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TECHNOLOGY PROPERTIES LIMITED LLC

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10 **UNITED STATES BANKRUPTCY COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**
12 **SAN JOSE DIVISION**

13 In re:

14 TECHNOLOGY PROPERTIES LIMITED,
15 LLC, a California limited liability company,
16 Debtor.

Case No.: 13- 51589SLJ

Chapter 11

Date: April 17, 2014

Time: 11:30 a.m.

Place: Courtroom 3099
280 South First Street
San Jose, California

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21 **NOTICE OF PRELIMINARY HEARING ON THIRD MOTION TO**
22 **APPROVE USE OF CASH COLLATERAL (FRBP 4001(b))**

23 TO SECURED CLAIMANTS CUPERTINO CITY CENTER BUILDINGS, A CALIFORNIA
24 LIMITED PARTNERSHIP; SWAMY VENKIDU AS SHAREHOLDER AGENT FOR A
25 GROUP OF SHAREHOLDERS; DANIEL E. LECKRONE; THE OFFICIAL UNSECURED
26 CREDITORS' COMMITTEE; ALL PARTIES REQUESTING SPECIAL NOTICE, THE
27 UNITED STATES TRUSTEE, AND THEIR RESPECTIVE COUNSEL:

PLEASE TAKE NOTICE that at the date, time and place set forth above a preliminary hearing will be held on the Third Motion to Approve Use of Cash Collateral (FRBP 4001(b)) (the "Motion") brought by debtor and debtor in possession Technology Properties Limited, LLC ("TPL") seeking relief to use cash collateral to pay ongoing operating expenses through April 30, 2014, and setting the Motion for a final hearing prior to that date.

TPL proposes to expend a maximum of \$128,000 for expenses incurred in the month of March and April 2014, in operations pending a final hearing on the Motion according to the operating budget attached as Exhibit "A" to the supporting declaration of Daniel E. Leckrone.

TPL proposes the following terms for cash use:

1. TPL would be authorized to expend or reserve cash collateral subject to the following paragraphs.
2. TPL would not be authorized to pay any employee for commissions or incentive compensation.
3. TPL has paid CCC adequate protection of \$50,000 per month from its cash collateral through March 2014. CCC has extended the due dates for the payments for April and May of 2014 to June 1, 2014.
4. TPL would be prohibited from paying Daniel E. Leckrone any adequate protection payment pending further order of this Court.
5. All three secured creditors, CCC, Venkidu, and Mr. Leckrone, would receive a replacement lien on collateral with a back-up super-priority claim to the extent that adequate protection proves inadequate measured by a decline from liquidation value of their collateral as of the filing date. The replacement liens shall attach only to the collateral of the kind and character to which the respective lienholders' lien would have attached pre-petition, and there shall be no cross-collateralization with other collateral except as specified below as to Venkidu. Any replacement liens approved must be subordinate to the compensation and expense reimbursement allowed to any future-appointed trustee in the case.
6. Venkidu would receive a replacement lien as to the CF portfolio and a back-up super-priority claim as set forth in paragraph 5 above. To the extent TPL uses proceeds from the CF portfolio to fund operations, Venkidu would be granted a replacement lien on future proceeds generated. To the extent those proceeds are inadequate to fully pay Venkidu's

1 allowed secured claim, Venkidu would be granted an administrative claim with priority
2 over all other administrative claims (including professionals' fees). The replacement lien
3 and super-priority claim would be valid only to the extent, validity and priority of the pre-
4 petition lien. If however Venkidu's pre-petition lien in the CF portfolio is avoided or is
5 determined to be invalid, then the replacement lien in the post-petition proceeds of the CF
6 portfolio would be deemed avoided and vacated, and no superpriority claim would be
7 allowed. If the value of the CF portfolio is less than the amount of the claim, the
8 replacement lien would be valid only to the extent of that value of the collateral.

- 6 7. To the extent TPL uses proceeds from the CF portfolio to fund operations Venkidu
7 receives a junior replacement lien in the MMP and FastLogic portfolio proceeds as further
8 adequate protection only to the same extent, validity and priority of Venkidu's lien in the
9 CF portfolio. Thus, to the extent Venkidu is not paid from the CF portfolio, he would
10 have a junior lien on these other portfolios. However, if Venkidu's pre-petition lien in the
11 CF portfolio is avoided or is determined to be invalid, then there is no replacement lien in
12 the MMP and FastLogic portfolios and shall be deemed avoided and vacated, and no
13 superpriority claim shall be allowed. And, if the value of the CF collateral is less than the
14 amount of Venkidu's allowed, secured claim, the replacement lien in the MMP and
15 FastLogic portfolios is valid only to the extent of the value of the collateral.
- 16 8. The Committee shall be deemed to have reserved the right, on behalf of the estate, to
17 recover all adequate protection payments in the event the Court finds that there is no
18 enforceable security interest in TPL's assets.
- 19 9. The Committee reserves all rights including, but not limited to, the right to investigate and
20 challenge (a) the validity, extent, priority and/or enforceability of all alleged liens
21 (including motions to equitably subordinate and adversary proceedings to avoid liens, (b)
22 employee compensation, (c) payments to Alliacense, (d) the adequacy of proposed
23 budgets, and (e) the adequacy of proposed carve outs / retainers for Committee
24 professionals.
- 25 10. To the extent that recoveries in litigation and licensing results in larger payments being
26 owed to contingency counsel according to the terms of their court-approved terms of
27 employment than TPL has projected, the approved contingency shall control, subject to
28 final approval by this Court under 11 U.S.C. section 328(a).
11. The terms of the order approving cash use would be binding on any subsequently
appointed trustee.
12. As a condition of consent by Venkidu to the cash use, Daniel E. Leckrone would agree to
continue to subordinate his lien to that of Venkidu in the CF portfolio.

23 The Motion is based on this Notice, the Motion, the Declaration of Daniel E. Leckrone in
24 support of the Motion. Copies of these pleadings may be obtained by contacting the undersigned
25 or viewed online by PACER qualified users at www.canb.uscourts.gov.

1 Dated: April 14, 2014

BINDER & MALTER, LLP

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3 By: /s/ Wendy W. Smith

Wendy W. Smith

4 Attorneys for Attorneys for Debtor and Debtor-in-
Possession TECHNOLOGY PROPERTIES
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14 Attorneys for Debtor and Debtor In
15 Possession Technology Properties Limited, LLC

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA, DIVISION 5

In re

TECHNOLOGY PROPERTIES LIMITED,
LLC,

Debtor.

Case No: 13-51589 SLJ

Chapter 11

Date: April __, 2014

Time:

Place: Courtroom 3099

280 South First Street

San Jose, California

CERTIFICATE OF SERVICE

I, Tam Tran, declare:

I am employed in the County of Santa Clara, California. I am over the age of eighteen (18) years and not a party to the within entitled cause; my business address is 2775 Park Avenue, Santa Clara, California 95050.

On April 14, 2014, I served a true and correct copy of the following document(s):

**ORDER SHORTENING TIME FOR PRELIMINARY HEARING ON THIRD MOTION
TO APPROVE USE OF CASH COLLATERAL (FRBP 4001(b))**

**NOTICE OF PRELIMINARY HEARING ON THIRD MOTION TO
APPROVE USE OF CASH COLLATERAL (FRBP 4001(b))**

THIRD MOTION TO APPROVE USE OF CASH COLLATERAL (FRBP 4001(b))

**DECLARATION OF DANIEL E. LECKRONE IN SUPPORT OF THIRD MOTION TO
APPROVE USE OF CASH COLLATERAL (FRBP 4001(b))**

via electronic transmission and/or the Court's CM/ECF notification system to the parties
registered to receive notice as follows:

U.S. Trustee

John Wesoloski
United States Trustee
Office of the U.S. Trustee
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San Jose, CA 95113
Email: john.wesolowski@usdoj.gov

Unsecured Creditors Committee Attorney

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c/o Robert Franklin, Esq.
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Special Notice

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Special Notice

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Special Notice

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Executed on April 14, 2014, at Santa Clara, California. I certify under penalty of perjury
that the foregoing is true and correct.

/s/ Tam Tran
Tam Tran