

**UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
FT. MYERS DIVISION**

Chapter 11

In re:

Case No.: 9:17-BK-09667-FMD

MOUNTAIN BLUE HOTEL GROUP, LLC

Debtors.

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**MOTION TO AUTHORIZE USE OF CASH COLLATERAL  
AND TO APPROVE ADEQUATE PROTECTION ARRANGEMENT**

Mountain Blue Hotel Group, LLC (“Debtor”) by and through their undersigned counsel and pursuant to Sections 105, 361, 362, and 363 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2002, 4001, 6003, and 9014, files this motion (“Motion”)<sup>1</sup> seeking an order authorizing the interim use of cash collateral as defined in § 363(a) and approving an adequate protection arrangement to lender COMM 2013-CCRE-12 Suncrest Towne Center Drive, LLC (“Lender”),<sup>2</sup> and in support thereof, states as follows:

**I. JURISDICTION AND VENUE**

1. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157(b)(A) and (M) and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

<sup>1</sup> On November 29, 2017, the Debtor filed its Motion for Turnover of Property by Custodian Pursuant to 11 U.S.C. § 543 [ECF 24]. This Motion is predicated upon the Court requiring the prior receiver to turn over the Debtor’s property back to the Debtor.

<sup>2</sup> Lender has used various identities during this proceeding and prior to this proceeding, and it is unclear who the actual holder of the purported secured claim is or whether there have been proper assignments from one party to another. *See, e.g.*: (a) ECF 2 - Motion for Admission to Practice Pro Hac Vice, wherein the creditor is referred to as “U.S. Bank, N.A., as Trustee for the Benefit of the Holders of COMM 2013- CCRE12 Mortgage Trust Commercial Mortgage Pass-Through Certificates”; (b) ECF 31 - Motion to Excuse Receiver from Turnover of Property, wherein the creditor is referred to under two different names: “Comm 2013-CCRE12 Suncrest Towne Center Drive, LLC” in the body of the motion and “Comm 2013 CCRE12 Crossings Mall Road, LLC” in the attorney signature blocks; and (c) ECF 32 - Affidavit of Secured Creditor, wherein the creditor is referred to through its purported loan servicer, “LNR Partners, LLC”.

2. Venue of this proceeding and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are Sections 105, 361, 362, and 363 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6003, and 9014.

## **II. BACKGROUND**

4. The Debtor owns a Hilton Garden Inn in Morgantown, West Virginia which, in addition to 118 hotel rooms, has a restaurant and bar, a small market/gift shop and a fitness center. The hotel was constructed in 2008, and was owned by Emerald Coast Hospitality, LLC (“Emerald Coast”). Emerald Coast also owned two other hotels, the Country Inn & Suites-Summersville and the Country Inn & Suites-Elkview, until 2013, when the three hotels were refinanced. Each hotel was separately financed, and UBS, the lender on the Morgantown Hilton Garden Inn, required separate ownership. Accordingly, Mountain Blue Hotel Group LLC took title to the Morgantown Hilton property in September, 2013. Emerald Coast and Mountain Blue are both owned by Abruzzino family interests. Since the transfer of title, Emerald Coast has remained involved in that it has provided limited management services to the Hotel. Since September, 2013, Emerald Coast has provided limited management services to three hotels and nine shopping centers. Because Emerald Coast is owned by the Abruzzino family, its management “fees” were only the cost of deferring compensation, rent, and other office needs for Emerald Coast. These costs often were paid by whatever entity had the wherewithal to fund and Mountain Blue has effectively not paid for management services from Emerald Coast for many months.

5. When the Hotel was constructed in 2008, it was one of only four hotels located in Morgantown, West Virginia and the nearby vicinity. In 2013, when the hotel was refinanced, the Lender appraised the value of the Hotel at \$22.5 million, and at that time, there were about seven

hotels located in Morgantown and the surrounding vicinity. However, starting in approximately 2014, certain external factors described herein began to negatively impact the Hotel's occupancy rates and revenues began to decline. These external conditions still exist today, the Hotel's revenues have continued to decline and the Hotel almost certainly has suffered a corresponding decrease in value since its appraisal by UBS in September 2013.

6. There appears to be little dispute that a number of external factors beyond the Debtor's control have negatively affected the value of the Hotel since the Loan was made in September 2013. First, in 2014, the year after the Loan was made, five new hotels commenced construction in the same immediate vicinity as the Debtor's Hotel. Second, the boom in the natural gas industry has been declining over the past few years as a result of increased environmental standards for fracking and declines in the price of oil, and therefore gas industry workers who previously had rented hotel rooms for a month or more at a time were no longer coming to the area. Third, the Hotel's competition has increased substantially. When it was built 2008, the Hotel was one of only four hotels located in Morgantown, West Virginia and the nearby vicinity. Even in 2013, when the Lender appraised the Hotel at \$22.5 million and made the loan to the Debtor based on that value, there were only approximately seven hotels in the vicinity. Today there are approximately 20 hotels in the area competing for a declining number of guests, and several of the newer hotels have larger banquet facilities than the Debtor's Hotel has and therefore can accommodate much larger conferences and meetings.

7. The decline in the Hotel's occupancy rates resulting from these external factors caused a corresponding decline in revenues, and by 2015-2016, revenues were down by more than a million dollars. As a result of the continuing decline in revenues, by 2017, once the Lender received the first \$138,000 drawn from the monthly revenues generated, the remaining funds that

trickled down to the Debtor each month provided only about forty percent (40%) of the total amount necessary to pay all of the remaining Hotel Expenses. As a result, the Debtor was forced to prioritize the payments of outstanding obligations, paying first those expenses which were critical to keeping the Hotel open and operating (i.e., payroll, utilities, food purchases). As revenues declined and the corresponding amounts trickling down to the Debtor after the Lender was paid (in full) declined as well, the Debtor was unable to stay current on the franchise fees owed to Hilton (which averaged from \$30,000 to \$50,000 monthly), the sales taxes owed to the State of West Virginia (which averaged \$15,000 to \$22,000 monthly), and the hotel and occupancy taxes owed to Monongalia County (which also averaged \$15,000 to \$22,000 monthly). It was the Debtor's default on these obligations that prompted the Lender to declare a default under the loan documents. The default to these legitimate creditors was the direct result of this Lender refusing to reduce principle payments and refusing to grant Debtor access to its own reserve account.

8. The Lender has controlled the Debtor's finances by controlling the distribution of its revenues. From the initiation of this loan in September 2013, through May 2017, when the Lender declared a default under the loan documents (which notably was not a default in payments owed to the Lender, but rather resulted from past due payments owed for franchise fees to Hilton), *all* of the Debtor's incoming credit card revenues – which comprise virtually 98% of the Hotel's overall revenues - went not to the Debtor, but directly into a lock box account established at Wells Fargo and controlled by the Lender. Each month the Debtor's revenues were then distributed from that lock box by the Lender, which received payments each month totaling \$137,699.29 comprised of its principal payment of \$25,493.75, interest payments (at a rate of 6.54%) totaling \$79,347.79 each month, escrow reserves for real estate taxes (\$7,323.78) and insurance (\$8,372.90), a separate

mandatory FF&E reserve of \$17,161.07), and a \$2,000.00 administrative fee. In addition, the Debtor was required to maintain a \$5,000.00 minimum balance in the lock box account.

9. Only after the Lender received *all* of these payments did the remaining funds trickle down to the Debtor to pay all remaining expenses of the Hotel, including employee payroll, payroll taxes, utilities, food, maintenance and upkeep, franchise fees to Hilton, sales taxes, hotel and occupancy taxes, insurance (including general liability, unemployment and workers' compensation) and vendors (collectively the "Hotel Expenses"). Certain of these expenses were critical to keeping the Hotel open and operating, particularly the employee payroll, utilities, food purchases and certain vendors providing crucial services to the hotel, such as laundry and maintenance, and thus were given priority by the Debtor when there were not enough funds to satisfy all obligations.

10. As market conditions declined (through no fault of the Debtor), as the Debtor's revenues declined, and as the Hotel's value declined as well, the Lender continued paying itself \$138,000 monthly on a loan that was based on the lender's own appraised value of the Hotel at \$22.5 million, and yet expected the full burden of those declining market conditions to fall on the Debtor's shoulders.

11. Non-judicial foreclosure sales are permitted in West Virginia. Accordingly, in August, 2017, the Lender scheduled a non-judicial sale of the hotel. In addition, in August, 2017, the Lender filed an action solely on the note against the Debtor in the United States District Court for the Northern District of West Virginia (the "District Court Case"), and sought the appointment of a receiver for the Hotel.

12. Mountain Blue Hotel Group, LLC is a Georgia LLC. On September 13, 2017, the Debtor filed a voluntary petition for relief under Chapter 11 in the United States Bankruptcy Court

for the Northern District of Georgia, Case Number 17-66051-LRC (the “Georgia Bankruptcy Case”). Although the Lender has asserted that this case was dismissed after only 33 days in bankruptcy because of the Debtor’s “failure” to obtain workers’ compensation insurance, this simplistic explanation is grossly misleading.

13. The workers’ compensation insurance issue in the Georgia Bankruptcy Case was more complicated than a simple “failure” to obtain insurance. The Georgia Bankruptcy Court had directed the Debtor to provide proof to the U.S. Trustee by October 13, 2017 that all necessary insurance policies were in place. The Debtor complied, and provided confirmation from its insurance broker by letter dated October 13, 2017 that all necessary insurance policies were in effect except for the workers’ compensation insurance, which was indicated to be “pending.” By that time, the Debtor already had gone to substantial lengths to procure all of the information that had been requested by the underwriter, which included copies of the original documentation that established – decades ago - certain family trusts that own membership interests in the Debtor.

14. All of the requested documentation was located, and was provided by the Debtor to the underwriter approximately ten days prior to the October 13<sup>th</sup> deadline. However the underwriter, which neither the Debtor nor the Debtor’s insurance broker had any ability to control, took an inordinate amount of time to complete its underwriting process and issue the workers’ compensation insurance policy, and the Debtor still had not received confirmation of that policy by Friday, October 13, 2017. The workers’ compensation insurance policy was issued on October 18, 2017, and the policy provided coverage retroactively to the October 13, 2017 deadline. On Monday, October 16, 2017, the Georgia Bankruptcy Court dismissed the Debtor’s case for failing to provide confirmation of the workers’ compensation insurance by the deadline, despite the

substantial efforts the Debtor had made to obtain it by the deadline, and despite the fact that the untimely receipt of the policy from the underwriter was beyond the Debtor's control.<sup>3</sup>

15. Apparently the Debtor did move to have the Georgia Bankruptcy Court reconsider its dismissal of the Debtor's case on October 18, 2017, the same day the policy binder was received. However, immediately after the Debtor's Georgia Bankruptcy Case had been dismissed on October 16<sup>th</sup>, the Lender had already filed an emergency motion in the District Court Case to appoint a receiver for the Hotel, and the District Court held an emergency hearing on that motion on October 18<sup>th</sup>, the same day the Debtor sought reconsideration of the dismissal order. The District Court's order appointing a receiver for the Debtor's Hotel was entered the on the same day the hearing was held, October 18, 2017. For reasons unknown, the Bankruptcy Court did not hear the Debtor's request for reconsideration of the dismissal until November 14, 2017, after the Receiver had been in place for nearly a month, and denied the Motion. The dismissal order does not have a prejudice period.

### **III. THE DEBTOR'S CASH COLLATERAL NEEDS**

16. On November 15, 2017, Mountain Blue commenced the instant proceeding with the filing of its voluntary Chapter 11 petition [ECF 1] (the "Petition").

17. On November 29, 2017, the Debtor file its Motion for Turnover of Property by Custodian Pursuant to 11 U.S.C. § 543 [ECF 24]. This Motion is predicated upon the Court requiring the custodian receiver to turn over the Debtor's property back to the Debtor.

18. Through this Motion, the Debtor seeks, upon turnover of the Debtor's property by the receiver back to the Debtor, the interim authorization from this Court to use cash collateral to

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<sup>3</sup> Based on a review of the docket in the Georgia Bankruptcy Case, we are unable to find a Motion for an extension of time to provide the workers' compensation insurance due to the unusual circumstances which caused the delay.

pay ordinary course operating expenses including, without limitation, payroll and payment of insurance and taxes.

19. Absent the ability to use cash collateral, the Debtor will be unable to pay ordinary course expenses including funding payroll, payroll taxes, and the payment of health insurance, among other necessary and ordinary expenses. If the Debtor is unable to pay these expenses, this will, in turn, lead to the swift departure of many of the Debtor's employees, vendor defaults, and immediate declines in revenue, resulting in a substantial decline in the going-concern value of the Debtor and serious questions as to ongoing viability.

20. The authority sought in this Motion is for the Debtor to continue to make ordinary course payments in line with the proposed Cash Collateral budget ("Budget") attached hereto as Exhibit "A." Any deviation from a proposed line item in the Budget of more than 10% will only be paid upon Court approval if the parties are unable to agree (the "Allowed Variance").

21. The period proposed for the interim relief sought in this Motion relating to cash collateral shall extend from the entry of an Order granting this Motion through the earlier to occur of the following: (a) 60 days from the entry of an Interim Order granting the relief requested herein relating to cash collateral (the "Interim Period"), (b) the entry of a further interim order on the relief requested herein, or (c) the entry of a final order authorizing the use of cash collateral. The Debtor believes that the use of cash collateral to operate its business including funding payroll is essential to the preservation of the Debtor's going-concern value and to its ability to successfully reorganize. The inability to use cash collateral, in contrast, would result in immediate and irreparable harm to the Debtor and its creditors.



**a. Adequate Protection**

22. As set forth hereunder, Lender appears to be substantially undersecured and under *Timbers* and progeny (see below argument), so long as Lender's collateral position is not deteriorating, the Debtor has no obligation to provide periodic "lost opportunity" cash payments to Lender. The Debtor proposes, upon turnover of the Debtor's property by the receiver back to the Debtor, to provide adequate protection ("Adequate Protection") to Lender that will protect Lender's collateral position, as follows:

i. The Debtor shall grant Lender a running replacement lien ("Replacement Lien") on all cash generated by the Debtor from and after the Petition Date;

ii. The Debtor shall escrow 1/12 of all real estate taxes on a going forward basis, which escrow shall be available to pay post-petition real estate taxes when due;

iii. The Debtor will maintain comprehensive insurance coverage on all its real property and standard business risk liability coverages on all property;

iv. The Debtor shall abide by the budget attached as Exhibit "A," subject to up to a 10% increase variance per item per month. If there is an anticipated increase variance of more than 10%, Debtor shall seek approval from Lender, which approval shall not be unreasonably withheld. If the parties are unable to agree to such variance, the parties may seek a ruling from the Court on an emergency basis;

v. The Debtor shall file its DIP Financial Reports on a timely basis;

vi. On reasonable notice, Lender may review the Debtor's books and records during normal business hours and so as not to disrupt normal business operations. In such event, Lender may have up to two auditors review the books and records at any one time. The cost and expense of any such audit or review shall be borne by Lender;

vii. On reasonable notice, Lender may inspect the business operations of the Debtor, but only in a manner so as not to disrupt normal business operations.

viii. In the event that there is any alleged default under this adequate protection arrangement, Lender shall provide the Debtor and its counsel with written notice of default and allow the Debtor a reasonable time to cure such default. If the default is not cured, Lender may file a motion with the court to enforce the adequate protection arrangement and/or to seek any other relief appropriate in the premises.

#### IV. ARGUMENT

##### a. Cash Collateral

23. Pursuant to 11 U.S.C. § 363(c), “if the business of the debtor is authorized to be operated under section ... 1108 ... of this title and unless the court orders otherwise, the [debtor] may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.” *See* 11 U.S.C. § 363(c)(1). A debtor’s ability to use cash collateral, however, is conditioned by 11 U.S.C. § 363(c)(2), which provides that “the [debtor] may not use sell, or lease cash collateral under paragraph (1) of this subsection unless: (A) each entity that has an interest in the such cash collateral consents; or (B) the court, after notice and hearing, authorizes such use, sale, or lease in accordance with the provisions of this subsection.” *See* 11 U.S.C. § 363(2).

##### b. Adequate Protection - Timbers

24. In this case, the Lender’s is undersecured. Pursuant to letter dated October 25, 2017 attached hereto as Exhibit “B,” prior to the filing of the Petition, Lender indicated that it was owed \$19,051,536.91 by the Debtor. The Debtor believes that this amount is highly inflated,

unsupportable in law, and may be usurious. The loan appears to have grown by almost \$5,000,000.00 magically over the last few months. As indicated, *supra*, while the Hotel was appraised for \$22.5 MM in 2013, it is highly unlikely due to market conditions and other factors that the Hotel is worth close to that amount today. Under *United Savings Association of Texas v. Timbers of Inwood Forest Associates, Ltd.*, 484 U.S. 365, 108 S.Ct. 626 (1988), the Debtor has no obligation to pay interest or lost opportunity costs to an under-secured creditor. Lender is not entitled to payment of interest “since [§506(b)] permits post-petition interest to be paid only out of the ‘security cushion,’ the undersecured creditor, who has no such cushion, falls within the general rule disallowing post-petition interest” found in § 502(b)(2). *See also, In re Maun*, 95 B.R. 94 (S.D. Ill. 1989); *Ridgemont Apartment Associates, Ltd. v. Atlanta English Village, Ltd.*, 110 B.R. 77 (N.D. Ga. 1989).

25. In the event it is ever determined that Lender is not under-secured in this case, then the parties (and, if necessary, the Court) may readdress the appropriateness of adequate protection payments.

26. In this case, it is necessary for the Debtor to use cash collateral to continue to fund payroll and pay the other ordinary operating expenses of running its business during the Interim Period. The proposed use of cash collateral is necessary to avoid the irreparable harm to the Debtor and its estate and creditors, including Lender, that would be caused by the inevitable exodus of employees if the Debtor remains with no cash.

27. Moreover, the proposed use of cash collateral by the Debtor will prejudice no party, but rather, the use of cash collateral will affirmatively and directly benefit the value of the Debtor’s estate by enhancing the prospects of a successful outcome for this case, all while Lender is adequately protected.

28. By this Motion, the Debtor seeks only authorization to use cash collateral to the extent necessary to fund payroll and the ongoing business operations in accordance with the Budget attached as Exhibit "A." Without use of cash collateral, there is probably no prospect of reorganization.

**V. CONCLUSION**

29. The Debtor is in immediate need of the use of its cash collateral and the Debtor has offered the Lender appropriate and reasonable adequate protection under these circumstances.

WHEREFORE, the Debtor, Mountain Blue Hotel Group, LLC, respectfully requests an Order from this Court authorizing the Debtor to use cash collateral during the Interim Period in accordance with the attached Budget, granting adequate protection to Lender as set forth herein, and for any other and further relief that this Court deems just and proper.

Respectfully submitted,

Aaronson Schantz Beiley P.A.

/s/ Geoffrey S Aaronson  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing will be furnished on December 17, 2017 via email to all CM/ECF electronic notice parties through the Court's CM/ECF system.

s/ Geoffrey S. Aaronson  
Geoffrey S. Aaronson

# **Exhibit “A”**



			75100 - Electricity		0.00	4,800.00	5,700.00	7,500.00	8,000.00	9,300.00	8,100.00	43,400.00
			75151 - Gas		0.00	1,600.00	1,800.00	2,400.00	2,600.00	3,000.00	2,600.00	14,000.00
			75152 - Water-Sewage		0.00	1,600.00	1,900.00	2,500.00	2,700.00	3,100.00	2,700.00	14,500.00
			75153 - Waste Removal		0.00	600.00	700.00	950.00	1,000.00	1,200.00	1,000.00	5,450.00
			75154 - Internet Service		0.00	800.00	900.00	1,200.00	1,300.00	1,500.00	1,300.00	7,000.00
			75155 - Telephone Service		0.00	1,000.00	1,200.00	1,500.00	1,600.00	1,900.00	1,650.00	8,850.00
			75156 - Cable TV		0.00	1,650.00	2,000.00	2,600.00	2,800.00	3,200.00	2,800.00	15,050.00
			76175 - Dues and Subscriptions		0.00	300.00	350.00	400.00	450.00	550.00	500.00	1,200.00
			76460 - Chargeback		100.00	200.00	200.00	200.00	200.00	200.00	200.00	1,200.00
			76523 - Wire fees		25.00	50.00	50.00	50.00	50.00	50.00	50.00	300.00
			76524 - Bank Account Maintenance Fees		30.00	50.00	50.00	50.00	50.00	50.00	50.00	300.00
			76600 - Employee Recruiting		100.00	500.00	500.00	500.00	500.00	500.00	500.00	3,000.00
			76701 - American Express		0.00	600.00	500.00	500.00	900.00	900.00	750.00	4,150.00
			76703 - Discover		0.00	150.00	200.00	200.00	300.00	300.00	250.00	1,400.00
			76705 - Merchant Services		0.00	4,000.00	3,500.00	3,500.00	5,000.00	5,000.00	4,000.00	25,000.00
			76706 - Merchant Services - F&B		0.00	200.00	200.00	200.00	300.00	300.00	300.00	1,500.00
			76700 - Credit Card Processing Fees - Other		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			76801 - Professional Fees - Legal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			76802 - Professional Fees - Accounting		1000.00	10,000.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	22,500.00
			76840 - Postage and Delivery		30.00	50.00	50.00	50.00	75.00	75.00	60.00	360.00
			76880 - Travel-Meals-Lodging		0.00	0.00	0.00	2,000.00	0.00	0.00	0.00	2,000.00
			76888 - Common Area Music		0.00	100.00	100.00	100.00	150.00	150.00	130.00	730.00
			77101 - Advertising - Directory & Guides		0.00	50.00	50.00	50.00	50.00	50.00	50.00	300.00
			77150 - Advertising - Newspaper/Magazine		0.00	50.00	50.00	50.00	50.00	50.00	50.00	300.00
			77100 - Sales & Advertising - Other		100.00	100.00	100.00	100.00	100.00	100.00	100.00	600.00
			77901 - Franchise Fee - Royalties (19% of Rental Income)		0.00	49,515.00	43,402.00	43,402.00	52,617.00	52,572.00	45,757.00	287,265.00
			78100 - Building Repairs		500.00	900.00	1,100.00	1,100.00	2,000.00	2,000.00	1,800.00	8,900.00
			78102 - Painting & Decorating		0.00	150.00	200.00	200.00	350.00	350.00	300.00	1,550.00
			78103 - Light Bulbs		100.00	150.00	200.00	200.00	300.00	300.00	250.00	1,400.00
			78104 - Fire & Safety		100.00	300.00	300.00	300.00	300.00	300.00	300.00	1,800.00
			78105 - Snow Removal		100.00	150.00	150.00	150.00	150.00	100.00	0.00	700.00
			78106 - Pest Control		0.00	100.00	100.00	100.00	100.00	100.00	100.00	600.00
			78107 - Electrical & Mechanical		150.00	200.00	200.00	200.00	500.00	500.00	300.00	1,900.00
			78108 - Elevator		500.00	2,000.00	2,000.00	2,000.00	3,000.00	3,000.00	2,500.00	14,500.00
			78109 - HVAC		500.00	1,000.00	1,000.00	1,000.00	2,000.00	2,000.00	1,500.00	8,500.00
			78110 - Maintenance Supplies		150.00	500.00	500.00	500.00	1,000.00	1,000.00	800.00	4,300.00
			78111 - Plumbing		150.00	200.00	200.00	200.00	400.00	400.00	375.00	1,775.00
			78112 - Pool & Spa Maintenance (Assuming Receiver has done repair)		150.00	500.00	500.00	500.00	900.00	900.00	900.00	4,200.00
			78113 - Landscape-Grounds-Roads-Walkway		100.00	100.00	100.00	100.00	200.00	250.00	250.00	1,000.00
			78114 - Small Equip Purchase & Repair		250.00	1,700.00	2,000.00	2,000.00	3,000.00	3,000.00	3,000.00	14,700.00
			78401 - Signage		0.00	50.00	50.00	50.00	50.00	50.00	50.00	300.00
			78550 - Keys and Locks		0.00	100.00	100.00	100.00	500.00	500.00	300.00	1,600.00
			78600 - Computer Repair & Installations		0.00	100.00	100.00	100.00	500.00	500.00	500.00	1,800.00
			78601 - Equipment Inspections		0.00	100.00	100.00	150.00	150.00	150.00	150.00	800.00
			78602 - Technology Systems and Support		0.00	300.00	300.00	400.00	400.00	500.00	425.00	2,325.00
			78951 - Auto Fuel Expense		100.00	300.00	350.00	500.00	500.00	600.00	450.00	2,700.00



			<b>80260 - Other Interest Expenses</b>	<b>Vehicle Expense &amp; Maintenance</b>	150.00	400.00	500.00	600.00	650.00	800.00	650.00	3,600.00
			<b>80400 - Personal Property Taxes</b>		324.03	324.03	324.03	324.03	324.03	324.03	324.03	1,944.18
			<b>Real</b>		6,953.31	6,953.31	6,953.31	6,953.31	6,953.31	6,953.31	6,953.31	41,719.86
			<b>Insurance (Assuming</b>		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				<b>Hotel/Motel Tax</b>	0.00	14,737.00	12,896.00	12,896.00	16,616.00	16,602.00	14,450.00	88,197.00
				<b>Tax</b>	0.00	14,737.00	12,896.00	12,896.00	16,616.00	16,602.00	14,450.00	88,197.00
			<b>Total Expense</b>		51,963.24	192,796.34	177,051.34	211,201.34	212,581.34	216,158.34	223,829.34	1,232,268.04
<b>Net Ordinary Income</b>					32,619.76	60,408.66	45,276.66	11,126.66	55,948.66	52,635.66	10,269.66	237,015.96

# Exhibit “B”

# CAMPBELL WOODS

ATTORNEYS AND COUNSELORS AT LAW

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529-8560)  
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**ASHLAND OFFICE**

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October 25, 2017

**VIA FIRST CLASS AND  
VIA CERTIFIED MAIL**

# 7016 0600 0000 2731 5136  
Mountain Blue Hotel Group, LLC  
205 Marion Square Plaza  
Fairmont, WV 26554

**VIA FIRST CLASS AND  
VIA CERTIFIED MAIL**

# 7016 0600 0000 2731 5143  
Mountain Blue Hotel Group, LLC  
27299 Riverview Center Blvd.  
Suite 103  
Bonita Springs, FL 34134

**VIA FIRST CLASS AND  
VIA CERTIFIED MAIL**

# 7016 0600 0000 2731 5150  
Mountain Blue Hotel Group, LLC  
P.O. Box 190  
Bonita Springs, FL 34133-0190

**Re: Original Lender: UBS Real Estate Securities, Inc.  
Current Noteholder: COMM 2013-CCRE12 Suncrest Towne Center Drive,  
LLC  
Borrower: Mountain Blue Hotel Group, LLC;  
Promissory Note dated September 17, 2013 in the amount of  
\$15,470,000.00;  
Deed of Trust and Security Agreement dated: September 11, 2013, effective  
September 17, 2013;  
Loan # M300981021  
Payoff - \$19,051,536.91 as of October 25, 2017**

Dear Borrower:

As a result of your default under terms of the Note and Trust Deed, notice is hereby provided that COMM 2013-CCRE12 Suncrest Towne Center Drive, LLC, has elected to accelerate all sums secured by said deed of trust, and the balance set forth above is due and

payable without further demand.

The substitute trustee, at the direction of the Creditor, shall conduct a public sale of the property described in the above-mentioned Deed of Trust and in the Notice of Trustee's Sale enclosed herein. You will also find enclosed the Notice of Substitution of Trustees, which has been placed of record in accordance with the terms of the Trust Deed. Accordingly, please be advised that the trustee will sell the real estate described in said Notice at public auction to the highest bidder on **November 15, 2017 at 3:30 p.m.** You are invited to attend this sale to protect your interest. If you have any questions, please feel free to call me at the number set forth below.

Sincerely,

J. Patrick Jones  
304-529-8560

JPJ:lgh  
Enclosures  
cc: Kelly Neal, Esq., Buchanan Ingersoll & Rooney, PC

**VIA CERTIFIED MAIL**

# 7016 0600 0000 2731 5167  
Michael J. Del Giudice, Esq.  
Ciccarello, Del Giudice & LaFron  
1219 Virginia Street East, Suite 100  
Charleston, WV 25301

**VIA CERTIFIED MAIL**

# 7016 0600 0000 2731 5174  
**AND EMAIL, gfriesem@fmsmlaw.com**  
George Freisem, Esq.  
2905 Piedmont Road, NE, Ste. C  
Atlanta, GA 30305

**VIA CERTIFIED MAIL**

# 7016 0600 0000 2731 5181  
**AND EMAIL robertplaza@aol.com, bethplaza@aol.com**  
Mr. William Abruzzino  
Ms. Rebecca Abruzzino  
17055 Porta Vecchio Way  
Unit 101  
Naples, FL 34110-2798

**VIA CERTIFIED MAIL**

# 7016 0600 0000 2731 4125

**AND EMAIL**, [scott@scottriddlelaw.com](mailto:scott@scottriddlelaw.com)

Scott B. Riddle, Esq.

Law Office of Scott B. Riddle, LLC

3340 Peachtree Road, NE

Suite 1800

Atlanta, GA 30326