United States Bankruptcy Court
Southern District of Texas
ENTERED
June 22, 2026
Nathan Ochsner, Clerk

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

	§	
In re:	§	Chapter 11
	§	
LURIN REAL ESTATE HOLDINGS XXI, LLC, *et al.*	§	Case No. 26-90344 (ARP)
	§	
	§	(Jointly Administered)
Debtors.[1]	§	
	§	
	§	

THIRD INTERIM ORDER
(I) AUTHORIZING DEBTOR LURIN REAL ESTATE HOLDINGS LXIV, LLC TO UTILIZE CASH COLLATERAL, (II) PROVIDING ADEQUATE PROTECTION, (III) MODIFYING THE AUTOMATIC STAY, (IV) SCHEDULING A FINAL HEARING, AND (V) GRANTING RELATED RELIEF
[Relates to Docket No. 175]

Upon the *Morgan Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Use Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 175] (the "Cash Collateral Motion");[2] and this Court having considered the Cash Collateral Motion, the exhibits attached thereto, the Round 3 Declaration, the evidence submitted, and the record made at the hearing held before this Court (the "Interim Cash Collateral Hearing"), and due, proper and sufficient notice of the Cash Collateral Motion, having been given in accordance with Bankruptcy Rules 4001(b), (c), and (d) and 9014, and Local Rules 2002-1, 4001-1(a), 4001-1(b), and 9013-1; and the Interim Cash Collateral Hearing to consider the relief requested in the Cash Collateral Motion having been held and concluded, and the offer of proof

[1] A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://restructuring.ra.kroll.com/Lurin/Home-Index. The location of the Debtors' service address is: 2101 Cedar Springs, Suite 1050, Dallas, TX 75201.

[2] Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Cash Collateral Motion.

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having been accepted into evidence at such Interim Cash Collateral Hearing; and all objections, if any, to the relief requested in the Cash Collateral Motion having been withdrawn, resolved, or overruled by this Court; and BDS V Mortgage Capital G LLC (the "Prepetition Secured Party") consenting to entry of this Third Interim Order, and it appearing to this Court that granting the interim relief requested is necessary to avoid immediate and irreparable harm to the Debtor Lurin Real Estate Holdings LXIV, LLC (the "Morgan Debtor") and its estate (as defined under Bankruptcy Code section 541, the "Estate"), and otherwise is fair and reasonable and in the best interests of the Morgan Debtor, its Estate, and its creditors and equity holders, and is essential for the continued operation of the Morgan Debtor's business; and after due deliberation and consideration, and good and sufficient cause appearing therefor;

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[3]

A. **Petition Date**. On April 10, 2026 (the "Petition Date"), the Morgan Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court commencing this Chapter 11 Case. On May 5, 2026, the U.S. Trustee appointed a three-member official committee of unsecured creditors (the "Committee") [Docket No. 265].

B. **Debtor in Possession**. The Morgan Debtor continues to manage and operate its business and property as debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed.

C. **Jurisdiction and Venue**. This Court has jurisdiction over the Chapter 11 Case, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334(b). This is a

[3] Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. *See* Bankruptcy Rule 7052.

core proceeding pursuant to 28 U.S.C. § 157(b). Venue for this Chapter 11 Case and the proceedings on the Cash Collateral Motion is proper before this Court under 28 U.S.C. § 1408. The predicates for the relief set forth herein are sections 105(a), 361, 362, and 363 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004, and 9014 and Bankruptcy Local Rules 4001-1 and 9013-1.

D. **Notice**. In accordance with Bankruptcy Rules 2002, 4001(b) and (c), and 9014, and Local Rule 2002-1, notice of the Interim Cash Collateral Hearing and the emergency relief requested in the Cash Collateral Motion has been provided by the Morgan Debtor to the Notice Parties (as defined in the Cash Collateral Motion) as set forth therein. Under the circumstances, the notice given by the Morgan Debtor of the Cash Collateral Motion, the relief requested herein, and the Interim Cash Collateral Hearing complies with Bankruptcy Rules 2002, 4001(b) and (c), and 9014 and Local Rule 2002-1.

E. **Necessity of Relief Requested**. The Morgan Debtor would not have sufficient available sources of capital to operate its business in the ordinary course or to maintain its property without the use of Cash Collateral. Without access to, and the ability to use Cash Collateral, the Morgan Debtor's ability to manage, administer and preserve its estate would be immediately and irreparably harmed, thereby materially impairing its estate and creditors and the likelihood of a successful outcome in this Chapter 11 Case.

F. **Cash Collateral**. For purposes of this Third Interim Order, the term "Cash Collateral" shall be deemed to include, without limitation, all of the Morgan Debtor's "Cash Collateral" as defined under section 363 of the Bankruptcy Code, in which the Prepetition Secured Party has valid, perfected security interests, liens, or mortgages as of the Petition Date and postpetition proceeds, products, offspring, or profits thereof to the extent provided in the applicable prepetition loan documents (as may or have been amended, supplemented, or modified from time to time, and together with all promissory notes, security agreements, deeds of trust, and all other documents creating, governing, evidencing, and/or securing the Prepetition Loan Obligations, collectively the "Loan Documents").

G. Prepetition Collateral. For purposes of this Third Interim Order, the term "Prepetition Collateral" shall be deemed to be comprised of the Morgan Debtor's property in which the Prepetition Secured Party has a valid, perfected, properly recorded, legal, valid, enforceable, non-avoidable security interest, lien, or mortgage as of the Petition Date.

H. Necessity of Relief Requested. The relief requested in the Cash Collateral Motion (and as provided in this Third Interim Order) is necessary, essential, and appropriate for the continued operation of the Morgan Debtor's business, the administration of the Chapter 11 Case, and the management and preservation of the Morgan Debtor's assets and its Estate. It is in the best interest of the Morgan Debtor's Estate that it be allowed to use the Cash Collateral under the terms hereof. The Morgan Debtor has demonstrated good and sufficient cause for the relief granted herein.

I. Necessity for Immediate Repairs at the Morgan Property. The Morgan Debtor's property manager, Willow Bridge Property Company ("Willow Bridge"), has recently advised the Morgan Debtor that there is an immediate need to repair slab leaks and water leaks at the Morgan Property. The Morgan Debtor does not currently have sufficient funds to pay for these repairs. Willow Bridge has informed the Morgan Debtor that the failure to make such repairs could result in further damage to the Morgan Property. Accordingly, the Prepetition Secured Party has agreed to directly pay Advanced Plumbing (a third party contractor) up to $35,000 to cover the costs associated with such repairs, provided that all such payments made by the Prepetition Secured

Party to Advanced Plumbing shall be included in the obligations owed by the Morgan Debtor to the Prepetition Secured Party under and pursuant to the Loan Documents (the "Third Party Contractor Payment").

J. **Terms of Cash Collateral Use**. The terms for the Morgan Debtor's use of Cash Collateral and the adequate protection arrangements provided pursuant to this Third Interim Order are fair and reasonable under the circumstances of the Chapter 11 Case, reflect the Morgan Debtor's exercise of prudent business judgment consistent with its fiduciary duties, and is essential for the preservation of the Morgan Debtor's assets. The use of Cash Collateral (and the Morgan Debtor's incurrence of the obligation owed to the Prepetition Secured Party related to the Third Party Contractor Payment) in accordance with this Third Interim Order is in the best interests of the Morgan Debtor and its Estate, its creditors, and other parties in interest, and will, among other things, allow for the continued operation of the Morgan Debtor's existing businesses and preserve value for all stakeholders.

IT IS ORDERED AS FOLLOWS:[4]

1. **Motion Approved as Provided Herein**. The Cash Collateral Motion is granted solely on an interim basis in accordance with the terms of this Third Interim Order. All objections to and reservations of rights with respect to the Cash Collateral Motion and to the entry of this Third Interim Order to the extent not withdrawn or resolved are hereby overruled on the merits in their entirety; provided however, that all objections and rights are preserved for consideration at a final hearing on the Cash Collateral Motion.

[4] This order shall hereafter be referred to as the "Third Interim Order."

2. **Approved Budget**. The 3-Week Interim Budget attached hereto as **Exhibit A** setting forth all projected cash receipts and cash disbursements on a weekly basis, is approved (the "Third Interim Budget"). The Third Interim Budget includes and contains the Morgan Debtor's reasonable estimate of all operational receipts and all operational disbursements, fees, costs and other expenses that will be payable, incurred and/or accrued by the Morgan Debtor during the period covered by the Third Interim Budget. The Morgan Debtor shall not spend Cash Collateral in excess of 110% of each line item set forth in the Third Interim Budget (the "Line Item Cap"). The Morgan Debtor shall be permitted to submit a revised Budget (a "Revised Budget") to the Prepetition Secured Party subject to a four-day objection period (a "Budget Objection Period") and also subject to the Line Item Cap. Such Revised Budget shall become the Budget effective upon the expiration of such period unless the Prepetition Secured Party submits an objection in writing prior to the end of such Budget Objection Period. If an objection to a Revised Budget cannot be consensually resolved, the Court shall hear such objection on an expedited basis and determine the resolution thereof.

3. **Adequate Protection for Prepetition Secured Party**. The Prepetition Secured Party, as prepetition lender, is entitled to adequate protection of its interests in the Prepetition Collateral and Cash Collateral, solely to the extent of any diminution in value of the Prepetition Collateral (the "Adequate Protection"). The Morgan Debtor will provide the Prepetition Secured Party replacement liens (the "Replacement Liens") on all of the Prepetition Collateral, solely to the extent such use of the Prepetition Collateral, including Cash Collateral, results in a decrease or diminution in the value of the Prepetition Secured Party's interest in such Prepetition Collateral. For purposes of this Third Interim Order, this is a valid form of adequate protection pursuant to section 361(2) of the Bankruptcy Code. Further, by allowing the Morgan Debtor use of Cash

Collateral, the Morgan Debtor will be able to continue to operate its business and significantly increase the likelihood of a greater recovery to the Prepetition Secured Party and other stakeholders. In addition, the Morgan Debtor's incurrence of the obligation owed to the Prepetition Secured Party related to the Third Party Contractor Payment is fair, reasonable and in the best interests of the Morgan Debtor and its Estate. Accordingly, any funds expended by the Prepetition Secured Party for the Third Party Contractor Payment shall be added to the principal balance of the Morgan Loan due to the Prepetition Secured Party and shall have all of the priorities and protections afforded under the Loan Documents.

4. **Use of Prepetition Collateral, Including Cash Collateral**. Subject to the terms and conditions of this Third Interim Order, and in accordance with the Third Interim Budget, the Morgan Debtor is hereby authorized to use the Prepetition Collateral, including Cash Collateral, for working capital and ordinary course operating expenses of the Morgan Property in accordance with the Interim Budget for a period of 3-weeks, ending no later than July 3, 2026. Unless otherwise agreed in writing by the Prepetition Secured Party, or otherwise ordered by the Court, the Morgan Debtor's authorization to use the Prepetition Collateral and Cash Collateral shall terminate at 11:59 p.m. prevailing central time on July 3, 2026.

5. **Cash Management**. All rents and other revenues of the Morgan Property shall be deposited into a segregated "debtor in possession" account maintained by the Morgan Debtor and used solely in accordance with the Third Interim Budget.

6. **Reporting**. No later than Friday of each week, the Morgan Debtor shall provide the Prepetition Secured Party with a report comparing the actual income and expenses in each budget category with the forecast budget and identify the percentage variance for the preceding

week. Any reporting provided to the Prepetition Secured Party, any revised proposed Budget, and any appraisal pursuant to this Third Interim Order shall be promptly provided to the Committee.

7. **Carve-Out**. The Adequate Protection granted to the Prepetition Secured Party and the Prepetition Secured Party's prepetition liens on the Prepetition Collateral shall be subject to a carve-out for all fees required to be paid by the Morgan Debtor to the Clerk of the Court and all statutory fees payable to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code, together with the statutory rate of interest.

8. **Rights Preserved**. Other than as expressly set forth in this Third Interim Order, any other rights, claims, or privileges (whether legal, equitable, or otherwise) of the Morgan Debtor, the Committee, and the Prepetition Secured Party are preserved. Nothing contained herein shall be deemed to be a finding by this Court or an acknowledgement by the Prepetition Secured Party that the adequate protection granted herein does in fact adequately protect the Prepetition Secured Party's purported interests on a final basis. For the avoidance of doubt, nothing contained herein is intended or shall be construed as: (i) an admission as to the validity of any prepetition claims against the Morgan Debtor; (ii) a waiver of the Morgan Debtor's or any other party in interest's rights to dispute any prepetition claim on any grounds; (iii) an implication or admission that any particular claim is of a type specified or defined in the Cash Collateral Motion or any order granting the relief requested by the Cash Collateral Motion; (iv) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (v) a waiver of the Morgan Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable law. Additionally, all findings of fact, conclusions of law, and relief granted in this Third Interim Order shall in all respects be subject to reconsideration *de novo* at a final hearing on the Cash Collateral Motion. For the avoidance of further doubt,

nothing contained herein is intended or shall be construed as waiver, impairment, or compromise of any rights, claims or remedies of the Prepetition Secured Party against the Morgan Debtor or any other parties, including any guarantor(s) under the Loan Documents or applicable law.

9. **Appraisal Cooperation**. As a condition to entry of this Third Interim Order, the Morgan Debtor shall provide all practicable support and cooperation to the Prepetition Secured Party and its professionals in conducting and completing an appraisal of the Morgan Property during the effective period of this Third Interim Order, at the expense of the Prepetition Secured Party.

10. **Automatic Stay**. The automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary is modified to implement and effectuate the terms of this Third Interim Order.

11. **No Third Party Rights**. Except as explicitly provided for herein, this Third Interim Order does not create any rights for the benefit of any third party, creditor, equity holder, or any direct, indirect, or incidental beneficiary.

12. **Retention of Jurisdiction**. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Third Interim Order.

13. **Final Cash Collateral Hearing**. A final hearing to consider the relief requested in the Cash Collateral Motion on a final basis shall be held on July 1, 2026, at 10:30 a.m. (prevailing Central time). The deadline to object to entry of the final order shall be June 24, 2026, at 5:00 p.m. (prevailing Central time).

14. **Notice of Final Cash Collateral Hearing**. Within three (3) Business Days of the date of the entry of this Third Interim Order, the Morgan Debtor shall serve, by United States mail, first-class postage prepaid, a copy of this Third Interim Order upon the Notice Parties.

Signed: June 19, 2026

Alfredo R Pérez
United States Bankruptcy Judge

EXHIBIT A

LURIN Real Estate Holdings LXIV, LLC - The Morgan

3-Week Interim Cash Flow Forecast

Week ----->	1	2	3	
	19-Jun	26-Jun	3-Jul	TOTAL
Total Receipts	***$ 12.6***	***$ 12.6***	***$ 125.7***	***$ 150.8***
Operating Disbursements				
Payroll & Related	$ 39.7	$ -	$ 14.7	$ 54.3
Administrative	0.8	0.8	0.8	2.5
Marketing	1.0	1.0	1.0	2.9
Utilities	-	32.5	32.5	65.1
Service Related	1.0	1.0	1.9	3.8
Maintenance & Repairs	2.1	2.1	2.1	6.4
Travel	-	-	-	-
Make Ready/Turns	6.8	6.8	6.8	20.5
Management Fees	0.4	0.4	3.8	4.5
Insurance Premiums [1]	-	-	-	-
Taxes	-	-	-	-
Total Operating Disbursements	***$ 51.7***	***$ 44.6***	***$ 63.6***	***$ 160.0***
Operating Cash Flow	**$ (39.2)**	**$ (32.0)**	**$ 62.1**	**$ (9.1)**
Accumulated	*$ (39.2)*	*$ (71.2)*	*$ (9.1)*	
Other (Sources)/ Uses				
Adequate Protection	$ -	$ -	$ 255.1	$ 255.1
Adequate Assurance	-	-	-	-
Critical Vendor Payments	-	-	-	-
UST Fees	-	-	9.4	9.4
Capital Expeditures	-	-	30.0	30.0
Total Other (Sources)/ Uses	***$ -***	***$ -***	***$ 294.5***	***$ 294.5***
Net Cash Flow	**$ (39.2)**	**$ (32.0)**	**$ (232.4)**	**$ (303.7)**
Accumulated	*$ (39.2)*	*$ (71.2)*	*$ (303.7)*	