

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Chapter 11
RADLAX GATEWAY HOTEL, LLC, et al.,) Case No. 09-30047
) (Jointly Administered)
)
Debtors.) Hon. Bruce W. Black

**FOURTEENTH INTERIM ORDER AUTHORIZING DEBTOR TO USE PREPETITION
COLLATERAL, INCLUDING CASH COLLATERAL, AND GRANTING
ADEQUATE PROTECTION PURSUANT TO 11 U.S.C. §§ 361 AND 363**

Upon the motion (the “Motion”) of RadLAX Gateway Hotel, LLC (the “Debtor”), pursuant to sections 361 and 363 of title 11 of the United States Code (the “Bankruptcy Code”), for the entry of an order authorizing the Debtor to use cash collateral of the Lender¹ and providing adequate protection to the Lender; the Court having determined that the relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors and other parties-in-interest; the Court having previously approved the Debtor’s use of Cash Collateral on an interim basis pursuant to orders dated August 18, 2009, August 20, 2009, September 17, 2009, October 29, 2009, December 16, 2009, March 16, 2010, April 21, 2010, June 10, 2010, June 24, 2010, September 15, 2010, December 15, 2010, March 30, 2011, June 22, 2011 and October 12, 2012; and it appearing that notice of the Motion was good and sufficient under the particular circumstances and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

¹ Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motion.

FOUND, DETERMINED, ORDERED AND ADJUDGED THAT:

1. *Jurisdiction.* This Court has core jurisdiction over this bankruptcy case, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. *Objections.* All objections to the entry of this fourteenth interim order (the "Fourteenth Interim Order"), if any, are resolved hereby or, to the extent not resolved, are overruled.

3. *Use of Prepetition Collateral.* The Debtor is hereby authorized to use the Lender's cash collateral, including, but not limited to, that cash collateral relating to the Hotel's room revenues and food and beverage revenues (the "Cash Collateral"), pursuant to sections 361 and 363 of the Bankruptcy Code and any other collateral in which the Lender has an interest (together with the Cash Collateral, the "Prepetition Collateral") to pay operating expenses of the hotel, including the Hotel's employees, postpetition vendors, insurance, taxes, and bankruptcy-related expenses, as more specifically described in the budget attached hereto as **Exhibit 1** (the "Budget").² The Debtor's use of the Prepetition Collateral is authorized only through June 20, 2012, and may not be extended other than on the express written consent of the Lender or order of the Court, other than as expressly provided below.

4. *Adequate Protection.* As adequate protection stipulated to by the Lender for purposes of the Motion, the Debtor shall continue operating the Hotel and use the Cash Collateral to pay operating expenses of the Hotel, as more specifically described in the Budget.

² The Debtors have not included a line item in the budget for any fees payable to FBR Capital Markets & Co. ("FBR") because the Debtors do not believe that any further fees are owed to FBR from the Debtors' estates. Nevertheless, the Debtors make reference to FBR herein solely because FBR has requested the payment of additional fees from the related estates of *River Road Hotel Partners, LLC, et al.*, No 09-30029, and it may do the same in these cases.

5. *Termination of Use of Cash Collateral.* Notwithstanding anything to the contrary contained herein, the Debtor's right to use the Cash Collateral shall expire on the earliest to occur of: (a) June 20, 2012; (b) the entry by this Court of an order reversing, amending, supplementing, staying, vacating or otherwise modifying the terms of this Fourteenth Interim Order; (c) the conversion of the Debtor's bankruptcy case to a case under chapter 7 of the Bankruptcy Code; (d) the appointment of a trustee or examiner or other representative with expanded powers for the Debtor; and (e) the occurrence of the effective date or consummation of a plan of reorganization (the first such occurrence being hereinafter referred to as the "Termination Event"). On and after the Termination Event, the Debtor shall immediately cease using any of the Cash Collateral; *provided, however*, that the Debtor reserves the right to seek Court authorization to continue to use such Cash Collateral, and the Lender reserves the right to oppose such relief.

6. *Budget.* The Budget is hereby approved and the Debtor is allowed to exceed the expenses set forth in the Budget each month by an aggregate of 10%; *provided, however*, that if the Hotel's total cash receipts exceed the total cash receipts identified in the Budget by more than 10% for any given month contained within the Budget, the Debtor is allowed to exceed the expenses set forth in the Budget by the additional percentage by which actual cash receipts exceed budgeted cash receipts for that month. For example, if the Hotel's actual revenues exceed the Hotel's budgeted revenues by 15% in a given month, the Debtor is allowed to exceed the expenses set forth in the Budget by 15% for the applicable month. The Debtor and the Lender may mutually agree to amend the Budget at any time without further Court order.

7. *Financial Reporting.* On or before the twentieth business day following the final day of every month for the period contained in the Budget, the Debtor shall deliver to the

Lender: (a) a comparison of the amounts set forth in the Budget to actual results for the prior month; (b) a financial statement for the Hotel for the prior month showing a comparison to the Budget and a comparison to the prior year; (c) a balance sheet for the Hotel for the prior month; (d) a report from the asset manager for the prior month; and (e) STR report for the Hotel for the second month prior. The Debtor and the Lender may agree upon additional or modified reporting without further order of Court.

8. *Effectiveness.* This Fourteenth Interim Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof; *provided, however,* that the findings and conclusions shall be without prejudice to the right of the Lender to make legal arguments or contest factual matters with respect to any future proceedings.

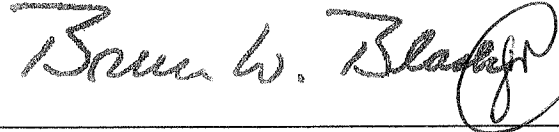
9. *Limitation on Payment of Professional Fees.* Notwithstanding anything contained herein or set forth in the Budget to the contrary, the Debtor may not pay any of its professional fees from the Lender's Cash Collateral absent further order of Court.

10. *Notice.* On or before seven business days following the entry of this Fourteenth Interim Order, the Debtor shall serve a copy of this Fourteenth Interim Order by first-class mail upon: (a) the United States Trustee; (b) the Lender's counsel; (c) counsel to the Debtor's 20 largest unsecured creditors; and (d) any party who filed a request for notices in this chapter 11 case pursuant to Bankruptcy Rule 2002 as of the date of this Fourteenth Interim Order.

11. *Further Hearing.* A further hearing on the Debtor's use of Cash Collateral shall be held on June 20, 2012 at 10:30 a.m. Objections to the Debtor's further use of Cash Collateral shall be filed on or before June 13, 2012.

Dated: February 22, 2012

ENTER:



UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

RadLax Gateway Hotel LLC

March 1 - March 31, 2012

	Budget
Total Cash Receipts	2,444,628

Disbursements	Budget
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Gross Payroll (Bi - Weekly) - Payroll & Taxes	915,000
Capital	87,103
Perfect Room Program Phase II	76,250
11 Union Health Insurance	44,500
11 Union Life Insurance	2,950
Non-Union Life Insurance	1,500
Non-Union Health	44,500
Union Dues/Union Pension	16,700
Credit Card Commissions	49,916
Property Insurance	67,000
Insurance Workers Comp	62,500
Laundry/Uniform Room	37,150
Rooms Dept Expenses	82,220
Bikram Group Commission	109,100
F & B Dept Expenses	170,800
Admin & General	36,600
Sales & Marketing	22,775
R&M	35,700
Utilities	111,050
Guest Shuttle Cost DSS	77,620
Occupancy/ Sales/Valet/Business Tax	287,833
Valet Parking/Security Management	89,900
Franchise Fee	131,780
Asset Mgmt Fee	9,766
Mgmt Fee	58,594
Real Estate Taxes-Escrow	132,120

Total Disbursements	2,760,927
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Change in cash from operations	-316,299
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RadLax Gateway Hotel LLC

April 1 - April 30, 2012

Total Cash Receipts	Budget 2,089,102
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<u>Disbursements</u>	<u>Budget</u>
Gross Payroll (Bi - Weekly) - Payroll & Taxes	670,000
Capital	72,605
Perfect Room Program Phase II	76,250
11 Union Health Insurance	45,500
11 Union Life Insurance	2,800
Non-Union Life Insurance	1,350
Non-Union Health	44,500
Union Dues/Union Pension	16,800
Credit Card Commissions	59,883
Insurance Workers Comp	62,500
Property Insurance	15,000
Laundry/Uniform Room	36,375
Rooms Dept Expenses	83,300
F & B Dept Expenses	146,911
Admin & General	47,100
Sales & Marketing	22,800
R&M	36,200
Utilities	109,300
Guest Shuttle Cost DSS	79,000
Occupancy/ Sales/Valet	276,577
Valet Parking/Security Management	89,500
Franchise Fee	145,508
Asset Mgmt Fee	10,888
Mgmt Fee	65,327
Real Estate Tax Due - LA County Tax Collector	812,430
Real Estate Taxes-Escrow	132,120
Total Disbursements	3,160,524

Change in cash from operations	-1,071,422
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RadLax Gateway Hotel LLC

May 1 - May 31, 2012

	Budget
Total Cash Receipts	2,270,419

Disbursements	Budget
Gross Payroll (Bi - Weekly) - Payroll & Taxes	611,500
Capital	80,919
Perfect Room Program Phase II	76,250
11 Union Health Insurance	44,500
11 Union Life Insurance	2,950
Non-Union Life Insurance	1,500
Non-Union Health	44,500
Union Dues/Union Pension	16,700
Credit Card Commissions	49,916
Insurance Workers Comp	62,500
Laundry/Uniform Room	36,710
Rooms Dept Expenses	82,220
F & B Dept Expenses	146,800
Admin & General	36,600
Sales & Marketing	22,775
R&M	35,700
Utilities	108,400
Guest Shuttle Cost DSS	78,600
Occupancy/ Sales/Valet	244,268
Valet Parking/Security Management	89,900
Franchise Fee	129,283
Asset Mgmt Fee	9,076
Mgmt Fee	54,454
Real Estate Taxes-Escrow	132,120

Total Disbursements	2,198,140
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Change in cash from operations	72,279
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RadLax Gateway Hotel LLC

June 1 - June 30, 2012

Total Cash Receipts	Budget 2,396,042
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Disbursements	Budget
Gross Payroll (Bi - Weekly) - Payroll & Taxes	608,000
Capital	84,486
Perfect Room Program Phase II	76,250
11 Union Health Insurance	45,500
11 Union Life Insurance	2,800
Non-Union Life Insurance	1,350
Non-Union Health	44,500
Union Dues/Union Pension	16,800
Credit Card Commissions	58,084
Insurance Workers Comp	62,500
Laundry/Uniform Room	36,215
Rooms Dept Expenses	81,300
F & B Dept Expenses	140,350
Admin & General	47,100
Sales & Marketing	22,800
R&M	36,200
Utilities	109,600
Guest Shuttle Cost DSS	78,500
Occupancy/ Sales/Valet	276,577
Valet Parking/Security Management	88,900
Franchise Fee	150,375
Asset Mgmt Fee	10,561
Mgmt Fee	63,365
Real Estate Taxes-Escrow	132,120
Total Disbursements	2,274,233

Change in cash from operations	121,809
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