SO ORDERED.

SIGNED this 14th 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

FINAL ORDER GRANTING MOTION FOR ORDER AUTHORIZING USE OF CASH COLLATERAL AND GRANTING REPLACEMENT LIEN

This matter comes before the Court on February 9, 2017, upon Debtor's Motion for Order Authorizing Use of Cash Collateral and Granting Replacement Lien ("the Motion"). The Motion was properly noticed and was heard at expedited hearing on January 25, 2017. Objection was filed by Creditor Sayeeda Kibria prior to the expedited hearing. Interim Order (Doc. 35) was entered by the Court. Final hearing on the Motion was held on February 9, 2017 at 10:30 a.m. David Prelle 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 through the insurance termination date of May 1, 2017.

2) Prior to any use of cash collateral authorized hereunder, Debtor has provided proof of, and shall continuously maintain throughout the duration of this Order, 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 has delivered a copy of said proof of insurance.

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 Order, however, Kibria is hereby granted relief from stay to file such notices or documents of perfection as Kibria deems appropriate.

5) Debtor is authorized to use the Rents, as necessary, to fund all expenses listed on the attached pro forma cash flows. Debtor shall not pay any secured claims using the cash collateral at this time. 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 attached pro forma cash flows, subject to a variance of up to 10% on any given line item in any given month, for the duration of this Order. Such usage is authorized in the amounts designated each month, but Debtor may move any line item forward or backward by a single month. 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) Debtor has produced to Kibria a rent roll and copies of existing lease agreements.

8) 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.

9) 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.

10) The relief granted hereunder is provided through the insurance termination date of May 1, 2017. This Order may be extended by an agreed order with Creditor Sayeeda Kibria. In the event that the relief herein is not extended by agreed order then a new motion shall be required.

11) Debtor's counsel shall serve a copy of this Order on the matrix.

IT IS SO ORDERED.

# # #

Respectfully Submitted:

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Attorneys for Debtor

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Approved by:

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SAMUEL K. CROCKER
U. S. TRUSTEE

/s/ Charles S. Glidewell
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Permitted to appear under 28 U.S.C. § 515(a)
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INTERNAL REVENUE SERVICE

/s/ Michelle A. Jacobs
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Name: Estimated Cash flows Liberal Commons LLC								
Date: 1-13-17 to 8-12-17		1/13/2017	2/13/2017	3/13/2017	4/13/2017	5/13/2017	6/13/2017	7/13/2017
Beginning Cash Balance		$3,857.00						
Estimated Inc:								
Rentals		$11,761.00	$12,448.00	$12,513.00	$12,513.00	$12,513.00	$12,513.00	$12,513.00
Bond Business								
Other Income								
Monthly Cash Avail:		$15,618.00	$12,448.00	$12,513.00	$12,513.00	$12,513.00	$12,513.00	$12,513.00
Estimated Op Exp:								
Insurance		-3,687.50	-594.98	-594.98	-594.98	-594.98	-594.98	-594.98
License & fees		-650						
Taxes				-2834	-2834	-2834	-1417	-1417
Court Costs		-1717						
Attorney Fees		-2300	-7700	-3500	-1500	-1000	-1000	-1000
Accounting Fees					-1500			
Rentals Repairs		-2,780.00	-2,780.00	-2,780.00	-2,780.00	-2,780.00	-2,780.00	-2,780.00
Living Expenses (Manager Compensation)		-300.00	-500.00	-500.00	-500.00	-500.00	-500.00	-500.00
Bank Fees/Exp		-30	-5.00	-5.00	-5.00	-5.00	-5.00	-5.00
Utilities, Supplies, and other overhead		-1640.77	-1320	-1320	-1320	-1320	-1320	-1320
Trustee Payment				-650			-650	
Monthly Expenses		-$13,105.27	-$12,899.98	-$12,183.98	-$11,033.98	-$9,033.98	-$8,266.98	-$7,616.98
NET INCOME:		$2,512.73	-$451.98	$329.02	$1,479.02	$3,479.02	$4,246.02	$4,896.02

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