester, MA 01608. Any objections or responses to the Debtor’s further use of cash collateral must be filed with the Court on or before **4:30 p.m. on April 25, 2017.**

3) Beginning on the fifteenth (15th) of each month following authorization for use of cash collateral, the Debtor may also make monthly payments in the amounts set forth in the Budget to the four asserted secured creditors, each holding a mortgage that is allegedly secured by one of the Debtor’s four properties (collectively, the “Lenders”).

4) Any payments made to the Lenders shall be subject to later determination regarding application or disgorgement, but may be provisionally applied in accordance with the applicable loan documents until further order of the Court.

5) The Lenders are hereby granted replacement liens (the “Replacement Liens”) upon the same types of post-petition property of the estate (the “Post Petition Collateral”) against which each held liens as of the Petition Date (the “Pre-Petition Collateral”). The Replacement Liens shall maintain the same priority, validity, and enforceability as the Lenders’ respective pre-petition liens. The Replacement Liens are intended to provide additional adequate protection to the Lenders for the Debtor’s use of Cash Collateral and shall be recognized only to the extent of the diminution in value of the Lenders’ Pre-Petition

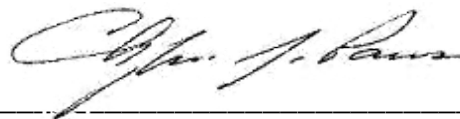
Collateral from and after the Petition Date resulting from the Debtor's use of the Cash Collateral during the bankruptcy case.

6) The Debtor shall either maintain separate debtor-in-possession accounts for each property into which cash collateral for such property shall be deposited and from which all authorized expenses shall be paid or shall obtain written consent from the United States Trustee to maintain only one debtor-in-possession account with respect to which there shall be an accounting or sub-account for cash collateral with respect to each of the properties.

7) The Debtor is directed to serve a copy of this Order on the Lenders, any other secured creditors, the twenty largest unsecured creditors of the Debtor, taxing authorities, the U.S. Trustee, and all parties who have filed a notice of appearance in this case (collectively, the "Notice Parties") and file a certificate of service reflecting the same by **April 7, 2017**.

8) Service of this Order as described in paragraph 7 herein shall constitute adequate and proper notice of the Hearing. If no objections are filed in accordance with this Order, the Court may authorize further use of cash collateral without the necessity of the Hearing.

Dated: April 5, 2017



Christopher J. Panos  
United States Bankruptcy Judge

**EXHIBIT A ---- Budget**  
**Worcester RE Investments LLC**  
**March 31, 2017**

|  | 23 Sigourney      | 6 Hobson          | 6 Dorchester      | 35 East Main      | <b>TOTAL</b>       |
|--|-------------------|-------------------|-------------------|-------------------|--------------------|
| <b><u>Monthly Income</u></b>                 |                   |                   |                   |                   |                    |
| Rental Income - Occupied                     | \$2,850.00        | \$1,750.00        | \$2,600.00        | \$2,950.00        | \$10,150.00        |
| Potential Rental Income - Vacant             |                   | \$900.00          |                   |                   | \$900.00           |
| <b>TOTAL MONTHLY INCOME:</b>                 | <b>\$2,850.00</b> | <b>\$2,650.00</b> | <b>\$2,600.00</b> | <b>\$2,950.00</b> | <b>\$11,050.00</b> |
| <b><u>Monthly Expenses</u></b>               |                   |                   |                   |                   |                    |
| Management Fees                              | \$162.50          | \$172.50          | \$210.00          | \$197.44          | \$742.44           |
| Electric                                     | \$25.00           | \$36.00           |                   |                   | \$61.00            |
| Gas  |                   |                   |                   |                   | \$0.00             |
| Insurance                                    | \$190.25          | \$190.25          | \$194.42          | \$95.13           | \$670.05           |
| Tax  | \$312.67          | \$224.72          | \$401.00          | \$385.92          | \$1,324.31         |
| Water/Sewer                                  | \$367.25          | \$147.58          | \$392.69          | \$164.87          | \$1,072.39         |
| <b>TOTAL MONTHLY COSTS:</b>                  | <b>\$1,057.67</b> | <b>\$771.05</b>   | <b>\$1,198.11</b> | <b>\$843.36</b>   | <b>\$3,870.19</b>  |
| Net Potential Income (Fully Occupied)        | \$1,792.33        | \$1,878.95        | \$1,401.89        | \$2,106.64        | \$7,179.81         |
| Vacancy Reserve (Appx. Rent for One Unit)    | -\$715.00         | -\$900.00         | -\$900.00         | -\$950.00         | -\$3,465.00        |
| Quarterly UST Payments                       | -\$54.17          | -\$54.17          | -\$54.17          | -\$54.17          | \$650.00           |
| <b>Proposed Adequate Protection Payments</b> | <b>\$1,023.16</b> | <b>\$924.78</b>   | <b>\$447.72</b>   | <b>\$1,102.47</b> | <b>\$3,443.98</b>  |