

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF KANSAS AT KANSAS CITY**

<b>In re:</b>	)	
	)	
<b>JOHN Q. HAMMONS FALL 2006, LLC, <i>et al.</i>,</b>	)	<b>Case No. 16-21142-11</b>
	)	
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>
	)	

**DEBTOR'S MOTION FOR ORDER AUTHORIZING THE DEBTORS TO CONTINUE  
TO (A) USE CASH COLLATERAL AND (B) GRANT ADEQUATE PROTECTION  
EACH THROUGH DECEMBER 31, 2017**

COME NOW the above-captioned debtors (collectively, the "Debtors"), and hereby request that the Court enter an order Authorizing the Debtors to Continue to (a) Use Cash Collateral and (b) Grant Adequate Protection, Each Through December 31, 2017. In support thereof, the Debtors represent as follows:

**BACKGROUND**

1. On June 26, 2016 (the "Commencement Date"), the Debtors commenced chapter 11 bankruptcy cases by filing their bankruptcy petitions.
2. Since the Commencement Date, the Debtors have continued in possession of their property and control of their operations pursuant to §§ 1107 and 1108 of the Bankruptcy Code.
3. The Court has jurisdiction of this motion pursuant to 28 U.S.C. § 1334(a). This is a core proceeding pursuant to 28 U.S.C. §§ 157(b) in that this motion affects the administration of these bankruptcy cases.
4. On the Commencement Date, the Debtors filed their Motion to Use Cash Collateral and Grant of Adequate Protection [doc. no. 18], requesting authority to use cash in which certain lenders claimed an interest and to provide adequate protection to the lender for use of the cash (the "Cash Collateral Motion").
5. The Debtors attached as Exhibit C to the Cash Collateral Motion their proposed

budgets, which showed the Debtors' projected receipts and expenses of cash through December 31, 2016 (the "Original Budgets").

6. On June 29, 2016, the Court entered an Interim Order Approving Debtors' Motion to Use Cash Collateral and Grant of Adequate Protection [doc. no. 48] (the "Interim Order"). The Interim Order authorized the Debtors' use of cash collateral on an interim basis and set a final hearing on the Cash Collateral Motion for July 15, 2016 at 9:30 a.m. (the "Cash Collateral Hearing").

7. Prior to the Cash Collateral Hearing, on July 13, 2016, the Debtors filed a Notice of Supplemental Budget for The Revocable Trust of John Q. Hammons Dated December 28, 1989, as Amended and Restated, and Budget for John Q. Hammons Hotels Management, LLC in Support of Motion to Use Cash Collateral and Grant of Adequate Protection [doc. no. 144] (the "Supplemental Budget Notice").

8. On July 20, 2016, the Court entered the Cash Collateral Order, authorizing the Debtors to use cash collateral on the terms and conditions set forth in the Cash Collateral Order and pursuant to the Original Budgets as modified by the Supplemental Budget Notice.

9. At the hearing on September 26, 2016, at 1:00 p.m. (the "September Omnibus Hearing"), the Court held a status conference on the Cash Collateral Motion and authorized the use of cash collateral through January 23, 2017.

10. On September 23, 2016, the Court entered a Stipulated Order Approving Debtors' Motion to Use Cash Collateral and Grant of Adequate Protection to SFI Belmont, LLC [doc. no. 500] (the "SFI Stipulation").

11. On October 11, 2016, the Court entered an Order Approving Debtors' Continued Use of Cash Collateral and Grant of Adequate Protection [doc. no. 553] (the "Second Cash Collateral

Order" and together with the Cash Collateral Order and the SFI Stipulation, the "Cash Collateral Orders"). The Second Cash Collateral Order authorizes the continued use of cash collateral and grant of adequate protection through January 23, 2017 on the same terms and conditions set forth in the original Cash Collateral Order.

### **RELIEF REQUESTED**

12. The Debtors file this Motion requesting authority from the Court to continue to (a) use cash collateral and (b) grant adequate protection, each on the same terms and conditions set forth in the Cash Collateral Orders, through December 31, 2017.

13. The Debtors request the authority to use cash collateral subject to the budgets attached as exhibits hereto (collectively, the "2017 Budgets").

14. The evidence supporting the Debtors' request is set forth in the Declaration of Gregory Groves in Support of First Day Motions [doc. no. 16] and the factual findings made by the Court at the hearings on July 15, 2016 and September 26, 2016.

15. From and after the entry of the Cash Collateral Orders, the Debtors have continued to make the monthly principal and interest payments to their secured lenders that are set forth in the current budgets.

16. The Debtors have continued to provide adequate protection to their secured lenders under the terms set forth in the Cash Collateral Orders.

17. For these reasons, the Debtors submit that cause exists to extend the use of cash collateral on the terms and conditions set forth in the Cash Collateral Orders.

### **ATTORNEYS FEES**

18. The Budget for the Trust contain line items for the payment of Debtors' counsels' fees through December 31, 2017.

19. The Trust receives money from at least two sources not subject to a security interest:

(a) money the Trust receives each month from Des Plaines Development Corporation ("Des Plaines") on account of Des Plaines's ownership interest in a Harrah's casino; and (b) from the eventual sale of unencumbered undeveloped land owned by the Trust throughout the country. The Des Plaines money aggregates to in excess of \$8 million per year. The Debtors anticipate that the unencumbered land sale proceeds will exceed \$ 3 million.

20. Accordingly, the Debtors submit that no Court approval in addition to the approval of the budgets is required by pay counsel's fees because the money used to pay counsel's fees is unencumbered and therefore not cash collateral under § 363(a) of the Bankruptcy Code.

21. The Debtors reserve the right to ask the Court at a later date for permission to pay counsel's fees out of cash collateral, should that become necessary, pursuant to § 363(c)(2) of the Bankruptcy Code.

### **NOTICE**

22. Notice of this Motion has been given to: (a) the United States Trustee; (b) Debtors' secured lenders; (c) Atrium Holding Company; (d) SFI Belmont LLC; (e) JD Holdings, LLC; (f) Debtors' combined 40 largest unsecured creditors; and (g) any party that has appeared and/or requested notice. Debtors submit that, under the circumstances, no further notice is necessary and request that any further notice be dispensed with and waived.

WHEREFORE, for the reasons set forth herein, the Debtors pray that the Court enter an Order permitting the Debtors to use cash collateral and provide adequate protection under the terms and conditions of the Cash Collateral Orders through December 31, 2017; and granting such other and further relief as is just.

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