

SO ORDERED



Lori Simpson
LORI S. SIMPSON
U.S. BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)**

In re *
INTERNATIONAL RENTALS CORP., * **Case No. 17-15505 LSS**
Debtor. * **(Chapter 11)**
* * * * *

CONSENT ORDER PROHIBITING USE OF CASH COLLATERAL

WHEREAS, International Rentals Corporation, the debtor-in-possession in the above-captioned bankruptcy case (the “Debtor”), commenced this proceeding (the “Bankruptcy Case”) by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code on April 20, 2017 (the “Petition Date”), and has since then continued to operate its business and manage its investment/rental property as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

RECITALS

R.1 Prior to the Petition Date, on October 16, 2006, Greenpoint Mortgage Funding, Inc. (“Greenpoint”) extended a commercial loan to Debtor as is evidenced by that Deed of Trust Note of even date executed by Debtor’s President in favor of Greenpoint in the principal amount of \$1,575,000.00 (the “Promissory Note”).

R.2 The obligations under the Promissory Note are secured by that Deed of Trust and Security Agreement dated October 16, 2006, duly recorded among the Land Records of Montgomery County, Maryland (the “Deed of Trust”), encumbering that real property owned by Debtor commonly known as 1700 E. Gude Drive, Rockville, Maryland 20850 (the “Property”).

R.3 To further secure the obligations under the Promissory Note, the Deed of Trust granted Greenpoint a security interest in all income, rents, profits, and revenues derived from the Property (the “Rents”).

R.4 Greenpoint’s interest in the Rents is also secured *via* that Assignment of Leases and Rents dated October 16, 2006, duly recorded among the Land Records of Montgomery County, Maryland (the “Assignment of Rents”).

R.5 As is evidenced by that Assignment of Deed of Trust and Security Interest dated November 22, 2016, which was duly recorded among the Land Records of Montgomery County, Maryland (the “Assignment of Deed of Trust”), as well as that Assignment of Assignment of Leases and Rents dated November 22, 2016, which was also duly recorded among the Land Records of Montgomery County, Maryland (the “Assignment of Assignment of Rents”) (collectively, the “Assignments”), Greenpoint assigned all of its rights, title and interest in the Promissory Note, the Deed of Trust, and the Assignment of Rents to National Loan Investors, L.P. (“National”).

R.6 Debtor and National represent and agree that the Deed of Trust constitutes a perfected, first priority lien in favor of National on the Property.

R.7 Debtor and National further represent and agree that the Deed of Trust and Assignment of Rents constitute a perfected, first priority lien in favor of National in the Rents.

R.8 Debtor, but specifically not any later appointed trustee or any other creditors or parties in interest in the Bankruptcy Case, acknowledges and agrees that the Deed of Trust, the Assignment of Rents, and the Assignments are valid and binding obligations, fully enforceable in accordance with their respective terms.

R.9 The Rents constitute “cash collateral” as that term is defined by 11 U.S.C. § 363(a) (the “Cash Collateral”).

R.10 National filed its Motion of National Loan Investors, L.P. to Prohibit Use of Cash Collateral [Doc. No. 11] (the “Motion”), seeking entry of an order prohibiting.

R.11 Debtor asserts that the Property currently has no tenants and, therefore, is not currently deriving any Rents.

R.12 The parties desire to resolve the matters at issue in the Motion and other related issues concerning the Property and, therefore, have agreed to enter into this Consent Order.

NOW, THEREFORE, in consideration of the mutual promises and agreements of the parties hereto, National and Debtor do hereby agree as follows:

1. That the recitals set forth above are true and accurate in every respect, and are hereby incorporated into this Agreement by reference, said Agreement intended by the parties hereto to be binding only upon Debtor and National and not upon any later appointed trustee or upon any other creditors or parties in interest in the Bankruptcy Case.

2. **Use of Rents Prohibited.** Debtor is hereby prohibited from using the income, rents, profits, and revenues derived from the Property without the consent of National Loan Investors, L.P. or the approval of this Court.

3. **Leases.** Debtor shall provide National’s undersigned legal counsel, within five (5) calendar days after entry of this Consent Order, copies of all leases, now or hereafter existing,

for all or a portion of all the Property (the “Leases”). All Leases procured after entry of this Consent Order shall be remitted to National’s undersigned legal counsel within five (5) calendar days after any such leases are executed by Debtor and the tenant(s).

4. Insurance. As part of this Consent Order, Debtor agrees to maintain adequate fire, hazard, flood and other insurance with respect to the Property, in an amount not less than \$1,500,000.00 and under such insurance policies as are acceptable to National in all respects. All such policies shall name National as an additional loss payee and insured. Debtor shall provide National’s undersigned legal counsel, within five (5) calendar days after entry of this Consent Order, a copy of its Declaration Sheet(s) reflecting that Debtor has the insurance coverage in type and amount as required in this paragraph 4.

Subject to approval from the Bankruptcy Court, all insurance proceeds payable from any such insurance policies shall be paid to National and will be applied by National to reduce the indebtedness to National under the applicable Loan Documents. Prior to obtaining the aforementioned approval from the Bankruptcy Court, Debtor shall remit to National any and all insurance proceeds payable from any such insurance policies and National shall hold those proceeds in escrow.

5. Real Property Taxes. As part of this Consent Order, Debtor agrees to ensure payment of the real property taxes, assessments and public charges attributable to the Property that become due and owing after the Petition Date.

6. Survival Upon Conversion. This Consent Order shall survive the conversion of the Bankruptcy Case to a case under any other chapter of the Bankruptcy Code.

7. **Complete Agreement.** Debtor and National agree that this Consent Order is the complete and entire agreement between the parties and shall be binding upon the parties hereto only if it, in its entirety, and without addendum or modification not otherwise approved, in writing, by Debtor and National, shall be approved by an Order of the Bankruptcy Court in these proceedings and, upon such approval, shall be effective as of the Petition Date, unless otherwise agreed to, in writing, by the parties hereto.

CONSENTED AND AGREED TO:

/s/ Craig B. Leavers
Craig B. Leavers, Bar No. 26914
Hofmeister, Breza & Leavers
Executive Plaza III
11350 McCormick Road, Suite 1300
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(410) 832-8822 ext. 208

/s/ Steven H. Greenfeld
Steven H. Greenfeld, Bar No. 06744
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2600 Tower Oaks Blvd., Suite 103
Rockville, Maryland 20852
(301) 881-8300
Attorneys for Debtor

Attorney for National Loan Investors, L.P.

I HEREBY CERTIFY that the terms of the copy of the consent order submitted to the Court are identical to those set forth in the original consent order; and the signatures represented by the /s/ on this copy reference the signatures of consenting parties on the original consent order.

/s/ Craig B. Leavers
Craig B. Leavers

Cc: International Rentals Corporation
1700 East Guade Drive
Rockville, Maryland 20850

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Office of the United States Trustee
ATTN: Jeanne M. Crouse, Esq.
6305 Ivy Lane, Suite 600
Greenbelt, Maryland 20770

END OF ORDER