



SO ORDERED.

SIGNED this 1st day of February, 2017.

Robert E. Nugent
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
DISTRICT OF KANSAS

In re: LIBERAL COMMONS, LLC, DEBTOR.	Case No. 17-10044-11 REN
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**FIRST INTERIM ORDER GRANTING MOTION FOR ORDER AUTHORIZING
USE OF CASH COLLATERAL AND GRANTING REPLACEMENT LIEN**

This matter comes before the Court on January 25, 2017, upon Debtor's Motion for Order Authorizing Use of Cash Collateral and Granting Replacement Lien. The Motion was properly noticed and an expedited hearing was held on January 25, 2017. Creditor Sayeeda Kibria filed an objection to the Motion prior to hearing. David Prella Eron of Eron Law, P.A appeared on behalf of Debtor Liberal Commons, LLC (hereinafter "Debtor"). W. Thomas Gilman of Hinkle Law Firm LLC appeared on behalf of Sayeeda Kibria (hereinafter "Kibria"). Charles S. Glidewell appeared on behalf of the United States Trustee. Michelle Jacobs appeared on behalf of the Internal Revenue Service. Based upon the Motion, the agreement of the parties, and the record herein, the Court orders that:

1) The Motion should be and hereby is GRANTED as amended herein on a thirty (30) day interim basis.

2) Prior to any use of cash collateral authorized hereunder, Debtor shall provide proof of, and continuously maintain throughout the pendency of this proceeding, adequate insurance on the fifteen duplexes (30 units) located at 1101-1233 Krause Court, Liberal, Kansas (“the Property”) with financially sound and reputable insurance companies protecting Kibria’s interest therein and with Kibria named as loss payee as and to the extent required by the lending documents evidencing Kibria’s claim. Debtor shall deliver a copy of said proof of insurance within seven (7) days from the hearing.

3) Based on the evidence presently available to the Court, Kibria holds an equity cushion and, therefore, Kibria has been adequately protected and thus grounds exist to allow Debtor to use cash collateral. This finding is without prejudice to further findings concerning the value of the Debtor’s assets.

4) As additional adequate protection, Debtor grants Kibria (and any other creditors secured by rents from the Property (“the Rents”)) a replacement lien in post-petition Rents, accounts receivable, and financial accounts and the Court hereby approves the same. Debtor grants Kibria (and such other secured creditors as may exist) a replacement perfected lien under section 361(2) of the Bankruptcy Code (i) to the extent the cash collateral is used by Debtor, and (ii) to the extent and with the same priority as existed in Debtor’s pre-petition collateral. Debtor anticipates generating sufficient post-petition revenues from its post-petition operations to maintain Kibria’s cash collateral position. This post-petition grant of a security interest in the

post-petition receipts, combined with the equity cushion, will provide adequate protection to Kibria, subject to the Court's later determination, if ever, of the value of the Debtor's assets. The replacement lien that Debtor grants to Kibria shall be deemed to be perfected automatically upon entry of this Interim Order, however, Kibria is hereby granted relief from stay to file such notices or documents of perfection as Kibria deems appropriate.

5) During the interim period covered by this First Interim Order, Debtor is authorized to use the Rents, as necessary, to fund all expenses listed on the proposed Budget attached to Debtor's Motion as Exhibit 4. As provided below, the Debtor shall submit a more comprehensive budget prior to the expiration of this First Interim Order, which budget shall be utilized in future cash collateral orders. Debtor shall not pay any secured claims using the cash collateral at this time. Upon submitting proof of adequate insurance as provided herein, Debtor is further authorized to pay its counsel \$7,717.00 in order to cover the retainer that Debtor did not fund pre-petition, such retainer being utilized only in accordance with the Bankruptcy Code as may be authorized by this Court.

6) Debtors is authorized to continue leasing the property, to deposit Rents into its debtor-in-possession account, and to use the Rents as designated in the proposed Budget attached to its Motion, subject to a variance of up to 10% on any given line item in any given month, for the duration of this Interim Order. Debtor shall file timely monthly operating reports so that Kibria may determine whether the funds are being used appropriately. At any time, if Kibria, or any other creditor become dissatisfied with this arrangement they may file a motion with the Court to terminate the continued use of cash collateral on these terms.

7) Within ten (10) days of the entry of this First Interim Order, Debtor shall provide Kibria a comprehensive cash-flow projection for the months of January 2017 through June 2017 and submit a copy to the Court for approval and use upon the expiration of this First Interim Order.

8) Debtor shall produce to Kibria a rent roll and copies of existing lease agreements within ten (10) days from entry of this Order.

9) Debtor shall be prohibited, absent further order of the Court after proper notice and an opportunity for hearing, from obtaining further credit secured by a lien or security interest against the Property or the rents.

10) Debtor shall maintain and keep the Property in good repair and condition. Kibria or her agents, with reasonable notice, shall be granted access to the Property to inspect the same.

11) The relief granted hereunder is provided on a thirty (30) day interim basis. A final hearing on the Motion shall be held on February 9, 2017 at 10:30, a.m. Debtor's counsel shall serve a copy of this Order on the matrix. Any action taken by any party in reliance on this Interim Order, but prior to the issuance of any final order, shall be protected by the terms and conditions of this Interim Order just as if this Interim Order had been the final order.

IT IS SO ORDERED.

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Respectfully Submitted:

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