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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:

KHWY, INC.,

Debtor.

Case No. BK-S-17-10530-LED  
Chapter 11

Date: OST REQUEST PENDING  
Time: OST REQUEST PENDING

**MOTION FOR ORDER APPROVING STIPULATION FOR USE OF CASH  
COLLATERAL AND ADEQUATE PROTECTION**

KHWY, INC. (the "Debtor"), by and through its counsel, Johnson & Gubler, P.C., hereby moves the Court pursuant to 11 U.S.C. §363 (c)(2)(B) for an Order approving Stipulation Authorizing Use of Cash Collateral and Granting Adequate Protection agreed to on or about February 8, 2017 by the Debtor and What's On Las Vegas, LLC, the major secured creditor in the subject case, and attached hereto as Exhibit 1.

DATED: February 9, 2017.

JOHNSON & GUBLER, P.C.

/s/ Matthew L. Johnson  
Matthew L. Johnson, Esq.  
8831 West Sahara Avenue  
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## **EXHIBIT 1**

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E-filed on February 8, 2017

*[Proposed] Attorneys for Debtor*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:

KHWY, INC.,

Debtor.

Case No: BK-S-17-10530

Chapter 11

**STIPULATION AND ORDER FOR USE OF CASH COLLATERAL  
AND ADEQUATE PROTECTION**

This *Stipulation for Use of Cash Collateral and Adequate Protection* is entered into as of the date below by and between secured creditor WHAT'S ON LAS VEGAS, LLC ("WOLV") and KHWY, INC. ("Debtor" and collectively with WOLV, the "Parties").

The Parties hereby stipulate and agree to the Debtor's use of cash collateral and for adequate

1 protection as set forth below, and respectfully request that the Court enter an Order approving the  
2 same.

3 1. On February 7, 2017 ("Petition Date"), Debtor filed a Petition in this Court  
4 seeking relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code").

5 2. Debtor was indebted to WOLV in the total amount of not less than , as  
6 of October 30, 2016, plus interest thereon, costs and reasonable attorneys' fees (collectively the  
7 "Indebtedness").

8 3. The Indebtedness of the Debtor to WOLV is evidenced by, among other things, a  
9 Secured Grid Note dated February 7, 2010 ("Grid Note") executed by Debtor in the original  
10 amount of which is secured by a lien in substantially all of the Debtor's assets and  
11 proceeds (as defined in the Uniform Commercial Code in effect in the jurisdiction whose law  
12 governs the applicable provisions of the Grid Note) including, without limitation, a security  
13 interest in "cash collateral" ("Cash Collateral") as defined in Section 363(a) of the Bankruptcy  
14 Code (collectively "Pre-petition Collateral", and which lien is perfected by the filing of a properly  
15 perfected UCC-1 Financing Statement.

16 4. The Debtor agrees that the Indebtedness constitutes legal, valid and binding  
17 obligations of the Debtor, enforceable in accordance with their terms, and that no portion of the  
18 Indebtedness or any amounts paid to WOLV prior to the Petition Date is subject to avoidance,  
19 subordination, re-characterization, recovery, attach, offset, counterclaim, defense or claim of any  
20 kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

21 5. At this time, Debtor is required to use Cash Collateral to continue the ordinary  
22 course of its business as a debtor-in-possession pursuant and subject to the provisions of the  
23 Bankruptcy Code.

24 6. WOLV hereby consents to the Debtor's use of Cash Collateral in the ordinary  
25 course of business, as set forth in the budget attached hereto as Exhibit 1 (the "Budget"), subject  
26 to the terms and provisions set forth herein and pursuant to an entry of an Order of this Court

1 approving this Stipulation and granting WOLV the adequate protection and approving the other  
2 terms provided for herein (the "Cash Collateral Order"). WOLV's consent pursuant to this  
3 Stipulation is not and shall not under any circumstances be deemed consent to any further or  
4 additional use of Cash Collateral.

5 a. The Debtor and WOLV stipulate and agree that the Debtor is authorized to  
6 use the revenue generated by the operation of its radio stations (the "Radio Stations") to maintain  
7 the Debtor's operations and to operate in the ordinary course of business, and for no other  
8 purpose, pursuant to the attached Budget. Any material changes (changes in excess of 10% per  
9 line item and not more than 10% in aggregate) to the Debtor's budget must be either approved by  
10 WOLV or by the Court on reasonable notice to WOLV and a hearing.

11 b. In addition to the amounts set forth in the Budget, the Debtor shall be  
12 authorized to use Cash Collateral to pay to the Repp Law Firm, as special FCC counsel to the  
13 Debtor, up to [REDACTED] for the preparation of documents required to be filed with the FCC within 30  
14 days of the bankruptcy filing.

15 c. Debtor stipulates and agrees that the Debtor shall not pay adequate  
16 protection, or any, payments to any alleged junior lienholders, if any, on the Pre-petition  
17 Collateral, without either the prior written consent of WOLV or an Order of the Court obtained by  
18 the Debtor after reasonable notice to WOLV and a hearing.

19 d. WOLV agrees that it shall allow a carve out for payment of post-petition  
20 professional fees and expenses of professionals retained and paid by the Debtor pursuant to orders  
21 of this Court, including special FCC counsel to the Debtor, and including the payment of U.S.  
22 Trustee's Fees up to and including the aggregate amount of [REDACTED] ("Carveout") while the  
23 Debtor attempts to sell its assets or reorganize, up through and including August 31, 2017,  
24 provided however, no amount of the Carveout may be used in connection with invalidating,  
25 challenging the amount of perfection or priority of, setting aside, in whole or in part, WOLV's  
26



1 pre-petition liens or Replacement Liens (as defined below), hindering or delaying WOLV's  
2 efforts to enforce its rights granted hereunder and upon any EOD (as defined below).

3 7. The Debtor stipulates and agrees that it shall not engage in any use of the Pre-  
4 petition Collateral or sell, lease, hypothecate or transfer any of the estate property other than in  
5 the ordinary course of business and in accordance with the Budget without prior written consent  
6 of WOLV or Order of the Court after notice to WOLV and a hearing.

7 8. In order to provide adequate protection to WOLV for the Debtor's use of Cash  
8 Collateral and any diminution in the value of the Pre-petition Collateral, the Debtor consents to  
9 the creation of and grants to WOLV a post-petition replacement lien to the extent of its use of  
10 Cash Collateral and other Pre-petition Collateral and the diminution in value of Pre-petition  
11 Collateral as of the Petition Date (the "Replacement Lien"), in the same priority as existed  
12 prepetition, upon all property of the Debtor and the Debtor's estate. The Replacement Lien is  
13 deemed automatically perfected upon entry of the first order, including an interim order,  
14 approving this stipulation. The Debtor acknowledges the creation of the Replacement Lien shall  
15 not under any circumstances be deemed to be a waiver of any of WOLV's rights to request a lien  
16 on additional assets in any future extensions or agreements with Debtor. Additionally, WOLV  
17 shall have an allowed superpriority, administrative expense claim with priority under Sections  
18 364(c)(1), 503(b) and 507(b) of the Bankruptcy Code and otherwise over all administrative  
19 expenses and unsecured claims against the Debtor and its estate in the amount of the use of Cash  
20 Collateral and the diminution in the value of its Pre-petition Collateral as of the Petition Date.  
21 Upon entry of a final order approving this stipulation, WOLV shall be entitled to a waiver of the  
22 provisions of Section 506(c) of the Bankruptcy Code and a waiver of the "equities of the case"  
23 exception under Section 552(b) of the Bankruptcy Code.

24 9. The Debtor shall not grant or seek to grant any additional liens on or security  
25 interests in any Pre-petition Collateral or property of the estate, whether under Section 364(d) of  
26 the Bankruptcy Code or otherwise, other than pursuant to this Stipulation, or pursuant to an Order

1 of the Bankruptcy Court. WOLV reserves all rights to object to any proposed grant of a lien or  
2 security interest in any Pre-petition Collateral.

3 10. All parties-in-interest (not including the Debtor or Debtor-in-possession) shall  
4 have sixty (60) days from the Petition Date to bring any objection, claim, adversary proceeding or  
5 other proceeding seeking to dispute the validity, perfection, priority and enforceability of  
6 WOLV's liens and security interests in the Pre-petition Collateral or the enforceability of  
7 WOLV's prepetition claims against the estate, provided however, all parties-in-interest and the  
8 Debtor shall not be barred from disputing the arithmetic calculation of the amount of WOLV's  
9 claim after that date, unless otherwise ordered at a later date.

10 11. Any Cash Collateral not spent in accordance with the Budget shall be held by the  
11 Debtor and not used for any other purpose unless later approved by WOLV or Order of the Court  
12 after notice to WOLV and a hearing.

13 12. This Stipulation and Cash Collateral Order shall be effective until (the  
14 "Termination Date") the earlier of (a) August 31, 2017, (b) the date on which WOLV's claims are  
15 paid in full in immediately available funds, or (c) an EOD occurs, as set forth below. Upon the  
16 Termination Date, this Stipulation shall expire and be of no force or effect. Nothing herein shall  
17 limit the Parties from seeking to enter into an additional or amended stipulation or seeking an  
18 additional Order of the Court authorizing use of Cash Collateral unless an EOD has occurred .

19 13. The Debtor shall satisfy the following milestones ("Milestones") in connection  
20 with a planned sale or sales of substantially all assets of the estate pursuant to section 363(f) of  
21 the Bankruptcy Code:

22 a. On or before February 9, 2017, the Debtor shall file a motion ("Sale  
23 Procedures Motion") seeking approval of sale and bidding procedures ("Bidding Procedures"), in  
24 a form reasonably satisfactory to WOLV.

25 b. An order granting the Procedures Motion, in a form reasonably acceptable  
26 to WOLV, shall be entered on or before March 3, 2017.

1 c. All bids on estate assets shall be due on or before March 24, 2017 and  
2 provided to WOLV by the Debtor immediately upon receipt.

3 d. An auction shall be held on or before April 1, 2017, unless only one bid is  
4 made consistent with the court approved bidding procedures.

5 e. One or more sales shall close on or before August 31, 2017.

6 The Parties may stipulate to extend these dates, or the Court may extend these dates on  
7 Motion of either party for good cause shown, after reasonable notice and a hearing.

8 14. Upon an EOD, the Debtor's right to use Cash Collateral shall terminate without  
9 further court order, and in such event, the Debtor consents to WOLV filing a motion for relief  
10 from stay to enforce its rights under the Grid Note, upon seven days' notice. The following shall  
11 constitute EODs under the terms of the Stipulation:

12 a. The Debtor fails to timely satisfy a Milestone, unless the applicable  
13 Milestone deadline is extended by WOLV in writing, or by the Court after notice to WOLV and  
14 hearing on good cause shown.

15 b. The Debtor fails to satisfy any provision of this Stipulation.

16 c. This case is converted to a chapter 7 bankruptcy case.

17 d. A chapter 11 trustee or examiner for the Debtor is appointed, over the  
18 objection of WOLV.

19 e. Any order approving this Stipulation, on an interim or final basis, is  
20 reversed or modified on appeal.

21 f. Relief from stay is granted in this case to any other secured creditor or an  
22 unsecured creditor with a claim in excess of \$50,000.

23 15. The Debtor shall maintain, with financially sound and reputable insurance  
24 companies, insurance covering the Pre-petition Collateral (covering such risks and amounts as are  
25 customary in the industry and naming WOLV as loss payee thereunder as necessary for the  
26 operation of the Radio Stations and the maintenance and protection of the Debtor's property),



1 and, the Debtor shall deliver to WOLV evidence of the maintenance of such insurance.

2 16. The Replacement Lien and security interests granted herein are valid, enforceable  
3 and fully perfected, and no further filings or recordation or other act in accordance with any  
4 applicable local, state or federal law, rule or regulation are necessary to create or perfect such  
5 liens and security interests upon Court approval of this Stipulation.

6 17. The provisions of this Interim Order and any actions taken in accordance with this  
7 Interim Order shall survive entry of any Order that may be entered: (i) confirming any plan of  
8 reorganization, (ii) converting this Chapter 11 Case to a case under Chapter 7 of the Bankruptcy  
9 Code, (iii) dismissing this Case, or (iv) appointing a trustee or examiner in this case. The claims  
10 and liens on the Pre-petition Collateral, including the Replacement Lien, shall continue in full  
11 force and effect and maintain their priority until all of the Indebtedness owed to WOLV is  
12 indefeasibly paid in full.

13 18. If any or all of the provisions of this Interim Order are hereafter modified, vacated,  
14 or stayed without the prior, written consent of WOLV, such modification, vacation, or stay shall  
15 not affect (i) the validity of any obligation, indebtedness or liability incurred by the Debtor to  
16 WOLV before the effective date of such modification, vacation, or stay; or (ii) the validity or  
17 enforceability of any security interest, lien including Replacement Lien, priority or other  
18 protection authorized, created, or confirmed under this stipulation and the orders approving it.  
19 Notwithstanding any such modification, vacation, or stay, any indebtedness, obligations, or  
20 liabilities incurred by the Debtor to WOLV before the effective date of such modification,  
21 vacation, or stay shall be governed in all respects by the original provisions of this stipulation and  
22 all orders approving it, and WOLV shall be entitled to all the rights, remedies, privileges, and  
23 benefits granted herein with respect to all such indebtedness, obligations, or liabilities.

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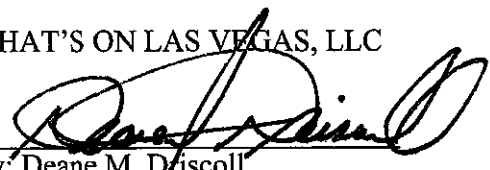
1           19.     This Stipulation shall be binding upon the Debtor and its respective successors and  
2 assigns, and upon WOLV and its respective successors and assigns.

3           Stipulated and Agreed this \_\_ day of February, 2017.

4     JOHNSON & GUBLER, P.C.

WHAT'S ON LAS VEGAS, LLC

5     /s/ Matthew L. Johnson  
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14    *[Proposed] Attorneys for Debtors*

  
By: Deane M. Driscoll  
A Manager of What's on Las Vegas, LLC

15    It is so ordered.

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