Daniel J. Flanigan (DF-6929)
POLSINELLI, SHALTON & WELTE
A PROFESSIONAL CORPORATION
700 West 47th Street, Suite 1000
Kansas City, Missouri 64112
Tel: (816) 753-1000

George R. Hirsch (GH-8284)
BRESSLER, AMERY & ROSS
A PROFESSIONAL CORPORATION
17 State Street
New York, NY 10004
Tel: (212) 425-9300

ATTORNEYS FOR THE MISSION BANK AND SECURITY BANK OF KANSAS CITY

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	
	)	**Chapter 11**
Randall's Island Family Golf Centers, Inc.,	)	
et al.,	)	
	)	**Case No.: 00-41065**
Debtors,	)	**Through 00-41196 (smb)**
	)	

Objection Of Non-Primed Prepetition Lenders
The Mission Bank And Security Bank Of Kansas City
To Debtors' Motion Pursuant To Sections 361, 362, 363 And 364 Of The Bankruptcy Code
And Rule 4001 Of The Federal Rules of Bankruptcy Procedure
For The Entry Of Orders (I) Authorizing The Debtors In Possession
To (A) Enter Into Amendment Of Postpetition Financing Agreement
And (B) Grant Liens And Priority Administrative Expense Status,
And (II) Scheduling Final Hearing On Amendment To Postpetition Financing Agreement
And Approving Manner Of Notice Of Such Final Hearing (The "Motion")

TO THE HONORABLE JUDGES OF THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK:

On or about January 9, 2001, the Debtors filed the above-referenced Motion. Under the Motion, the Debtors propose to cease making Adequate Protection Payments to Non-Primed

Prepetition Lenders such as The Mission Bank ("Mission") and Security Bank Of Kansas City ("Security"), to borrow up to an additional $3.6 million from the DIP Lender and grant administrative expense priority and liens to the DIP Lender, and to authorize the Debtor's use of $3 million of the proceeds from such auction or auctions. Mission and Security object to the Motion as follows:

1. There is no showing that the Debtors will suffer immediate and irreparable harm absent the proposed borrowing as is required under Federal Rule Of Bankruptcy Procedure ("Rule") 4001(c)(2) and, accordingly, absent the presentation of clear and convincing evidence at the hearing, the borrowing should not be authorized. The Court should look at any such testimony with a jaundiced eye given the disastrous course of this proceeding and the lack of dependability of almost everything that those in control of this case have said so far.

2. The Debtors obtained an "emergency interim hearing" via this Court's Order To Show Cause dated January 9, 2001. The proposed relief is not of an "emergency" nature at all or, if it is, the "emergency" is due only to the inaction or delay of the DIP lender and the Debtors themselves, who have known or should have known for some time that the funds available under the previous DIP arrangement would be exhausted as of the end of December. The alleged "emergency" nature of the hearing should not relieve the Debtors and DIP lender of their obligation under Rule 4001(c)(2) to present proper evidence regarding the immediate and irreparable harm Debtors will suffer absent the borrowing.

3. Moreover, and most important, benefit needs to be shown to the separate bankruptcy estates and separate properties of Blue Eagle of Kansas and Blue Eagle (OP). In no event should the net sale proceeds of the property owned by the separate Blue Eagle estates be

used to pay any administrative expenses of the Debtor other than direct expenses of the sale that directly and demonstrably benefit the secured creditors.

4. The Debtors are not offering adequate protection to Non-Primed Prepetition Lenders such as Mission and Security and, to the contrary, are proposing to renege on their obligation to make the adequate protection payments that were agreed to by Mission and Security and other Non-Primed Lenders in exchange for certain protections and liens afforded to the DIP Lender and in exchange for Mission's and Security's agreement not to continue to object (as set forth in their stay relief motions filed early in the case) to the "cash management" system that the Debtors and DIP lender implemented at the outset of the cases. Accordingly, all of the provisions of the DIP financing should be reconsidered including especially any administrative expense priority given to the DIP lender over Mission's and Security's failed adequate protection superpriority administrative expense claims under Section 507(b) of the Code and any liens granted to the DIP lender on the property of the separate bankruptcy estates of Blue Eagle Of Kansas and Blue Eagle (OP), at least in connection with the proposed additional advances.

5. The *quid pro quo* described by the Debtors in their Motion is potentially illusory in that they propose to obtain immediate financing (which benefits them and their DIP Lender immediately) in exchange for a pledge to file pleadings with the Court in the future implementing auction procedures for the sales of their properties. Detailed adequate protection provisions, some of which are described more fully below, should be ordered by the Court as a condition to any financing authorization. Moreover, the filing of a motion does not mean that the Debtors will prosecute the motion and any related sale with the necessary diligence, competence, and fairness.

6. Most important, and especially in view of the Debtors' refusal to make the adequate protection payments previously ordered, the Court should impose adequate protection requirements pending and in connection with the proposed sales as part of any order authorizing the proposed financing, which should include, at a minimum, the following:

(1) Specifically provide for the credit bid rights secured creditors are entitled to under Section 363(k) of the Code;

(2) Provide for a sale to occur even if a credit bid is the only bid at the sale;

(3) Require any purchaser to specify the purchase price it is offering for each parcel of property;

(4) Establish a simple procedure for secured lenders to establish their liens (a duly recorded mortgage and a title policy should be enough) and the amount of their claims prior to the occurrence of a sale to avoid unwarranted legal expenses, unnecessary adversary proceedings, and unfair "leveraging" of Mission and Security and other Non-Primed Lenders by those in control of this process;

(5) Provide for payment of the secured creditors in full at the closing of any sale (if any portion of a claim is disputed, then the undisputed portion should be paid);

(6) Order modification of the automatic stay to allow Mission and Security to commence foreclosure proceedings to reduce delay in case Debtors' sale efforts fail;

(7) Order that real estate taxes currently accruing and utilities be paid and Mission's and Security's collateral be properly maintained pending the sale;

(8) Order that the Debtors provide financial information reasonably requested by Mission and Security with respect to their properties and that Mission and Security shall have access to their respective properties and their on-site managers at all reasonable times pending sale;

(9) Establish other procedures necessary to protect the interests of creditors and parties in interest of *each separate estate* of each of the Debtors.

7. Especially in view of the short notice and opportunity to analyze the proposed terms, Mission and Security reserve the right to make additional objections and adequate protection requests in connection with any final hearing or final order on the proposed financing.

Dated: January 11, 2001.

POLSINELLI, SHALTON & WELTE
A PROFESSIONAL CORPORATION

By: /s/ Daniel J. Flanigan
Daniel J. Flanigan (DF-6929)
700 West 47th Street, Suite 1000
Kansas City, Missouri 64112
(813) 753-1000

BRESSLER, AMERY & ROSS
A PROFESSIONAL CORPORATION

By: /s/ George R. Hirsch
George R. Hirsch (GH-8284)
17 State Street
New York, NY 10004
Tel: (212) 425-9300

ATTORNEYS FOR THE MISSION BANK AND SECURITY BANK OF KANSAS CITY

14897 / 50784
BDAND 830441