

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In Re:
HANISH, LLC,

Debtor.

Case No. 16-10602 (BAH)

Chapter 11

**ORDER AUTHORIZING USE OF
CASH COLLATERAL AND GRANTING ADEQUATE PROTECTION
(SEVENTH INTERIM PERIOD)**

This matter came before the Court on a motion (the “**Motion**”) of Hanish, LLC, the debtor and debtor-in-possession in this bankruptcy proceeding (the “**Debtor**”) for an order, *inter alia*, (i) authorizing the use of cash collateral on a seventh interim basis (ii) and granting replacement liens and other adequate protection to Phoenix REO, LLC (“the **Lender**”).

This Court, having reviewed the Motion and all matters brought to the Court’s attention in the pleadings, and after due deliberation and consideration, **HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:**

Procedural History

- A. **Commencement of Case.** The Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the “**Bankruptcy Code**”) on or about April 26, 2016 (the “**Petition Date**”).
- B. **No Trustee, Statutory Committee.** As of the date of this Order, no trustee (a “**Trustee**”) or statutory committee (a “**Committee**”) has been appointed.
- C. **Jurisdiction.** This Court has jurisdiction over this case and the Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a “core” proceeding as defined in 28 U.S.C. § 157(b)(2).

Factual Background

- A. The Debtor owns and operates a 59 unit “Fairfield Inn and Suites by Marriott” hotel (the “**Hotel**”), at 8 Bell Avenue, Hooksett, New Hampshire (the “**Mortgaged Property**”), which hotel is presently operating pursuant to a franchise agreement with Marriott International, Inc.
- B. Prior to the Petition Date, the Debtor and The National Republic Bank of Chicago (the “**Original Lender**”), entered into certain loan arrangements (collectively, the “**Loans**”) evidenced by, among other things, the following documents, instruments, and agreements

(together with all documents instruments and agreements executed in connection therewith, as amended and in effect, collectively, the “**Loan Documents**”): (1) a Construction Loan Agreement dated October 5, 2007, (2) a Promissory Note in the original principal amount of \$5,900,000 dated October 5, 2007 (the “**2007 Note**”); (3) a Promissory Note dated March 6, 2009 in the original principal amount of \$450,000 (the “**2009 Note**” and collectively with the 2007 Note, the “**Notes**”); and (4) a Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of October 5, 2007 (as amended and in effect, the “**Mortgage**”), encumbering the Mortgaged Premises, and (5) a Security Agreement dated October 5, 2007.

B. The Loans and the Loan Documents were assigned to the Lender by Phoenix NPL, LLC, which was the holder of the Loans and the Loan documents pursuant to an assignment from the Federal Deposit Insurance Corporation, as receiver for the Original Lender.

C. The obligations of the Debtor to the Lender pursuant to the Loan Documents are secured by a perfected first priority security interest in the Mortgaged Property and substantially all of the Debtor’s personal property assets (collectively, the “**Collateral**”), as set forth in the Loan Documents.

D. The Lender perfected its security interests in the Collateral by (a) recording the Mortgage with the Merrimack County Registry of Deeds, and (b) filing a UCC-1 financing statement with the New Hampshire Secretary of State.

E. The Debtor’s budget, a copy of which is annexed hereto and incorporated herein as **Exhibit “A”** (the “**Budget**”), indicates that the Debtor requires the use of the Lender’s cash and noncash Collateral in order to meet the Debtor’s expenses incidental to its operations.

F. All of the Debtor’s cash and available funds constitute the Lender’s cash Collateral.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion is granted on a final basis as set forth herein.

2. **ACKNOWLEDGMENT OF INDEBTEDNESS.** The Debtor has acknowledged and agreed that:

(a) The Debtor is liable to the Lender for the following amounts as of the Petition Date (collectively, the “**Claim**”): \$6,732,462.02.

(b) The Debtor is also liable to the Lender for all interest accruing from and after the Petition Date under the Loan Documents, all default rate interest accrued prior to the Petition Date, and all fees, costs, expenses, and costs of collection (including, without limitation, reasonable attorneys’ fees and expenses) as set forth in the Loan Documents heretofore and hereafter incurred by the Lender in connection therewith, to the extent allowable pursuant to Section 506(b) of the Bankruptcy Code, and that all such amounts shall constitute part of the Claim.

(c) The Claim is secured by a valid, perfected, and unavoidable first priority security interest in the Collateral and shall constitute an allowed secured claim to the extent provided for under the Bankruptcy Code.

3. **WAIVER OF CLAIMS BY THE DEBTOR.**

(a) Subject to Paragraph 4 below, the Debtor has no offsets, defenses, claims, or counterclaims against the Lender, or the Lender's officers, directors, employees, attorneys, representatives, parent, affiliates, predecessors, successors, or assigns with respect to the Claim, the Collateral, the Loan Documents, or otherwise, and that if the Debtor now has, or ever did have, any offsets, defenses, claims, or counterclaims against the Lender, or its officers, directors, employees, attorneys, representatives, parent, affiliates, predecessors, successors, or assigns, whether known or unknown, at law or in equity, from the beginning of the world through this date, all of them are hereby expressly **WAIVED**, and the Debtor has **RELEASED** the Lender and its officers, directors, employees, attorneys, representatives, parent, affiliates, predecessors, successors, and assigns from any liability therefor.

(b) Subject to Paragraph 4 below, any and all challenges by the Debtor (i) to the validity, sufficiency, priority, or amount of the Claim; (ii) the perfection of the Lender's security interests and liens in the Collateral; and (iii) any and all transfers received by the Lender pre-petition, including but not limited to, claims or challenges pursuant to §§ 544, 547, 548, 549, 550, and 553 of the Bankruptcy Code shall be forever barred.

4. **BAR DATE.** Notwithstanding the provisions of Paragraphs 2 and 3 above, (i) the Debtor may object to the amount, validity, priority and extent of the Lender's Claim or file a complaint against the Lender concerning the Claim in this Court; and (ii) any party in interest, a subsequently appointed Committee or Trustee may file an objection to the amount of the Lender's Claim or file (or seek authority to file, as the case may be) a complaint on behalf of the estate under §§ 506 544, 547, 548, 549, 550 or 553 of the Bankruptcy Code challenging the amount validity, priority, or extent of the Lender's security interest in the Collateral or otherwise seeking to avoid or recover any transfers received by the Lender. Any such objection or complaint (as is applicable) shall set forth the basis for the objection or complaint, and the reason why the Claim should not be allowed in full. If no such objection or complaint (as is applicable) is filed: (a) by the Debtor on or before ninety (90) days from June 30, 2016, (b) by any party in interest within seventy five (75) days from June 30, 2016, (c) by the Committee on or before sixty (60) days after the formation of the Committee, or if no such Committee has been formed then, or (d) by a Trustee on or before sixty (60) days after the appointment of a Trustee, any and all challenges by any party to the Claim, the Lender's security interest or liens against the Collateral or transfers received by the Lender including, but not limited to, those under §§ 506(c), 544, 547, 548, 549, 550 and 553 of the Bankruptcy Code shall be forever barred. The Court may for cause shown, and after prior notice to the Lender and a hearing, extend the deadline in paragraph (d).

5. **USE OF CASH COLLATERAL.**

(a) Subject to the terms and conditions of this Order, the Debtor is authorized to use the Lender's cash and non-cash Collateral solely to pay its ordinary and necessary business expenses as set forth on the Budget. The Debtor has represented that the Budget includes all reasonable, necessary, and foreseeable expenses to be incurred in connection with this Chapter 11 case and the operation of the Debtor's business for the period set forth in the Budget. Debtor may also pay all U.S. Trustee fees incurred during the period in the Budget in addition to the items contained in the Budget.

(b) In no event shall the Debtor use any of the Lender's cash Collateral to pay any items:

(i) not contained in the Budget, except as approved by the Court after written notice to the Lender and a hearing or after written request to the Lender and the Lender's written consent;

(ii) in excess of the amount set forth in the Budget, whether by line item, category, or in the aggregate; or

(iii) in advance of the period in which an expense shown in the Budget is scheduled to be paid.

(c) The Debtor may not use any cash Collateral that was authorized, but not used, during a period shown on the Budget in any subsequent period.

(d) The Debtor shall not knowingly or intentionally incur any administrative expenses other than as set forth in the Budget, exclusive of professional fees approved by this Court pursuant to §§ 330, 331, or 503(b) of the Bankruptcy Code and fees payable pursuant to 28 U.S.C. § 1930, without the prior written consent of the Lender or approval by this Court after notice to the Lender and a hearing.

6. **ADEQUATE PROTECTION.** As adequate protection for any diminution in the value of the Lender's cash and non-cash Collateral:

(a) The Lender is hereby granted a security interest to the extent of any diminution in the value of the Lender's cash and non-cash Collateral in all of the Debtor's post-petition assets, including, but not limited to, accounts, accounts receivable, rents, inventory, equipment, general intangibles, and goods, motor vehicles, real estate, and leasehold interest as well as all products and proceeds thereof (collectively, the "**Post-Petition Collateral**"). The lien granted to the Lender herein may not be primed by any lease or leasehold interest, or any other lien or encumbrance, whether by order of this Court or the passage of time. The lien and security interest granted herein shall be deemed valid and perfected notwithstanding the requirements of non-bankruptcy law with respect to perfection, and although not required of the Lender, the automatic stay imposed by § 362 of the Bankruptcy Code is hereby modified to the extent necessary for the Lender to perfect the security interest granted herein. The post-petition grant of the security interest

shall be supplemental of, and in addition to, the security interest which the Lender possesses pursuant to the Loan Documents.

(b) The foregoing grant of the Post-Petition Collateral shall exclude all proceeds of any avoidance action under Chapter 5 of the Bankruptcy Code (other than proceeds of any avoidance action brought pursuant to § 549 of the Bankruptcy Code to recover any postpetition transfer of Collateral, to the extent necessary to reimburse the Lender for the amount of cash Collateral which was used, if at all, to fund the Debtor's or the Committee's expenses in investigating such actions, commencing such actions, and conducting the litigation and/or settlement discussions that resulted in the receipt of such proceeds).

(c) The lien and security interest created herein shall continue in full force and effect until the Claim has been paid in full, including all principal and, to the extent authorized by § 506(b) of the Bankruptcy Code, such interest, fees, costs, and expenses, including reasonable attorneys' fees, whether currently existing or hereafter accrued and incurred, as provided for by the Loan Documents.

(d) The lien and security interest granted and created herein and the priorities of same shall not be affected by the incurrence of indebtedness pursuant § 364 of the Bankruptcy Code, or otherwise.

(e) The Debtor's counsel shall not charge any fees and/or expenses of the administration of the Debtor's estate against the Collateral pursuant to § 506(c) of the Bankruptcy Code, provided, however, that the Debtor and any subsequently appointed Trustee may seek to charge any expenses of the administration of the Debtor's estate other than counsel fees and/or expenses against the Collateral pursuant to § 506(c) of the Bankruptcy Code after notice to the Lender and a hearing before this Court. Nothing contained in this Order shall be deemed to be the consent by the Lender, whether express or implied, to any claims against the Collateral or the Post-Petition Collateral under § 506(c) of the Bankruptcy Code.

(f) If and to the extent (i) the Collateral used by the Debtor less (ii) any reduction in the pre-petition portion of the Claim from payments due hereunder exceeds the value of the Post-Petition Collateral (the "**Post-Petition Shortfall**"), then the Lender shall have a claim under § 503(b) of the Bankruptcy Code in the amount of the Post-Petition Shortfall which shall, pursuant to § 507(b) of the Bankruptcy Code, have priority over all other claims entitled to priority under § 507(a)(1), with the sole exception of quarterly fees due to the United States Trustee pursuant to 28 U.S.C. § 1930.

(g) The Debtor shall maintain all necessary insurance, including, without limitation, fire, hazard, comprehensive, public liability, and workmen's compensation, and obtain such additional insurance in an amount as is appropriate for the business in which the Debtor is engaged, naming the Lender as loss payee, additional insured, and mortgagee with respect thereto. The Debtor shall provide the Lender, upon entry of this

Order, with proof of all such coverage, as well as prompt notification of any change in such coverage which may hereafter occur.

(h) Upon not less than forty-eight (48) hours prior notice to the Debtor, the Lender shall have the right to inspect the Collateral and the Mortgaged Property, as well as the Debtor's books and records during normal business hours. Such inspection shall be conducted in a manner so as not to unreasonably interfere with the operations of the Debtor or the occupants of the Mortgaged Property.

(i) The Debtor shall pay any and all taxes, municipal charges, or other amounts accruing upon or with respect to the Collateral from and after the Petition Date if such amounts, if unpaid, would have priority over the Lender's security interest in the Collateral under applicable law.

(j) The Debtor shall maintain the Collateral in good condition and shall not permit waste to occur with respect to the Collateral.

(k) As further adequate protection of the Lender's interest in the Collateral, beginning on July 3, 2017 and continuing on the first (1st) business day of each month thereafter during the pendency of this bankruptcy, the Debtor shall make payments to the Lender in good and collected funds in an amount equal to \$30,000.00 each for application to the Claim in accordance with the Loan Documents (which payments shall be subject to reallocation by this Court after notice and a hearing).

7. AUTOMATIC PERFECTION.

(a) This Order and the Loan Documents shall be sufficient and conclusive evidence of the priority, perfection, attachment, and validity of all of the Lender's security interests in, and liens on, the Post-Petition Collateral and the liens and security interests granted and created herein shall, by virtue of this Order, constitute valid, automatically perfected and unavoidable security interests, with the priorities granted hereunder, without the necessity of creating, filing, recording, or serving any financing statements or other documents that might otherwise be required under federal or state law in any jurisdiction or the taking of any other action to validate or perfect (i) the security interests and liens granted to the Lender under this Order, or (ii) the adequate protection replacement liens and security interests granted herein to the Lender, for all purposes, including, without limitation, the payment of all principal, interest, and other fees, including reasonable attorneys' fees and expenses of the Lender in connection with the Debtor's use of cash Collateral.

(b) To the extent that any applicable non-bankruptcy law otherwise would restrict the granting, scope, enforceability, attachment, or perfection of the Lender's liens and security interests authorized, ratified, or created by this Order, or otherwise would impose filing or registration requirements with respect to such replacement liens, such law is hereby preempted to the maximum extent permitted by the Bankruptcy Code, otherwise applicable federal law, and the judicial power of this Court.

(c) By virtue of the terms of this Order, to the extent that the Lender has filed Uniform Commercial Code financing statements, entered into control agreements, collateral access agreements, or otherwise perfected the Lender's interest in the Collateral under the name of the Debtor, such filings and other actions and agreements shall be deemed to properly perfect its liens and security interests in the Collateral under this Order without further action by the Lender.

8. **FINANCIAL REPORTING.** The Debtor shall furnish to the Lender such financial and other information as the Lender shall reasonably request including, but not limited to the following:

(a) By the thirtieth (30th) calendar day of each month, commencing June 30, 2017:

(i) a report which sets forth in reasonable detail a comparison of the Debtor's actual performance during the prior month with the Budget and the projections contained in the Budget, for both income and expenses, by line item and in the aggregate;

(ii) a report which sets forth in reasonable detail Debtor's actual performance on a trailing twelve (12) month basis as of the last day of the prior month, for both income and expenses of the types and categories set forth in the Budget;

(iii) a report which sets forth in reasonable detail Debtor's actual year-to-date performance as of the last day of the prior month, for both income and expenses of the types and categories set forth in the Budget; and

(iv) a report summarizing in reasonable detail the Debtor's efforts to market and sell the Mortgaged Property during the prior month.

(b) Any financial information and pleadings filed with this Court, which shall be served upon the Lender and its counsel within one (1) business day after such information or pleading has been filed with this Court.

(c) Any financial information required by this Court or by the Operating Guidelines and Reporting Requirements of the United States Trustee's Office.

(d) Copies of all letters of intent, written offers, term sheets, draft sale agreements, and other documentation concerning the Debtor's efforts to sell the Mortgaged Property from and after the date of this Order, which shall be served upon the Lender and its counsel within two (2) business days after such documentation has been sent or received by the Debtor.

(e) All other reports and financial information required by the Loan Documents or historically provided to the Lender, and any additional reports as may be requested by the Lender from time to time.

9. **NOTICE.** Any notice or correspondence required to be sent hereunder shall be forwarded by email at the addresses set forth below, and by first class mail, and shall be deemed given upon the earlier of (a) successful email transmission, or (b) two (2) days after being deposited in the United States Mail, postage pre-paid, and addressed as follows:

If to the Lender: Alexander G. Rheume, Esq.
Riemer & Braunstein LLP
Three Center Plaza
Boston, Massachusetts 02108
arheume@riemerlaw.com

If to the Debtor: Steven M. Notinger
Notinger Law, PLLC
7A Taggart Drive
Nashua, NH 03060
steve@notingerlaw.com

10. **TERMINATION.**

(a) The Debtor's right to use its assets and to use the Lender's cash and non-cash Collateral shall terminate ("**Termination**") upon the earliest of:

(i) March 31, 2018 at 11:59 p.m.;

(ii) The Debtor's failure to maintain all necessary insurance as required by Paragraph 6(g) above; or

(iii) At the Lender's option, upon the occurrence of any Termination Event, as set forth in Paragraph 11 below.

(b) Upon Termination, the Lender shall be entitled to a hearing on a Motion for Relief from the Automatic Stay upon an expedited basis (subject to the Court's availability). The Lender shall not file a motion seeking relief from the automatic stay for the purposes of conducting a foreclosure sale and/or taking possession of the Mortgaged Property until the earlier of (i) March 31, 2018, (ii) the occurrence of a Termination Event, or (iii) the occurrence of a Termination. Nothing contained herein is intended to be, and shall not be construed as, a restriction or prohibition on the Lender's right to seek relief from the automatic stay for the purposes of protecting and/or preserving the Lender's Collateral.

(c) Upon Termination, the Debtor shall immediately cease using the Lender's cash Collateral and noncash Collateral, and the Debtor shall cause all funds

received to be deposited in a segregated account provided, however, nothing herein shall be deemed a waiver of the Debtor's right to seek authority to use cash Collateral in accordance with §§ 361 and 363 of the Bankruptcy Code.

11. **TERMINATION EVENTS**. The occurrence of any one or more of the following shall constitute a termination event (a "**Termination Event**") under this Order:

(a) The breach by the Debtor of any of the terms, conditions, or covenants of this Order;

(b) The Debtor's failure to file a motion with the Court on or before January 10, 2018 in a form reasonably acceptable to the Lender seeking approval for the Debtor to sell the Mortgaged Property under Section 363 of the Bankruptcy Code for at least \$6,500,000, with all net proceeds of such sale to be paid to the Lender at closing;

(c) The appointment of a Trustee for the Debtor pursuant to § 1104 of the Bankruptcy Code;

(d) The conversion of this Case to a case under Chapter 7 of the Bankruptcy Code;

(e) The dismissal of this Case;

(f) The appointment of an examiner with any of the powers of a Trustee for the Debtor; or

(g) The allowance of a Motion for Relief from the Automatic Stay allowing a creditor of the Debtor to foreclose upon or take possession of any material asset owned or leased by the Debtor.

12. **FURTHER ASSURANCES**. The Automatic Stay is hereby modified to permit the Lender and the Debtor to carry out the terms and conditions of this Order, and the Debtor is hereby authorized to execute any additional agreements as may be deemed necessary to further effectuate and confirm the terms and conditions this Order.

13. **MODIFICATION**. The Lender and the Debtor may agree to nonmaterial modifications or amendments to this Order without further order of this Court. Further, the Lender and the Debtor may agree to modify the Budget from time to time, to take effect upon five (5) business days' written notice to the Creditors' Committee, if any, the United States Trustee, and the Court.

14. **ENTRY OF ORDER**. This Order shall take effect immediately upon execution hereof, notwithstanding the possible application of Bankruptcy Rules 4001(a)(3), 6004(g), 7062, 9014, or otherwise, and the Clerk of the Court is hereby directed to enter this Order on the Court's docket.

15. **WINDING DOWN PROVISION.** Notwithstanding anything to the contrary in this Order, this Order is subject to the Winding Down provisions of Local Bankruptcy Rule 4001-2(e).

16. **FURTHER USE OF CASH COLLATERAL.** A new Motion for the Use of Cash Collateral During the 8th Interim Period (if applicable) shall be filed with the Court on or before **March 14, 2018.** Objections to said Motion shall be filed with the Court on or before **March 21, 2018,** with a hearing on said Motion and the further use of cash collateral to be held on **March 28, 2018, at 2:00 p.m.**

December 14, 2017
Dated

/s/ Bruce A. Harwood
Bruce A. Harwood, Chief Judge
United States Bankruptcy Court for the District of
New Hampshire

Hanish Hotel, LLC -- Fairfield Inn, Hooksett			
January - March, 2018 AWAITING APPROVAL			
REVENUE			
	January-18	February-18	March-18
	BUDGET	BUDGET	BUDGET
ROOM REVENUE	\$100,000	\$98,000	\$145,000
TOTAL ROOM REVENUE	\$100,000	\$98,000	\$145,000
SUNDRY INCOME	\$850	\$750	\$1,000
MISC. GUEST REVENUE	\$675	\$550	\$525
MISCELLANEOUS REVENUE	\$1,525	\$1,300	\$1,525
TOTAL REVENUE	\$101,525	\$99,300	\$146,525
COST OF SALES			
COST OF COMPLIMENTARY BREAKFAST FOOD	\$4,650	\$4,150	\$4,600
TOTAL COST OF FOOD & BEVERAGE	\$4,650	\$4,150	\$4,600
COST OF TELEPHONE	\$560	\$560	\$560
TOTAL COST OF TELEPHONE	\$560	\$560	\$560
COST OF INTERNET USAGE	\$350	\$350	\$350
COST OF SUNDRY	\$600	\$500	\$700
COST OF VALET	\$1,050	\$0	\$0
TOTAL COST OF MISCELLANEOUS	\$2,000	\$850	\$1,050
TOTAL COST OF SALES	\$7,210	\$5,560	\$6,210
GROSS PROFIT	\$94,315	\$93,740	\$140,315
EXPENSES			
GENERAL MANAGER	\$4,200	\$4,200	\$4,200
HOUSEKEEPING	\$2,900	\$2,900	\$2,900
FRONT OFFICE SUPERVISOR	\$2,500	\$2,500	\$2,500
FRONT DESK	\$2,800	\$3,500	\$3,900
NIGHT AUDITOR	\$3,250	\$3,450	\$3,000
HOUSEMAN	\$1,100	\$1,100	\$1,100
HOUSEKEEPING SUPERVISOR	\$3,000	\$3,000	\$3,000
LAUNDRY	\$1,500	\$1,500	\$1,500
CHIEF ENGINEER	\$2,650	\$2,650	\$2,650
SALES MANAGER	\$2,000	\$2,000	\$2,000
BREAKFAST ATTENDANT	\$1,700	\$1,800	\$1,850
REVENUE MANAGEMENT	\$685	\$685	\$685
TOTAL WAGES	\$28,285	\$29,285	\$29,285

	January-18	February-18	March-18
	BUDGET	BUDGET	BUDGET
EMPLOYEE BONUS	\$2,000	\$13,000	\$0
INSURANCE - EMPLOYEE GROUP	\$1,350	\$1,350	\$1,350
TOTAL EMPLOYEE BENEFITS	\$3,350	\$14,350	\$1,350
PAYROLL TAXES -FICA	\$2,325	\$3,300	\$2,250
PAYROLL TAXES -SUTA	\$135	\$190	\$125
PAYROLL TAXES - FUTA	\$150	\$180	\$125
PAYROLL TAXES - HEALTH UNEMPLOYMENT	\$0	\$0	\$0
TOTAL PAYROLL TAXES	\$2,610	\$3,670	\$2,500
TOTAL PAYROLL & RELATED	\$34,245	\$47,305	\$33,135
OPERATING EXPENSES			
ADVERTISING	\$2,300	\$2,700	\$2,850
BANK FEES	\$440	\$440	\$440
CABLE TV	\$1,350	\$1,350	\$1,350
CENTRAL RESERVATIONS	\$1,380	\$1,250	\$1,350
REGIONAL RESERVATION - HOTEL TRANSFER	\$10	\$10	\$10
CLEANING SUPPLIES	\$220	\$220	\$220
COMPUTER EXPENSE	\$775	\$800	\$800
CONTRACT CLEANING	\$100	\$90	\$90
CREDIT CARD DISC. CHARGES	\$2,000	\$2,300	\$3,150
DECORATIONS	\$0	\$200	\$200
DUES AND SUBSCRIPTIONS	\$2,050	\$0	\$0
ELECTRICITY	\$6,000	\$5,500	\$6,000
EMPLOYEE APPRECIATION	\$150	\$150	\$150
EQUIPMENT RENTAL	\$110	\$110	\$110
EMPLOYEE TRAINING	\$140	\$140	\$140
FRANCHISE FEES	\$8,500	\$7,500	\$10,500
GAS	\$3,200	\$2,800	\$4,200
GUEST APPRECIATION	\$335	\$285	\$225
GUEST AND PAPER SUPPLIES	\$966	\$850	\$850
INSURANCE - GENERAL - OWED TO JHM DIRECTLY	\$2,600	\$2,600	\$2,600
KITCHEN SUPPLIES	\$100	\$100	\$100
LANDSCAPING	\$0	\$0	\$0
LAUNDRY SUPPLIES	\$530	\$450	\$550
LEGAL (MARRIOTT INVOICES)			
LEGAL (S NOTINGER - Estimated Balance)			
LICENSES AND PERMITS	\$0	\$75	\$0
LINEN	\$750	\$650	\$525
LOCKS AND KEYS	\$50	\$50	\$50
MAINTENANCE & REPAIRS	\$1,200	\$1,200	\$1,200
MAINTENANCE AGREEMENT	\$330	\$1,230	\$330
MANAGEMENT FEES - OWED TO JHM DIRECTLY	\$2,000	\$2,000	\$2,000
MORTGAGE (PHOENIX)	\$30,000	\$30,000	\$30,000

	January-18	February-18	March-18
	BUDGET	BUDGET	BUDGET
NEWSPAPERS	\$180	\$180	\$180
OFFICE SUPPLIES	\$350	\$250	\$250
OUTSIDE SERVICES	\$450	\$450	\$450
PAYROLL PROCESSING FEES - OWED TO JHM DIRECTLY	\$450	\$450	\$450
PEST CONTROL	\$200	\$200	\$200
POSTAGE	\$65	\$65	\$65
PRINTING AND STATIONARY	\$105	\$95	\$75
PROGRAM MGMT SYSTEM	\$515	\$515	\$515
RESERVE CAPITAL	\$9,250	\$9,250	\$9,250
ROOM OCCUPANCY TAX LIABILITY	\$8,000	\$7,840	\$11,600
RUBBISH REMOVAL	\$365	\$365	\$365
SEWER CHARGES	\$0	\$0	\$2,200
SIGNS	\$0	\$0	\$0
SNOW REMOVAL	\$1,340	\$1,340	\$1,340
STATE INCOME TAX	\$0	\$0	\$0
SWIMMING POOL SUPPLIES & EXPENSE	\$120	\$120	\$120
TAXES - REAL ESTATE	\$0	\$0	\$0
TRAVEL AGENTS COMMISSIONS	\$1,500	\$1,200	\$2,300
TRAVEL 100%	\$175	\$175	\$175
UNIFORMS	\$75	\$75	\$75
WATER	\$0	\$1,100	\$0
TOTAL OPERATING EXPENSES	\$90,726	\$88,720	\$99,600
TOTAL HOTEL EXPENSES	\$124,971	\$136,025	\$132,735
NET INCOME FROM OPERATIONS	-\$30,656	-\$42,285	\$7,580
Cash Available as of 12-4-2017 (Net Income Above Not Included)	\$185,000		
Projected Cash for remainder of December revenue	\$95,000		
PIP Balance - to be disbursed	-\$90,000		
Net Income from Operations above	-\$65,361		
Cash Balance			
Total Cash Projection at the end of Quarter 1, 2018	\$124,639		