

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

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

**DEBTOR'S MOTION FOR ORDER AUTHORIZING THE DEBTORS TO CONTINUE
TO (A) USE CASH COLLATERAL AND (B) GRANT ADEQUATE PROTECTION**

COME NOW the above-captioned debtors (collectively, the "Debtors"), and hereby request that the Court enter an order Authorizing the Debtors to Continue to Use Cash Collateral through December 31, 2018 and Grant Adequate Protection,. In support thereof, the Debtors represent as follows:

BACKGROUND

1. On June 26, 2016 and July 5, 2016 (collectively 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. Since the Commencement Date, the Debtors have continued to use cash collateral and provide adequate protection to their secured lenders pursuant to prior orders of this Court (ECF Docs. 225, 553, and 832) (each a "Cash Collateral Order" and collectively the "Cash Collateral Orders"). Under the currently effect Cash Collateral Order, the Debtors have authority to continue using cash collateral through December 31, 2017.

5. Since the Commencement Date, the Debtors have continued making principal and interest payments to their mortgagee secured lenders in the amount of approximately \$8.3 million per month, decreasing the amount of the Debtors' pre-petition secured debt by more than \$34.6 million.

6. As evidenced by the monthly operating reports filed in these Bankruptcy Cases, the Debtors have timely paid their post-petition accounts payable and the Debtors have also paid the pre-petition claims of dozens of critical vendors.

7. In addition, pursuant to orders of this Court, the Debtors have sold seven parcels of land, generating more than \$14 million in unencumbered cash for the benefit of the Debtors' estates.

8. The Debtors have entered into agreements with a number of their secured lenders (Great Southern Bank, Hawthorn Bank, Bank of Blue Valley, Fifth Third Bank, First National Bank of Omaha, and Morton Community Bank¹) to extend the maturity date of approximately ten loans made by these secured lenders on the same terms and conditions as existed pre-petition, including providing the same adequate protection the Debtors have been providing under the Cash Collateral Orders.

9. The Debtors' exclusive period to file a plan expires after December 26, 2017. The Debtors intend to file a plan before the expiration of their plan filing exclusive period. The Debtors continue to need to use cash collateral to operate their business to maintain the value of their secured lenders' collateral and for the benefit of their estates.

RELIEF REQUESTED

10. The Debtors file this Motion requesting authority from the Court to continue to (a)

¹ The motion to renew the Morton Community Bank loans was filed on November 20, 2017 (ECF Doc. 1459) and remains pending Court approval.

continue to use cash collateral through December 31, 2018 and (b) grant adequate protection, each on the same terms and conditions set forth in the Cash Collateral Orders.

11. The Debtors request the authority to use cash collateral subject to the budgets attached as exhibits hereto (collectively, the "2018 Budgets").

12. The evidence supporting the Debtors' request is set forth in the Declaration of Gregory Groves in Support of First Day Motions (ECF Doc. 16) and the factual findings made by the Court at the hearings on July 15, 2016, September 26, 2016, and January 23, 2017.

13. From and after the entry of the Cash Collateral Orders, the Debtors have continued to make the monthly principal and interest payments to their mortgagee secured lenders that are set forth in the current budgets and will continue to make those payments under the 2018 Budgets.

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

15. 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

16. The Budget for the Trust contains line items for the payment of Debtors' counsels' fees through December 31, 2018.

17. 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 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 unencumbered land sales generated more than \$14 million in proceeds in 2017 and the Debtors anticipate that the unencumbered land sale proceeds will exceed \$27 million by the end of 2018.

18. 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.

19. 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

20. 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 through December 31, 2018 and provide adequate protection under the same terms and conditions of the Cash Collateral Orders, and granting such other and further relief as is just.

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