

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Hudson 1701/1706, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-11853 (KBO)

(Joint Administration Requested)

DEBTORS' MOTION FOR ENTRY OF INTERIM AND
FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO PAY
CERTAIN PREPETITION CLAIMS OF LIFE SAFETY CRITICAL VENDORS
AND (II) GRANTING RELATED RELIEF

Hudson 1701/1706, LLC and Hudson 1702, LLC, the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**,” or the “**Company**”), hereby move (this “**Motion**”) this Court for entry of interim and final orders, substantially in the forms attached hereto as Exhibit A and Exhibit B (the “**Interim Order**” and the “**Final Order**,” respectively), granting the relief described below. In support of this Motion, the Debtors rely upon the *Declaration of Alan Tantleff in Support of Debtors' Chapter 11 Petitions, Joint Administration Motion, Retention Application, and Life Safety Critical Vendors Motion* (the “**First Day Declaration**”),² and respectfully represent as follows:

RELIEF REQUESTED

1. By this Motion, the Debtors respectfully request entry of an Interim Order and a Final Order (a) authorizing, but not directing, the Debtors to, in their sole discretion, make

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Hudson 1701/1706, LLC (0281) and Hudson 1702, LLC (0190). The Debtors' headquarters and the mailing address for the Debtors is [11440 San Vicente Boulevard, 2nd Floor, Los Angeles, CA 90045.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.



payments³ toward Life Safety Critical Vendor Claims (*as defined herein*) in an aggregate amount not to exceed \$250,000 on an interim basis and not to exceed \$1 million on a final basis, in each case subject to the conditions set forth below; and (b) approving certain conditions on the Debtors' payment of these prepetition obligations. For the avoidance of doubt, pursuant to this Motion, the Debtors seek authority to pay amounts only as they come due in the ordinary course of business or as may be necessary to secure a vendor's agreement to continue to do business with the Debtors on Customary Trade Terms (*as defined herein*) and shall not otherwise seek to accelerate payment of amounts that would not otherwise come due in the interim period.

2. The Debtors further request that the Interim Order and the Final Order (a) authorize all applicable banks and other financial institutions (collectively, the "**Banks**"), when requested by the Debtors in their sole discretion, to receive, process, honor, and pay any and all checks, drafts, and other forms of payment, including fund transfers, on account of the Life Safety Critical Vendor Claims, whether such checks or other requests were submitted before, on, or after the Petition Date; (b) authorize the Banks to rely on the representations of the Debtors as to which checks and fund transfers are subject to this Motion, provided that no such Bank shall have any liability to any party for relying on such direction and representations by the Debtors; (c) provide that the Banks shall, at the direction of the Debtors, receive, process, honor, and pay all prepetition and postpetition checks and fund transfers on account of the Life Safety Critical Vendor Claims that had not been honored and paid as of the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments and that no such Bank shall have any liability to any party for relying on such direction by the Debtors; and (d) authorize the Debtors to

³ The Debtors also seek the authority, where applicable and consistent with the relief sought in this Motion, to "pay" certain of the Life Safety Critical Vendor Claims (*as defined herein*) by cancelling out certain postpetition amounts that may be owed to the Debtors (a "**Cancellation**"). Such Cancellations would merely serve to avoid the administrative burden of making payments flowing both to *and* from the Debtors.

issue new postpetition checks or effect new postpetition fund transfers to replace any checks, drafts, and other forms of payment which may be inadvertently dishonored or rejected.

JURISDICTION AND VENUE

3. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

4. The legal predicates for the relief requested herein are sections 105(a), 363, 364, 503, 506, 507, 1107 and 1108 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

5. Pursuant to Rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined that this Court would lack Article III jurisdiction to enter such final order or judgment absent the consent of the parties.

BACKGROUND

I. THE CHAPTER 11 CASES.

6. On October 22, 2025 (the “**Petition Date**”), each Debtor commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”). The Debtors have requested that the Chapter 11 Cases be jointly administered for administrative purposes only.

7. The Debtors continue to operate their business and manage their properties as debtors and debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

8. To date, the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) has not appointed a creditors’ committee in the Chapter 11 Cases, nor has any trustee or examiner been appointed therein.

9. Additional factual background regarding the Debtors’ business operations, corporate and capital structures, and restructuring efforts are described in greater detail in the First Day Declaration, filed contemporaneously with this Motion and incorporated herein by reference.

II. THE LIFE SAFETY CRITICAL VENDORS AND LIFE SAFETY CRITICAL VENDOR CLAIMS.

10. As set forth in the First Day Declaration, the Debtors were formed to redevelop and operate the historic Hudson Hotel (the “**Hudson**”) as a multifamily residential property originally anticipated to include 440 market rate rental units complete with commercial space and a penthouse.

11. In connection with their development of the Hudson, in the ordinary course of business and in the redevelopment of the Hudson, the Debtors utilize certain vendors, suppliers and/or service providers, whose continued, uninterrupted provision of such good and/or services will play a crucial role in maintaining life safety services (collectively, the “**Life Safety Critical Vendors**”).⁴ The Life Safety Critical Vendors provide a variety of fire suppression and other safety related goods and services to the Debtors (the “**Critical Goods and Services**”), all of which are required to provide for the health, safety, and welfare of the residents. The Life Safety Critical Vendors are, by and large, sole source or limited source suppliers or vendors, and specialized service providers, who provide a material economic or operational advantage when compared to other available sources or provide life and safety services required at the construction site.

⁴ The Debtors reserve the right to add additional parties to the list of Life Safety Critical Vendors.

12. Disruption in the provision of goods and services from the Life Safety Critical Vendors, even for a short duration, could significantly impact the Debtors, residents and workers at the Hudson. The Life Safety Critical Vendors provide services that play a crucial role in the Debtors' ability to fulfill their ongoing responsibility for the safety and general welfare of the SRO Tenants and individuals working at the Hudson, as well as the property itself. In some cases, local, state, and/or federal law requires the Debtors to comply with certain regulatory requirements, of which the Life Safety Critical Vendors supply the necessary Life Safety Goods and Services to do so. Moreover, the New Advances will be used by the Debtors to pay the amounts owed to the Life Safety Critical Vendors, solely in accordance with the budget attached as an exhibit to the Cash Collateral Agreement.

13. In light of the importance of the Critical Goods and Services, and due to the nature of the Debtors' business, the Debtors believe that some vendors will make credible and actionable threats that, unless paid on account of their prepetition debt, they will cease to supply the Debtors with the specialized goods and services necessary to maintain the smooth operation of the Debtors' business during these Chapter 11 Cases, or may otherwise impair the Debtors' ability to operate their business in a safe manner. Accordingly, in order to maintain stability at the outset of these Chapter 11 Cases and to avoid jeopardizing the Debtors' ability to provide a safe building for their residents, the Debtors seek authorization to pay the prepetition claims of such Life Safety Critical Vendors (the "**Life Safety Critical Vendor Claims**").

14. The Debtors believe that payment of the Life Safety Critical Vendor Claims is vital to the Debtors' reorganization efforts. Certain of the Debtors' trade relationships with their Life

Safety Critical Vendors are not generally governed by long-term contracts.⁵ Accordingly, the Debtors believe that such trade relationships may materially deteriorate, causing disruption to the Debtors' operations if the Debtors are unable to pay Life Safety Critical Vendor Claims as provided herein. Furthermore, in certain cases, the Life Safety Critical Goods and Services are available only from one or more limited number of vendors. Even where alternative vendors exist, switching from one vendor to another often results in significant costs and may require a significant amount of time, either of which would be detrimental to the Debtors' estates and be hazardous to residents. Therefore, the Debtors believe that payment of the Life Safety Critical Vendor Claims is essential to avoid costly disruptions to the Debtors' continued safe operation of their business during these Chapter 11 Cases.

15. The Debtors believe that jeopardizing their relationships with the Life Safety Critical Vendors and attempting to procure the Critical Goods and Services from replacement vendors would impose a severe strain on the Debtors' business operations, and would likely result in significant delays in procuring necessary Critical Goods. Even a temporary halt of the provision of Critical Goods and Services would impose a severe strain on the Debtors' safe operations, and the cumulative impact of such events could have a significant adverse effect on the Debtors' operations and, particularly, on the ability of the Debtors to maintain business-as-usual and to provide necessary safety protections to their residents. Due to the potential for immediate and irreparable consequences if the Life Safety Critical Vendors do not continue to provide uninterrupted and timely deliveries of goods and services, the Debtors have determined, in the

⁵ Nothing in this Motion should be construed as a waiver of the Debtors' right to compel performance of any Life Safety Critical Vendor under any agreement. The Debtors seek authority to pay such Life Safety Critical Vendors as necessary, in their business judgment, to ensure continued performance.

exercise of their business judgment, that payment of the Life Safety Critical Vendor Claims is essential to avoid disruptions to their operations.

III. THE DEVELOPMENT OF THE CRITICAL VENDOR PROGRAM.

16. Prior to the Petition Date, the Debtors and their advisors conducted a thorough review of their vendors with possible outstanding prepetition claims to determine how to minimize any disruption of the ongoing business from the commencement of the Chapter 11 Cases.

17. To identify vendors to be paid pursuant to this relief requested in this Motion, the Debtors, in consultation with their advisors, closely reviewed their accounts payable and prepetition vendor lists, and consulted with employees most familiar with the Debtors' vendors to identify those vendors that are most essential to the Debtors' operations. The criteria considered included:

- (a) which vendors are simply at risk of ceasing the provision of truly essential services or supplies;
- (b) whether a vendor is a sole- or limited-source supplier of materials or other services for use in the Debtors' business;
- (c) whether alternative vendors are available, including those in particular locations, that can provide requisite volumes, specifications, customization or other relevant characteristics, and expedited delivery of similar goods or services on equal (or better) terms and, if so, whether the Debtors would be able to continue operations without interruption while transitioning business thereto;
- (d) the degree to which replacement costs (including pricing, transition expenses, professional fees, and lost sales or future revenue) exceed the amount of a vendor's prepetition claim;
- (e) whether the Debtors' inability to pay all or part of the vendor's prepetition claim could trigger financial distress for the applicable vendor;
- (f) the likelihood that a temporary break in the vendor's relationship with the Debtors could be remedied through the use of the tools available in these Chapter 11 Cases;

- (g) whether failure to pay all or part of a particular vendor's claim could cause the vendor to hold goods owned by the Debtors, or refuse to ship inventory or to provide critical services on a postpetition basis;
- (h) whether failure to pay a particular vendor could result in contraction of trade terms as a matter of applicable non-bankruptcy law or regulation; and
- (i) whether an agreement exists by which the Debtors could compel a vendor to continue performing on prepetition terms.

18. Based on this analysis, the Debtors used a narrowly tailored protocol identifying the goods and services that are absolutely essential to preserve the timely delivery of Critical Goods and Services on which the Debtors rely. Following the above-described analysis, the Debtors, in consultation with their advisors, identified the categories set forth above as critical to the Debtors' continued operations, and estimated the total payments, based on accounts payable outstanding as of the Petition Date, that would be necessary to ensure the continued provision of the Critical Goods and Services to the Debtors.

19. As of the Petition Date, the Debtors estimate that they owed approximately \$1 million in the aggregate on account of Life Safety Critical Vendor Claims. The Debtors, in their business judgment, estimate that approximately \$250,000 of the total amount of Life Safety Critical Vendor Claims will need to be paid prior to entry of the Final Order. Accordingly, by this Motion, the Debtors request authorization, but not direction, to pay outstanding prepetition obligations on account of Life Safety Critical Vendor Claims, not to exceed \$250,000 on an interim basis and \$1 million on a final basis, but only as such amounts come due in the ordinary course of business or as may be necessary to secure a vendor's agreement to continue business with the Debtors on Customary Trade Terms (*as defined below*).

20. The Debtors believe that failure to timely pay the Life Safety Critical Vendor Claims would cause disproportionate harm and economic damage to the Debtors' business and

residents, without any corresponding benefit for other stakeholders. Conversely, the timely payment of such claims will facilitate the Debtors' reorganization.

21. Likewise, any disruption to the Critical Goods and Services would compromise the Debtors' ability to continue operations in the ordinary course of business. This harm and disruption would far outweigh the cost of payment of the Life Safety Critical Vendor Claims. Thus, the Debtors request authority, but not the direction, to pay, in part or in full and in their discretion, the Life Safety Critical Vendor Claims.

IV. PROPOSED TERMS AND CONDITIONS OF PAYMENT OF THE LIFE SAFETY CRITICAL VENDOR CLAIMS.

22. Subject to the Bankruptcy Court's approval, the Debtors intend to pay the Life Safety Critical Vendor Claims only to the extent necessary to preserve the Debtors' business. In order to preserve working capital and liquidity during the Chapter 11 Cases and ensure that the Debtors continue to receive vital goods and services, the Debtors propose to condition any payment on account of Life Safety Critical Vendor Claims on such Life Safety Critical Vendor continuing to supply goods and services to the Debtors on terms that are consistent with the historical trade terms between the parties (including, but not limited to, credit limits, pricing, cash discounts, timing of payments, allowances, rebates, normal product mix and availability, and other applicable terms and programs), representing the most favorable trade terms to the Debtors by such Life Safety Critical Vendor within the period one hundred eighty (180) days prior to the Petition Date (the "**Customary Trade Terms**"). The Debtors, however, reserve the right to negotiate different trade terms with any Life Safety Critical Vendor, as a condition to payment of any Life Safety Critical Vendor Claim, whether or not memorialized by a Trade Agreement (*as defined herein*), to

the extent the Debtors determine that such trade terms are necessary to procure essential goods or services or are otherwise in the best interests of the Debtors' estates.

23. The Debtors further propose that in the event the Debtors are making a payment pursuant to this Motion, the Debtors will make appropriate efforts to send a letter, substantially in the form attached hereto as **Exhibit C**, to each of the Life Safety Critical Vendors to which they are making such payment, along with a copy of the order granting this Motion, including, without limitation, the following terms:

- (a) The amount of such Life Safety Critical Vendor's estimated claim, after accounting for any setoffs, other credits and discounts thereto, shall be as mutually determined in good faith by the Life Safety Critical Vendor and the Debtors (but such amount shall be used only for purposes of the order granting this Motion and shall not be deemed a claim allowed by the Court, and the rights of all parties in interest to object to such claim shall be fully preserved until further order of the Court);
- (b) The amount of payment toward the Life Safety Critical Vendor's estimated claim;
- (c) The Life Safety Critical Vendor's agreement to be bound by the Customary Trade Terms, or such other trade terms as mutually agreed to by the Debtors and such Life Safety Critical Vendor;
- (d) The Life Safety Critical Vendor's agreement to provide goods and services to the Debtors based upon Customary Trade Terms, and the Debtors' agreement to pay the Life Safety Critical Vendor postpetition in accordance with such terms;
- (e) The Life Safety Critical Vendor's agreement not to file or otherwise assert against any of the Debtors, their estates or any of their respective assets or property (real or personal) any lien (a "**Lien**") regardless of the statute or other legal authority upon which such Lien is asserted) related in any way to any remaining prepetition amounts allegedly owed to the Life Safety Critical Vendor by the Debtors arising from goods or services provided to the Debtors prior to the Petition Date, and that, to the extent that the Life Safety Critical Vendor has previously obtained such a Lien, the Life Safety Critical Vendor shall immediately take all necessary action to release such Lien;
- (f) The Life Safety Critical Vendor's acknowledgement that it has reviewed the terms and provisions of the order granting this Motion and consents to be bound thereby;
- (g) The Life Safety Critical Vendor's agreement that it will not separately assert or otherwise seek payment of any reclamation or section 503(b)(9) claims; and

- (h) If a Life Safety Critical Vendor who has received payment toward a Life Safety Critical Vendor Claim subsequently refuses to supply goods or services to the Debtors on Customary Trade Terms, any payments received by the Life Safety Critical Vendor on account of its Life Safety Critical Vendor Claim will be deemed to have been in payment of then outstanding postpetition obligations owed to such Life Safety Critical Vendor, and that such Life Safety Critical Vendor shall immediately repay to the Debtors any payments received on account of its Life Safety Critical Vendor Claim to the extent that the aggregate amount of such payments exceed the postpetition obligations then outstanding, without the right of setoff or reclamation.

24. Such a letter, once agreed to and accepted by a Life Safety Critical Vendor, shall be the agreement between the parties that governs their postpetition trade relationship, whether on Customary Trade Terms or on terms different from their Customary Trade Terms (each a “**Trade Agreement**”).⁶

25. The Debtors hereby seek authority to enter into Trade Agreements with the Life Safety Critical Vendors if the Debtors determine, in their discretion, that such an agreement is necessary to their postpetition operations. Maintaining normal trade credit terms will improve the Debtors’ chances of successfully reorganizing as purchasing goods on credit preserves working capital and liquidity—enabling the Debtors to maintain the safety and security of their property and to maximize the value of their business. Absent the relief requested herein, many of the Debtors’ vendors may attempt to place the Debtors on cash-in-advance terms, which the Debtors estimate could drain their estates of resources that would otherwise be available for other funding needs during the critical first weeks of the Debtors’ bankruptcy. The Debtors are seeking to prevent the compression of trade terms early in their Chapter 11 Cases.

26. If a Life Safety Critical Vendor refuses to supply goods or services to the Debtors on Customary Trade Terms following any postpetition payment toward its Life Safety Critical

⁶ The Debtors’ entry into a Trade Agreement shall not change the nature or priority of the underlying Life Safety Critical Vendor Claims and shall not constitute an assumption or rejection of any executory contract or prepetition or postpetition agreement between the Debtors and a Life Safety Critical Vendor.

Vendor Claim, or fails to comply with any Trade Agreement it entered into with the Debtors, the Debtors hereby seek authority, in their discretion and without further order of the Court but with notice to the affected Life Safety Critical Vendor and to the U.S. Trustee, (a) to declare such Trade Agreement immediately terminated (if applicable) and (b) to declare any payments made to such Life Safety Critical Vendor on account of its Life Safety Critical Vendor Claim to have been in payment of then outstanding postpetition obligations owed to such Life Safety Critical Vendor without further order of the Court.

27. In the event that the Debtors exercise either of the rights set forth in the preceding paragraph, the Debtors request that the Life Safety Critical Vendor against which the Debtors exercise such rights be required to immediately return to the Debtors any payments made on account of its Life Safety Critical Vendor Claim, to the extent that such payments exceed the postpetition amounts then owed to such Life Safety Critical Vendor, without giving effect to any rights of setoff or reclamation. In essence, the Debtors seek to return the parties to their respective positions immediately prior to entry of the order in the event a Trade Agreement is terminated, or a Life Safety Critical Vendor refuses to supply goods or services to the Debtors on Customary Trade Terms following any payment toward its Life Safety Critical Vendor Claim.

BASIS FOR RELIEF REQUESTED AND APPLICABLE AUTHORITY

I. PAYMENT OF THE LIFE SAFETY CRITICAL VENDOR CLAIMS IS AUTHORIZED UNDER SECTIONS 363 AND 364 OF THE BANKRUPTCY CODE AND UNDER THE DOCTRINE OF NECESSITY.

28. Courts have recognized that it is appropriate to authorize the payment of prepetition obligations, including payments like the ones requested by this Motion, when it is necessary to protect and preserve the estate. *See, e.g., Czyzewski v. Jevic Holding Corp.*, 137 S. Ct. 973, 985 (2017) (noting that courts “[h]ave approved orders . . . that allow payment of essential suppliers’ prepetition invoices . . .”); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 826 (D. Del. 1999)

(finding that payment of prepetition claims to certain vendors was “[e]ssential to the survival of the debtor during the chapter 11 reorganization”); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (“The ability of a Bankruptcy Court to authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.”); *Armstrong World Indus., Inc. v. James A. Phillips, Inc.*, (*In re James A. Phillips, Inc.*), 29 B.R. 391, 398 (S.D.N.Y. 1983). In so doing, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of prepetition claims as provided herein.

29. Section 363(b) of the Bankruptcy Code permits a bankruptcy court, after notice and a hearing, to authorize a debtor to “[u]se, sell, or lease, other than in the ordinary course of business, property of the estate[.]” 11 U.S.C. § 363(b)(1). “In determining whether to authorize the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions.” *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp.* (*In re Montgomery Ward Holding Corp.*), 242 B.R. 147, 153 (D. Del. 1999) (collecting cases); *see also James A. Phillips, Inc.*, 29 B.R. at 393–94 (relying on section 363 of the Bankruptcy Code to allow a contractor to pay prepetition claims of suppliers who were potential lien claimants because the payments were necessary for general contractors to release funds owed to debtors); *In re Phoenix Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring the debtor to show a “good business reason” for a proposed transaction under section 363(b) of the Bankruptcy Code).

30. Courts also authorize payment of prepetition claims, such as those described herein, in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code codifies a bankruptcy court’s inherent equitable powers to “[i]ssue any order,

process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Under section 105(a) of the Bankruptcy Code, courts may authorize pre-plan payments of prepetition obligations when doing so is essential to the continued operation of a debtor’s business. *Just for Feet*, 242 B.R. at 825–26. Specifically, a court may use its powers under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the “necessity of payment” rule (also referred to as the “doctrine of necessity”). *Ionosphere Clubs*, 98 B.R. at 175–76; *In re Lehigh & New England Railway Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (stating that courts may authorize payment of prepetition claims when there “[i]s the possibility that the creditor will employ an immediate economic sanction[] failing such payment”); *see also In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to the continued operation of the business). A bankruptcy court’s use of its equitable powers to “[a]uthorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.” *Ionosphere Clubs*, 98 B.R. at 175–76. Indeed, at least one court has recognized that there are instances when a debtor’s fiduciary duty can “[o]nly be fulfilled by the preplan satisfaction of a prepetition claim.” *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)

31. The relief requested in this Motion contemplates payments to be made to the Life Safety Critical Vendors who agree to provide materials, goods, or services on Customary Trade Terms resulting in a benefit to the estates. As a result, the payment of such Life Safety Critical Vendor Claims is consistent with and appropriate under Bankruptcy Code sections 363 and 364.

32. As detailed above, the goods and services provided by the Life Safety Critical Vendors are vital to the continued safe operation of the Debtors’ business and the Debtors’ ability

to make payments on account of the Life Safety Critical Vendor Claims is vital to the Debtors' reorganization efforts. Thus, even if the Debtors could avoid payment of certain accrued Life Safety Critical Vendor Claims, the collateral consequences on the Debtors' go-forward business would vastly exceed whatever modest short-run cost savings the Debtors might achieve.

33. Moreover, the Debtors have identified as Life Safety Critical Vendors only those suppliers and service providers that meet the stringent criteria set forth herein. The Debtors have examined other options short of payment of Life Safety Critical Vendor Claims and have determined that the Debtors must pay the Life Safety Critical Vendor Claims to avoid significant disruption of the Debtors' operations. Accordingly, this Court should allow the payment of the Life Safety Critical Vendor Claims as requested herein.

II. THE PROPOSED PAYMENT PROCESSING PROCEDURES ARE APPROPRIATE.

34. As set forth above, the Debtors request that all Banks be authorized and directed to honor and process payments on account of the Life Safety Critical Vendor Claims as directed by the Debtors. The Debtors have sufficient liquidity to pay the amounts delineated in this Motion in the ordinary course of business and have implemented controls to ensure that prepetition claims will not be paid except as authorized by this Court. The Debtors therefore submit that the payment processing procedures described in this Motion are appropriate.

IMMEDIATE AND UNSTAYED RELIEF IS NECESSARY

35. The Court may grant the relief requested in this Motion immediately if the "relief is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003; *see also In re First NLC Fin. Servs., LLC*, 382 B.R. 547, 549 (Bankr. S.D. Fla. 2008) (holding that Rule 6003 permits entry of retention orders on an interim basis to avoid irreparable harm). In the context of preliminary injunctions, the Third Circuit has interpreted the language "immediate and irreparable

harm” to refer to a continuing harm which cannot be adequately redressed by final relief on the merits and for which money damages are inadequate. *See, e.g., Norfolk S. Ry. Co. v. City of Pittsburgh*, 235 F. App’x 907, 910 (3d Cir. 2007) (citing *Glasco v. Hills*, 558 F.2d 179, 181 (3d Cir. 1977)). The harm also must be actual and imminent, not speculative or unsubstantiated. *See, e.g., Acierno v. New Castle Cty.*, 40 F.3d 645, 653-55 (3d Cir. 1994). The Debtors submit that, for the reasons already set forth herein, the relief requested in this Motion is necessary to avoid immediate and irreparable harm.

36. The Debtors also request that the Court waive the stay imposed by Local Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seek in this Motion is necessary for the Debtors to operate without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the 14-day stay imposed by Local Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

RESERVATION OF RIGHTS

37. Nothing in this Motion should be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors’ ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise to pay any claim or other obligation; (d) granting third party beneficiary status or bestowing any additional rights on any third party; or (e) being otherwise enforceable by any third party.

NOTICE

38. Notice of this Motion will be provided to: (a) the Office of the United States Trustee for Region 3; (b) the Office of the United States Attorney for the District of Delaware; (c) the holders of the 20 largest unsecured claims against the Debtors (on a consolidated basis); (d) the Internal Revenue Service; (e) counsel to Parkview Financial REIT, LP; (f) the attorney general for each state in which the Debtors operate; (g) the Debtors' Landlord, MSP Capital Investments, L.L.C. (Attn: Danielle Ash [dash@adstach.com] and Morgan Stevens [mstevens@adstach.com]) (h) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (i) any other party entitled to notice under Local Rule 9013-1. As this Motion is seeking "first day" relief, notice of this Motion and any order entered in connection herewith will be served on all parties required by Local Rule 9013-1(m). The Debtors respectfully submit that such notice is sufficient, and no other further notice of this Motion is required.

NO PRIOR REQUEST

39. No previous request for the relief sought therein has been made to this Court or any other court.

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CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter the Interim Order and the Final Order, each substantially in the form annexed hereto, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: October 30, 2025
Wilmington, Delaware

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*Proposed Counsel for Debtors and
Debtors in Possession*

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Hudson 1701/1706, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-11853 (KBO)

(Joint Administration Requested)

Related to Docket No. _____

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY
CERTAIN PREPETITION CLAIMS OF LIFE SAFETY CRITICAL VENDORS
AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for an interim order (this “**Interim Order**”) and a Final Order (a) authorizing, but not directing, the Debtors to, in their sole discretion, make payments toward the prepetition claims of Life Safety Critical Vendors; (b) approving certain conditions on the Debtors’ payment of prepetition obligations; and (c) directing banks and financial institutions at which the Debtors maintain disbursement and other accounts, at the Debtors’ instruction, to receive, honor, process, and pay, to the extent of funds on deposit, any and all checks or electronic fund transfer on account of the Life Safety Critical Vendor Claims; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Hudson 1701/1706, LLC (0281) and Hudson 1702, LLC (0190). The Debtors’ headquarters and the mailing address for the Debtors is 11440 San Vicente Boulevard, 2nd Floor, Los Angeles, CA 90045.

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby;

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are hereby authorized, but not required, to pay, in their sole discretion, without further order of this Court, the Life Safety Critical Vendor Claims in an amount not to exceed \$250,000 in the aggregate on a postpetition basis in the ordinary course of business; *provided, however*, that any Life Safety Critical Vendor that accepts payment pursuant to the authority granted in this Interim Order agrees to supply goods and services to the Debtors postpetition on Customary Trade Terms or on such other favorable terms as are acceptable to the Debtors; *provided further*, that the Debtors are not authorized to pay claims of “insider[s]” (as that term is defined in Bankruptcy Code section 101(31)), employees, attorneys/law firms or “professional persons” (as that phrase appears in Bankruptcy Code section 327(a)) pursuant to this Interim Order.
3. The Debtors are authorized, but not directed, to cause the Life Safety Critical Vendors to enter into Trade Agreements with the Debtors substantially in the form of the letter attached as Exhibit C to the Motion as a condition to payment of the Life Safety Critical Vendor Claims.

4. Any party who receives payment from the Debtors of a Life Safety Critical Vendor Claim (regardless of whether a Trade Agreement has been executed), and upon notice of this Interim Order, shall be deemed to have agreed to the terms and provisions of this Interim Order and (a) shall be deemed to have waived, to the extent so paid, any and all prepetition claims, of whatever type, kind or priority, against the Debtors, their properties and estates, their directors, officers, and employees up to the amount paid; and (b) shall refrain from asserting any reclamation claim with respect to the goods, or to withdraw such goods, that are the subject of any such payment.

5. If a Life Safety Critical Vendor refuses to supply goods and/or services to the Debtors on Customary Trade Terms (or such other terms as are agreed by the parties) following receipt of any payment on account of its Life Safety Critical Vendor Claim (regardless of whether such Life Safety Critical Vendor has entered into a Trade Agreement), or fails to comply with any Trade Agreement entered into between such Life Safety Critical Vendor and the Debtors, then the Debtors may, with notice to the affected Life Safety Critical Vendor and on or before the date on which any plan or plans of reorganization are confirmed in the Chapter 11 Cases, (a) declare such Trade Agreement immediately terminated (if applicable), and (b) seek a declaration that any payments made to such Life Safety Critical Vendor on account of its Life Safety Critical Vendor Claim to have been in payment of then outstanding postpetition obligations owed to such Life Safety Critical Vendor. Upon entry of an order of this Court providing for such relief, the Life Safety Critical Vendor shall immediately repay to the Debtors any payments received on account of its prepetition claim to the extent that the aggregate amount of such payments exceeds the postpetition obligations then outstanding to such Life Safety Critical Vendor, without the right of setoff, recoupment or reclamation, and the Life Safety Critical Vendor's prepetition claim shall be

reinstated as a prepetition claim in these Chapter 11 Cases and subject to the terms of any bar date order entered in these Chapter 11 Cases. Nothing herein shall constitute a waiver of the Debtors' rights to seek damages or other appropriate remedies against any breaching Life Safety Critical Vendor.

6. Notwithstanding the foregoing, the Debtors may, in their sole discretion, without further order of this Court, reinstate a Trade Agreement if the underlying default under the Trade Agreement is fully cured by the Life Safety Critical Vendor not later than five business days following the Debtors' notification to the Life Safety Critical Vendor of such default or the Debtors, in their discretion, reach a favorable alternative agreement with the Life Safety Critical Vendor.

7. All Banks are (a) authorized and directed to receive, process, honor and pay any and all prepetition and postpetition checks, drafts, electronic transfers and other forms of payment used by the Debtors to satisfy their Life Safety Critical Vendor Claims, whether presented before, on, or after the Petition Date; *provided* that sufficient funds are on deposit in the applicable accounts to cover such payments, and (b) prohibited from placing any holds on, or attempting to reverse, any automatic transfers on account of Life Safety Critical Vendor Claims. The Banks shall rely on the direction and representations of the Debtors as to which checks and fund transfers should be honored and paid pursuant to this Interim Order, and no such Bank shall have any liability to any party for relying on such direction and representations by the Debtors as provided for in this Interim Order.

8. To the extent the Debtors have not yet sought to remit payment on account of the Life Safety Critical Vendor Claims, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment of the Life Safety Critical Vendor Claims.

9. Any party receiving payment from the Debtors is authorized to rely upon the representations of the Debtors as to which payments are authorized by this Interim Order.

10. Nothing in the Motion or this Interim Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a limitation on, or in any way affecting, the Debtors' ability to dispute any Life Safety Critical Vendor Claim; (d) a promise to pay any claim or other obligation; (e) granting third-party-beneficiary status or bestowing any additional rights on any third party; or (f) being otherwise enforceable by any third party.

11. The authorization granted hereby to pay Life Safety Critical Vendor Claims shall not create any obligation on the part of the Debtors or their officers, directors, attorneys, or agents to pay the Life Safety Critical Vendor Claims, none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay a Life Safety Critical Vendor Claim, and nothing contained in this Interim Order shall be deemed to increase, reclassify, elevate to an administrative expense status or otherwise affect the Life Safety Critical Vendor Claims to the extent they are not paid.

12. This Interim Order, and all acts taken in furtherance of or reliance upon this Interim Order, shall be effective notwithstanding the filing of an Objection, pending the entry of the Final Order by this Court.

13. The Court finds and determines that the requirements of Local Rule 6003 are satisfied, and that the relief requested is necessary to avoid immediate and irreparable harm.

14. Notice of the Motion satisfies the requirements set forth in Local Rule 6004(a).

15. Notwithstanding Local Rule 6004(h), this Interim Order shall be effective and enforceable immediately upon entry hereof.

16. All time periods set forth in this Interim Order shall be calculated in accordance with Local Rule 9006(a).

17. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.

18. A final hearing (the “**Final Hearing**”) on the full relief requested in the Motion shall be held on _____, **2025**, at _____.m. (*prevailing Eastern Time*). Any objections or responses to the entry of a Final Order on the Motion (each, an “**Objection**”) shall be filed on or before **4:00 p.m. (prevailing Eastern Time)** on _____ **2025**, and shall be served on the following parties: (a) the Debtors, Hudson 1701/106, LLC, 11440 San Vicente Boulevard, Second Floor, Los Angeles, California 90045 (Attn: -----) (Email:-----); (b) *proposed* counsel for the Debtors, *Chipman Brown Cicero & Cole, LLP*, Hercules Plaza, 1313 North Market Street, Suite 5400, Wilmington, Delaware 19801 (Attn: William E. Chipman, Jr., Esquire and Mark D. Olivere, Esquire) (Email: chipman@chipmanbrown.com and olivere@chipmanbrown.com); (c) *proposed special* counsel for the Debtors, *DLA Piper LLP (US)*, (i) 1201 North Market Street, Suite 1200, Wilmington, Delaware 19801 (Attn: Stuart M. Brown, Esquire) (Email: stuart.brown@us.dlapiper.com) and (ii) 1251 Avenue of the Americas, New York, New York 10020 (Attn: Neal Kronley, Esquire and David M. Riley, Esquire) (Emails: neal.kronley@us.dlapiper.com and David.riley@us.dlapiper.com) (d) the *Office of the United*

States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lock Box 35, Wilmington, Delaware 19801 (Attn: Malcom M. Bates, Esquire) (Email: malcom.m.bates@usdoj.gov); and (e) counsel to the DIP Lender and Prepetition Lender, Hogan Lovells US LLP, (i) 1999 Avenue of the Stars, Suite 1400, Los Angeles, California 90067 (Attn: Richard Wynne [richard.wynne@hoganlovells.com] and David P. Simonds [david.simonds@hoganlovells.com]; and (i) 390 Madison Avenue, New York, New York, 10017 (Attn.: Christopher Bryant [chris.bryant@hoganlovells.com])). If no objections or responses are filed and served, this Court may enter a final order without further notice or hearing.

19. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Hudson 1701/1706, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-11853 (KBO)

(Jointly Administered)

Related to Docket Nos ____ and ____

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO
PAY CERTAIN PREPETITION CLAIMS OF LIFE SAFETY CRITICAL
VENDORS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for an Interim Order and a final order (this “**Final Order**”) (a) authorizing, but not directing, the Debtors to, in their sole discretion, make payments toward the prepetition claims of Life Safety Critical Vendors; (b) approving certain conditions on the Debtors’ payment of prepetition obligations; and (c) directing banks and financial institutions at which the Debtors maintain disbursement and other accounts, at the Debtors’ instruction, to receive, honor, process, and pay, to the extent of funds on deposit, any and all checks or electronic fund transfer on account of the Life Safety Critical Vendor Claims; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court

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² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby;

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. The Debtors are hereby authorized, but not required, to pay, in their sole discretion, without further order of this Court, Life Safety Critical Vendor Claims in an amount not to exceed \$1 million in the aggregate, on a postpetition basis in the ordinary course of business, if the Debtors determine that (i) in the absence of making such payment, the Debtors would suffer a loss of value in excess of such payment amount, or (ii) failure to make such payment poses a threat to health and public safety; *provided, however*, that any Life Safety Critical Vendor that accepts payment pursuant to the authority granted in this Final Order agrees to supply goods and services to the Debtors postpetition on Customary Trade Terms or on such other favorable terms as are acceptable to the Debtors; *provided further*, the Debtors are not authorized to pay claims of “insider[s]” (as that term is defined in Bankruptcy Code section 101(31)), employees, attorneys/law firms or “professional persons” (as that phrase appears in Bankruptcy Code section 327(a)) pursuant to this Final Order.
3. The Debtors are authorized, but not directed, to cause the Life Safety Critical Vendors to enter into Trade Agreements with the Debtors substantially in the form of the letter

attached as Exhibit C to the Motion as a condition to payment of the Life Safety Critical Vendor Claims.

4. Any party who receives payment from the Debtors of a Life Safety Critical Vendor Claim (regardless of whether a Trade Agreement has been executed), and upon notice of this Final Order, shall be deemed to have agreed to the terms and provisions of this Final Order and (a) shall be deemed to have waived, to the extent so paid, any and all prepetition claims, of whatever type, kind or priority, against the Debtors, their properties and estates, their directors, officers, and employees up to the amount paid; and (b) shall refrain from asserting any reclamation claim with respect to the goods, or to withdraw such goods, that are the subject of any such payment.

5. If a Life Safety Critical Vendor refuses to supply goods and/or services to the Debtors on Customary Trade Terms (or such other terms as are agreed by the parties) following receipt of any payment on account of its Life Safety Critical Vendor Claim (regardless of whether such Life Safety Critical Vendor has entered into a Trade Agreement), or fails to comply with any Trade Agreement entered into between such Life Safety Critical Vendor and the Debtors, then the Debtors may, with notice to the affected Life Safety Critical Vendor and on or before the date on which any plan or plans of reorganization are confirmed in the Chapter 11 Cases, (a) declare such Trade Agreement immediately terminated (if applicable), and (b) seek a declaration that any payments made to such Life Safety Critical Vendor on account of its Life Safety Critical Vendor Claim to have been in payment of then outstanding postpetition obligations owed to such Life Safety Critical Vendor. Upon entry of an order of this Court providing for such relief, the Life Safety Critical Vendor shall immediately repay to the Debtors any payments received on account of its prepetition claim to the extent that the aggregate amount of such payments exceeds the postpetition obligations then outstanding to such Life Safety Critical Vendor, without the right of

setoff, recoupment or reclamation, and the Life Safety Critical Vendor's prepetition claim shall be reinstated as a prepetition claim in these Chapter 11 Cases and subject to the terms of any bar date order entered in these Chapter 11 Cases. Nothing herein shall constitute a waiver of the Debtors' rights to seek damages or other appropriate remedies against any breaching Life Safety Critical Vendor.

6. Notwithstanding the foregoing, the Debtors may, in their sole discretion, without further order of this Court, reinstate a Trade Agreement if the underlying default under the Trade Agreement is fully cured by the Life Safety Critical Vendor not later than five business days following the Debtors' notification to the Life Safety Critical Vendor of such default or the Debtors, in their discretion, reach a favorable alternative agreement with the Life Safety Critical Vendor.

7. All Banks are (a) authorized and directed to receive, process, honor and pay any and all prepetition and postpetition checks, drafts, electronic transfers and other forms of payment used by the Debtors to satisfy their Life Safety Critical Vendor Claims, whether presented before, on, or after the Petition Date; *provided* that sufficient funds are on deposit in the applicable accounts to cover such payments, and (b) prohibited from placing any holds on, or attempting to reverse, any automatic transfers on account of Life Safety Critical Vendor Claims. The Banks shall rely on the direction and representations of the Debtors as to which checks and fund transfers should be honored and paid pursuant to this Final Order, and no such Bank shall have any liability to any party for relying on such direction and representations by the Debtors as provided for in this Final Order.

8. To the extent the Debtors have not yet sought to remit payment on account of the Life Safety Critical Vendor Claims, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment of the Life Safety Critical Vendor Claims.

9. Any party receiving payment from the Debtors is authorized to rely upon the representations of the Debtors as to which payments are authorized by this Final Order.

10. Nothing in the Motion or this Final Order or the relief granted (including any actions taken or payments made by the Debtors pursuant thereto) shall be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors' or any other party in interest's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a limitation on, or in any way affecting the Debtors' ability to dispute any Life Safety Critical Vendor Claim; (d) a promise to pay any claim or other obligation; (e) granting third-party-beneficiary status or bestowing any additional rights on any third party; or (f) being otherwise enforceable by any third party.

11. The authorization granted hereby to pay Life Safety Critical Vendor Claims shall not create any obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay the Life Safety Critical Vendor Claims, none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay a Life Safety Critical Vendor Claim, and nothing contained in this Final Order shall be deemed to increase, reclassify, elevate to an administrative expense status or otherwise affect the Life Safety Critical Vendor Claims to the extent they are not paid.

12. Notice of the Motion satisfies the requirements set forth in Local Rule 6004(a).

13. Notwithstanding Local Rule 6004(h), this Final Order shall be effective and enforceable immediately upon entry hereof.

14. All time periods set forth in this Final Order shall be calculated in accordance with Local Rule 9006(a).

15. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Final Order.

16. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Final Order.

EXHIBIT C

_____, 2025

TO: [Critical Vendor/Service Provider]
[Name]
[Address]

Dear Valued Supplier/Service Provider:

As you are aware, Hudson 1701/1706, LLC and its affiliate Hudson 1702, LLC (together, the “**Company**”) filed voluntary petitions (the “**Chapter 11 Cases**”) for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (“**Bankruptcy Court**”) on October 22, 2025 (the “**Petition Date**”). On October __, 2025, in recognition of the importance of its relationship with vendors and suppliers and its desire that the Chapter 11 Cases have as little effect on such parties as possible, the Company requested the Bankruptcy Court’s approval to pay the prepetition claims of certain critical vendors and suppliers. On [●], 2025, the Bankruptcy Court entered an [interim] order (the “**Order**”) authorizing the Company, under certain conditions, to pay the prepetition claims, in accordance with the terms of the Order, of certain trade creditors that agree to the terms set forth below and agree to be bound by the terms of the Order. A copy of the Order is enclosed for your reference. [The Company has asked the Bankruptcy Court to schedule a final hearing and thereafter grant the relief provided in the Order on a final basis.]

Under the Order, to receive payment of its prepetition claim, each selected trade creditor must agree to continue to supply goods and/or services to the Company based on “Customary Trade Terms.” In the Order, Customary Trade Terms are defined as the normal and customary trade terms, practices and programs (including, but not limited to, credit limits, pricing, cash discounts, timing of payments, allowances, rebates, normal product mix and availability and other applicable terms and programs), which were most favorable to the Company and in effect between such trade creditor and the Company on a historical basis for the period within 180 days of the Petition Date, or such other trade terms as mutually agreed to by the Company and such trade creditor.

For purposes of administering this trade program, as authorized by the Bankruptcy Court and in accordance with the terms of the Order, the Company and [Name of Trade Vendor] agree as follows (the “**Agreement**”):

- (a) The estimated balance of the prepetition trade claim (net of any setoffs, credits or discounts) (the “**Trade Claim**”) that the Company will pay to [Name of Trade Vendor] is \$_____. Your Trade Claim does not constitute a claim allowed by the Bankruptcy Court in the Chapter 11 Cases and signing this Trade Agreement does not excuse you from any requirement of filing a proof of claim in the Chapter 11 Cases on account of any other claims.
- (b) The Company shall pay \$_____ towards the Trade Claim (the “**Payment**”).

- (c) **[Name of Trade Vendor]** agrees to supply goods/services to the Company in accordance with the Customary Trade Terms, and the Company agrees to pay **[Name of Trade Vendor]** in accordance with such Customary Trade Terms. [For purposes of this Agreement, Customary Trade Terms consist of those terms provided for in the agreement attached hereto as **Exhibit A** and/or the following terms and conditions.]
- (d) The open trade balance or credit line that **[Name of Trade Vendor]** will extend to the Company for shipment of postpetition goods/services is \$_____.
- (e) In consideration for the Payment, you agree not to file or otherwise assert against the Debtors, their estates or any other person or entity or any of their respective assets or property (real or personal) any lien (a “**Lien**”), claim for reclamation (“**Reclamation Claim**”), claim under Bankruptcy Code section 503(b)(9) (a “**503(b)(9) Claim**”), or any similar priority claim under the Bankruptcy Code or other statute (a “**Priority Claim**”) regardless of the statute or other legal authority upon which such Lien, Reclamation Claim, 503(b)(9) Claim, or Priority Claim may be asserted, related in any way to any remaining prepetition amounts allegedly owed to you by the Debtors arising from agreements or other arrangements entered into prior to the Petition Date and, to the extent you have already obtained or otherwise asserted such a Lien, Reclamation Claim, 503(b)(9) Claim, or Priority Claim, you shall take (at your own expense) whatever actions are necessary to remove such Lien or withdraw such Reclamation Claim, 503(b)(9) Claim, or Priority Claim unless your participation in the trade payment program authorized by the Order (the “**Trade Payment Program**”) is terminated.

Your execution of this Agreement and return of the same to the Company constitutes an agreement by **[Name of Trade Vendor]** and the Company:

1. to be bound by the Customary Trade Terms (as modified herein) and, subject to the reservations set forth in the Order, to the amount of the Trade Claim set forth above;
2. that **[Name of Trade Vendor]** will continue to supply the Company with goods and/or services pursuant to the Customary Trade Terms (as modified herein) and that the Company will pay for such goods and/or services in accordance with the Customary Trade Terms (as modified herein);
3. that **[Name of Trade Vendor]** has reviewed the terms and provisions of the Order and that it consents to the bound by such terms, except as modified herein;
4. that **[Name of Trade Vendor]** will not separately seek payment for Liens, Reclamation Claims, 503(b)(9) Claims, Priority Claims, and similar claims outside of the terms of the Order unless its participation in the trade payment program authorized by the Order (the “**Trade Payment Program**”) is terminated;

5. that if either the Trade Payment Program or your participation therein terminates as provided in the Order, any payments received by you on account of your Trade Claim will be deemed to have been in payment of postpetition obligations owed to you and you will immediately repay to the Debtors any payments made to you on account of your Trade Claim to the extent that the aggregate amount of such payments exceeds such postpetition obligations, without the right of any setoffs, claims, provision for payment of reclamation or trust fund claims, or other defense;

6. that if either the Trade Payment Program or your participation therein terminates as provided in the Order, any payments received by you on account of your Trade Claim will be deemed to have been in payment of postpetition obligations owed to you and you will immediately repay to the Debtors any payments made to you on account of your Trade Claim to the extent that the aggregate amount of such payments exceeds such postpetition obligations, without the right of any setoffs, claims, provision for payment of reclamation or trust fund claims, or other defense; and

7. that if the Company shall be in default under this Agreement, **[Name of Trade Vendor]** shall have no obligation to supply goods and/or services to the Company on Customary Trade Terms (as modified herein) until the Company cures such default and **[Name of Trade Vendor]** shall have the right to terminate this Agreement upon written notice to the Company detailing the Company's defaults hereunder (which the Company shall have the right to dispute) and the Company's failure to cure such default within [●] business days of such notice, in which event **[Name of Trade Vendor]** may retain all sums paid to it hereunder on account of its Trade Claim.

The Company and **[Name of Trade Vendor]** also hereby agree that any dispute with respect to this Agreement, the Order and/or **[Name of Trade Vendor]**'s participation in the Trade Payment Program shall be determined by the Bankruptcy Court.

If you have any questions about this Agreement or our financial restructuring, please do not hesitate to call **[Contact Person]** at (____) ____ - ____.

Very truly yours,

Hudson 1701/1706, LLC

By: /s/ Draft

Name: _____

Title: _____

AGREED AND ACCEPTED BY:

[Name of Trade Vendor]

By: _____

Name: _____

Title: _____

Dated: _____, 2025