

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
LEXINGTON DIVISION

IN RE:

LEXINGTON HOSPITALITY GROUP LLC

CASE NO. 17-51568
CHAPTER 11

DEBTOR IN POSSESSION

**ORDER REGARDING ADDITIONAL INTERIM USE
OF CASH COLLATERAL**

This matter having previously come before the Court upon the emergency motions of Lexington Hospitality Group LLC as a debtor and debtor in possession (the “Debtor”) to approve and modify cash collateral budget and extend cash collateral use including, but not limited to, the Debtor’s oral motion before the Court on September 11, 2017 (collectively, the “Motion”) [ECF Nos. 8, 16, 56, 62], and Creditor PCG Credit Partners, LLC by and through Private Capital Group, Inc., its special servicer, (“PCG”) having filed its Emergency Motion to Prohibit Use of Cash Collateral and/or for Related Relief [ECF No. 79] (the “PCG Motion”), and the Court being otherwise sufficiently advised, **IT IS HEREBY ORDERED:**

1. The Debtor’s Motion as stated to the Court at the hearing on September 11, 2017 and the cash collateral budget for the months of August and September 2017 attached hereto as Exhibit A (the “Budget”) are hereby approved on an interim basis pursuant to Rule 4001(b)(2) through any final hearing date on the Motion with all parties reserving any and all rights and objections related thereto and hereto; any expenditure which would cause the Debtor to exceed a line item contained in the Budget where such expenditure would be booked in the ordinary course of the Debtor’s business

of the Budget by more than ten percent (10%) will require Court approval or the written consent of PCG prior to such expenditure(s) being made.

2. A final hearing, if necessary, shall be held at the United States Bankruptcy Court for the Eastern District of Kentucky, 100 East Vine Street, Second Floor, Lexington, Kentucky, on September 21, 2017, at the hour of 9:00 a.m. (ET). Any objections shall be noticed for this date and served upon Debtor's counsel. If no objections are filed by September 20, 2017, this Order shall be deemed final without further hearing.

Tendered by:

DELCOTTO LAW GROUP PLLC

/s/ Jamie L. Harris

Jamie L. Harris, Esq.

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COUNSEL FOR DEBTOR

AND DEBTOR IN POSSESSION

(UNDER PENDING APPLICATION)

HAVE SEEN:

DINSMORE & SHOHL LLP

/s/ Martin B. Tucker

Martin B. Tucker, Esq.

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COUNSEL FOR PCG CREDIT

PARTNERS, LLC

\\Lexington Hospitality Group\Pleadings\Cash Collateral Extend Use PO 20170920.docx.doc

EXHIBIT 1

**Bennigan's
 Clarion Hotel & Conference Center South
 Lexington, Kentucky
 2017 Annual Budget
 Summary Income Statement**

	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	2017	%	POR
Rooms Available	4619	4470				9089		
Rooms Occupied	1821	2333				4154		
Occupancy Percentage	39.42%	52.19%				45.70%		
Average Daily Rate	\$75.22	\$75.19				\$75.20		
REVPAR	\$29.65	\$39.24				\$34.37		
Revenue:								
Rooms	190,976	175,418				312,394	95.23%	75.203
Food	46,891	56,269				0	0.00%	0.000
Beverage	0	0				0	0.00%	0.000
Telephone	0	0				0	0.00%	0.000
Telephone-Restaurant	0	0						
Television-Restaurant	0	0						
Retail	0	0				0	0.00%	0.000
Liquor	7,092	8510						
Beer	7,005	8406						
Wine	1,166	1399						
Non-AHC	3,377	4052						
Other	12,783	12,783				25,566	4.77%	6.155
Total	269,290	266,837				536,127	100.00%	81.358
Departmental Expenses:								
Rooms	54,240	60,244				114,483	36.65%	27.560
Food	37,512	45,014				0		0.000
Beverage	0	0				0		0.000
Telephone	1,499	1,499				2,998		0.722
Telephone Restaurant	500	500						
Television-Restaurant	700	700						
Retail	0	0				0		0.000
Liquor	4,255	5,106						
Beer	4,903	5,884						
Wine	426	511						
Non-AHC	1,350	1,620						
Other	150	150				300	1.17%	0.072
Total	105,535	121,228				226,763	42.30%	28.354
Departmental Profits								
Rooms	82,736	115,175				197,911	63.35%	47.643
Food	0	0				0		0.000
Beverage	0	0				0		0.000
Telephone	-1,499	-1,499				-2,998		-0.722
Retail	0	0				0		0.000
Liquor	2,837	3,404						
Beer	2,102	2,522						
Wine	740	888						
Non-AHC	2,027	2,432						
Other	12,633	12,633				25,266	98.83%	6.082
Total	101,576	135,555				220,179	57.70%	53.003
Gross Operating Income	101,576	135,555	0	0	0	220,179	57.70%	53.003
Undistributed Expenses:								
Administrative & General	13,970	15,077				29,047	8.59%	6.992
Sales & Marketing	27,459	28,514				55,972	16.56%	13.474
Maintenance & Repair	16,607	16,403				33,010	9.77%	7.946
Energy	18,983	18,983				37,966	11.23%	9.140
Franchise Cost	6,164	7,894				14,058	4.16%	3.384
Management Costs	4,500	5,646				10,146	3.00%	2.442
Total	87,682	92,517				180,199	53.31%	43.378
Gross Operating Profit	13,894	43,038	0	0	0	39,980	4.39%	9.625

**Bennigan's
 Clarion Hotel & Conference Center South
 Lexington, Kentucky
 2017 Annual Budget
 Summary Income Statement**

Fixed Expenses:

Depreciation & Amortization	0	0	0	0	0	0	0.00%	0.000
Debt Service-Protection Payment	5,000	0	0	0	0	0	0.00%	0.000
Capitalized Leases	0	0	0	0	0	0	0.00%	0.000
Insurance	3,000	3,000	0	0	0	6,000	1.78%	1.444
Property Taxes	2,500	2,500	0	0	0	0	0.00%	0.000
Land Lease	0	0	0	0	0	0	0.00%	0.000
Owner Expenses	0	0	0	0	0	0	0.00%	0.000
Total	10,500	5,500	0	0	0	6,000	1.78%	1.444

EBITDA*	3,394	37,538	0	0	0	33,980	2.61%	8.181
NET INCOME (LOSS)	3,394	37,538	0	0	0	33,980	2.61%	8.181

***Earnings Berfore Income Tax Depreciation & Amortization
 Statistics & Market Segments**

	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Rooms Available	4619	4470			
Rooms Occupied	1821	2333			
Occupancy Percentage	39.40%	52.20%			
Average Daily Rate	\$75.22	\$75.19			
REVPAR	\$29.65	\$39.24			

Market Segments-Rooms Occupied					
Pleasure Transient	1,821	2,333			
Corporate Transient					
Government Transient					
Contract Transient					
Group SMERF					
Group Corporate					
Group Association					
Group Government					
Group Tour & Travel					
Total	1,821	2,333	0	0	0

Markey Segments-Average Rate					
Pleasure Transient	\$75.22	\$75.19			
Corporate Transient					
Government Transient					
Contract Transient					
Group SMERF					
Group Corporate					
Group Association					
Group Government					
Group Tour & Travel					
Total	\$75.22	\$75.19			

Market Segments - Room Revenue		
Pleasure Transient	\$190,976	\$175,418
Corporate Transient	0	0
Government Transient	0	0
Contract Transient	0	0
Group SMERF	0	0
Group Corporate	0	0
Group Association	0	0
Group Government	0	0
Group Tour & Travel	0	0
Total	\$190,976	\$175,418

BUDGET SUMMARY 2017

Bennigan's
Clarion Hotel & Conference Center South
Lexington, Kentucky
2017 Annual Budget
Summary Income Statement

Rooms Department

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Occupancy Percentage		39.40%	52.20%			
Average Daily Rate		\$75.22	\$75.19			
Rooms Revenue		\$190,976	\$175,418			
No Show Revenue		\$1,096	\$1,403			
Total Rooms Revenue		\$189,880	\$176,822			
Payroll & Related:						
		26,891	28,477			
PTEB		4,557	4,784			
Total Payroll & Related		31,448	33,261			
Payroll & Related-Restaurant:						
Salaries & Wages		30,000	30,000			
PTEB						
Total Payroll & Related		30,000	30,000			
Rooms Other:						
Amenities	710510.000	546	700			
Cable TV	700010.000	2200	2200			
Casual / Contract Labor	713180.000	0	0			
Central Reservations System	711210.000	2740	3508			
Cleaning Supplies	711510.000	1366	1750			
Contract Cleaning	711810.000	0	0			
Complementary Breakfast	712010.000	5918	7582			
Decorations	712210.000	0	0			
Front Office Supplies	712310.000	120	120			
Guest Room Supplies	712510.000	1129	1446			
Laundry Cost Allocation	713510.000	3552	3455			
Licenses, Taxes, & Permits	713810.000	0	0			
Linen Replacement	714010.000	1200	1200			
Linen Rental	714110.000	0	0			
Printing & Stationery	715510.000	160	160			
Recorded Music	715810.000	0	0			
Reservations Terminal Fee	716010.000	0	0			
Rooms Promotion	716310.000	0	0			
Royalties	700010.000	0	0			
Telecommunications	700010.000	0	0			
Travel Agent Commissions	717010.000	3561	4561			
Uniforms	718010.000	300	300			
Guest Transportation	718510.000	0	0			
Miscellaneous Expenses	719510.000	0	0			
Total Other		22,792	26,982			
Rooms Expenses		54,240	60,244			
Rooms Profit		136,736	115,174			

BUDGET SUMMARY 2017

**Bennigan's
Clarion Hotel & Conference Center South
Lexington, Kentucky
2017 Annual Budget
Summary Income Statement**

Laundry Department

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Payroll & Related						
Salaries & Wages		2,490	2,410			
PTEB		422	405			
Total Payroll & Related		2,912	2,815			
Other Expenses:						
Laundry Chemicals	810595.000	640	640			
Laundry Supplies	811095.000	0	0			
Uniforms	811595.000	0	0			
Total Other		640	640			
Total Laundry Department		3,552	3,455			
Operational Revenue %:						
Rooms Department		100.00%	100.00%			
Food Department		0.00%	0.00%			
Beverage Department		0.00%	0.00%			
Expense Distribution:						
Rooms Department		3,552	3,455			
Food Department		0	0			
Beverage Department		0	0			
Total Distributed		3,552	3,455			

BUDGET SUMMARY 2017

**Bennigan's
 Clarion Hotel & Conference Center South
 Lexington, Kentucky
 2017 Annual Budget
 Summary Income Statement
 Telephone Department**

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Telephone Revenue:						
Local Revenue		0	0			
Long Distance Revenue		0	0			
Other		0	0			
Total Revenue		0	0			
Telephone Costs:						
Cost of Calls	542040.000	0	0			
Telephone Line Charges	543040.000	674	674			
Internet Charges	544040.000	825	825			
Telephone Maintenance Contr	741040.000	0	0			
Telephone Repairs	742040.000	0	0			
Other		0	0			
Total Costs		1,499	1,499			
Telephone Department Profit		-1,499	-1,499			

BUDGET SUMMARY 2017

**Bennigan's
Clarion Hotel & Conference Center South
Lexington, Kentucky
2017 Annual Budget
Summary Income Statement**

Other Department

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Other Revenue:						
AM/PM Breaks	#####	0	0			
Audio-Visual Equipment	#####	0	0			
Gift Shop	#####	300	300			
Guest Laundry	#####	35	35			
Interest Income	#####	0	0			
Meeting Room Rental	#####	0	0			
Miscellaneous Revenue	#####	2083	2083			
Movie Rental	#####	0	0			
Parking Revenue	#####	0	0			
Rental Income	#####	0	0			
Vending Income	#####	365	365			
Pet Fees	#####	0	0			
	Total Revenue	2,783	2,783			
Other Costs:						
AM/PM Breaks Costs	#####	0	0			
A/V Equipment Costs	#####	0	0			
Gift Shop Costs	#####	150	150			
Guest Laundry Costs	#####	0	0			
Meeting Rooms Expenses	#####	0	0			
Movie Costs	#####	0	0			
Vending Costs	#####	0	0			
Miscellaneous Expenses	#####	0	0			
	Total Costs	150	150			
Other Department Profit		2,633	2,633			

BUDGET SUMMARY 2017

Bennigan's
Clarion Hotel & Conference Center South
Lexington, Kentucky
2017 Annual Budget
Summary Income Statement
Administrative & General

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Payroll & Related						
Salaries & Wages		5,417	5,417			
PTEB		918	910			
Total Payroll & Related		6,335	6,327			
Other Expenses:						
Accounting Fees	760560.000	500	500			
Bad Debts	761060.000	208	208			
Bank Fees	761560.000	300	300			
Equipment Rental	762260.000	0	0			
Computer Supplies	762360.000	500	500			
Casual / Contract Labor	763180.000	0	0			
Student Labor		0	0			
Contract Services	762760.000	0	0			
Credit Card Commissions	763060.000	3972	5087			
Credit & Collection Fees	763260.000	0	0			
Data/Payroll Processing	763560.000	375	375			
Licenses & Permits	763860.000	250	250			
Dues & Subscriptions	764060.000	100	100			
Human Resources	760060.000	0	0			
Legal & Accounting	764560.000	0	0			
Office Supplies	765060.000	600	600			
Postage	765260.000	80	80			
Printing & Stationery	765560.000	150	150			
Professional Fees	766060.000	0	0			
Safety & Security	767060.000	0	0			
Cell Phones / Pagers	767560.000	100	100			
Travel Expenses	768060.000	500	500			
Miscellaneous	769560.000	0	0			
Total Other		7,635	8,750			
Total Administrative & General		13,970	15,077			

BUDGET SUMMARY 2017

Bennigan's
Clarion Hotel & Conference Center South
Lexington, Kentucky
2017 Annual Budget
Summary Income Statement
Sales & Marketing

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Payroll:						
Salaries & Wages		5,977	5,900			
PTEB		1,013	991			
Total Payroll & Related		6,989	6,891			
Sales Expenses:						
Association Dues	771570.000	502	502			
Office Supplies	775070.000	50	50			
Printing & Stationery	775570.000	250	250			
Postage	775270.000	0	0			
Cell Phones / Pagers	777570.000	100	100			
Travel	778070.000	300	300			
Total Sales Expenses		1,202	1,202			
Media Expenses:						
Yellow Pages	778570.000	0	0			
Print & Broadcast Media	776070.000	3000	3000			
Directories	772070.000	0	0			
Outdoor Signage	775870.000	1933	1933			
Media Production	777070.000	0	0			
Airport Displays & Indoor Signs	770570.000	0	0			
Goodwill Advertising	772570.000	0	0			
Direct Mail	772870.000	0	0			
Internet Marketing	773570.000	875	875			
Legends Marketing		6000	6000			
Total Media Expenses		11,808	11,808			
Promotion:						
Agency Fees	770770.000	300	300			
Promo/Gifts/Supplies	775770.000	300	300			
Parties/Open House	779070.000	0	0			
Total Promotion		600	600			
Other Expenses:						
National/Tour Sales/Trade Sho	776570.000	100	100			
Photography	775170.000	50	50			
Brochures - Property & Package	771070.000	100	100			
Franchise & Affiliation Advertising	774570.000	4109	5263			
Loyalty Programs & Affiliation Fees		0	0			
Miscellaneous Expenses	779570	8500	8500			
Golf Packages		15909	12000			
Total Other Expenses		28,768	26,013			
Total Sales & Marketing		27,459	28,514			

BUDGET SUMMARY

Bennigan's
Clarion Hotel & Conference Center South
Lexington, Kentucky
2017 Annual Budget
Summary Income Statement
Maintenance & Repairs

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Maintenance Payroll:						
Salaries & Wages		8,257	8,093			
PTEB		1,399	1,360			
Total Payroll & Related		9,657	9,453			
Maintenance Other:						
Building Maintenance	781080.000	650	650			
Computer & Office Equipment	781280.000	0	0			
Casual / Contract Labor	781380.000	0	0			
Electrical	781580.000	100	100			
Light Bulbs	781780.000	290	290			
Elevator Contracts	782080.000	0	0			
Equipment Rental	782280.000	200	200			
Equipment Repairs	782380.000	375	375			
Pest Control	782580.000	300	300			
Fire Alarm System	783080.000	450	450			
Hardware & Small Parts	783580.000	100	100			
HVAC	784080.000	290	290			
Floor Covering	784280.000	0	0			
Grounds & Landscaping	784580.000	833	833			
Laundry Equipment	785080.000	40	40			
Locks & Keys	785580.000	100	100			
Maintenance Contracts	785780.000	1226	1226			
Painting	786080.000	100	100			
Plumbing	786280.000	100	100			
Pool Chemical & Repairs	786580.000	650	650			
Refrigeration	787080.000	358	358			
Signs	787280.000	25	25			
Supplies & Small Tools	787580.000	100	100			
Television Repairs	787780.000	50	50			
Uniforms	788080.000	50	50			
Van Maintenance Repair	788580.000	0	0			
Waste Removal	789080.000	563	563			
Miscellaneous	789580.000	0	0			
Total Other		6,950	6,950			
Total Maintenance & Repairs		16,607	16,403			

BUDGET SUMMARY 2017

**Bennigan's
Clarion Hotel & Conference Center South
Lexington, Kentucky
2017 Annual Budget
Summary Income Statement
Energy**

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Utilities:						
Electricity	780185	10100	10100			
Natural Gas	780285	2800	2800			
Water & Sewer	780385	6083	6083			
Total		18,983	18,983			

BUDGET SUMMARY 2017

**Bennigan's
Clarion Hotel & Conference Center South
Lexington, Kentucky
2017 Annual Budget
Summary Income Statement
Fixed Expenses**

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Fixed & Other Expenses						
Franchise Fees	793090.00	6164	7894			
Insurance	793590.00	3000	3000			
Leased Equipment		0	0			
Leased Equipment		0	0			
Leased Equipment		0	0			
Management Fees	795090.00	4,500	5,646			
Debt Service	795590.00	0	0			
Debt Service - Second	795790.00	0	0			
Property Taxes - Real	796090.00	0	0			
Property Taxes - Personal	796590.00	0	0			
Land Lease	797090.00	0	0			
Depreciation & Amortization	797590.00	0	0			
Owner's Expense	798590.00	0	0			
Total Fixed & Non-Operating Expenses		13,664	16,540			
Recap:						
Management Fees		4,500	5,646			
Franchise Fees		6,164	7,894			
Fixed Expenses		0	0			
Franchise Costs:						
Franchise Fees		6,164	7,894			
Franchise Marketing		4,109	5,263			
Franchise Reservations		2,740	3,508			
Total		13,013	16,665			

**Bennigan's
 Clarion Hotel & Conference Center South
 Lexington, Kentucky
 2017 Annual Budget
 Summary Income Statement
 LABOR RECAP**

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Rooms:						
* Front Office Manager	610510.000	3,060	3,060			
Front Office Supervisor		0	0			
Front Desk Clerks	611010.000	4,506	4,361			
Night Auditor	611510.000	3,162	3,060			
* Executive Housekeeper	612010.000	2,627	2,627			
Inspectress	613010.000	1,296	1,255			
Room Attendants	613510.000	7,244	9,281			
Houseman	614510.000	1,707	1,652			
Lobby Attendant		1,707	1,652			
Breakfast Attendant	615510.000	1,581	1,530			
Total Rooms		26,891	28,477			
Laundry:						
* Laundry Manager	651015.000	0	0			
Laundry Attendants	652015.000	2,490	2,410			
Total Laundry		2,490	2,410			
Food:						
* Food & Beverage Manager	621020.000	0	0			
* Assistant F & B Manager		0	0			
* Executive Chef	626020.000	0	0			
Sous- Chef	626520.000	0	0			
Cooks	627020.000	0	0			
Utility	627520.000	0	0			
Dishwashers	628020.000	0	0			
Wait Staff	622520.000	0	0			
Hostess / Cashier	622020.000	0	0			
* Catering Manager	623520.000	0	0			
Banquet Set-up	624520.000	0	0			
Banquet Servers	625020.000	0	0			
Total Food		1,138	1,102			
Beverage Payroll:						
* Bar Manager	631030.000	0	0			
Bartender	632030.000	601	581			
Banquet Beverage Server	632530.000	0	0			
Banquet Bartender		0	0			
Total Beverage		601	581			
Administrative & General						
* General Manager	661060.000	5,417	5,417			
Administrative Payroll	663060.000	0	0			
Accounting Payroll	664060.000	0	0			
Total Admin.		5,417	5,417			
Sales & Marketing						
* Director of Sales	671070.000	3,605	3,605			
* Sales Manager Exempt	672070.000	0	0			
Sales Manager - Non-Exempt	0.000	2,372	2,295			
Total Sales & Marketing		5,977	5,900			
Maintenance & Repair						
* Chief Engineer	681080.000	3,167	3,167			
Maintenance Worker	682080.000	5,091	4,927			
Security Officer		0	0			
Total Maintenance & Repair		8,257	8,093			
Total Payroll		50,770	51,980			

**Bennigan's
 Clarion Hotel & Conference Center South
 Lexington, Kentucky
 2017 Annual Budget
 Summary Income Statement
 Payroll Taxes & Employment Benefits**

	Account Code	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec
Taxes & Benefits						
Employee Benefits	880591.000	0	0			
Employee Background Checks	881091.000	333	333			
Employee Incentive	881591.000	125	125			
Employee Meals	882091.000	158	158			
Employment Advertising	882591.000	325	325			
Employee Health Insurance	883591.000	840	840			
Employee LTD Insurance	883791.000	0	0			
Workers' Compensation Insurance	884091.000	1100	1100			
Recruitment Fees	884591.000	0	0			
Safety & Training Materials	884791.000	290	290			
Staff Activities	885091.000	0	0			
Employer FICA	885591.000	4163	4262			
FUTA	886091.000	254	260			
SUI	886591.000	1015	1040			
Miscellaneous		0	0			
	Total	8,603	8,733			
Distribution:						
Rooms	619910.000	4,557	4,784			
Laundry	659915.000	422	405			
Retail		0	0			
Food	629910.000	193	185			
Beverage	639910.000	102	98			
Admin.	669910.000	918	910			
Sales	679910.000	1,013	991			
Maint	689910.000	1,399	1,360			
	Total	8,603	8,733			

The affixing of this Court's electronic seal below is proof this document has been signed by the Judge and electronically entered by the Clerk in the official record of this case.



Signed By:
Gregory R. Schaaf
 Bankruptcy Judge
 Dated: Wednesday, September 20, 2017
 (grs)