

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re

Chapter 11

EVERYDAY LOGISTICS LLC,

Case No. 10-22026

Debtor.
-----X

NOTICE OF HEARING

PLEASE TAKE NOTICE, that a hearing will be held on January 19, 2010 at 2:00 p.m. (the "Hearing") before the Honorable Robert D. Drain, United States Bankruptcy Judge, at the United States Bankruptcy Court, One Bowling Green, New York, New York 10004 to consider the Debtor's application for: (a) a shortening of time pursuant to Bankruptcy Rule 9006 for a hearing on interim use of cash collateral, (b) interim use of cash collateral pursuant to the Budget annexed to the application pursuant to section 363 of the Bankruptcy Code, and (c) an order scheduling a final hearing on use of cash collateral.

PLEASE TAKE FURTHER NOTICE, that objections, if any, may be made prior to, or at the Hearing.

Dated: New York, New York
January 13, 2010

BACKENROTH FRANKEL & KRINSKY,
LLP

By: s/ Mark Frankel
489 Fifth Avenue
New York, New York 10017
(212) 593-1100

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re

Chapter 11

EVERYDAY LOGISTICS LLC,

Case No. 10-22026

Debtor.
-----X

**APPLICATION FOR AUTHORITY TO USE CASH COLLATERAL AND
TO SHORTEN TIME FOR A HEARING ON INTERIM USE OF CASH
COLLATERAL IN CONNECTION THEREWITH**

Everyday Logistics LLC, the Debtor and Debtor-in-Possession ("Debtor") by its counsel, Backenroth Frankel & Krinsky LLP, as and for its application for: (a) a shortening of time pursuant to Bankruptcy Rule 9006 for a hearing on interim use of cash collateral, (b) interim use of cash collateral pursuant to the Budget annexed to the application, and (c) an order scheduling a final hearing on use of cash collateral, respectfully represents as follows:

BACKGROUND

1. On January 7, 2010, the Debtor filed a Chapter 11 petition.
2. The Debtor sole asset is the Hudson Valley Resort & Spa (the "Hotel") located at 400 Granite Road, Kerhonkson, New York. The Hotel has 323 rooms, 100,00 square feet of common area, including lobby, convention space, restaurant, and spa, a golf course, and employees approximately 150 workers.

3. The Debtor purchased the Property from Minnewaska Company, L.L.C. in March 2006. The Debtor financed the purchase with a number of lenders, and subsequently incurred additional secured debt. Thus, the Property appears to be now encumbered by six mortgages (the “Mortgages”) totaling in excess of \$22.5 million. The first mortgage is in favor Kennedy Funding Inc. in the amount of approximately \$10 million. The second mortgage is in favor of Park National Funding LLC in the amount of approximately \$4 million. The third mortgage is in favor of the seller Minnewaska Company, LLC in the amount of approximately \$2.5 million. The fourth mortgage is in favor Stone Mountain Holdings LLC in the amount of approximately \$3 million. The fifth mortgage is in favor Yaakov Friedman in the amount of approximately \$1 million, and the sixth mortgage is in favor of CYB Trust in the amount of approximately \$2.1 million. The mortgagees are collectively referred to herein as the “Lenders.”

4. At the time the Debtor purchased the Hotel, Everyday had grand plans to develop the Hotel and the Hotel's property into a special destination. Indeed, Everyday had contracted with golfing great Vijay Singh to develop a professional golf course surrounding the Hotel. Everyday entered into negotiations with the Marriot hotel chain to upgrade and operate the Hotel. The financial projections made at the time the Debtor acquired the Hotel estimated the value of the Hotel and its property would appreciate to a value in excess of \$100 million, and the Lenders obviously believed in Everyday's long-term goals.

5. Notwithstanding the foregoing, the economic downturn halted Everyday's opportunities to develop the Hotel and its property. Indeed, at the time that Everyday entered into its loan agreements, it was anticipated, particularly by the First Mortgagee, that Everyday would promptly repay its obligations and/or refinance a portion of the amounts owed. Thus, Everyday anticipated obtaining secondary financing in order to fully upgrade the Hotel and develop the Hotel's property thereby causing the Hotel and its property to realize their full financial potential.

6. A basic assumption underlying Everyday's payment obligations was the expectation and belief that there would not be a global economic meltdown that would devastate the hospitality business and freeze mortgage credit availability; particularly for domestic hotel resort development. Contrary to these assumptions, beginning in the Summer and Fall of 2008, market conditions declined so severely that a worldwide freeze on the issuance of new credit in fact developed, regardless of the qualifications of the borrower, and has essentially continued to date. But for the existence of the credit crisis, Everyday would have obtained the refinancing it sought, which was necessary, inter alia, to pay the amounts due under the agreements to the Lenders.

7. The Hotel nonetheless continues to operate and to provide its guests with refurbished accommodations, banquet facilities, complete spa services, indoor and outdoor heated pools, full fitness center, tennis courts, and a golf course; all at competitive rates. The

Hotel specializes in group events, hosting numerous business and social occasions, including those that require observance of kosher dietary restrictions.

8. The first mortgage is a high interest bridge loan which matured and could not be refinanced. Ultimately, Kennedy Funding filed a foreclosure action and a receiver was appointed therein. By agreement of the parties, the receiver order was stayed until January 7, 2010 to facilitate negotiations. Settlement negotiations were ongoing up until the Chapter 11 filing herein. In order to avoid the disruption of the Debtor's business that a receivership could cause, not to mention the expense of a receivership, the Debtor filed its Chapter 11 petition.

9. The Debtor's general unsecured creditors have claims totaling approximately \$770,000.

10. The Debtor's objective is to protect and preserve the Hotel, to maintain and increase income, and to restructure the existing loan to facilitate a realistic scenario for all interested parties.

11. In the meantime, the Debtor seeks authorization to use cash collateral solely to preserve and protect the Hotel pursuant to the budget ("Budget") annexed hereto as Exhibit A.

RELIEF REQUESTED HEREIN

12. By this Motion, therefore, the Debtor requests entry of interim and final orders authorizing the Debtor to use the Lenders' 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"), and provide adequate protection to the Lender's interests in the Prepetition Collateral resulting from its use. In addition, the Debtor seeks a shortening of time for a hearing on interim use of cash collateral in connection therewith.

13. Without the use of the Cash Collateral, the Debtor does not have capital to finance its ongoing post-petition business operations until it confirms a plan of reorganization. The Debtor believes that use of its Cash Collateral will allow it to operate as a going concern, which will maximize the value of the estate for all creditors. In the absence of authorization to use Cash Collateral, therefore, the Debtor could not continue to operate its business, which would cause immediate and irreparable harm to its assets, its employees, its creditors and its bankruptcy estate. The use of such Cash Collateral is fair and reasonable and reflects the Debtor's exercise of prudent business judgment consistent with its fiduciary duties. Further, the Debtor believes that the proposed adequate protection for the Lender, including the continued operation and maintenance of the Hotel, will preserve the value of the Lender's collateral.

14. Section 363(a) of the Bankruptcy Code provides that “cash collateral” includes both cash and cash equivalents in which a debtor and another entity have an interest. Section 363(c)(2), in turn, provides that a debtor may use cash collateral if (a) the other entity with an interest in the cash collateral consents, or (b) the Bankruptcy Court, after notice and hearing, authorizes such use. In that regard, section 363(a) of the Bankruptcy Code defines cash collateral as, among other things, "the proceeds, products, offspring, rents, or profits of property and the fees, charges, accounts or other payments for the use or occupancy of rooms and other, public facilities in hotels, motels, or other lodging properties subject to a security interest as provided in section 552(b) of this title." 11 U.S.C. § 363(a). Section 552(b)(2) similarly provides, in pertinent part, that:

[I]f the debtor and an entity entered into a security agreement before the commencement of the case and if the security interest created by such security agreement extends to property of the debtor acquired before the commencement of the case and to amounts paid as rents of such property or the fees, charges, accounts, or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties, then such security interest extends to such rents and such fees, charges, accounts, or other payments acquired by the estate after the commencement of the case to the extent provided in such security agreement...
11 U.S.C. § 552(b)(2).

15. In this case, the revenues generated by the Hotel appear to be subject to the Lenders’ mortgages and rents and lease assignments and, as such, constitute Cash Collateral. The Debtor has a critical need for the immediate use of the Lender's Cash Collateral to timely satisfy ongoing post-petition obligations. Again, without the immediate use of the Cash Collateral, the Debtor will not be able to sustain its business during the post-petition period and

may be forced to close its Hotel. Such a result would be disastrous to all the Debtor's creditors, including the Lenders. The Debtor, therefore, proposes to use the Hotel's rents to fund the ordinary and necessary operating expenses for the Hotel.

16. Accordingly, the Debtor's use of cash collateral in the ordinary course of business will allow the Debtor to preserve and protect the Hotel, and thus the Debtor will be protecting the Lenders' collateral, including cash collateral, so that it does not decline in value during this case. As stated in In re Pine Lake Village Apartment Co. 16 B.R. 750, 756 (Bankr. S.D.N.Y. 1982)

. . . the application of rent income solely to maintain and repair the property so as to prevent further deterioration will enhance the value of the property which serves as the collateral for the. . . plaintiff-mortgagee's claim. [The use of such funds] without any diversion ... to the debtor, clearly ensures that the plaintiff-mortgagee's investment is adequately protected.

Accord, In re 499 W. Warren Street Associates, Ltd. Partnership 142 B.R. 53 (Bankr. N.D.N.Y.,1992); In re Constable Plaza Associates, L.P. 125 B.R. 98, 105 (Bankr. S.D.N.Y. 1991); In re Cardinal Industries, Inc. 118 B.R. 971 (Bankr..S.D.Ohio 1990).

17. In summary, subject to further order of this Court, the Debtor will (a) use cash collateral only in the ordinary course of business to preserve and protect the Property, (b) maintain strict records with respect to the use of cash collateral, (c) furnish the Mortgagee with monthly operating reports required by the United States Trustee, and (d) provide the Mortgagee with a replacement lien on the Debtor's assets to the extent of any erosion of the Mortgagee's

cash collateral as a result of the Debtor's use of cash collateral. Limiting the use of cash collateral in such fashion further serves to adequately protect the Lenders.

18. Despite the Debtor's best efforts, the Debtor has been unable to obtain financing from any other source for meeting its expenses.

19. The Debtor's projections for the interim use of cash collateral are set forth on Exhibit B hereto. Pending a final hearing on the Application, therefore, the Debtor seeks a hearing on the interim use of cash collateral because there are number items, including payroll, that need to be paid as soon as possible, which would be within the minimum statutory 15 day notice period under Rule 4001 of the Bankruptcy Rules. Accordingly, the Debtor respectfully requests that the Bankruptcy Court shorten time pursuant Bankruptcy Rule 9006 and conduct an interim hearing on the use of cash collateral, and that at such interim hearing, the Court schedule a final hearing on the use of cash collateral.

20. No prior application has been made for the relief sought herein.

CONCLUSION

WHEREFORE, the Debtor respectfully requests that the court: (a) shorten time pursuant to Bankruptcy Rule 9006 for a hearing on interim use of cash collateral, (b) authorize the Debtor to use cash collateral pursuant to the Budget annexed hereto, (c) schedule a final hearing on use of cash collateral, and (d) grant such other and further relief as the court deems just and proper.

Dated: New York, New York
January 13, 2010

EVERYDAY LOGISTICS LLC
By K Hotel LLC, Managing Member

By: s/ Eliot Spitzer, Managing Member

BACKENROTH FRANKEL & KRINSKY, LLP
Proposed Attorneys for the Debtor

By: s/Mark Frankel
489 Fifth Avenue
New York, New York 10017
(212) 593-1100

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re

Chapter 11

EVERYDAY LOGISTICS LLC,

Case No. 10-22026

Debtor.
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STATE OF NEW YORK)
) s.s.:
COUNTY OF NEW YORK)

**AFFIDAVIT IN SUPPORT OF MOTION TO SHORTEN TIME FOR
INTERIM HEARING OF APPLICATION FOR AUTHORITY TO USE
CASH COLLATERAL**

Mark Frankel, being duly sworn, deposes and says:

1. I am a member of the firm of Backenroth Frankel & Krinsky LLP, and I am making this affidavit in support of the application of Everyday Logistics LLC, the Debtor and Debtor-in-Possession ("Debtor") for an order shortening time pursuant Bankruptcy Rule 9006 for an interim hearing on the Debtor's application to use of cash collateral.

2. The Debtor seeks a hearing on the interim use of cash collateral on shortened notice because there are a number items, including payroll, that need to be paid as soon as possible, which would be within the minimum statutory 15 day notice period under Rule 4001 of the Bankruptcy Rules. The specific list of such items is set forth in the Application filed herewith.

3. Were the Debtor to proceed by regular notice of motion for the interim hearing requested in the application, critical items including payroll would go unpaid.

4. Accordingly, the Debtor respectfully requests that the Bankruptcy Court (a) grant the Debtor's application to shorten time and to hear the Debtor's application for interim use of cash collateral, (b) authorize the Debtor to use cash collateral on an interim basis, and (c) schedule a final hearing on the use of cash collateral.

s/Mark Frankel

Sworn to before me this
13th day of January, 2010

s/Scott Krinsky
Notary Public

The Hudson Valley Resort & Spa Weekly Budget - 2010	Week 1	Week 2	Week 3	Week 4	TOTALS
	Jan 8-14	Jan 15-21	Jan 22-28	Jan 29-Feb 4	
Total Number of Rooms Available	1890	1890	1890	1890	7560
# Rooms Occupied - Leisure			10		10
# Rooms Occupied - Group	375	978	675	325	2353
Total # Rooms Occupied	375	978	685	325	2363
Leisure Occupancy	0.00%	0.00%	0.53%	0.00%	0.13%
Group Occupancy	19.84%	51.75%	35.71%	17.20%	31.12%
Total Occupancy	19.84%	51.75%	36.24%	17.20%	31.26%
Leisure ADR	n/a	n/a	\$99.00	n/a	\$99.00
Group ADR	\$87.00	\$102.00	\$90.00	\$75.00	\$92.44
Overall Average Rate	\$87.00	\$102.00	\$90.13	\$75.00	\$92.47
REVPAR	\$17.26	\$52.78	\$32.67	\$12.90	\$28.90
REVENUE					
Leisure Room Revenue	\$ -		\$ 990.00		\$ 990.00
Group Room Revenue	\$ 32,625.00	\$ 99,756.00	\$ 60,750.00	\$ 24,375.00	\$ 217,506.00
Total Room Revenue	\$ 32,625.00	\$ 99,756.00	\$ 61,740.00	\$ 24,375.00	\$ 218,496.00
Outlet Food & Beverage	\$ 1,000.00	\$ 750.00	\$ 1,750.00	\$ 1,000.00	\$ 4,500.00
Banquet Food	\$ 60,210.00	\$ -	\$ 19,400.00	\$ 72,475.00	\$ 152,085.00
Total Food	\$ 61,210.00	\$ 750.00	\$ 21,150.00	\$ 73,475.00	\$ 156,585.00
Banquet Service Charges	\$ 12,042.00	\$ -	\$ 3,880.00	\$ 14,495.00	\$ 30,417.00
Total F&B	\$ 73,252.00	\$ 750.00	\$ 25,030.00	\$ 87,970.00	\$ 187,002.00
Meeting Room Revenue	\$ 750.00	\$ 19,140.00	\$ 1,300.00	\$ 850.00	\$ 22,040.00
Telephone	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,000.00
Health Club	\$ 1,950.00	\$ 2,475.00	\$ 2,475.00	\$ 1,950.00	\$ 8,850.00
Golf					\$ -
Activities					\$ -
Gift Shops	\$ 1,100.00	\$ 1,100.00	\$ 300.00	\$ 1,100.00	\$ 3,600.00
Other - Vending & Game Room	\$ 350.00	\$ 300.00	\$ 100.00	\$ 350.00	\$ 1,100.00
Other - Labor Fee		\$ 9,780.00			\$ 9,780.00
TOTAL REVENUE	\$ 110,277.00	\$ 133,551.00	\$ 91,195.00	\$ 116,845.00	\$ 451,868.00
EXPENSES & PROFIT					
<u>Room Expenses:</u>					
Payroll	\$ 9,425.00	\$ 15,455.00	\$ 14,580.00	\$ 8,925.00	\$ 48,385.00
Operational	\$ 622.50	\$ 1,623.48	\$ 1,137.10	\$ 539.50	\$ 3,922.58
Travel / Commissions					\$ -
Other	\$ 180.00	\$ 469.44	\$ 328.80	\$ 156.00	\$ 1,134.24
Total Room Expenses	\$ 10,227.50	\$ 17,547.92	\$ 16,045.90	\$ 9,620.50	\$ 53,441.82
Room Departmental Profit	\$ 22,397.50	\$ 82,208.08	\$ 45,694.10	\$ 14,754.50	\$ 165,054.18
<u>Food Expenses</u>					
Payroll	\$ 10,885.37	\$ 10,265.40	\$ 5,677.57	\$ 12,479.82	\$ 39,308.17
Banquet Service	\$ 9,031.50	\$ -	\$ 2,910.00	\$ 10,871.25	\$ 22,812.75
Cost of Food	\$ 18,363.00	\$ 225.00	\$ 6,345.00	\$ 22,042.50	\$ 46,975.50
Operational	\$ 641.25	\$ 1,672.38	\$ 1,171.35	\$ 555.75	\$ 4,040.73
Other/Contract	\$ 180.00	\$ 469.44	\$ 328.80	\$ 156.00	\$ 1,134.24
Total Food Expenses	\$ 39,101.12	\$ 12,632.22	\$ 16,432.72	\$ 46,105.32	\$ 114,271.39
Food Departmental Profit	\$ 34,150.88	\$ (11,882.22)	\$ 8,597.28	\$ 41,864.68	\$ 72,730.62

The Hudson Valley Resort & Spa
Weekly Budget - 2010

	Week 1	Week 2	Week 3	Week 4	TOTALS
	Jan 8-14	Jan 15-21	Jan 22-28	Jan 29-Feb 4	
<u>Meeting Room Expenses:</u>					
Payroll					\$ -
Operational	\$ 200.00	\$ 1,750.00	\$ 275.00	\$ 250.00	\$ 2,475.00
Other					\$ -
Total Meeting Room Expenses	\$ 200.00	\$ 1,750.00	\$ 275.00	\$ 250.00	\$ 2,475.00
Meeting Room Departmental Profit	\$ 550.00	\$ 17,390.00	\$ 1,025.00	\$ 600.00	\$ 19,565.00
<u>Telephone Expenses:</u>					
Service Contract	\$ 568.00	\$ 568.00	\$ 568.00	\$ 568.00	\$ 2,272.00
Operational	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 2,500.00
Other					\$ -
Total Telephone Expenses	\$ 1,193.00	\$ 1,193.00	\$ 1,193.00	\$ 1,193.00	\$ 4,772.00
Telephone Departmental Profit	\$ (943.00)	\$ (943.00)	\$ (943.00)	\$ (943.00)	\$ (3,772.00)
<u>Health Club Expenses:</u>					
Payroll	\$ 1,467.58	\$ 1,722.61	\$ 1,467.58	\$ 1,467.58	\$ 6,125.36
Contract Labor	\$ 1,170.00	\$ 1,790.00	\$ 1,485.00	\$ 1,370.00	\$ 5,815.00
Operational	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,000.00
Other	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,000.00
Total Health Club Expenses	\$ 3,137.58	\$ 4,012.61	\$ 3,452.58	\$ 3,337.58	\$ 13,940.36
Health Club Departmental Profit	\$ (1,187.58)	\$ (1,537.61)	\$ (977.58)	\$ (1,387.58)	\$ (5,090.36)
<u>Golf Expenses:</u>					
Payroll - Golf	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll - Grounds	\$ 1,950.00	\$ 1,950.00	\$ 1,950.00	\$ 1,950.00	\$ 7,800.00
Lease of Equipment	\$ 763.00	\$ 763.00	\$ 763.00	\$ 763.00	\$ 3,052.00
Operational	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 800.00
Other	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 500.00
Total Golf Expenses	\$ 3,038.00	\$ 3,038.00	\$ 3,038.00	\$ 3,038.00	\$ 12,152.00
Golf Departmental Profit	\$ (3,038.00)	\$ (3,038.00)	\$ (3,038.00)	\$ (3,038.00)	\$ (12,152.00)
<u>Activities Expenses:</u>					
Payroll	\$ 230.00			\$ 230.00	\$ 460.00
Rentals	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 500.00
Entertainment					\$ -
Other					\$ -
Total Activities Expenses	\$ 355.00	\$ 125.00	\$ 125.00	\$ 355.00	\$ 960.00
Activities Departmental Profit	\$ (355.00)	\$ (125.00)	\$ (125.00)	\$ (355.00)	\$ (960.00)
<u>Gift Shop Expenses:</u>					
Payroll	\$ 270.00	\$ 414.00	\$ 180.00	\$ 270.00	\$ 1,134.00
Cost of Supplies	\$ 550.00	\$ 550.00	\$ 150.00	\$ 550.00	\$ 1,800.00
Total Gift Shop Expenses	\$ 820.00	\$ 964.00	\$ 330.00	\$ 820.00	\$ 2,934.00
Gift Shop Departmental Profit	\$ 280.00	\$ 136.00	\$ (30.00)	\$ 280.00	\$ 666.00
<u>Other Expenses:</u>					
Payroll	\$ 176.00	\$ 10,250.00	\$ 198.00	\$ 242.00	\$ 10,866.00
Operational					\$ -
Total Other Expenses	\$ 176.00	\$ 10,250.00	\$ 198.00	\$ 242.00	\$ 10,866.00
Other Departmental Profit	\$ 174.00	\$ (170.00)	\$ (98.00)	\$ 108.00	\$ 14.00
TOTAL DEPARTMENTAL PROFIT	\$ 52,028.79	\$ 82,038.25	\$ 50,104.79	\$ 51,883.59	\$ 236,055.44

The Hudson Valley Resort & Spa Weekly Budget - 2010	Week 1	Week 2	Week 3	Week 4	TOTALS
	Jan 8-14	Jan 15-21	Jan 22-28	Jan 29-Feb 4	
Overhead Expenses:					
Management	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 16,000.00
Advertising & Sales	\$ 224.00	\$ 1,005.00	\$ 536.00	\$ 341.00	\$ 2,106.00
Repairs & Maintenance	\$ 1,870.00	\$ 4,402.00	\$ 2,170.00	\$ 1,870.00	\$ 10,312.00
Heat, Light, & Power	\$ 16,421.25	\$ 20,793.00	\$ 18,668.75	\$ 16,058.75	\$ 71,941.75
A&G Payroll	\$ 12,656.36	\$ 13,576.36	\$ 13,576.36	\$ 12,656.36	\$ 52,465.43
Engineering Payroll	\$ 6,476.80	\$ 6,476.80	\$ 6,476.80	\$ 6,476.80	\$ 25,907.20
Benefits - Health	\$ 1,372.00	\$ 1,372.00	\$ 1,372.00	\$ 1,372.00	\$ 5,488.00
Total Overhead Expenses	\$ 43,020.41	\$ 51,625.16	\$ 46,799.91	\$ 42,774.91	\$ 184,220.38
GROSS OPERATING PROFIT	\$ 9,008.39	\$ 30,413.10	\$ 3,304.89	\$ 9,108.69	\$ 51,835.06
CAPITAL IMPROVEMENTS					
Fixed Expenses:					
Insurances	\$ 7,735.00	\$ 7,735.00	\$ 7,735.00	\$ 7,735.00	\$ 30,940.00
Taxes	\$ 762.00	\$ 762.00	\$ 762.00	\$ 762.00	\$ 3,048.00
Other - School Tax	\$ 1,723.00	\$ 1,723.00	\$ 1,723.00	\$ 1,723.00	\$ 6,892.00
Total Fixed Expenses	\$ 10,220.00	\$ 10,220.00	\$ 10,220.00	\$ 10,220.00	\$ 40,880.00
NET OPERATING PROFIT	\$ (1,211.61)	\$ 20,193.10	\$ (6,915.11)	\$ (1,111.31)	\$ 10,955.06
Other					\$ -
Extraordinary Loss					\$ -
NET PROFIT	\$ (1,211.61)	\$ 20,193.10	\$ (6,915.11)	\$ (1,111.31)	\$ 10,955.06
Total Payroll amounts (incl. taxes)	\$ 43,537.11	\$ 60,110.16	\$ 44,106.31	\$ 44,697.56	\$ 192,451.16

Notes

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re

Chapter 11

EVERYDAY LOGISTICS LLC,

Case No. 10-22026

Debtor.
-----X

**ORDER AUTHORIZING INTERIM USE OF CASH COLLATERAL AND
NOTICE OF FINAL HEARING ON APPLICATION TO USE CASH
COLLATERAL**

Upon the application (the “Application”) of Everyday Logistics LLC, the debtor and debtor-in-possession (the “Debtor”), for an order pursuant to § 363(c) of the Bankruptcy Code (the “Code”) authorizing the use of “cash collateral” as that term is defined in § 363(a) of the Code (“Cash Collateral”), and upon the hearing held before this Court on January ___, 2010, and after due deliberation and sufficient cause appearing therefor; it is

ORDERED, that pending the final hearing on the Debtor’s Application, the Debtor be, and it hereby is, authorized to use the proceeds generated by the Debtor’s property (“Property”) known as the Hudson Valley Resort & Spa located at 400 Granite Road, Kerhonkson, New York, solely for the purposes of protecting and preserving the Property by making payment only for expenses identified on Exhibit A to the Application (the “Monthly Expenses”); and it is further

ORDERED, that pending the final hearing, the Debtor shall for the purpose of paying adequate protection payments to the Debtor’s Lenders, as set forth in the Application, the

Debtor (a) use cash collateral only in the ordinary course of business to preserve and protect the Property, (b) maintain strict records with respect to the use of cash collateral, (c) furnish the Lenders with monthly operating reports required by the United States Trustee, and (d) shall be deemed to have provided the Lenders with a replacement lien on the Debtor's assets to the extent of any erosion of the Lenders' cash collateral as a result of the Debtor's use of the proceeds under this order; and it is further

ORDERED, that pursuant to Bankruptcy Rule 4001(c) a final hearing ("Final Hearing") with respect to the relief requested by the Debtor in the Application will be held before the the Honorable Robert D. Drain on _____, 2009 at _____ .m. (the "Final Hearing"), at the United States Bankruptcy Court, 300 Quarropas Street, White Plains, NY 10601-4140; and it is further; and it is further

ORDERED, that objections to the relief to be requested at the Final Hearing shall be filed with Clerk of Court and served upon and received by Backenroth, Frankel & Krinsky, LLP on or before _____, 2009 at _____ .m., with a copy delivered to Drain's Chambers; and it is further; it is further

ORDERED, that the Debtor shall serve a copy of this Order upon the Office of the U.S. Trustee, and all of the Debtor's creditors by regular U.S. Mail on or before January ___, 2010.

Dated: White Plains, New York
January ___, 2010

UNITED STATES BANKRUPTCY JUDGE