

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

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

**THIRTEENTH 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 and June 22, 2011; 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 thirteenth interim order (the “Thirteenth 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”). The Debtor’s use of the Prepetition Collateral is authorized only through February _____, 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.

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) February _____, 2012; (b) the entry by this Court of an order reversing, amending, supplementing, staying, vacating or otherwise modifying the terms of this Thirteenth 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 Thirteenth 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.

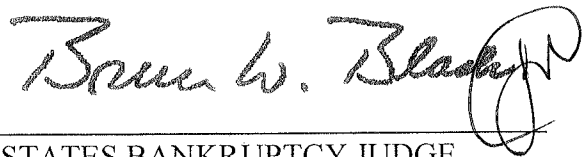
9. *Limitation on Payment of Professional Fees.* Notwithstanding anything contained herein or set forth in the Budget to the contrary, the Debtor may not pay any of its professional fees from the Lender's Cash Collateral absent further order of Court.

10. *Notice.* On or before seven business days following the entry of this Thirteenth Interim Order, the Debtor shall serve a copy of this Thirteenth 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 Thirteenth Interim Order.

11. *Further Hearing.* A further hearing on the Debtor's use of Cash Collateral shall be held on February 22, 2012 at 10:30 a.m. Objections to the Debtor's further use of Cash Collateral shall be filed on or before February 15, 2012.

cc
Dated: February 12, 2012

ENTER:



UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

RadLax Gateway Hotel LLC

November 1 - November 30, 2011

	Budget
Total Cash Receipts	1,959,711

Disbursements	Budget
Gross Payroll (Bi - Weekly) - Payroll & Taxes	588,000
Capital	85,000
11 Union Health Insurance	43,500
11 Union Life Insurance	2,800
Non-Union Life Insurance	1,350
Non-Union Health	44,500
Union Dues	11,500
Credit Card Commissions	53,007
Insurance Property	150,000
Insurance Workers Comp	229,167
Property Insurance Claim Deductable	20,000
Property Insurance Third Party Prepaid Outlays**	50,000
Laundry/Uniform Room	37,000
Rooms Dept Expenses	83,300
F & B Dept Expenses	136,711
Admin & General	37,100
Sales & Marketing	22,800
R&M	46,500
Utilities	110,000
Guest Shuttle Cost DSS	79,000
Occupancy/ Sales Taxes	239,771
Quality Parking/Security - Management Co	78,500
Franchise Fee	131,176
Asset Mgmt Fee	9,092
Mgmt Fee	54,554
Real Estate Taxes-Escrow	107,215
Total Disbursements	2,451,543

Change in cash from operations	-491,832
--------------------------------	----------

***Third Party Outlay Expenses to be reimbursed by
Insurance Company*

RadLax Gateway Hotel LLC

December 1 - December 31, 2011

	Budget
Total Cash Receipts	1,922,335

<u>Disbursements</u>	<u>Budget</u>
Gross Payroll (Bi - Weekly) - Payroll & Taxes	594,000
Capital	74,200
11 Union Health Insurance	43,500
11 Union Life Insurance	2,800
Non-Union Life Insurance	1,350
Non-Union Health	44,500
Union Dues	11,500
Credit Card Commissions	46,841
Insurance Property	12,500
Insurance Workers Comp	62,500
Laundry/Uniform Room	36,850
Rooms Dept Expenses	72,700
F & B Dept Expenses	110,800
Admin & General	28,050
Sales & Marketing	31,800
R&M	72,600
Utilities	105,000
Guest Shuttle Cost DSS	73,800
Occupancy/ Sales Taxes	220,890
Quality Parking - Management Co	78,300
Franchise Fee	118,674
Asset Mgmt Fee	8,517
Mgmt Fee	51,100
Securred Property Tax Paid	600,649
Real Estate Taxes-Escrow	107,215
Total Disbursements	2,610,634
Change in cash from operations	-688,300

RadLax Gateway Hotel LLC

January 1 - January 31, 2012

	Budget
Total Cash Receipts	1,972,584

Disbursements	Budget
Gross Payroll (Bi - Weekly) - Payroll & Taxes	598,000
Capital	68,200
11 Union Health Insurance	43,500
11 Union Life Insurance	2,950
Non-Union Life Insurance	1,400
Non-Union Health	44,500
Union Dues	11,500
Credit Card Commissions	43,664
Insurance Property	12,500
Insurance Workers Comp	62,500
Laundry/Uniform Room	37,150
Rooms Dept Expenses	62,620
F & B Dept Expenses	105,200
Admin & General	27,100
Sales & Marketing	22,775
R&M	65,900
Utilities	108,050
Guest Shuttle Cost DSS	76,000
Occupancy/ Sales Taxes	201,785
Quality Parking - Management Co	78,900
Franchise Fee	104,640
Asset Mgmt Fee	7,939
Mgmt Fee	47,633
US Trustee Quarterly Payment	15,000
Real Estate Taxes-Escrow	107,215

Total Disbursements	1,956,621
----------------------------	------------------

Change in cash from operations	15,963
--------------------------------	--------

Radlax Gateway Hotel LLC

February 1 - February 29, 2012

Total Cash Receipts

Budget

2,244,497

Disbursements		Budget
Gross Payroll (Bi - Weekly) - Payroll & Taxes Capital	588,440	78,167
11 Union Health Insurance	43,500	
11 Union Life Insurance	2,800	
Non-Union Life Insurance	1,350	
Non-Union Health	44,500	
Union Dues	11,500	
Credit Card Commissions	46,849	
Insurance Property	12,500	
Insurance Workers Comp	62,500	
Laundry/Uniform Room	37,300	
Rooms Dept Expenses	73,400	
F & B Dept Expenses	118,625	
Admin & General	28,175	
Sales & Marketing	23,800	
R&M	41,450	
Utilities	108,700	
Guest Shuttle Cost DSS	75,000	
Occupancy/ Sales Taxes	206,528	
Quality Parking - Management Co	78,900	
Franchise Fee	81,099	
Asset Mgmt Fee	8,518	
Mgmt Fee	51,108	
Real Estate Taxes-Escrow	107,215	
Total Disbursements	1,931,924	
Change in cash from operations	312,573	