

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

IN RE: ) CHAPTER 11  
)  
INTERSTATE PROPERTIES, LLC, ) CASE NO. 12-76037 - MHM  
)  
Debtor. )

**ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL  
AND NOTICE OF DEADLINE TO OBJECT  
TO CERTAIN CLAIMS AND LIENS**

American National Insurance Company ("ANICO") filed a *Motion to Require Debtor to Account for and Turn Over All Cash Collateral and Notice to Perfect Interest in Cash Collateral Pursuant to 11 U.S.C. § 546(b) or in the Alternative Motion for Periodic Adequate Protection Payments*, requesting (1) entry of an order directing Debtor and Debtor's property manager to surrender possession, custody, and control of the ANICO Cash Collateral (defined below) by (a) requiring Debtor to provide ANICO with an accounting of all ANICO Cash Collateral collected since the Petition Date (defined below), (b) requiring Debtor and Debtor's property manager to tender to ANICO all cash and to endorse over to ANICO all checks to the extent such cash or checks constitute ANICO Cash Collateral, including all amounts representing collected rent or security deposits, (c) directing Debtor to tender to ANICO a sum sufficient to cover any ANICO Cash Collateral which Debtor has previously disposed of, (d) requiring Debtor to provide ANICO with the names and addresses of all of Debtor's tenants at The Crossing

Shopping Center (defined below), (e) authorizing ANICO to notify Debtor's tenants at The Crossing Shopping Center that all present and future rent payments should be made directly to ANICO; or (2) in the alternative, entry of an order directing Debtor to make monthly adequate protection payments to ANICO, including back payments for the months of November and December 2012.

On January 21, 2013, Debtor filed its response to the Motion (Doc. No. 35) (the "Response"). On January 22, 2013, hearing was held on the Motion and the Response (the "Hearing"). Appearing at the Hearing were Debtor, through its manager, Neil Hughes; Debtor's counsel, George M. Geeslin; Lindsay N. P. Swift, for the United States Trustee; and Sean C. Kulka, attorney for ANICO. On February 6, 2013, an *Order Authorizing Debtor to Use Cash Collateral and Notice of Deadline to Object to Certain Claims and Liens* was entered, which authorized Debtor to use the ANICO Cash Collateral under certain terms and conditions provided in the Cash Collateral Order, and directed Debtor to provide ANICO with adequate protection, subject to additional notice, an opportunity for creditors and parties interest to object to the form of the Cash Collateral Order, and if necessary, an additional hearing (Doc. No. 37) (the "Cash Collateral Order").

On March 1, 2013, the DeKalb County Tax Commissioner and DeKalb County filed an Objection to the Cash Collateral Order (Doc. No. 48) (the "DeKalb County Objection"); no other creditor or party in interest filed an objection to the Motion or the form of the Cash Collateral Order. On March 13, 2013, hearing was held on the Cash Collateral Order and the DeKalb County Objection (the "Second Hearing").

Appearing at the Second Hearing were Debtor, through its manager, Neil Hughes; Debtor's counsel, George M. Geeslin; Lindsay N. P. Swift, for the United States Trustee; Sean C. Kulka, attorney for ANICO; and Mark Thompson, attorney for the DeKalb County Tax Commissioner and DeKalb County. Debtor and ANICO hereby **STIPULATE** as follows:

- A. On October 17, 2012 (the "Petition Date"), Debtor filed a voluntary Chapter 11 bankruptcy petition, and Debtor continues to operate its business and manage its property as debtor-in-possession.
- B. Debtor currently owns and operates, among other things, two shopping centers: one located in Elkview, West Virginia ("The Crossings Shopping Center"), and one located in Decatur, Georgia (the "Covington Place Center") (together, the "Shopping Centers").
- C. Debtor is obligated to ANICO under a *Promissory Note* dated February 10, 2011, in the original principal amount of \$13.3 million, as may have been modified from time to time (the "Note").
- D. As security for its obligations under the Note, Debtor executed and delivered a *Deed of Trust, Security Agreement and Financing Statement* recorded on or about February 16, 2011 (the "Deed of Trust") granting ANICO a first-priority lien and security interest in Debtor's real property (two tracts of land) and buildings and improvements located at I-79 & WV SR 43, Elkview, West Virginia 25071, including The Crossings Shopping

Center, and all or substantially all of Debtor's personal property used in operation of The Crossings Shopping Center, including all accounts, inventory, fixtures, equipment, **rents**, contract rights, personal property of any kind or description, cash, cash equivalents and general intangibles, and the proceeds thereof (collectively, the "ANICO Collateral"). The ANICO Collateral does not include Covington Place Center or any related real and personal property.

- E. As further security for the loan evidenced by the Note, Debtor also executed an *Absolute Assignment of Leases and Rents* recorded on or about February 16, 2011 (the "Assignment of Rents") (together with the Note, the Deed of Trust, and any other documents and security instruments executed and delivered in connection therewith, the "Loan Documents"), which granted ANICO a lien in the rents and proceeds generated from the operation of The Crossings Shopping Center (the "Rents").
- F. ANICO asserts that as of the Petition Date, Debtor owed ANICO \$14,182,311.15, exclusive of accruing interest, fees, costs, and other charges as may be allowed under applicable law and Section 506(b) of the Bankruptcy Code (the "Pre-Petition Debt").
- G. Prior to, on and after the Petition Date, Debtor has received and collected, and continues to receive and collect, cash proceeds from the ANICO Collateral, including Rents that have not been remitted to ANICO, and that constitute

cash collateral of ANICO as such term is defined under Section 363 of the Bankruptcy Code (the "ANICO Cash Collateral").

H. Debtor requires the use of the ANICO Cash Collateral, to operate its business.

Debtor asserts that it is in the best interest of Debtor's bankruptcy estate (the "Estate") and its creditors that Debtor be permitted to use the ANICO Cash Collateral in the manner provided in this Order. Unless Debtor is authorized to use the ANICO Cash Collateral as provided in this Order, Debtor and its Estate will suffer immediate and irreparable harm.

Based on the agreement of Debtor and ANICO announced at the Hearing and again at the Second Hearing and reflected in this Order, the resolution of the DeKalb County Objection as reflected in this Order, the U.S. Trustee's lack of opposition to the form of this Order, and based on the entire record in this Bankruptcy Case, the relief set forth below shall govern Debtor's use of the ANICO Cash Collateral. By consent, it is hereby

**ORDERED** that Debtor's use of the ANICO Cash Collateral is authorized as set forth below:

1. **Cash Collateral Period.** Debtor is authorized to use the ANICO Cash Collateral within the meaning of 11 U.S.C. § 363, including collections from rents, accounts receivables, and other cash and income generated from the operation of The Crossings Shopping Center, including the Rents, but only as set forth in the Budget (defined below), and subject to all of the limitations and conditions set forth in this Order,

for the period from the Petition Date until the earlier of the following dates or events:

(a) May 28, 2013 at 5:00 p.m. (Eastern); (b) the appointment of a Chapter 11 Trustee or an examiner with expanded powers; (c) the conversion of this case to a Chapter 7 case; (d) the occurrence and failure to cure an Event of Default (defined below) subject to the notice and cure provisions contained in this Order; (e) the entry of an order dismissing this case and such Order becoming effective pursuant to its terms; (f) the transfer of The Crossings Shopping Center and related property to either ANICO or a third party purchaser; (g) Debtor's discontinuation of or entry of order to discontinue the conduct of its business in the ordinary course; or (h) further order of this Court terminating Debtor's use of the ANICO Cash Collateral authorized under this Order (each of (a) – (h) above is a "Termination Date" and defines the expiration of the "Cash Collateral Period").

Upon the occurrence of a Termination Date, (i) Debtor shall immediately transfer all of the ANICO Cash Collateral to ANICO and otherwise account to ANICO for the ANICO Cash Collateral; and (ii) Debtor's authority to use the ANICO Cash Collateral under this Order shall immediately terminate and may be continued only by further order of the Court or by written Stipulation signed by counsel for Debtor and ANICO.

**2. Projected Use of the ANICO Cash Collateral.** Unless ANICO otherwise agrees in writing, the amount of the ANICO Cash Collateral that Debtor may use during the Cash Collateral Period shall not exceed the amounts set forth in the budget relating to The Crossings Shopping Center, attached to this Order as Exhibit "A" (the "Budget"); provided, however, that in addition to items set forth in the Budget, Debtor is permitted to

use the ANICO Cash Collateral to pay U.S. Trustee quarterly fees. If the Cash Collateral Period terminates in the middle of a week, the amount budgeted for that week shall be prorated accordingly. Debtor shall use the ANICO Cash Collateral in the Operating Account (defined below) to pay the current, normal, actual, ordinary, and reasonable post-petition expenses of operating and maintaining Debtor's business in accordance with the Budget (the "Post-Petition Expenses"); provided, however, that such payments shall not exceed the amounts set forth in the Budget absent the prior written consent of ANICO or further order of the Court.

**3. Adequate Protection Payments.** As adequate protection for Debtor's use of the ANICO Cash Collateral during the Cash Collateral Period, Debtor shall pay ANICO not less than \$101,128.41 per month (each an "Adequate Protection Payment" and collectively, the "Adequate Protection Payments"). Each Adequate Protection Payment shall be paid and must be received by ANICO on or before 5:00 p.m. (Eastern Daylight Savings Time) on the 15<sup>th</sup> day of the month that such Adequate Protection Payment is due. If the 15<sup>th</sup> day of a month is a weekend or a nationally recognized banking holiday, the Adequate Protection Payment must be received by ANICO on the next business day after the 15<sup>th</sup> day of that month. All Adequate Protection Payments shall be made to ANICO by wire transfer as follows:

Moody National Bank  
ABA # 113100091  
Account of American National Insurance Company  
# 0007724, with instructions to notify  
Candace Marie Carlton at (281) 538-3714

when funds are received.

Moody National Bank  
2302 Post Office  
Galveston, TX 77550  
(409) 765-5561

**4. Replacement Lien on Postpetition Collateral.** Pursuant to 11 U.S.C. §§ 361 and 363, as adequate protection of ANICO's interest in the ANICO Cash Collateral, Debtor grants, assigns, and pledges to ANICO a first priority lien (the "Replacement Lien"), to the same extent, validity, and priority as its pre-petition liens, upon all post-petition property of Debtor, including all rents (including the Rents), buildings, structures, improvements, leases, tenancies, subleases, agreements (including franchise and property management agreements), accounts, cash, chattel paper, contract rights, depository accounts, documents, equipment, tangible personal property, farm products, fixtures, general intangibles (including patents and trademarks), goods, instruments, inventory, investment property, intangibles, letter-of-credit rights, real property, supporting obligations, vehicles, and all proceeds and products thereof (the "ANICO Post-Petition Collateral"), subject only to validly perfected and enforceable senior pre-petition liens or security interests. For avoidance of doubt, the Replacement Lien shall not attach to and the ANICO Post-Petition Collateral shall not include Covington Place Center or any related real or personal property. The ANICO Post-Petition Collateral shall not include any rights or claims arising under Chapter 5 of the Bankruptcy Code. The Replacement Lien granted to ANICO pursuant to this Order shall be valid, perfected,



enforceable, and effective to the same extent, validity, nature, and priority as ANICO's pre-petition liens in the ANICO Collateral. ANICO shall have no obligation to execute, file, record or take any other action under any applicable local, state, or federal law, rule, or regulation to create or perfect the Replacement Lien. The Replacement Lien shall be supplemental and in addition to any security interests or liens that ANICO already possesses pursuant to the Loan Documents.

**5. Superpriority Claim in Favor of ANICO.** As additional adequate protection of ANICO's interests in the ANICO Cash Collateral, ANICO is granted a super-priority administrative claim pursuant to 11 U.S.C § 507(b) to the extent that the other forms of adequate protection granted under this Order are insufficient to adequately protect ANICO for Debtor's use of the ANICO Cash Collateral (the "Super-Priority Claim"). Notwithstanding anything in this paragraph to the contrary, consistent with Section 507(a)(1)(C) of the Bankruptcy Code, the Super-Priority Claim provided to ANICO in this paragraph shall at all times be subordinate to and of lower priority than Chapter 7 administrative expense claims arising under paragraphs (1)(A), (2), and (6) of Section 503(b) of the Bankruptcy Code. Notwithstanding anything in this paragraph to the contrary, the Superpriority Claim provided to ANICO in this paragraph shall not take priority over any claim of DeKalb County or the DeKalb County Tax Commissioner that is secured by a present, inchoate, or future lien on Debtor's property.

**6. Separate Operating Accounts.** Debtor has established a post-petition bank account for the operations of The Crossings Shopping Center at a financial institution that is

approved by the U.S. Trustee to pay the Post-Petition Expenses (the "Operating Account"), which account shall be designated as a debtor-in-possession account. Debtor shall deposit all of the ANICO Cash Collateral generated from the operation of The Crossings Shopping Center into the Operating Account. Debtor shall at all times maintain the Operating Account as a separate account, and shall not commingle any ANICO Cash Collateral generated from the operation of The Crossings Shopping Center with funds generated from the operation of the Covington Place Center or otherwise transfer any of the ANICO Cash Collateral to any affiliate or insider of Debtor. Moreover, Debtor shall not utilize any ANICO Cash Collateral to fund the operations of the Covington Place Center, any other property owned by Debtor, or any property owned by an affiliate or insider of Debtor.

**7. Escrow Payments of Property Taxes and Insurance.** As additional adequate protection of ANICO's interest in the ANICO Cash Collateral, during the Cash Collateral Period, each month Debtor shall wire to ANICO: (i) \$14,045.78 for property taxes, and (ii) \$6,941.67 for insurance for The Crossings Shopping Center (each an "Escrow Payment" and collectively, the "Escrow Payments"). Each Escrow Payment shall be paid and must be received by ANICO on or before 5:00 p.m. (Eastern) on the 15<sup>th</sup> day of the month that such Escrow Payment is due. If the 15<sup>th</sup> day of a month is a weekend or a nationally recognized banking holiday, the Escrow Payments must be received by ANICO on the next business day after the 15th day of that month. All Escrow Payments that are required under this paragraph shall be made to ANICO by wire transfer in accordance with the wiring instructions set forth in paragraph 3 of this Order. ANICO

shall deposit the Escrow Payments into a segregated account or accounts and shall retain such funds in such account or accounts until ANICO is directed by Debtor to pay then due taxes or insurance owed by Debtor on behalf of Debtor or upon further order of the Court.

**8. Professional Fees and Payments to Affiliates and Insiders.** ANICO does not consent to the use of the ANICO Cash Collateral to pay the professional fees of Debtor or any committee of unsecured creditors or any equity security holder other than the payments that are authorized under this Order and the Budget, and ANICO reserves and retains all rights and remedies and objections with respect to the use of the ANICO Cash Collateral to pay professional fees other than the payments that are authorized under this Order and the Budget. Notwithstanding anything in the Budget, Debtor shall not accrue or make any payments to affiliates or insiders of Debtor (as such terms are defined in Sections 101(2) and 101(31) of the Bankruptcy Code) during the Cash Collateral Period without further order from the Court approving such accrual or payments. ANICO does not consent to use of the ANICO Cash Collateral to make any payments to affiliates or insiders, and ANICO reserves and retains all rights and remedies and objections with respect to the use of the ANICO Cash Collateral to pay affiliates or insiders of Debtor.

**9. Failure of Adequate Protection.** The terms and conditions of this Order are intended to provide ANICO with adequate protection for its interest in property of Debtor. Nothing in this Order shall be construed as an admission by ANICO that ANICO's interest in property of Debtor, including the ANICO Cash Collateral or the ANICO Collateral, is

adequately protected nor shall anything in this Order be construed as a waiver of ANICO's right to oppose Debtor's use of the ANICO Cash Collateral after the expiration of the Cash Collateral Period; nor shall any provision of this Order be construed as an admission by Debtor that any provision of this Order is necessary to provide adequate protection of such interest.

**10. Unauthorized Use of ANICO Cash Collateral.** Should Debtor use the ANICO Cash Collateral for any purpose not authorized by this Order, the Replacement Lien granted by this Order shall automatically attach to any assets acquired with such ANICO Cash Collateral.

**11. Variance Reporting.** As additional adequate protection of ANICO's interest in the ANICO Cash Collateral, Debtor shall deliver to counsel for ANICO by the seventh day of each month a document comparing the projected expenditures in the Budgets from the previous month to the actual expenditures for that month (each a "Variance Report"). If the seventh day of a month is a weekend or a nationally recognized banking holiday, the Variance Report that is due that month must be received by ANICO on the next business day after the seventh day of that month.

**12. Events of Default.** Each of the following shall constitute an "Event of Default" under this Order:

- (a) The occurrence of any material breach, default or non-compliance with the terms of this Order;
- (b) Confirmation of a Plan of Reorganization in this case;

- (c) Conversion of this case to a Chapter 7 case;
- (d) Appointment of a trustee or an examiner with expanded powers in this case;
- (e) Failure by Debtor to timely make any of the Adequate Protection Payments or Escrow Payments;
- (f) A grant of relief from the automatic stay to any creditor holding a lien or security interest in The Crossings Shopping Center or any property utilized in the operation or maintenance of The Crossings Shopping Center permitting such creditor to foreclose its interest with respect to such property under 11 U.S.C. § 362; and
- (g) Failure by Debtor to timely deliver any Variance Report.

**13. Termination and Cure.** Upon the occurrence of an Event of Default, ANICO may elect to provide Debtor with notice of such Event of Default by providing Debtor with written notice in accordance with paragraph 18 of this Order (a "Default Notice"). Upon receipt of a Default Notice, Debtor shall be allowed two (2) business days to cure such Event of Default. If Debtor fails to cure a noticed Event of Default within the cure period provided under this paragraph, ANICO may immediately terminate Debtor's right to use the ANICO Cash Collateral under this Order by giving written notice of termination (a "Termination Notice") to counsel for Debtor that Debtor has failed to cure the noticed Event of Default and by filing a copy of such Termination Notice with the Court. Unless otherwise directed by order of this Court, Debtor's right to use the ANICO Cash Collateral

shall terminate immediately upon receipt of a Termination Notice. Upon consulting with the Office of the United State Trustee, ANICO may also move for conversion or dismissal of this case.

**14. Effect of Modification, Vacation or Stay.** If any provision of this Order is hereafter modified, vacated or stayed, such modification, vacation or stay shall not affect the validity or authority of Debtor's use of the ANICO Cash Collateral under this Order prior to such time, nor shall it affect the validity, priority or enforceability of the Replacement Lien granted to ANICO for such use, prior to the effective date of such modification, vacation or stay.

**15. Restriction on Borrowing or Sale.** Unless otherwise authorized by order of this Court following appropriate notice and opportunity for hearing, Debtor shall not obtain any post-petition financing nor sell or lease any of its assets, except in the ordinary course of business. In no event shall Debtor be authorized, and Debtor waives the right, to obtain post-petition financing under 11 U.S.C. § 364(d) that is secured by a lien or security interest that primes or is senior to the lien held by ANICO in the ANICO Collateral or the ANICO Post-Petition Collateral.

**16. Access to Property.** Debtor shall provide ANICO with access to inspect The Crossings Shopping Center and Debtor's books and records during normal business hours and within 48 hours of being requested to do so by ANICO; provided, however, that such inspection(s) shall not unreasonably interfere with Debtor's business operations.

**17. Validity and Challenges to ANICO Claims and Liens.** The use of the ANICO Cash Collateral contemplated in this Order shall in no way affect the validity, perfection, or priority of the security interests, mortgages, and liens granted to ANICO by this Order or otherwise, and the use of ANICO Cash Collateral contemplated in this Order shall not constitute a waiver by ANICO of its rights to timely and full payment under the Loan Documents, except as may be limited by applicable law, including the Bankruptcy Code. Nothing contained in this Order shall be deemed a waiver by Debtor to object to or challenge the extent, validity, or priority of ANICO's security interests or liens in the ANICO Collateral or to object to or challenge the Pre-Petition Debt; provided, however, that each creditor and party in interest, other than Debtor, have waived the right and ability to object to or challenge the extent, validity, or priority of ANICO's security interests and liens or the amount of the Pre-Petition Debt by virtue of the fact that no creditor or party in interest, other than Debtor, has filed a complaint or pleading challenging the extent, validity, or priority of ANICO's security interests and liens or the amount of the Pre-Petition Debt by the Objection Deadline established by the Cash Collateral Order.

**18. Notices.** All notices required or permitted under this Order shall be sent to the respective party and attorney at the addresses listed below by electronic mail and by certified mail, return receipt requested, hand-delivery, or by facsimile transmission. In the event of notice by certified mail, notice shall be effective upon receipt and refusal of delivery as shown by the return receipt. In the event of notice by electronic mail or

facsimile transmission, notice shall be effective upon successful transmission. In the event of notice by hand-delivery, notice shall be effective upon receipt.

If notice is given to ANICO, it shall be sent to:

American National Insurance Company  
c/o Kelly Baker  
2525 South Shore Boulevard, Suite 207  
League City, Texas 77573  
Telephone: (281) 538-4815  
Facsimile: (409) 621-7552  
Email: *Kelly.Baker@ANICO.com*

With a copy to:

Sean C. Kulka, Esq.  
Arnall Golden Gregory, LLP  
171 17<sup>th</sup> Street, NW, Suite 2100  
Atlanta, Georgia 30363-1031  
Telephone: (404) 873-8500  
Facsimile: (404) 873-8683  
Email: *sean.kulka@agg.com*

If notice is given to Debtor, it shall be sent to:

Neil Hughes  
2036 Mendenhall Drive  
Atlanta, GA 30341  
Telephone: (404) 787-1170  
Facsimile: (704) 660-9150  
Email: *clearcreekga@aol.com*

With a copy to:


George M. Geeslin, Esq.  
Eight Piedmont Center, Suite 550  
3525 Piedmont Road, N.E.  
Atlanta, GA 30305-7036  
Telephone: (404) 841-3464  
Facsimile: (404) 816-1108  
Email: *Geeslingm@aol.com*

**19. Surcharge.** Nothing in this Order shall be deemed to permit authorization to charge or surcharge of ANICO's collateral, including the ANICO Collateral and the



ANICO Post-Petition Collateral, with any expense of administration, whether pursuant to 11 U.S.C. § 506(c), or otherwise. Debtor on its own behalf shall not assert and hereby waives, effective immediately, any claim against ANICO under 11 U.S.C. § 506(c) or the right to surcharge ANICO's collateral, including ANICO's interest in the ANICO Collateral and the ANICO Post-Petition Collateral, with any expense of administration, whether pursuant to 11 U.S.C. § 506(c), or otherwise.

IT IS SO ORDERED, this the 27<sup>th</sup> day of March, 2013.

  
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MARGARET H. MURPHY  
UNITED STATES BANKRUPTCY JUDGE

Draft prepared, submitted, and consented to by:

**ARNALL GOLDEN GREGORY LLP**

\_\_\_\_\_  
/s/  
Sean C. Kulka  
Georgia Bar No. 648919  
171 17th Street NW (Suite 2100)  
Atlanta, Georgia 30363  
*sean.kulka@agg.com*  
Telephone: (404) 873-8500  
**Counsel for American National Insurance Company**

-and-

CONSENTED TO BY:

/s/  
George M. Geeslin  
Georgia Bar No. 288725  
Eight Piedmont Center (Suite 550)  
3525 Piedmont Road, N.E.  
Atlanta, Georgia 30305-7036  
*geeslingm@aol.com*  
Telephone: (404) 841-3464  
\*with express consent  
**Counsel for Debtor and Debtor in Possession**

-and-

CONSENTED TO BY:

/s/  
Mark A. Thompson  
Georgia Bar No. 709025  
DeKalb County Law Department  
1300 Commerce Drive, 5th Floor  
Decatur, Georgia 30030  
*mathompson@dekalbcountyga.gov*  
Telephone: (404) 371-3011  
\*with express consent  
**Counsel for DeKalb County Tax Commissioner and DeKalb County**

-and-

NO OPPOSITION:

/s/  
Lindsay N. P. Swift, Esq.  
Georgia Bar No. 541621  
U.S. Department of Justice  
Office of the United States Trustee  
75 Spring Street, Suite 362  
Atlanta, Georgia 30303  
*lindsay.n.swift@usdoj.gov*  
Telephone: 404-331-4437  
\*with express consent

**EXHIBIT A**

**CASH COLLATERAL BUDGET**

Interstate Properties, LLC  
Cash Basis Budget - The Crossings Shopping Center  
October 17, 2012 through May 28, 2013  
As of March 21, 2013

	Oct 17 - Oct 30, 2012	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May 28, 2013
	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated	Estimated
Cash from prior month	\$	\$ 4,673.67	\$ 140,150.44	\$ 236,154.49	\$ 320,275.42	\$ 76,838.80	\$ 75,731.64	\$ 65,949.48
Anticipated Rental Income	21,091.66	131,387.62	89,062.22	130,151.23	128,252.91	128,252.91	128,252.91	128,252.91
Anticipated Cam Income	1,156.00	6,085.07	5,950.79	7,365.16	6,633.47	8,641.48	8,641.48	8,641.48
Anticipated Insurance Income	281.26	569.03	609.31	872.48	738.49	789.86	789.86	789.86
Anticipated Real Estate Income	1,110.41	2,188.11	1,790.32	2,950.48	2,373.66	2,588.19	2,588.19	2,588.19
<b>Total Anticipated Income</b>	<b>23,649.33</b>	<b>140,229.83</b>	<b>97,412.64</b>	<b>141,339.35</b>	<b>137,998.53</b>	<b>140,272.44</b>	<b>140,272.44</b>	<b>140,272.44</b>
Operating Expenses		454.13	16.73	10.00		453.74	453.74	453.74
Bank Service Charges	18,815.66	2,479.71		2,768.17	130.00	4,400.00	4,400.00	4,400.00
CAM Expense	160.00			544.32				
Contract Labor					20,825.01	6,941.67	6,941.67	6,941.67
Escrow - Insurance Premium				22,072.50	42,137.34	14,045.78	14,045.78	14,045.78
Management Fees (Note 4)				16,350.00		3,000.00	3,000.00	3,000.00
Vehicle & Equipment Charge (Note 4)				10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Postage and Delivery						45.00	45.00	45.00
Professional Fees: Accounting (Note 6)								
Professional Fees: Legal (Geeslin) (Note 2)								
Professional Fees: Legal (Malone)		491.99				2,310.00	2,310.00	2,310.00
Repairs and Maintenance				598.43	15.23	200.00	200.00	200.00
Supplies				4,875.00		1,625.00	1,625.00	1,625.00
U.S. Trustee Fees					4,942.34	1,855.00	1,855.00	1,855.00
Utilities	18,975.66	1,327.23	1,391.86	57,218.42	78,049.92	40,251.19	48,926.19	48,926.19
<b>Total Operating Expenses</b>	<b>18,975.66</b>	<b>4,753.06</b>	<b>1,408.59</b>	<b>57,218.42</b>	<b>78,049.92</b>	<b>40,251.19</b>	<b>48,926.19</b>	<b>48,926.19</b>
Other Expense								
Adequate Protection Payment (APP) - ANICO (Note 3)					303,385.23	101,128.41	101,128.41	101,128.41
<b>Total Expenses</b>	<b>18,975.66</b>	<b>4,753.06</b>	<b>1,408.59</b>	<b>57,218.42</b>	<b>381,435.15</b>	<b>141,379.60</b>	<b>150,054.60</b>	<b>150,054.60</b>
<b>Ending Cash (Note 1)</b>	<b>4,673.67</b>	<b>140,150.44</b>	<b>236,154.49</b>	<b>320,275.42</b>	<b>76,838.80</b>	<b>75,731.64</b>	<b>65,949.48</b>	<b>56,167.32</b>

Note 1: There is a possibility that any new tenant/lease agreements will require leasehold improvements. The ending cash flow should be set aside as a reserve for such improvements.

Note 2: Mr. Geeslin is holding retainer as of 1/22/13.

Note 3: Pursuant to agreement on 1/22/13, the October 2012 and November 2012 Adequate Protection Payments are not required by client.

Note 4: The January 2013 payment for management fees and vehicle & equipment charges includes payment for the months of November 2012, December 2012, January 2013, February 2013, March 2013 and a prorated amount for October 17 - 31, 2012.

Note 5: We adjusted January 2013 and February 2013 to reflect the actual expenses paid, and we adjusted the anticipated income for March through May to agree with February 2013's rental income.

Note 6: The italicized amounts in January 2013 & February 2013 were approved in the original budget submitted in January 2013 but only January 2013 (\$10,000) and December 2012 (\$450) have been approved by the court and paid as of 3/18/13.

The budget reflects estimates provided by management. The budget does not include certain tax and financial data.

03/21/13 12:29 PM