

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In Re:

Delta Business Center, LLC

Case No. 17-49955

Chapter 11

Hon. Daniel J. Opperman

Debtor.

**INTERIM ORDER AUTHORIZING EMERGENCY USE OF CASH
COLLATERAL AND SETTING FINAL HEARING**

Pursuant to the agreement of the parties, and for sufficient cause,

THE COURT FINDS AS FOLLOWS:

A. On or about June 17, 2016, the Debtor and Lender entered into that certain Loan Agreement (as amended on October 3, 2016 and December 30, 2016 the “Loan Agreement”) with a principal amount of \$4,654,697.62 (the “Loan”).

B. The proceeds of the Loan were to be used by the Debtor to purchase and renovate the Debtor’s property located at 2960 Ena Drive, Lansing, Michigan 48917 (the “Property”).

C. Section 1.d of the Loan Agreement sets forth the collateral granted to the Lender pursuant to the Loan Agreement, including a first priority mortgage on the Property.

D. In accordance with Section 4.t of the Loan Agreement, concurrent with the execution of the Loan Agreement the Debtor deposited with Lender the sum of \$1,359,946.45 (the “Capital Expenditure Reserve”), to be held by Lender and constituting additional collateral security under the Loan Agreement, and made available to Borrower for capital improvements to the Property in accordance with the Loan Agreement.

E. The Debtor requires the use of \$1,112,797.76 of the funds in the Capital Expenditure Reserve, which constitutes Lender’s cash collateral, to pay the Permitted

Payments listed on **Exhibit 1** of the Motion to avoid immediate and irreparable injury to the value Property and the Debtor's estate.

F. Absent the use of cash collateral as set forth herein, the Debtor does not have sufficient available sources of working capital to fund necessary improvements to the Property.

ACCORDINGLY, IT IS HEREBY ORDERED THAT:

1. The Debtor is authorized to use cash collateral from the Capital Expenditure Reserve solely make the Permitted Payments as provided in the Motion and only up to an aggregate amount of \$1,112,797.76, to avoid immediate and irreparable harm, subject to the condition that the Debtor comply with the requirements in the Loan Agreement for disbursements from the Capital Expenditure Reserve. Lender is authorized to make the Permitted Payments directly to the parties listed on **Exhibit 1** to the Motion.

2. As adequate protection for any post-petition diminution in value resulting from the Debtor's use of cash collateral, Lender is hereby granted additional and replacement continuing valid, binding, enforceable, non-avoidable, and automatically perfected post-petition security interests in and liens in and to all property of the kind presently securing the prepetition obligations of the Debtor pursuant to the Loan Agreement, together with any proceeds thereof (the "Adequate Protection Liens"), subject to any preexisting liens. Notwithstanding the foregoing, the Adequate Protection Liens shall be recognized only to the extent of any post-petition diminution in value of Lender's prepetition collateral resulting from the Debtor's use of cash collateral during the bankruptcy case. The Adequate Protection Liens shall be enforceable against and binding upon the Debtor, its estates and any successor thereto, including, without limitation, any trustee or other estate representative appointed in the case, or any case

under chapter 7 of the Bankruptcy Code upon the conversion of the case, or in any other proceedings superseding or related to any of the foregoing.

3. The Loan Agreement shall remain in full force and effect, and nothing in this Order shall constitute a waiver by Lender or Debtor of any of their rights, whether pursuant to the Loan Agreement or otherwise, and Lender and Debtor reserve all rights with respect thereto.

4. The Debtor shall maintain insurance on the Property in accordance with Section 4.k of the Loan Agreement, and shall provide Lender with proof thereof upon Lender's request.

5. If any or all of the provisions of this Order or any document between the parties are hereafter modified, vacated, stayed or terminated by subsequent order of this Court or any other court, such modification, vacation or stay shall not affect the extent, validity, priority and enforceability of any lien or security interest of Lender granted pursuant to this Order.

6. The Court retains jurisdiction to hear all matters arising from the implementation of this Order.

7. This Order shall be effective immediately upon entry.

8. A final hearing on entry of this Order shall be heard on 8.25.2017 at 1:30 p.m.

Signed on July 24, 2017



/s/ Daniel S. Opperman

Daniel S. Opperman
United States Bankruptcy Judge