

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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In re: Chapter 11 Case  
LADDCO, LLC Case No. 17-43456 (WJF)

Debtor.

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**FINAL CASH COLLATERAL ORDER**

This matter came before the Court on the 19th day of December, 2017, pursuant to the DEBTOR'S MOTION FOR AUTHORIZATION FOR USE CASH COLLATERAL and the RESPONSE AND OBJECTION OF GRANITE COMMUNITY BANK TO DEBTOR'S MOTION FOR AUTHORIZATION FOR USE CASH COLLATERAL. This Court having determined that the notice given of the Motion was adequate and the parties having agreed that this Order may be entered pursuant to the STIPULATION AUTHORIZING DEBTOR'S USE OF CASH COLLATERAL AND PROVIDING ADEQUATE PROTECTION (the "Stipulation") in which the parties stipulated to the following terms:

1. GCB Fees and Expenses. The Debtor agrees GCB is entitled to its reasonable post-petition fees and expenses under 11 U.S.C. §506(b) subject to further Court approval.

2. Cash Collateral Budget. The Debtor agrees to use the Cash Collateral in accordance with the Stipulation and the Budget, for the purpose of preserving and maximizing the value of the estate, up to the lesser of: (a) the actual amount of each itemized expense or (b) the itemized amount set forth in the Budget plus the permissible variance hereinafter described:

(a) on an interim basis through the final cash collateral hearing on December 19, 2017 (the "Initial Cash Collateral Period"), and

(b) on a permanent basis for the period from the entry of the permanent cash collateral order until the earlier of: (a) upon entry of an order confirming a Chapter 11 plan, or (b) April 1, 2018 (the “Final Cash Collateral Period”).

The Initial Cash Collateral Period and the Final Cash Collateral Period shall herein be referred to as the “Cash Collateral Period”. The Debtor agrees not to pay any items that are not described in the Budget and that do not fall within categories described in the Stipulation or the Budget. The Debtor agrees not to pay any prepetition debts or obligations of the Debtor or its respective estates not otherwise provided for in the Budget.

2. Adequate Protection Payments. The Debtor agrees to make adequate protection payments to GCB in the monthly amount of \$5,010.00, commencing December 15, 2017 (the “Adequate Protection Payments”).

3. Debtor-in-Possession Account. The Debtor agrees to maintain the debtor-in-possession operating account with GCB and GCB is authorized to take steps to become an authorized depository, as required by the U.S. Trustee and 11 U.S.C. §345. The Debtor is not authorized to maintain any other accounts with any other party.

4. Application of Deposit Account Cash Collateral. GCB is holding \$49,034.86 in a deposit account (“Deposit Account Cash Collateral”). There are outstanding pre-petition real estate taxes on the Mortgaged Properties totaling \$19,698.45, as of June 27, 2017 (the “Outstanding Pre-Petition Taxes”). The Outstanding Pre-Petition Taxes will be satisfied with the Deposit Account Cash Collateral. The parties further stipulate and agree that the remaining Deposit Account Cash Collateral will be applied against the GCB Secured Claim upon entry of the Order.

5. Post-Petition Property Taxes (Mortgaged Properties). The post-petition property taxes for all of the Mortgaged Properties are agreed to be escrowed with GCB on a monthly pro-rata basis, with the December 2017 pro-rata payment, in the amount of \$1,569.50, remitted to GCB on December 15, 2017, and each subsequent monthly pro-rata payment remitted to GCB on the fifteenth (15th) of each month (as the pro-rata monthly payment is adjusted to reflect the 2018 property taxes). The escrowed post-petition property tax payments are separate from and not include within the Adequate Protection Payments in Paragraph 16 above. GCB is authorized to either pay or release to the Debtor for payment prior to the tax authority due date.

6. Replacement Lien; Administrative Claim. As used herein, the term “Cash Collateral Use Amount” includes all Cash Collateral used by the Debtor after the entry of the below Order. To provide GCB with the adequate protection required by Sections 361 and 363(e) of the Code to the extent of the Cash Collateral Use Amount, GCB shall have a lien, to the same extent, validity and priority as its pre-petition liens, upon all post-petition property of the Debtor, including, but not limited to any and all accounts, cash, chattel paper, contract rights, depository accounts, documents, equipment, fixtures, general intangibles (including, but not limited to patents and trademarks), goods, instruments, inventory, investment property, instruments, intangibles, instruments, letter of credit rights, real property, rent, supporting obligations, vehicles, and all proceeds and products thereof (collectively the “Adequate Protection Property”). In addition, GCB may seek an allowed super-priority administrative claim pursuant to Section 507(b) of the Code for the Cash Collateral Use Amount, which shall have priority over any and all other indebtedness, all administrative expenses and priority expenses of any kind. Under the circumstances, the adequate protection provided herein is reasonable and sufficient to protect the interests of GBC; provided however, GCB expressly retains its right to

seek additional adequate protection or to seek relief from the automatic stay with respect to any or all assets in which it claims an interest.

7. Incorporation of Loan Document Covenants and Reporting Requirements. Debtor agrees to provide to GCB the information, reports, schedules, insurance policies and endorsements, and other documents as well as the access, audit, inspection and other rights which Debtor is required to provide to GCB under the Loan Documents, with the exception that the Debtor is authorized to file and provide a copy of its outstanding state and federal tax returns to GCB on or before February 3, 2018. Debtor is authorized to also provide a current rent roll (with tenant names and rent amounts) provided within 20 days after the end of each month.

8. Insurance. The Debtor agrees at all times to insure the Collateral in accordance with the provisions of the Loan Documents. The Debtor will provide GCB with proof of insurance, naming GCB as a loss payee or additional insured under the policies for its Collateral.

9. Maintenance. The Debtor agrees to repair and maintain the Collateral as required under the terms of the Loan Documents and industry standards. GCB shall have the right on reasonable notice to the Debtor to inspect the Collateral during normal business hours, and the Debtor shall reasonably cooperate to make the Collateral available for inspection.

10. Deadline to File Chapter 11 Plan. The Debtor agrees to file a Chapter 11 plan no later than March 5, 2018.

11. Event of Default. An “Event of Default” shall include the Debtor failing to perform any of their obligations in strict accordance with the terms of the Stipulation including, but not limited to, the failure to comply with the Budget, failure to make the adequate protections payments and failure to produce the financial statements and records required by the Stipulation.

12. Remedies. Upon the occurrence of an Event of Default GCB may be entitled to seek relief from the automatic stay or other such action to enforce its rights and remedies under the Loan Documents and applicable law. The failure to file a Chapter 11 plan prior to March 5, 2018, shall entitle GCB, upon filing a motion for stay relief and at the preliminary hearing, for relief from the automatic stay with the only defense of the Debtor that a Chapter 11 plan was filed prior to March 5, 2018. Nothing in the Stipulation shall limit the rights and remedies of GCB during the Cash Collateral Period including, but not limited to, the right to seek relief from the automatic stay or other such action to enforce its rights and remedies under the Loan Documents and applicable law whether or not there is an Event of Default.

13. Survival. The provisions of the Stipulation shall inure to the benefit of Debtor, the Debtor's estate, its creditors and GCB and shall be binding upon Debtor, its estate, its creditors and any successors or assigns of the foregoing.

14. Reservation of Rights. The parties agree the Stipulation is without prejudice to GCB's right to seek additional relief in conjunction with the above captioned case.

IT IS HEREBY ORDERED THAT:

1. The Debtor is hereby authorized and approved to enter into and perform all of its obligations under the Stipulation.

2. The Debtor is hereby authorized and approved to make the payments required by the Stipulation through the Final Cash Collateral Period.

3. In the event the Debtor fails to perform the obligations required of it under this Order and the Stipulation, GCB may effect its rights and remedies provided in the Stipulation.

Dated this 19<sup>th</sup> day of December, 2017.

/e/ William J. Fisher

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William J. Fisher  
United States Bankruptcy Judge