

THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE BY THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION FOR USE IN CONNECTION WITH THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OF REORGANIZATION DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISSEMINATION OF THIS PROPOSED DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THE PROPOSED DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION.

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH**

In re:

A. H. COOMBS, LLC,

Debtor.

Case No. 16-25559

Chapter 11

Judge William T. Thurman

**DEBTOR'S DISCLOSURE STATEMENT FOR ITS PLAN
OF REORGANIZATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE**

A.H. Coombs, LLC (“**AHC**” or the “**Debtor**”), debtor and debtor in possession in the above-captioned chapter 11 case, by and through its counsel, hereby presents to you its Disclosure Statement (this “**Disclosure Statement**”) for its Plan of Reorganization (the “**Plan**”) under Chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”).

This disclosure statement is provided to you for the purpose of providing adequate information to you regarding the Debtor’s financial affairs and the effect of the Plan. However, no classes of creditors or interest holders are entitled to vote on the Plan because no class is

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impaired under the Plan. Accordingly, all classes of creditors and interest holders are deemed to accept the Plan. All creditors and equity security holders should refer to Articles III through VI of the Plan for information regarding the precise treatment of their Claim.

Although no classes of creditors or interest holders are entitled to vote on the Plan, the Bankruptcy Court may consider certain objections to the Plan and Disclosure Statement if you wish to make them. You are encouraged to carefully review the full text of the Disclosure Statement and Plan, including all exhibits and attachments, before deciding whether to object to or support the Plan. To assist you in your review, please note that a list of definitions appear at the end of this document.

YOU MAY OBJECT TO THE ADEQUACY OF THE DISCLOSURES MADE IN THIS DOCUMENT. A HEARING ON THE APPROVAL OF THE DISCLOSURE STATEMENT IS SET FOR [DS HEARING DATE/TIME] AT THE UNITED STATES BANKRUPTCY COURT, 350 SOUTH MAIN STREET, SALT LAKE CITY, UT 84101, COURTROOM [341]. IF YOU WISH TO OBJECT TO THE ADEQUACY OF THE DISCLOSURES, YOU MUST DO SO BY [DISCLOSURE STATEMENT OBJECTION DATE/TIME].

YOU MAY OBJECT TO CONFIRMATION OF THE PROPOSED PLAN. A HEARING ON THE CONFIRMATION OF THE PLAN IS SCHEDULED FOR [HEARING DATE/TIME] AT THE UNITED STATES BANKRUPTCY COURT, 350 SOUTH MAIN STREET, SALT LAKE CITY, UT 84101, COURTROOM [341]. IF YOU WISH TO OBJECT TO CONFIRMATION OF THE PLAN, YOU MUST DO SO BY [CONFIRMATION OBJECTION DEADLINE]

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Your rights may be affected by the Plan and Disclosure Statement. You should consider discussing these documents with your attorney.

Sincerely,

Alan H. Coombs
President and Managing Member of the
Debtor
Plan Proponent

/s/ Geoffrey L. Chesnut
Geoffrey L. Chesnut (A12058)
**RED ROCK LEGAL SERVICES,
P.L.L.C.**
Attorneys for the Debtor

December 9, 2016

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Appendix "2"	Liquidation Analysis
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ARTICLE I

INTRODUCTION AND SUMMARY OF PLAN AND CONFIRMATION PROCESS

A. Summary of Treatment under the Plan

By the Plan, which is attached hereto as Appendix “1” and incorporated herein by reference, the Debtor proposes to (a) reinstate in full the secured debt of GVS Holdings, Inc. (“GVS”) and all Other Secured Claims under section 1124(2) of the Bankruptcy Code; (b) pay the Debtor’s Unsecured Priority Claims in full in cash on the Effective Date; and (c) leave unaffected existing Equity Interests. Any Claim not asserted prior to the applicable Claims Bar Date will be barred and discharged.

All creditors and equity security holders should refer to Articles III through VI of the Plan for information regarding the precise treatment of their Claim. The following Disclosure Statement provides more detailed information regarding this Plan, the risks associated with the Plan, and the rights of creditors and equity security holders. This Disclosure Statement, the Plan, and any related materials delivered together herewith are being furnished by the Debtor to all parties in interest even though no parties are impaired or entitled to vote on the Plan.

B. Disclosure Statement Approval and Confirmation Process

At a hearing on _____, 2016, the Bankruptcy Court determined that this Disclosure Statement contains “adequate information” within the meaning of Section 1125 of the Bankruptcy Code, which defines “adequate information” as “information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records . . . that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan”

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The Bankruptcy Court has scheduled a hearing to consider Confirmation of the Plan on _____, 2016, at __:00 .m. Mountain Time) (as it may be conducted and adjourned by the Court, the “**Confirmation Hearing**”). The Confirmation Hearing may be adjourned from time to time without further notice other than by announcement in the Bankruptcy Court on the scheduled date. Any objections to Confirmation of the Plan must be in writing and must be Filed with the Clerk of the Bankruptcy Court and served as set forth in a separate notice of hearing provided no later than _____, 2016, at __:00 .m. Mountain Time). Rule 3007 of the Federal Rules of Bankruptcy Procedure governs the form of any such objection.

C. Recommendation to Support the Plan

THE DEBTOR URGES ALL CREDITORS AND INTEREST HOLDERS TO SUPPORT THE PLAN.

The Debtor believes that (1) the Plan provides the best possible result for all of the Debtor’s stakeholders, including creditors, interest holders, affiliates, and holders of administrative and priority claims, (2) the distributions under the Plan are greater than the amounts that would be received if the Debtor were to liquidate under Chapter 7 of the Bankruptcy Code, and (3) support of the Plan is in the best interest of all of the Debtor’s stakeholders.

In arriving at its conclusions, the Debtor considered (1) the limited alternatives available to the Debtor to refinance its debts, (2) the Debtor’s liquidation value, and (3) the rights, in both payment and security position, of the Debtor’s creditors.

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As set forth in the Liquidation Analysis attached hereto as Appendix "2", the Debtor

believes approval of the Plan will result in a higher recovery to all creditors than if the Debtor's Estate was liquidated in a Chapter 7.

The Classes and each Classes' impairment and voting status as set forth in the Plan are as follows:

Class	Type of Allowed Claim or Equity Interest	Impairment/Voting	Recovery/Treatment
1	Priority Claims	Unimpaired Not entitled to vote	Paid in Full in Cash on the Effective Date
2	GVS Claims	Unimpaired Not entitled to vote	Reinstated
3	Other Secured Claims	Unimpaired Not entitled to vote	Paid in Full in cash on Reinstatement Date
4	Equity Interests in the Debtor	Unimpaired Not entitled to vote	Unaffected

All creditors and equity security holders should refer to Articles III through VI of the Plan for information regarding their precise treatment.

D. Qualifications and Risk Factors

This Disclosure Statement is designed to provide adequate information to enable holders of Claims against the Debtor to make an informed judgment on the Plan. All creditors are encouraged to read this Disclosure Statement and the Plan in their entirety before deciding whether to support or object to the Plan. The statements made in this Disclosure Statement are qualified in their entirety by reference to the Plan and other documents referenced as filed with the Bankruptcy Court before or concurrently with the filing of this Disclosure Statement.

Furthermore, the projected financial information contained herein has not been the subject of an

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audit. Subsequent to the date hereof, there can be no assurance (1) that the information and representations contained herein will continue to be materially accurate or (2) that this Disclosure Statement contains all material information.

All holders of Claims and Interests should read and consider carefully the matters described in the Plan and Disclosure Statement as a whole, including the “**RISK FACTORS**” described in Article III of this Disclosure Statement. In making a decision to support or object to the Plan, each creditor must rely on its own examination of the Debtor as described in this Disclosure Statement and the terms of the Plan, including the merits and risks involved. In addition, Confirmation and consummation of the Plan are subject to conditions precedent that could lead to delays in consummation of the Plan. There can be no assurance that each of these conditions precedent will be satisfied or waived (as provided in the Plan) or that the Plan will be consummated.

This Disclosure Statement has not yet been approved by order of the Bankruptcy Court as containing adequate information of a kind and in sufficient detail to enable holders of Claims to make an informed judgment with respect to voting to accept or reject the Plan. However, once approved, the Bankruptcy Court’s approval of this Disclosure Statement does not constitute a recommendation or determination by the Bankruptcy Court with respect to the merits of the Plan.

With the exception of historical information, some matters discussed herein, including the projections and valuation analysis described herein are “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements.

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No party is authorized by the Debtor to give any information or make any representations with respect to the Plan other than that which is contained in this Disclosure Statement. No representation or information concerning the Debtor, its future business operations, or the value of its assets, has been authorized by the Debtor other than as set forth herein. Any information or representation given to obtain your acceptance or rejection of the Plan that is different from or inconsistent with the information or representations contained herein and in the Plan should not be relied upon by any creditor or other party in interest.

This Disclosure Statement has been prepared in accordance with section 1125 of the Bankruptcy Code and not in accordance with federal or state securities laws or other applicable non-bankruptcy law. Entities holding or trading in or otherwise purchasing, selling, or transferring Claims against the Debtor should evaluate this Disclosure Statement only in light of the purpose for which it was prepared.

This Disclosure Statement has not been approved or disapproved by the Securities and Exchange Commission (the “**Commission**”) or by any state securities commission or similar public, governmental, or regulatory authority, and neither such Commission nor any such authority has passed upon the accuracy or adequacy of the statements contained herein.

This Disclosure Statement shall neither be admissible in any other proceeding involving the Debtor or any other party nor be construed to be providing any legal, business, financial, or tax advice. Each holder of a Claim or Equity Interest should, therefore, consult with its own legal, business, financial, and tax advisors as to any such matters concerning the solicitation, the Plan, or the transactions contemplated thereby.

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The terms of the Plan shall govern in the event of any inconsistency between the Plan and this Disclosure Statement, which is intended to provide certain summaries of the Plan and its effects.

This Disclosure Statement incorporates by reference the Debtor's Schedules of Assets and Liabilities and Statement of Financial Affairs, as are or may be amended, filed in the chapter 11 case (collectively, the "**Schedules**"). Documents Filed in this chapter 11 case are publicly available at: <http://www.utb.uscourts.gov/>

Except with regard to the Plan, any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Disclosure Statement, shall be deemed to be modified or superseded for purposes of this Disclosure Statement to the extent that a statement contained herein modifies or supersedes such statement.

E. General Overview of Chapter 11

Chapter 11 of the Bankruptcy Code is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, the Debtor is authorized to reorganize its Business for the benefit of itself and its creditors and Equity Interest holders.

Formulation of a plan is the principal objective of chapter 11. In general, a plan (1) divides Claims and Equity Interests into separate classes, (2) specifies the property or treatment that each Class is to receive under the Plan, and (3) contains other provisions necessary to the implementation of the Plan and reorganization of the Debtor.

Chapter 11 does not require each holder of a Claim or Equity Interest to vote in favor of the Plan in order for the Bankruptcy Court to confirm the Plan. However, if one class is Impaired, the Plan must be accepted by the holders of at least one Class of Claims that is

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Impaired without considering the votes of “insiders” within the meaning of the Bankruptcy

Code. Distributions to be made under the Plan will be made after Confirmation of the Plan, on the Effective Date, or as soon thereafter as is practicable, or at such other time or times specified in the Plan.

F. Classification and Treatment of Claims and Equity Interests Generally

Section 1123(a)(1) of the Bankruptcy Code requires that the Plan classify all Claims (other than Administrative Expenses, Administrative Operating Expenses, and Priority Tax Claims) and Equity Interests. Section 1122 provides that, except for certain Claims classified for administrative convenience, the Plan may place a Claim or Equity Interest in a particular Class only if such Claim or Equity Interest is substantially similar to the other Claims or Equity Interests of such Class. The Debtor believes that it has classified all Claims and Equity Interests in compliance with the provisions of Section 1122. If a Claim or Equity Interest holder challenges such classification of Claims or Equity Interests and the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtor, to the extent permitted by the Bankruptcy Court, intends to make such reasonable modifications to the classification of Claims or Equity Interests under the Plan to provide for whatever classification might be required by the Bankruptcy Court for Confirmation.

Except to the extent that such modification of classification adversely affects the treatment of a holder of a Claim or Equity Interest and requires solicitation (or resolicitation), acceptance of the Plan by any holder of a Claim or Equity Interest pursuant to this solicitation will be deemed to be a consent to the Plan’s treatment of such holder of a Claim or Equity

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Interest regardless of the Class to which such holder of a Claim or Equity Interest is ultimately deemed to belong.

The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim or Equity Interest in a particular Class unless the holder of a particular Claim or Equity Interest agrees to a less favorable treatment of its Claim or Equity Interest. The Debtor believes that the Plan complies with this standard. If the Bankruptcy Court finds that the Plan does not comply with this standard, it could deny Confirmation of the Plan if the holders of Claims or Equity Interests affected do not consent to the treatment afforded them under the Plan.

In accordance with the Bankruptcy Code, Administrative Expenses and Priority Tax Claims are not classified into Classes. The Plan also provides that expenses incurred by the Debtor during the Case will be paid in full and specifies the treatment proposed for the Claims and Equity Interests in each Class.

G. Good Faith Solicitation under Section 1125

The Debtor believes that the Plan treats the respective Classes of Claims and Equity Interests fairly and equitably in observance of the absolute priority rule of section 1129(b)(2) of the Bankruptcy Code. The Debtor believes that the Plan provides each creditor and Equity Interest holder with at least as much, if not more, as it would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

Set forth in detail elsewhere in this Disclosure Statement is a description of the technical aspects of confirmation of a Chapter 11 plan, the risks inherent in the Plan, and the applicable bankruptcy and tax consequences of the liquidation, as applicable, of the Debtor. The Plan is the product of lengthy discussions between parties in interest and is based upon the Debtor's analysis

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of all Claims asserted or known as of the date hereof and an evaluation of the relative merits of potential conflicting Claims. The Debtor believes that the overview in the Disclosure Statement of what creditors and Equity Interest holders will receive under the Plan will be helpful in your consideration of whether you wish to accept or reject the Plan. This summary does not purport to be complete and should only be relied upon for voting purposes when read in conjunction with the Plan and this Disclosure Statement in their entirety.

H. Confirmation Requirements; Effect of Confirmation

In addition to this voting requirement, Section 1129 of the Bankruptcy Code requires that each holder of a claim that does not consent must receive at least as much value on account of its claim as it would receive in a liquidation under Chapter 7 of the Bankruptcy Code.

Confirmation will make the Plan binding upon the Debtor, holders of Claims against and Equity Interests in the Debtor, and all other parties in interest regardless of whether they have accepted the Plan, and such holders of Claims and Equity Interests will be prohibited from receiving payment from, or seeking recourse against, any assets that are distributed to other holders of Claims or Equity Interests under the confirmed Plan. In addition, Confirmation will serve to enjoin holders of Claims or Equity Interests from taking a wide variety of actions on account of any debt, Claim, liability, Equity Interest, or right that arose prior to the Confirmation Date. For example, confirmation of the Plan will enjoin holders of Claims and Equity Interests from seeking to enforce Claims against and Equity Interests in the Debtor, whether or not a proof of Claim based on such debt is Filed or deemed Filed, whether or not such Claim is Allowed, and whether or not the holder of such Claim has accepted the Plan.

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The implementation of the Plan involves certain risks. For a discussion of these risks, see certain “**RISK FACTORS**” discussed in Article III of this Disclosure Statement.

I. Sources of Information

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the Debtor, its Business, properties, and management and the Plan have been prepared from information furnished by the Debtor.

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified, and neither the delivery of this Disclosure Statement nor any exchange of rights made in connection with it shall, under any circumstances, create an implication that there has been no change in the facts set forth herein since the date of this Disclosure Statement.

No statements concerning the Debtor, the value of its Estate, or the value of any benefit offered to any creditor or Equity Interest holder in connection with the Plan should be relied on other than as set forth in this Disclosure Statement. In arriving at a decision, parties should not rely on any representation or inducement made to secure their acceptance or rejection that is contrary to information contained in this Disclosure Statement. Any such additional representations or inducements should be reported immediately to counsel for the Debtor at Red Rock Legal Services, P.L.L.C., Attn: Geoffrey L. Chesnut, 491 North Bluff Street, Ste. 301, St. George, UT 84770, Telephone: (435) 634-1000, courtmailrr@expresslaw.com.

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ARTICLE II
BACKGROUND OF THE DEBTOR

A. Filing of the Debtor's Chapter 11 Cases

On the Petition Date, June 25, 2016, the Debtor filed a voluntary petition for relief under the chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the District of Utah. Since the Petition Date, the chapter 11 case has been and remains pending in the Bankruptcy Court.

B. Nature of the Debtor's Business

The Debtor is the owner of a hotel and resort and recreational property in St. George, Utah, known as the Green Valley Spa. The only Four Diamond Resort between Salt Lake City and Las Vegas and located near large tourist draws including Zion's National Park, the resort includes luxury bungalow accommodations, luxury massage and spa treatment facilities for health and wellness, swimming and exercise facilities, premier restaurant dining, indoor and outdoor tennis facilities, and large conference facilities (collectively, the "**Business**"). The Business is operated by the Debtor's affiliate, CHC Development Co., Inc. ("**CHC**"), which also manages adjacent condo properties rented to visitors and tourists under contracts with the individual property owners.

C. Events Leading to Chapter 11 Case

The Debtor's affiliate, CHC Development Co., Inc. was incorporated in approximately 1976 to operate and do business as the Green Valley Spa Resort on the real property owned/held by the Debtor. Prior to the 2008-2009 recession, the Debtor's Business largely expanded and prospered, but during the 2008-2009 recession, the Debtor and CHC undertook secured loans to fund operational shortfalls and business reorganization efforts. The recession caused a decline in revenue due to reduced spending by the public of disposable income. This reduction of the

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Business's revenue created a financial "crunch" as the debt service on the secured loans was substantially more than revenues due to high pre-recession costs of expansion. The Debtor has survived by negotiating with its creditors, including GVS, reducing expenses, downsizing its operations and receiving capital infusions by personal loans from the Debtor's equity holders and others. The Debtor and CHC are seeking to restructure operation of the Business including management in order to maximize the value of the Debtor's estate for all stakeholders.

In September 2013, GVS purchased from Northwest Savings Bank ("**Northwest**") a Business Loan Agreement entered in October 2006 by the Debtor and CHC, and allegedly took assignment of the Loan Documents. GVS recorded a Notice of Assignment of Beneficial Interest in the Trust Deed and filed a new financing statement. On or about October 1, 2013, the Debtor, CHC, and the Debtor's Equity Interest holders, on the one hand, and GVS, on the other hand, entered into the Loan Workout Agreement to structure the Debtor's secured debt. Pursuant to the Loan Workout Agreement, the terms, conditions, and enforceability of the Loan Documents with Northwestern remain in full force and effect, but CHC granted additional collateral to GVS on behalf of A. H. Coombs, LLC. The now joint-and-several obligees could repurchase the Note and satisfy the Loan Documents for \$5,500,000 plus accrued interest within five years of the date on which the Workout Agreement was entered into. Upon default, the full amount due under the Loan Documents becomes immediately due and payable. The Debtor asserts the amounts owing under the Loan Documents are those under the Loan Workout Agreement without a default, as Debtor believes GVS failed to adhere to the notice of default provisions or making statements via letters to the Debtor that certain acts once taken avoided default. GVS has indicated its position the Debtor defaulted on the Loan Workout Agreement

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pre-petition, despite potential issues of GVS's default by failing to either escrow property tax amounts paid or failing to pay those sums for property taxes paid to it by the Debtor. The central issue surrounding the Loan Workout Agreement is that by its terms if the Debtor was not in default, the Debtor was entitled to continue the workout payments automatically and pay off the lower amount.

On the Petition Date (June 25, 2016), the Debtor filed a petition for relief under chapter 11 of the Bankruptcy Code, which commenced the chapter 11 case.

D. Legal Structure and Ownership

The Debtor is a Utah limited liability company wholly owned by Alan H. Coombs and Carole Coombs. Since inception, the Debtor has been jointly owned and has jointly operated the Business with CHC under the same management.

E. Debtor's Assets

Attached as Appendix "3" hereto is the List of Debtor's Assets, which contains a detailed breakdown of the Debtor's assets. The following description summarizes the Debtor's assets.

1. Real Property

The Debtor is the owner of all of the real property, buildings, and fixtures on which the Business operates. Based on appraisals, the Debtor's real property has a fair market value of between \$1.2 million and \$2.5 million. AHC's real property is subject to a purported first-priority security interest for the benefit of GVS, which security interest is asserted for the full Allowed Amount of GVS's Secured Claim.

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2. Personal Property

With some exceptions such as the Causes of Action, the personal property used to operate the Business, including the Business's operational assets, trade secrets, contracts, and other personal property, are owned by CHC. Both the Debtor's and CHC's assets are subject to a purported first-priority security interest for the benefit of GVS, which security interest is asserted for the full Allowed Amount of GVS's Secured Claim.

3. Causes of Action

The Debtor has certain Causes of Action, including all Avoidance Actions and all claims against GVS, its members, owners, and affiliates, some of which are described as follows:

a. Preference Causes of Action

Under the Bankruptcy Code, a debtor may recover certain preferential transfers of property, including cash, made while insolvent during the 90 days immediately prior to the filing of its bankruptcy petition with respect to pre-existing debts, to the extent the transferee received more than it would have in respect of the pre-existing debt had the debtor been liquidated under Chapter 7 of the Bankruptcy Code. In the case of "insiders," the Bankruptcy Code provides for a one-year preference period. There are certain defenses to such recoveries. Transfers made in the ordinary course of the debtor's and transferee's business according to the ordinary business terms in respect of debts less than 90 days before the filing of a bankruptcy are not recoverable. Additionally, if the transferee extended credit subsequent to the transfer (and prior to the commencement of the bankruptcy case), such extension of credit may constitute a defense to recovery, to the extent of any new value, against an otherwise recoverable transfer of property. If a transfer is recovered by the debtor, the transferee has an unsecured claim against the debtor

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to the extent of the recovery. [Attached as Appendix "8" hereto is a schedule of Persons to whom the Debtor made payments in the prepetition period, including payments made during the 90-day period prior to bankruptcy. Payments were made by the Debtor to creditors who are insiders within one year before the Debtor's bankruptcy filing, including siblings of the Debtor's principal Alan H. Coombs.]

Although the Debtor and its estate reserve the right to prosecute preference Causes of Action, the Debtor has proposed payment in full to creditors through the Plan. As a result, assuming the Debtor succeeds in reorganizing through the Plan, there would be no benefit to pursuing preference Causes of Action, and the Debtor does not intend to pursue such Causes of Action if the Plan is successfully implemented.

b. Fraudulent Transfer Causes of Action

Under the Bankruptcy Code and various state laws, a debtor may recover certain transfers of property, including the grant of a security interest in property, made while insolvent or which rendered the debtor insolvent. The Debtor is not aware of any such transfers. However, the Debtor and its estate reserve the right to pursue fraudulent transfer Causes of Action if facts come to light which show that such Causes of Action exist. A list of all transfers in the 2 years prior to the Petition Date, which is the reach-back period applicable to the Cause of Action for fraudulent transfer under section 548(a) of the Bankruptcy Code, is attached as Appendix "8" hereto.

c. GVS Lawsuit Causes of Action

The Debtor, CHC, and certain other persons are party to the GVS Lawsuit, by which the Debtor alleges causes of action including Breach of Contract, Breach of Implied Covenant of

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Good Faith and Fair Dealing, Unjust Enrichment, Equitable Subordination Under Bankruptcy

Code § 510(c), Elder Abuse, Promissory Estoppel and Tortious Interference with Economic

Relations. As described in the complaint in the GVS Lawsuit, the Debtor believes it has Causes

of Action against GVS that will eliminate, subordinate, or reduce the GVS Claims, avoid GVS's

liens, or otherwise materially affect the Debtor's liabilities to GVS. The Plan preserves the

Causes of Action in the GVS Lawsuit while, nevertheless, reinstating the GVS Claims to the

extent they are not affected by the GVS Lawsuit.

Successful consummation of the Plan, however, does not rely on the Debtor's success in

the GVS Lawsuit. The Debtor, under the Exit Facility, has the wherewithal to perform its

obligations under the Plan while fully reinstating GVS's Claims. Regardless of the outcome of

the GVS Lawsuit, the Debtor will seek Confirmation and consummation of the Plan.

A true and correct copy of the GVS Lawsuit is attached as Appendix "7" hereto, and fully incorporated herein by reference.

d. Causes of Action Generally

The list of Causes of Action above is not exhaustive. The Debtor reserves its right to identify and bring Causes of Action based on preferences, fraudulent transfers, post-petition transfers, other Avoidance Actions, and any other actions, including, without limitation, the GVS Lawsuit. The Debtor has conducted a limited analysis of potential recoveries under Chapter 5 of the Bankruptcy Code. Any and all avoidance actions and rights pursuant to sections 542, 543, 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code and all causes of action under state, federal or other applicable law shall be retained and may be prosecuted or settled by the Debtor.

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Under the Plan, the Debtor's rights to object to all Claims and Interests asserted against the Estate and all of the Debtor's Causes of Action, including without limitation (1) the GVS Lawsuit; (2) the Causes of Action asserted in any adversary proceeding or other litigation is pending as of the Confirmation Date; and (3) any and all other Avoidance Actions and other Causes of Action that the Debtor holds prior to the Confirmation Date, including, without limitation, Causes of Action for unpaid accounts receivable and fraudulent transfer, shall vest in the Debtor after the Confirmation Date.

Unless a Cause of Action against any Person is expressly waived or released in the Plan or any Final Order of the Bankruptcy Court, the Debtor expressly reserves such Cause of Action for later adjudication (including, without limitation, Causes of Action not specifically identified or which the Debtor may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtor at this time or facts and circumstances that may change or be different from those that the Debtor now believes to exist) and, therefore, no preclusion doctrine, including without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claims preclusion, waiver, estoppel (judicial, equitable, or otherwise) or laches shall apply to such Causes of Action upon or after the confirmation or consummation of the Plan based on the Disclosure Statement, the Plan, or the Confirmation Order, except where such Claims or Causes of Action have been expressly released in the Plan or any other Final Order of the Bankruptcy Court.

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F. Debtor's Liabilities

1. GVS Claims

Both the Debtor and CHC are jointly and severally liable to GVS under that certain Loan Workout Agreement dated as of October 1, 2013 by and between GVS and the Debtor and the other parties thereto, and all amendments or supplements thereto (the "GVS Claims"). As of the Petition Date, the "Contingency Note Payoff Amount," as defined in the Loan Workout Agreement, is approximately \$4.9 million. By the Plan, the Debtor and CHC intend to cure any deficiencies on the GVS Claims and reinstate the maturity thereof.

In the event that the Debtor's Plan is not Confirmed, the Debtor may not have the option to pay the Contingency Note Payoff Amount (and, in any event, will not have the financing provided in the Plan), and the amount due under the Loan Workout Agreement could revert to the amount due under the original Loan Documents, as defined in the Loan Workout Agreement, which could be as much as \$10,390,692.16.

2. Other Secured Claims

The Debtor may be obligated to holders of Other Secured Claims that are collateralized by security interest on other assets. At the time of this Disclosure Statement, the Debtor is unaware of any person asserting any Other Secured Claim. Nevertheless, by the Plan, to the extent that any Other Secured Claim becomes Allowed, the Debtor intends to pay such Other Secured Claim in full on or before the Reinstatement Date). If the Plan is not confirmed, the Debtor would likely not have the ability to pay or cure the Other Secured Claims and would have to abandon to the holders of any Other Secured Claim the collateral securing such Other Secured

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Claim, and the holders of Other Secured Claims would likely be left with only the proceeds of any sale of such collateral, if any.

3. Administrative Expenses and DIP Loans

The Debtor is responsible for paying unclassified Claims entitled to priority as Administrative Expenses of is chapter 11 case, including, any Claim arising from the administration of the Debtor's chapter 11 case as provided in section 503 of the Bankruptcy Code and that is entitled to priority under section 507(a)(1) of the Bankruptcy Code, including, without limitation,(a) fees and expenses of the Debtor's professionals Allowed pursuant to an Order of the Bankruptcy Court, and (b) all fees and charges of the U.S. Trustee assessed against the Debtor's estate pursuant to 28 U.S.C. § 1930. The total unpaid amount of these fees and expenses will be approximately \$[] as of the Confirmation Date.

The Debtor is also responsible to repay all DIP Loans under their debtor-in-possession DIP Credit Agreement as of the Effective Date. Depending on the timing of the occurrence of the Effective Date, the total outstanding balance on the DIP Loans could vary considerably, but is estimated to be approximately \$[] should confirmation proceed as requested by the Debtor's counsel in accordance with Rule 2002 of the Federal Rules of Bankruptcy Procedure for the timing of the solicitation of this Disclosure Statement and Confirmation of the Plan on approximately [date], 2017.

Attached as Appendix "4" hereto is the List of Debtor's Liabilities, which contains a detailed breakdown of the Claims against the Debtor by priority.

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G. Current and Historical Financial Conditions

The Debtor has projected expenses and costs which will be part of the reorganization efforts in the budget attached as Appendix “5”, additionally, the monthly reports have been filed with the Court pursuant to the Bankruptcy Code. The most recent monthly report is attached as Appendix “6”.

H. Significant Events During the Bankruptcy Case.

The Debtor made good use of the “breathing spell” afforded by the Automatic Stay of section 362(a) of the Bankruptcy Code to reorganize their affairs, obtain help from reorganization professionals, and obtain financial backing from strategic partners.

1. Business Reorganization Efforts

As of the Petition Date, the Debtor’s books and records and financial controls were being run in-house by non-professionals, which caused a number of difficulties for the Debtor and its Business, including (1) lack of adequate controls and documentation for the Debtor’s accounts payable and receivable systems; (2) lapses in insurance on the Debtor’s assets due to failure to timely pay premiums; (3) failures to properly account for and timely remit to taxing authorities payroll and other taxes; (4), failure to timely pay invoices for booking services such as booking.com, hotels.com, and expedia.com, from which the Business garners a large percentage of its guest room bookings; and (5) inability to cut unnecessary expenses, spend on priority items, and increase profitability due to lack of insight into finances.

The Debtor’s Business has been greatly assisted by Arrived Hospitality, LLC (“**Arrived Hospitality**”), with whom the Debtor has consulted in order to make improvements to its operations. Beginning on approximately October 15, 2015, Arrived Hospitality engaged Hinton

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& Burdick CPAs & Advisors (“**Hinton & Burdick**”) to replace the Debtor’s in-house non-professionals. Hinton & Burdick temporarily took control of the Business’s books and records and payment systems to ensure transparency, insight, and timeliness of payments.

At Arrived Hospitality’s direction, the Debtor took steps to reinstate the Business’s booking ability with the booking companies and increase occupancy rates.

Arrived Hospitality also advised co-debtor CHC to engage Rocky Mountain Advisory, LLC, and Gil Miller (together, “**RMA**”) as Chief Restructuring Officer for its operations. RMA has since overseen CHC’s payment and reporting systems, which have benefitted the Debtor through stabilization of payments to GVS and other matters.

In consideration for Arrived Hospitality’s services and other consideration, non-debtors Alan Coombs and Carole Coombs entered into the Succession Agreement with Arrived Hospitality for the option at a later date to purchase Equity Interests in the Debtor under the terms thereunder.

With the insight provided by the improvements in bookkeeping and payment systems, the Business has been able to cut expenses and increase revenue from operations, and expect such improvements to continue.

2. DIP Financing

On November 8, 2016, the Bankruptcy Court granted the Debtor’s Emergency Motion for an Order under 11 U.S.C. §§ 105, 361, 363, 364, and 507 (1) Authorizing Debtor in Possession to Obtain Unsecured Post-Petition Financing and (2) Providing Superpriority Administrative Expense Status (the “**DIP Motion**”) on an interim basis (doc. # 109), and on December 5, 2016, granted the DIP Motion on a final basis. (Doc. # 151.) By granting the DIP Motion, the

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Bankruptcy Court authorized the Debtor to enter into the DIP Credit Agreement and to obtain DIP Loans. During the course of the chapter 11 case, the Debtor borrowed approximately \$[REDACTED] in DIP Loans and used the proceeds of the DIP Loans to fund the Business's operations, make adequate protection payments to GVS, and pay the expenses of administration of its chapter 11 case.

The DIP Loans constitute Unsecured super-Priority Administrative Expense Claims under section 364(c)(1) of the Bankruptcy Code. Accordingly, they will be paid, in full in cash with the proceeds of the Exit Facility, on or within 15 days after the occurrence of the Effective Date of the Plan in accordance with Section 2.1 of the DIP Credit Agreement.

3. GVS Lawsuit

The Debtor, CHC, and certain other persons are party to the GVS Lawsuit, by which the Debtor alleges causes of action including Breach of Contract, Breach of Implied Covenant of Good Faith and Fair Dealing, Unjust Enrichment, Equitable Subordination Under Bankruptcy Code § 510(c), Elder Abuse, Promissory Estoppel and Tortious Interference with Economic Relations. As described in the complaint in the GVS Lawsuit, the Debtor believes it has Causes of Action against GVS that will eliminate, subordinate, or reduce the GVS Claims, avoid GVS's liens, or otherwise materially affect the Debtor's liabilities to GVS. The Plan preserves the Causes of Action in the GVS Lawsuit while, nevertheless, reinstating the GVS Claims to the extent they are not affected by the GVS Lawsuit.

Successful consummation of the Plan, however, does not rely on the Debtor's success in the GVS Lawsuit. The Debtor, under the Exit Facility, has the wherewithal to perform its

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obligations under the Plan while fully reinstating GVS’s Claims. Regardless of the outcome of the GVS Lawsuit, the Debtor will seek Confirmation and consummation of the Plan.

A true and correct copy of the GVS Lawsuit is attached as Appendix “7” hereto, and fully incorporated herein by reference.

4. Debtor’s Professionals

During the chapter 11 case, the Debtor engaged the following professionals to assist it in its chapter 11 case and related matters as follows:

Professional	Role
Red Rock Legal Services, P.L.L.C.	Lead Chapter 11 Attorneys for AHC
Hans Hafen	Certified Public Accountant

**ARTICLE III
RISK FACTORS**

Holders of Claims should read and consider carefully the factors set forth below, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or incorporated by reference herein), prior to voting to accept or reject the Plan.

A. Risks Related to Projections and Estimates

This Disclosure Statement and the materials incorporated by reference herein (the “**Incorporated Materials**”) include “forward-looking statements” as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this Disclosure Statement and the Incorporated Materials regarding the Debtor’s financial position, business strategies, plans, and objectives of management, including, but not limited to, words such as “anticipates,” “expects,”

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“estimates,” “believes,” and “likely,” are forward-looking statements. The Debtor believes that its current views and expectations are based on reasonable assumptions; however, there are significant risks and uncertainties that could significantly affect expected results. Important factors that could cause actual results to differ materially from those in the forward-looking statements (“**Cautionary Statements**”) are disclosed throughout this Disclosure Statement. All subsequent written and oral forward-looking statements attributable to the Debtor, or persons acting on its behalf, are expressly qualified in their entirety by the Cautionary Statements. The Debtor does not intend to update or otherwise revise the forward-looking statements contained herein to reflect events or circumstances arising after the date hereof or to reflect the occurrence of unanticipated events.

B. Objection to Classifications

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class. The Debtor believes that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code. However, there can be no assurance that the Bankruptcy Court or other parties in interest will reach the same conclusion.

C. Risk of Nonconfirmation of the Plan

The Plan might not be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, that the Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor, and that the value of distributions to dissenting

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creditors and Equity Interest holders not be less than the value of distributions such creditors and Equity Interest holders would receive if the Debtor is liquidated under chapter 7 of the Bankruptcy Code. The Debtor believes that the Plan satisfies all requirements for Confirmation under the Bankruptcy Code. There can be no assurance, however, that the Bankruptcy Court will also conclude that the requirements for Confirmation of the Plan have been satisfied.

D. Risk of Nonoccurrence of Effective Date of the Plan

Even if the Plan is Confirmed, the Effective Date for the Plan may not occur. The Plan sets forth conditions to the occurrence of the Effective Date of the Plan, which may not be satisfied by the Effective Date. The Debtor believes that it will satisfy all requirements for consummation required under the Plan. There can be no assurance, however, that the Bankruptcy Court will also conclude that the requirements for consummation of the Plan have been satisfied.

**ARTICLE IV
CONFIRMATION OF THE PLAN**

A. Disclosure of Information

The Debtor is providing copies of this Disclosure Statement to all known holders of Claims even though no person is entitled to vote on the Plan.

Pursuant to the provisions of the Bankruptcy Code, only Classes of Claims that are “Impaired” under the terms and provisions of the Plan and entitled to receive a distribution thereunder are entitled to vote to accept or reject the Plan. Accordingly, Classes of Claims that are Unimpaired under the terms and provision of the Plan are not entitled to vote on the Plan. In addition, Classes of Claims or Equity Interests that are not entitled to a distribution under the

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terms and provisions of the Plan are deemed to have rejected the Plan and are not entitled to vote

to accept or reject the Plan.

Because there are no classes of Impaired Claims in the Plan, no party is entitled to vote on the Plan.

B. Confirmation of the Plan

Section 1129 of the Bankruptcy Code requires the Bankruptcy Court to make a series of determinations concerning the Plan, including, without limitation, (1) that the Plan has classified Claims and Equity Interests in a permissible manner; (2) that the contents of the Plan complies with the technical requirements of the Bankruptcy Code; (3) that the Debtor has proposed the Plan in good faith; and (4) that the Debtor has made disclosures concerning the Plan that are adequate and include information concerning all payments made or promised in connection with the Plan or otherwise. The Debtor believes that all of these conditions have been or will be met with respect to the Plan.

The Bankruptcy Court must make independent findings respecting the Plan's feasibility and whether the Plan is in the best interests of holders of Claims and Equity Interests.

1. The Best Interests Test

Whether or not the Plan is accepted by each Impaired Class of Claims entitled to vote on the Plan, in order to confirm the Plan, the Bankruptcy Court must independently determine, pursuant to section 1129(a)(7) of the Bankruptcy Code, that the Plan is in the best interests of each holder of an Impaired Claim or Equity Interest that has not voted to accept the Plan. This requirement is satisfied if the Plan provides each non-accepting holder of a Claim or Equity Interest in such Impaired Class a recovery on account of such holder's Claim or Equity Interest

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that has a value, as of the Effective Date, at least equal to the value of the distribution each such holder would receive in a liquidation of the Debtor under Chapter 7 of the Bankruptcy Code.

To determine the value that holders of Impaired Claims and Equity Interests would receive if the Debtor was liquidated under Chapter 7, the Bankruptcy Court must determine the aggregate dollar amount that would be generated if the Debtor's Case was converted to Chapter 7 and a Chapter 7 trustee liquidated the Debtor's assets (the "**Liquidation Value**"). The Liquidation Value would consist of the net proceeds from the disposition of the Debtor's assets, augmented by cash held by the Debtor, and reduced by certain increased costs and claims that arise in Chapter 7 that do not arise in Chapter 11. Attached hereto as Appendix "2" is a liquidation analysis (the "**Liquidation Analysis**") showing amounts available to be distributed to holders of Allowed Claims. The Debtor believes that the Plan provides recoveries to holders of Allowed Claims and Equity Interests not less than – and likely far greater than – the recoveries to holders of Claims and Equity Interests in a Chapter 7 liquidation. **This is primarily so because, if the Debtor is liquidated, the GVS Claim will not be reinstated, and there will be no procedure to determine or disallow or subordinate the GVS Claim or its purported lien over substantially all of the Debtor's assets. Accordingly, in a liquidation, GVS would be entitled to all of the Debtor's property (except for unencumbered property, if any) and the liquidation value of the Debtor's property is conceded to be less than the amount the Plan proposes to pay to GVS under the Plan.**

The Debtor also believes that professional fees incurred in liquidating pursuant to the Plan will be less than in a Chapter 7 and that liquidation will be quicker under the Plan than under Chapter 7. If the case is converted to a case under Chapter 7, the estate is likely

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administratively insolvent as there is unlikely to be any unencumbered property not subject to

GVS's security interests. Accordingly, even non-classified claims and administrative expenses

would receive substantially reduced recoveries in a Chapter 7 liquidation. Thus, the Debtor

believes that section 1129(a)(7) of the Bankruptcy Code is satisfied.

2. Feasibility

The Bankruptcy Court must determine that consummation of the Plan is not likely to be followed by liquidation or further financial reorganization of the Debtor. For purposes of determining whether the Plan meets this requirement, the Debtor has analyzed its ability to meet its obligations under the Plan and determined that the Debtor will be able to make all payments contemplated by the Plan. Specifically, the Exit Facility will fund all Plan payment shortfalls should proceeds of the Debtor's operations be insufficient to make all Plan payments. The Debtor intends to offer evidence in support of this proposition at the Confirmation Hearing.

3. Confirmation Hearing

Section 1128(a) requires the Bankruptcy Court, after notice, to hold a confirmation hearing (the "**Confirmation Hearing**"). Section 1128(b) provides that any party in interest may appear and be heard with respect to, or object to, confirmation of a plan. Notice of the Confirmation Hearing will be provided to all holders of Claims and Equity Interests and other parties in interest (the "**Confirmation Notice**"). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof. Objections to Confirmation of the Plan must be made in writing, specifying in detail the name and address of the person or Entity objecting, the grounds for the objection, and the nature and amount of the

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Claim or Equity Interest held by the objector. Objections must be Filed with the Bankruptcy

Court, together with proof of service, and served upon the parties so designated in the

Confirmation Notice, on or before the time and date designated in the Confirmation Notice as

being the last date for serving and filing objections to Confirmation of the Plan. Objections to

Confirmation of the Plan are governed by Federal Rule of Bankruptcy Procedure 9014 and the

Local Rules of the Bankruptcy Court.

ARTICLE V ALTERNATIVES TO CONFIRMATION OF THE PLAN

If the Bankruptcy Court does not confirm the Plan, and the Debtor does not consummate the Plan, the alternatives to the Plan include (a) conversion and liquidation of the Debtor under Chapter 7 of the Bankruptcy Code or (b) an alternative Plan under Chapter 11 of the Bankruptcy Code.

A. Liquidation under Chapter 7

If the Plan cannot be confirmed, the Case may be converted to a case under Chapter 7 of the Bankruptcy Code. In that event, a trustee would be appointed to liquidate the assets of the Debtor for distribution to holders of Claims and Equity Interests in accordance with the priorities established by the Bankruptcy Code. As more fully demonstrated in the Liquidation Analysis attached as Appendix "2", the Debtor believes that Confirmation of the Plan will provide each holder of a Claim entitled to receive a distribution under the Plan with a recovery that is substantially greater than it would receive if the Debtor is liquidated under Chapter 7 of the Bankruptcy Code. **This is primarily so because, if the Debtor is liquidated, the GVS Claim**

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will not be reinstated, and there will be no procedure to determine or disallow or subordinate the GVS Claim or its purported lien over substantially all of the Debtor's assets. Accordingly, in a liquidation, GVS would be entitled to all of the Debtor's property (except for unencumbered property, if any) and the liquidation value of the Debtor's property is conceded to be less than the amount the Plan proposes to pay to GVS under the Plan.

Accordingly, the Debtor recommends that all parties in interest support the Plan.

B. Alternative Plan.

If the Plan is not confirmed, or if the Debtor's exclusive period in which to File a plan has expired, any other party in interest may be entitled to File a different plan. The Debtor believes that the Plan provides holders of Claims and Equity Interests with the greatest value possible under the circumstances. Furthermore, the Debtor believes that any subsequently proposed plan would likely provide less favorable treatment than that to be afforded by the Plan and would further delay the payment of distributions.

ARTICLE VI CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The Plan provides for reinstatement of the GVS Claims. The payments may have tax implications for the Debtor, its Equity Interest holders, and for the holders of Claims, including income imputed for cancellation of debt or losses. Holders of Claims and Equity Interests should consult their own tax advisors regarding the tax consequences of the treatment of the Claims and Equity Interests under the Plan. No part of this Disclosure Statement, the Plan, the Plan

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Supplement, or any other communication from the Debtor is or can be construed as tax advice

for any purpose.

ARTICLE VII SECURITIES LAWS CONSEQUENCES OF PLAN

The Plan provides for the reinstatement of the GVS Claims. No new securities will be issued under the Plan. Holders of Equity Interests should consult their own advisors regarding any securities law consequences of the treatment of their Equity Interests under the Plan.

ARTICLE VIII CONCLUSION AND RECOMMENDATION

The Debtor believes that Confirmation of the Plan is desirable and in the best interests of all holders of Claims and Equity Interests. The Debtor recommends that all parties in interest support the Plan.

ARTICLE IX DEFINITIONS

Capitalized words not otherwise defined in this Plan have the following meanings:

1. ***Administrative Expense Claim*** means any Claim arising from the administration of the Debtor's chapter 11 case as provided in section 503 of the Bankruptcy Code and that is entitled to priority under section 507(a)(1) of the Bankruptcy Code, including, without limitation, (a) fees and expenses of the Debtor's professionals Allowed pursuant to an Order of the Bankruptcy Court, and (b) all fees and charges assessed against the Debtor's estate pursuant to 28 U.S.C. § 1930.

2. ***Allowed* or *Allowance*** means a Claim for which a Proof of Claim was filed by the applicable Claims Bar Date and (a) to which no objection was filed prior to the Effective Date or (b) if an objection was filed prior to the Effective Date, a Claim

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with respect to which the Bankruptcy Court has entered a final non-appealable order that such Claim is Allowed under section 502 of the Bankruptcy Code.

3. **Avoidance Action** means any Cause of Action arising or held by the Debtor's estate under sections 502, 510, 541, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code, or under related state or federal statutes and common law, including fraudulent transfer laws.

4. **Bankruptcy Code** means title 11 of the United States Code as in effect on the Petition Date.

5. **Bankruptcy Court** means the United States Bankruptcy Court for the District of Utah.

6. **Cash** means lawful currency of the United States of America (including wire transfers, cashier's checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks and money orders).

7. **Causes of Action** means, without limitation, any and all actions, causes of action, defenses, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, claims or proceedings to recover money or property and demands of any nature whatsoever, whether known or unknown, in law, equity or otherwise, including, without limitation, Avoidance Actions, that are owned or held by the Debtor or its estate at any time.

8. **CHC** means CHC Development Company, Inc., the debtor and debtor in possession in Case No. 16-25558 pending in the Bankruptcy Court.

9. **Claim** has the meaning set forth in section 101(5) of the Bankruptcy Code.

10. **Claims Bar Date** means (a) December 22, 2016 for a Proof of Claim filed by a government unit, (2) thirty days after the Confirmation Date for all Administrative Expense Claims; and (3) November 2, 2016 for a Proof of Claim for all other Creditors and Claims.

11. **Collateral** means any property or interest in property of the Debtor's estates subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable law.

12. **Confirmation Date** means the date that the Confirmation Order becomes a final, non-appealable order and on which no stay of the Confirmation Order is in effect.

13. **Confirmation Order** means the order entered by the Bankruptcy Court confirming the Plan.

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14. **Debtor** means A.H. Coombs, LLC, whether before or after the Petition Date and whether before or after the Confirmation Date, the Effective Date, or the Reinstatement Date, and any direct or indirect successor of A.H. Coombs, LLC.

15. **DIP Credit Agreement** means that certain Debtor-in-Possession Super-Priority Credit Agreement by and between the Debtor and CHC, as borrowers, and Kirch & Todd Real Estate, LLC, DBA Kirch & Todd Lending, as lender, and approved by the Bankruptcy Court.

16. **DIP Loans** means all borrowings and other Obligations (as defined in the DIP Credit Agreement) under that Certain DIP Credit Agreement pursuant to which the Debtor and CHC obtained financing on an Unsecured basis for operating expenses, costs of administration, adequate protection payments, and other expenses during the pendency of the chapter 11 case.

17. **Disputed** means a Claim for which a Proof of Claim was filed prior to the applicable Claims Bar Date that has not been Allowed or Disallowed by a final non-appealable order and as to which the Debtor or another party in interest has filed an objection prior to the Effective Date.

18. **Effective Date** means the first business day 14 days after the Confirmation Date.

19. **Equity Interest** means the interest of any holder of any stock or membership interest in the Debtor and any and all options, warrants and rights, contractual or otherwise, to acquire any stock in the Debtor, as such interest exist immediately prior to the Effective Date.

20. **Exit Facility** means that certain post-Effective Date Unsecured credit agreement, attached as Exhibit B hereto (which may be filed in the Plan Supplement), by and between the Debtor and the Exit Lenders and other parties thereto.

21. **Exit Lenders** means the non-Debtor party lenders to the Exit Facility.

22. **GVS Lawsuit** means that certain lawsuit filed in the Fifth Judicial District for Washington County, State of Utah, No. 160500683 commenced by the Debtor, CHC, and certain other parties before the Effective Date against GVS and certain other parties, including all Causes of Action asserted therein or which may, by amendment or which could be, asserted in the GVS Lawsuit, and any successor lawsuit thereto, including any Causes of Action that could be asserted in any amended complaint or otherwise against any persons related to or affiliated with GVS.

23. **GVS Cure Amount** means the sum of all amounts due to GVS under the Loan Workout Agreement up to and including the Reinstatement Date to the extent

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required for reinstatement of the Loan Workout Agreement under section 1124(2) of the Bankruptcy Code less all adequate protection and other payments and other property or value transferred to GVS during the pendency of the chapter 11 case.

24. ***GVS Lawsuit*** means that certain lawsuit filed in the Fifth Judicial District for Washington County, State of Utah, No. 160500683 commenced by the Debtor, CHC, and certain other parties before the Effective Date against GVS and certain other parties, including all Causes of Action asserted therein or which may, by amendment or which could be, asserted in the GVS Lawsuit, and any successor lawsuit thereto.

25. ***Loan Workout Agreement*** means that certain Loan Workout Agreement dated as of October 1, 2013 by and between GVS, as lender, and the Debtor, CHC, and the other parties thereto as borrowers or guarantors, as applicable, and all amendments or supplements thereto.

26. ***Other Secured Claim*** means any Secured Claim other than the GVS Claim.

27. ***Petition Date*** means June 25, 2016.

28. ***Plan Supplement*** means exhibits and other documents filed in support of this Plan, which are incorporated by reference where applicable in the Plan.

29. ***Priority Claims*** means any and all Claims (or portions thereof), if any, entitled to priority under section 507(a) of the Bankruptcy Code other than Administrative Expense Claims and Priority Tax Claims.

30. ***Priority Tax Claims*** means any Claim of a governmental unit entitled to priority under section 507(a)(8) of the Bankruptcy Code.

31. ***Proof of Claim*** means a proof of claim filed with the Bankruptcy Court.

32. ***Reinstatement Date*** means the later of (1) the Effective Date or (2) the effective date of the plan of reorganization confirmed by CHC Development Corp., Inc., debtor and debtor in possession in Case No. 16-bk-25558-WTT.

33. ***Secured or Secured Claim*** means a Claim against the Debtor that is secured by an unavoidable security interest in the Debtor's property.

34. ***Succession Agreement*** means that certain Option and Succession Agreement dated as of November 15, 2016 by and between Alan Coombs and Carole Coombs, on the one hand, and Arrived Hospitality, LLC, on the other.

35. ***Unclassified Claim*** has the meaning set forth in **Error! Reference source not found.** hereof.

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36. ***Unsecured*** means a Claim against the Debtor other than a Priority Claim or a Secured Claim.

37. ***U.S. Trustee Fees*** means all fees required to be paid by 28 U.S.C. § 1930(a)(6) that accrue until the case is closed, dismissed, or converted to another chapter of the Bankruptcy Code.

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Respectfully submitted,

December 8, 2016

Alan H. Coombs
Managing Member of A.H. Coombs LLC
Plan Proponent

/s/

Andres Diaz (A4309)
Thomas D. Neeleman (A4639)
Geoffrey L. Chesnut (A12058)
RED ROCK LEGAL SERVICES, P.L.L.C.
Attorneys for the Debtor

PROOF OF SERVICE
