

This order is SIGNED.

Dated: December 5, 2016

William J. Thurman

WILLIAM T. THURMAN
U.S. Bankruptcy Judge



mpw

Order Prepared by:
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Attorneys for the Debtor-in-Possession

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HQT VJ GF KVTIEV QHWJCJ . EGP VTCNF KXKJQP

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ORDER GRANTING MOTION FOR FINAL ORDERS AUTHORIZING THE DEBTOR TO USE CASH COLLATERAL AND/OR PROVIDE ADEQUATE PROTECTION TO SECURED CREDITOR GVS HOLDINGS, LLC.

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G0 C budget applying generally to CHC Development Co., Inc. (“CHC”) was

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dwf i et attached hereto as Exhibit “A” (the “**Budget**”+cpf cf o kwgf kvq gxkf gpeg

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preserving the Debtor’s chapter 11 bankruptcy estate and kpenwf g qxgtj gcf .

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entitled to use GVS’s cash collateral; cpf

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 wpgt Ugevkqp 585*g+qh vj g Dcpntw v{ Eqf g *f getgcug kp vj g xalue of GVS’s
 interest in the collateral is referred to herein as a “Post/Petition Loss”). GVS shall
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applied to the principal amount of GVS's claim.

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DESIGNATION OF PARTIES TO BE SERVED

Service of the foregoing **ORDER GRANTING MOTION FOR FINAL ORDERS
AUTHORIZING THE DEBTOR TO USE CASH COLLATERAL AND/OR PROVIDE
ADEQUATE PROTECTION TO SECURED CREDITOR GVS HOLDINGS, LLC** shall be
served to the parties and in the manner designated below:

By Electronic Service: I certify that the parties of record in this case as identified below, are
registered CM/ECF users and will be served notice of entry of the foregoing Order through the
CM/ECF system:

United State Trustee

Red Rock Legal Services, P.L.L.C.

S. James Park

Kenneth L. Cannon

By U.S. Mail - In addition to the parties of record receiving notice through the CM/ECF system, the following parties should be served notice pursuant to Fed R. Civ. P. 5(b).

A. H. Coombs, LLC
1871 West Canyon View
Saint George, UT 84770

Exhibit A

Rocky Mountain Advisory
 CHC Development Co., Inc. Bankruptcy
 Proposed 90 Day Cash Collateral Budget

Ordinary Income/Expense	Projections	Projections	Projections	Projections	Comments
	Nov 2016	Dec 2016	Jan 2017	Total	
Income					
410-000 · Accommodations/Property Mgmt	\$95,400.00	\$95,400.00	\$80,000.00	\$270,800.00	
420-000 · Treatment Center	31,000.00	31,000.00	45,000.00	107,000.00	
430-000 · Hiking and Fitness Classes	13,000.00	13,000.00	9,000.00	35,000.00	
440-000 · Dining	26,000.00	26,000.00	26,000.00	78,000.00	
450-000 · Medical	1,000.00	1,000.00	3,400.00	5,400.00	
460-000 · Clubhouse Pools	11,000.00	11,000.00	18,000.00	40,000.00	
470-000 · Spa Shop	5,000.00	5,000.00	5,500.00	15,500.00	
490-000 · Miscellaneous Income (Events)	0.00	0.00	1,000.00	1,000.00	
560-009 · Comps and Discount Cards	0.00	0.00	0.00	0.00	
625-000 · Credit Card Fees	(7,400.00)	(7,400.00)	(7,400.00)	(22,200.00)	
Total Income	\$175,000.00	\$175,000.00	\$180,500.00	\$530,500.00	
Cost of Goods Sold					
510-000 · COGS-Accommodation/Property Mgmt	\$17,400.00	\$8,500.00	\$7,800.00	\$33,700.00	Includes Arrival/Departure Gifts, Housekeeping Supplies, Laundry Supplies, etc.
510-001 · COGS · Salaries & Wages	41,200.00	37,200.00	36,500.00	114,900.00	Includes salaries and wages for Housekeeping, Laundry, Reception, Guest Relations, Grounds, Repairs, etc.
510-002 · COGS · Homeowner Share	16,300.00	22,000.00	22,000.00	60,300.00	
520-000 · COGS-Treatment Center	4,800.00	4,400.00	4,500.00	13,700.00	Primarily includes Lab Services and Comp and Trades.
520-001 · COGS-Salaries & Wages	27,300.00	24,700.00	25,400.00	77,400.00	Includes salaries and wages for Therapists, Attendants, Spa Desk, and Non-Salaried Therapists.
530-000 · COGS-Hiking & Fitness Classes	2,400.00	2,100.00	2,300.00	6,800.00	Primarily includes and Gas and Auto Maintenance, Golf club rental, tennis supplies, and park fees.
530-001 · COGS-Salaries & Wages	8,400.00	7,400.00	8,200.00	24,000.00	Includes salaries and wages for Hiking and Aerobics Instructors.
540-000 · COGS-Dining	10,200.00	11,400.00	16,000.00	37,600.00	Primarily includes Food Costs.
540-001 · COGS-Salaries & Wages	15,400.00	17,100.00	23,900.00	56,400.00	Includes salaries and wages for Chefs and Servers.
550-000 · COGS-Medical	1,400.00	1,600.00	1,000.00	4,000.00	Primarily includes Medical Supplies and Lab Costs.
550-001 · COGS-Salaries & Wages	1,300.00	1,400.00	900.00	3,600.00	Includes salaries and wages for HCG Medical Doctors and Medical Staff.
560-000 · COGS-Clubhouse Pools	6,000.00	5,200.00	5,200.00	16,400.00	Primarily includes Pool Chemicals.
560-001 · COGS-Salaries & Wages	7,300.00	6,400.00	6,400.00	20,100.00	Includes salaries and wages for Clubhouse Desk and Pool Maintenance.
570-000 · COGS-Spa Shop	6,600.00	11,500.00	4,300.00	22,400.00	Primarily includes Cost of Goods Sold - Spa Shop and Freight.
570-001 · COGS-Salaries & Wages	3,500.00	6,200.00	2,300.00	12,000.00	Includes salaries and wages for the Spa Shop Desk and Commissions.
Total COGS	\$169,500.00	\$167,100.00	\$166,700.00	\$503,300.00	
Gross Profit	\$5,500.00	\$7,900.00	\$13,800.00	\$27,200.00	
Expense					
611-000 · Advertising	\$0.00	\$10,000.00	\$10,000.00	\$20,000.00	
610-000 · Accounting	0.00	0.00	0.00	0.00	No accounting fees will be authorized for payment during this cash collateral period.
615-000 · Bank Charges	200.00	200.00	200.00	600.00	
620-000 · Set-Up	0.00	0.00	0.00	0.00	
622-000 · Travel Agent Commissions	3,000.00	3,000.00	3,000.00	9,000.00	
631-000 · Dues-Subscriptions	1,500.00	1,500.00	1,500.00	4,500.00	
634-000 · Garbage Removal	750.00	750.00	750.00	2,250.00	
639-000 · Property Insurance	2,400.00	5,000.00	5,000.00	12,400.00	
641-000 · Interest	2.00	10.00	10.00	22.00	

Rocky Mountain Advisory
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	Projections Nov 2016	Projections Dec 2016	Projections Jan 2017	Projections Total	Comments
643-000 · Legal	0.00	0.00	0.00	0.00	No legal fees will be authorized for payment during this cash collateral period.
644-000 · Leases	1,200.00	1,200.00	1,200.00	3,600.00	
000-000 · Miscellaneous Expense (Contingency)	5,000.00	5,000.00	5,000.00	15,000.00	
654-000 · Penalties	0.00	0.00	0.00	0.00	
657-000 · Outside Services-General	2,000.00	2,000.00	2,000.00	6,000.00	
665-000 · Landscape Maintenance	1,000.00	1,000.00	1,000.00	3,000.00	
667-000 · Repairs & Maintenance	1,200.00	1,200.00	1,200.00	3,600.00	
671-000 · Salaries - Office	13,000.00	13,000.00	13,000.00	39,000.00	
000-000 Sales Tax Liability	18,000.00	13,000.00	13,000.00	44,000.00	
673-000 · Office Supplies	1,000.00	1,000.00	1,000.00	3,000.00	
675-000 · Taxes and License	125.00	500.00	6,000.00	6,625.00	
677-000 · Payroll Taxes	8,000.00	9,000.00	10,000.00	27,000.00	
678-000 · Property Taxes (\$66K annual taxes)	0.00	5,500.00	5,500.00	11,000.00	See footnote B below.
681-000 · Internet/Cable	6,000.00	2,200.00	2,200.00	10,400.00	
685-000 · Utilities	11,500.00	15,000.00	15,000.00	41,500.00	
Total Expense	\$75,877.00	\$90,060.00	\$96,560.00	\$262,497.00	
Net Ordinary Income	(\$70,377.00)	(\$82,160.00)	(\$82,760.00)	(\$235,297.00)	
Other Expense/Disbursements					
Trust Fund / Catch Up Fed & State Payments		\$110,000.00		\$110,000.00	See footnote A below.
863-000 · Rent Exp- "adequate protection payment"	25,000.00	25,000.00	25,000.00	75,000.00	
MACU Loan payment - 2013 Van	360.00	360.00	360.00	1,080.00	
MACU Loan payment - 2011 Van	334.00	334.00	334.00	1,002.00	
Ally Loan payment - 2015 Chevy Silverado	572.00	572.00	572.00	1,716.00	
WFB Line of Credit	0.00	0.00	0.00	0.00	
Total Other Expense/Disbursements	\$26,266.00	\$136,266.00	\$26,266.00	\$188,798.00	
Net Cash (Loss)	(\$96,644.00)	(\$218,426.00)	(\$109,026.00)	(\$424,095.00)	
"New" Standard Campaign Revenue	\$0.00	\$0.00	\$0.00	\$0.00	
Less: Capital Improvement Expenditures	0.00	0.00	0.00	0.00	
Net "New" Standard Income (Loss)	\$0.00	\$0.00	\$0.00	\$0.00	
Net Cash (Deficit)/Surplus w/ Campaign	(\$96,644.00)	(\$218,426.00)	(\$109,026.00)	(\$424,096.00)	

Rocky Mountain Advisory
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	Projections Nov 2016	Projections Dec 2016	Projections Jan 2017	Projections Total	Comments
Critical Vendors					
booking.com		\$22,271.00		\$22,271.00	
Expedia		2,502.00		2,502.00	
Sabre Hospitality		2,835.00		2,835.00	
Total Critical Vendor Disbursements		<u>\$27,608.00</u>		<u>\$27,608.00</u>	
Net Before DIP Loan		<u>(\$124,252.00)</u>	<u>(\$109,026.00)</u>	<u>(\$451,704.00)</u>	
Kirch & Todd LLC - DIP LOAN	\$124,252.00	\$218,426.00	\$109,026.00	\$451,704.00	
Balanced Budget Total	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>		

Footnotes:

A. Estimated Federal & State taxes owing \$83,904, from 6/26/16 to 10/31/16

	Previously Court Approved	Currently Due
Post petition trust fund taxes owing:	\$72,291.20	\$84,154.00
IRS AMOUNT DUE 941	716.44	732.94
IRS AMOUNT DUE 940	8,023.32	4,329.21
STATE WITHHOLDING	2,483.16	975.93
STATE UNEMPLOYMENT	140.35	140.35
TRANSIENT ROOM TAX PENALTY	249.97	249.97
SALES TAX PENALTY	0.02	0.02
RESTAURANT TAX PENALTY		17,150.12
Sales Tax & Excise Tax	\$83,904.46	\$107,732.00

B. These monthly amounts equate to approximately 1/12th of the 2017 real property taxes. There is still an amount owing for the 2016 property taxes, however, some of those taxes have been paid by the secured lender and we are waiting for an accounting of those payments.

EXHIBIT A

	November	December	January	February	March	April
BEGINING CASH BALANCE						
INCOME AND RECEIPTS						
ACCTS. RECEIVABLE COLLECTION						
RENTS	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
SALES OF ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
PAYMENT FOR REAL PROPERTY TAX*	???	0.00	0.00	0.00	0.00	0.00
TOTAL	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
EXPENSES AND DISBURSEMENTS						
GVS as cash collateral payment	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
TOTAL DISBURSEMENTS	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
NET CASHFLOW	0.00	0.00	0.00	0.00	0.00	0.00
ENDING CASH BALANCE	0.00	0.00	0.00	0.00	0.00	0.00

* The amount of property tax owing at present is unknown as the Workout Agreement with GVS required payments to GVS to be allocated for real property taxes. Debtor is unsure as to how much is held by GVS for this liabilities and the proposed DIP lending would cover any shortfall between the amount due and the amount held or paid by GVS to Washington County.