

SO ORDERED.

SIGNED this 20th day of July, 2026.



Dale L. Somers

Dale L. Somers
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF KANSAS

IN RE:	)	
	)	
HILL METAL DEVELOPMENT, LLC,	)	Case No. 26-20999-DLS
	)	Chapter 11
Debtor.	)	

**INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL;
(II) GRANTING ADEQUATE PROTECTION; AND (III) SCHEDULING A
FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(B)**

NOW COMES on before this Court the Debtor's Motion for Approval of Preliminary Order Pursuant to 11 U.S.C. 363 and Fed. R. Bankr. P. 4001 Concerning the Use of Cash Collateral and related matters ("Motion"). Due and proper notice with an opportunity to object was served on all creditors and parties in interest.

WHEREUPON, having reviewed the evidence before it, the Court finds as follows:

1. On July 6, 2026 ("the Petition Date"), Hill Metal Development, LLC filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the Bankruptcy Code). Pursuant to §§ 1107 and 1108 of the Bankruptcy Code, the Debtor remains as Debtor-in-Possession.
2. The Debtor continues to operate its businesses and manage its property as a Debtor-in-Possession.

3. In the Motion, the Debtor seeks to use property that may constitute the use of cash collateral pursuant to 11 U.S.C. §363.

4. The Debtor believes that Craft Bank, holds duly perfected liens on the Debtor's cash collateral.

5. The Debtor is indebted to Craft Bank, which asserts a security interest in and liens upon the Debtor's assets, including its accounts, inventory, and equipment ("the Collateral").

6. The Debtor has no source of income other than from the operation of its businesses and the collection of its accounts. If the Debtor is not permitted to use cash collateral in the ordinary course of its business, it will be unable to pay its operating and business expenses, thus effectively precluding its orderly reorganization in these Chapter 11 proceedings and causing imminent and irreparable harm to its Bankruptcy Estate.

NOW, THEREFORE, IT IS HEREBY:

ORDERED that Debtor is granted the use of cash collateral and inventory until August 15, 2026 (the "Interim Period"), or further Order of the Court.

IT IS FURTHER ORDERED, that the Debtors' interim use of Cash is expressly conditioned upon the following:

1. Budget. Without prior approval of the Court, the Debtor shall pay all expenses in the Budget attached as Exhibit 1 when to the extent necessary to prevent immediate and irreparable harm to the estate when due, including insurance and taxes, and Craft Bank shall be notified of any failure or inability to do so; provided, however, that the Debtor shall only pay such expenses necessary to prevent irreparable injury to the Debtor's business and bankruptcy estate and shall not pay insiders as that term is defined under Code § 101(31); and provided further that Debtor shall not pay any management fees or franchise fees during the Interim Period. Debtor shall file a weekly budget for the interim period within seven (7) days from the date of the entry of this Order.

2. Replacement Liens. Effective as of the Petition Date, Craft Bank is hereby granted replacement security interests in, and liens on, all post-Petition Date acquired property of the

Debtor and the Debtor's bankruptcy estate that is the same type of property that the Craft Bank holds a pre-petition interest, lien or security interest to the extent of the validity and priority of such interests, liens, or security interests if any (the "Replacement Liens"). The amount of each of the Replacement Lien shall be up to the amount of any diminution of the Craft Bank's collateral position from the Petition Date. The Replacement Lien does not apply to any Chapter 5 causes of actions.

3. Automatic Perfection. Any Replacement Lien granted hereunder shall be effective and perfected upon the date of entry of this Order without the necessity for the execution or recordation of filings of deeds of trust, mortgages, security agreements, control agreements, pledge agreements, financing statements, or similar documents, or the possession or control by Craft Bank of, or over, any property subject to the Replacement Lien. Craft Bank, is hereby authorized, but not required, to file or record financing statements or similar instruments in any jurisdiction in order to validate and perfect the Replacement Lien. Any error or omission in such documents shall in no way affect the validity, perfection, or priority of the Replacement Lien.

4. Insurance and Taxes. Debtor shall continue to maintain adequate and sufficient insurance on all its property and assets. The Debtor shall timely file all post-petition tax returns and shall make timely deposits of all post-petition taxes.

5. Adequate Protection. Debtor shall make an adequate protection payment of \$20,000 to Craft Bank beginning August 30, 2026, and thereafter, pending further Order of the Court; provided, however, this order is without prejudice to Craft Bank seeking additional adequate protection including, without limitation, adequate protection payments

6. Reporting. Beginning on July 24, 2026, Debtor shall provide weekly reporting to Craft Bank of the following (collectively, the "Weekly Reporting"):

- a. Profit and loss statements;
- b. Accounts payable aging;
- c. Accounts receivable aging; and
- d. Debtor's reservations/bookings for the Holiday Inn Express & Suites.

The Weekly Reporting should be provided by 5:00 p.m. each Tuesday and should be as of the close of business on the prior Friday. Additionally, Debtor should immediately provide Craft the following:

- a. Proof of insurance on Craft's collateral; and
- b. An accounting of all monies disbursed by Debtor from the Petition Date to the implementation of the interim budget.

7. To the extent that the Replacement Liens prove inadequate to protect Craft Bank from a diminution in value of its collateral position from the Petition Date, Craft Bank should be granted an administrative expense claim under Code § 503(b) with priority in payment as set forth in Code § 507(b). Any super priority administrative claim granted to Craft Bank should be measured as of the Petition Date.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that Debtor shall be, and hereby is, granted the use of Cash Collateral on the terms and conditions set forth in this Order.

IT IS FURTHER ORDERED that nothing contained in this Interim Order shall act as a waiver, release, or final determination of any party's claim to or priority of interest in the Cash Collateral and all objections are hereby preserved for the Final Hearing

IT IS FURTHER ORDERED that the provisions of this Order shall be binding upon and inure to the benefit of creditors and Debtor, and their respective successors and assignees

(including, without limitation, any Chapter 11 or Chapter 7 Trustee, examiner or other fiduciary hereafter appointed for Debtor or with respect to any of Debtor's property).

IT IS FURTHER ORDERED that this Order shall become effective and enforceable upon approval and entry as an Order of the Bankruptcy Court. If any provision of this Order is modified, vacated, or stayed by a subsequent Order of the Court, such modification, vacation, or stay shall not affect the validity of any obligation or liability incurred pursuant to this Order and prior to the effective date of such modification, vacation, or stay. The lien and claim granted to Craft Bank under this Order, and the priority thereof, shall be binding (subject to the terms of this Order) on Debtor, its bankruptcy estate, any subsequent trustee or examiner, and all creditors of Debtor.

IT IS FURTHER ORDERED that Debtor shall, within three (3) business days after entry of this Interim Order, provide notice of entry of this Interim Order and mail copies of this Interim Order to all creditors listed in the mailing matrix. Any party that has filed an objection but fails to appear at the hearing shall be deemed to have withdrawn its objection.

IT IS FURTHER ORDERED that the Court has scheduled this matter for hearing on August 13, 2026, at 1:30 (the "Continued Hearing"). The hearing will be held virtually. Participants. The instructions for appearing by computer (preferred) and/or telephone are:

Cisco WebEx Meeting link:

<https://us-courts.webex.com/us-courts/j.php?MTID=m7a5636c1a0875e4414a01f24ec970db5>

Meeting number: 2307 168 9263 #. If prompted, press # for attendee number

OR

Dial In Number: 1-855-244-8681, Participant Access Code: 2307 168 9263 #

Please log in / call the conference number at least five minutes prior to the scheduled proceeding.

IT IS FURTHER ORDERED that all objections and any supplemental objections shall be filed three (3) business days prior to the Continued Hearing. If no objections are filed and pending objections are resolved by that time, the Court may proceed with entry of a Final Order.

If objections and/or supplemental objections are filed, the Court will treat the Continued Hearing as a status hearing to determine whether continued interim use of Cash Collateral will be authorized and/or set a final hearing on the use of Cash Collateral.

IT IS SO ORDERED.

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SUBMITTED AND APPROVED BY:

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