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Victoria B. Finlinson (15103)
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Counsel for the Debtor

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re:

CAMPERWORLD, INC.,

Debtor.

Bankruptcy Case No. 17-27764 WTT
Chapter 11

Judge William T. Thurman

(Filed Electronically)

MOTION TO OBTAIN POST-PETITION FINANCING UNDER SECTION 364(c)

Camperworld, Inc. (“Debtor”) pursuant to 11 U.S.C. § 364(c), Fed. R. Bankr. P. 4001(c), and Local Bankruptcy Rule 4001-2 seeks entry of an order, in the form attached as Exhibit “A”, authorizing and approving the Debtor to enter into the loan transaction (the “Loan”) proposed in the Loan Agreement, Promissory Note, and Deed of Trust, copies of which are attached hereto as Exhibit “B” (the “Loan Documents”). In support of this Motion, the Debtor respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§1408 and 1409.

BACKGROUND

2. On September 6, 2017, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

3. The Debtor is a Utah non-profit corporation with its principal place of business in West Jordan, Utah. Among other assets, the Debtor owns the real property which is comprised of the Zions Gate campground.

4. The Debtor has a number of secured and unsecured creditors, and is continuing to operate its campground business as a debtor-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

5. The Debtor receives income from operations and memberships of its campground properties. The Debtor lacks funds to pay critical expenses, primarily its insurance. Therefore, the Debtor is in need of an immediate and short-term loan to fund those critical expenses. In addition, the Debtor has arranged the sale of all of its assets that will bring substantial cash into the estate if the sale closes. Bankruptcy Court approval of that sale will be sought. It is anticipated that this sale would close on or before December 27, 2017.

LOAN TERMS

6. In accordance with Rule 4001(c), a summary of the Loan terms is set forth below. Reference is made to the actual Loan Documents for specific details. To the extent there is any

discrepancy between the following summary and the Loan Documents, the Loan Documents shall control. Capitalized terms not defined herein have the meaning ascribed in the Loan Documents.

a. **Parties.** The Lender is Souvall Management, Inc., a Utah corporation, and the Borrower is the Debtor. Souvall Management, Inc. will be funding 100% of the Loan.

b. **Amount.** The amount borrowed is \$40,000.00, plus the origination fee, plus any recording fees for the deed of trust. \$20,000.00 is to be used solely for allowed administrative expenses of Debtor's counsel, Clyde Snow & Sessions. The remaining \$20,000.00 is to be used by the Debtor for ordinary and necessary expenses during the bankruptcy case.

c. **Interest and Fees.** Interest shall accrue at an annual rate of 12%. Upon funding the Loan, Borrower will then remit back to Lender an origination fee of 2%. Any amount not paid by the Maturity Date or in the event of default shall bear interest at a default rate of 18%.

d. **Event of Default.** Debtor will be in default if Debtor (a) fails to make any required payment ten (10) days after any payment due date, or (b) fails to timely comply with or perform any other obligation under the Loan Agreement.

e. **Payments.** No payments shall be due prior to the Maturity Date. On the Maturity Date, all of the outstanding principal and accrued interest shall be due and payable. The loan may be pre-paid in whole or in part, at any time, without penalty.

f. **Term and Maturity Date.** The maximum loan term is until October 1, 2018.

g. **Security.** The Loan shall be secured by a first position deed of trust against lots 183, 184, 185, 186, and 187 in the Zions Gate campground owned by the Borrower.

7. Pursuant to Rule 4001(c) and Local Rule 4001-2, the Debtor states that no extraordinary relief is sought in this Motion or the proposed Order of the kind discussed in these rules, except for the granting of a lien under § 364(c)(2).

APPLICABLE AUTHORITY

8. 11 U.S.C. § 364(c) allows the Court, after notice and a hearing, to authorize the Debtor to obtain credit or incur debt “[i]f the [Debtor] is unable to obtain unsecured credit allowable under section 503(b)(1) of this title as an administrative expense.” The security allowed under this section and sought by this Motion is set forth in 11 U.S.C. §364(c)(2), being a lien “on property of the estate that is not otherwise subject to a lien.”

9. In this case, the Debtor does not have the cash flow to maintain operations and is seeking a complete sale of all of its assets as part of the bankruptcy process. Furthermore, the Debtor does not believe it has sufficient cash without the loan to last through November. As a result of this lack of cash and lack of cash flow, the Debtor does not believe it could obtain a loan without granting security against the Zions Gate lots. A lender willing to loan purely as an administrative expense would do so based on expected cash flow to be repaid, which the Debtor does not have, and does not expect to have.

10. Other than property taxes, the Zions Gate lots are unencumbered, and therefore the lien granted fits within the definition of 11 U.S.C. § 364(c)(2).

11. The Debtor estimates the value of the Zions Gate lots to be \$20,000 each, equaling \$100,000 in total. The Debtor has previously obtained a loan from one of its main secured creditors, Actium High Yield Loan Fund II, LLC and its affiliates Actium Loan Management LLC and Actium High Yield Loan Fund LLC (collectively, “**Actium**”), which required a 40% loan to value ratio for collateral. The Debtor believes the current loan’s request of 5 lots, or \$100,000 of collateral, is reasonable in that it matches the same 40% loan to value requirement of Actium.

CONCLUSION

WHEREFORE, the Debtor respectfully requests that the Court authorize and approve the Debtor to enter into the Loan, authorizing the Debtor to complete any and all tasks necessary to effectuate and close the Loan, pursuant to the Loan Documents, and that the Order be effective upon entry pursuant to Rule 6004(h).

DATED this 26th day of October, 2017.

CLYDE SNOW & SESSIONS, P.C.

/s/ James W. Anderson

James W. Anderson

Victoria B. Finlinson

Attorneys for the Debtor

EXHIBIT "A"
FORM OF ORDER

PREPARED AND SUBMITTED BY:

James W. Anderson (9829)
Victoria B. Finlinson (15103)
CLYDE SNOW & SESSIONS
201 South Main Street, Suite 1300
Salt Lake City, Utah 84111
Telephone: (801) 322-2516
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Email: jwa@clydesnow.com
vbf@clydesnow.com

Counsel for the Debtor

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:

CAMPERWORLD, INC.

Debtor.

**Bankruptcy Case No. 17-27764 WTT
Chapter 11**

Judge William T. Thurman

(Filed Electronically)

**ORDER GRANTING MOTION TO OBTAIN POST-PETITION FINANCING UNDER
SECTION 364(c)**

A hearing was held by the Court on _____, 2017, at _____ regarding the Debtor's Motion to Obtain Post-Petition Financing under Section 364(c) (the "Motion"). At said hearing, James W. Anderson of Clyde Snow & Sessions, P.C. appeared on behalf of the Debtor, and others noted their appearances on the record. The Court, having considered the Motion,

adequate notice having been given, and good cause appearing therefore, hereby ORDERS as follows:

1. The Motion is Granted.
2. The Debtor is authorized to enter into the Loan Documents in the forms as attached hereto as Exhibit "A", and fulfill all of the Debtor's obligations therein.
3. The Lender is granted the liens provided for in the Loan Agreement and Deed of Trust attached to the Motion as part of the Loan Documents, which constitute liens under 11 U.S.C. § 364(d).
4. This order is effective upon entry pursuant to Rule 6004(h).

Dated this ____ day of _____, 2017.

----- END OF ORDER -----

DESIGNATION OF PARTIES TO RECEIVE NOTICE

Service of the foregoing **ORDER GRANTING MOTION TO OBTAIN POST-PETITION FINANCING UNDER SECTION 364(c)** shall be served to the parties and in the manner designated below:

By Electronic Service: I certify that the parties of record in this case as identified below, are registered CM/ECF users.

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

None.

/s/ James W. Anderson
James W. Anderson

EXHIBIT "B"

LOAN DOCUMENTS

LOAN AGREEMENT

This LOAN AGREEMENT ("**Loan Agreement**") is entered into effective this 22nd day of September, 2017, by Camperworld, Inc., a Utah non-profit corporation, as borrower ("**Borrower**"), and Souvall Management, Inc., a Utah corporation, or its assigns, as lender ("**Lender**"). In this Loan Agreement, the words "I," "you," and "your" mean the Borrower. The words "we," "us," and "our," refer to the Lender.

1. DISCLOSURE OF CREDIT TERMS: The information in the following disclosure box is part of this Loan Agreement. The loan shall accrue simple interest at an annual rate of 12%, (18% in the event of default). There shall be a 2% origination fee charged on the net amount financed of \$40,000.00. The total amount of the loan shall be \$40,000.00, plus the origination fee, plus any recording fees for the deed of trust (the "**Amount Financed**"). The loan shall be secured by a first position deed of trust against lots 183, 184, 185, 186, and 187 in the Zions Gate campground owned by the Borrower. The Due Date for the loan is October 1, 2018.

2. PURPOSE: The sole purpose of this loan is to fund the fees and expenses of Clyde Snow & Sessions, as counsel to Borrower in its bankruptcy case pending in the United States Bankruptcy Court for the District of Utah, Case number 17-27764, and for ongoing operations of Borrower. The loan funds shall not be used for any other purpose without the express consent of Lender. The net amount financed of \$40,000.00 shall be paid in the following two payments: (1) \$20,000.00 directly to the trust account of Clyde Snow & Sessions, which shall be held in such account until such time as the bankruptcy court approves fee applications of Clyde Snow and Sessions; and (2) \$20,000.00 directly to the debtor in possession bank account of Borrower. In the event the fees and expenses of Clyde Snow and Sessions are less than \$20,000.00, the balance shall be returned to Lender at the termination of Clyde Snow and Sessions' services. Lender shall deposit the \$20,000.00 in Clyde Snow and Session's trust account on or before September 22, 2017, to be held in trust pending bankruptcy court approval of this Loan Agreement. Lender shall deposit the remaining \$20,000.00 in Borrower's debtor in possession bank account on or before September 26, 2017.

3. SECURITY: At the closing, Borrower will execute a deed of trust encumbering the above referenced property as collateral for the loan.

4. SCHEDULE OF PAYMENTS: No payments shall be due until the Due Date, at which time the entire amount financed and all accrued interest shall be due in full.

5. PREPAYMENT: The loan may be pre-paid in whole or in part, at any time, without penalty.

6. PROMISE TO PAY: You promise to pay to us the Amount Financed, plus all accrued interest, on or before the Due Date. You will execute a promissory note at the closing evidencing the terms of this Loan Agreement.

7. DEFAULT: You will be in default under this Loan Agreement if: (a) you fail to make any required payment ten (10) days after any payment due date, or (b) you fail to timely comply with or perform any other obligation under this Loan Agreement.

If you are in default under this Loan Agreement, we may, at our option, do any one or more of the following: (i) declare the whole outstanding balance due on your account immediately due and payable and proceed to collect it, (ii) close your account, (iii) exercise all other rights, powers, and remedies given by law, and/or (iv) recover from you all charges, costs and expenses, including all collection costs and reasonable attorney's fees incurred or paid by us in exercising any right, power, or remedy provided by this Loan Agreement or as permitted by law.

8. GOVERNING LAW; VENUE: The Loan Agreement shall be constructed in accordance with and governed by laws of the state of Utah without giving effect to any choice of law rule. Any suit or proceeding arising from or relating in any way to this Loan Agreement shall be brought only in a federal or state court located in the County of Salt Lake and State of Utah, including the United States Bankruptcy Court for the District of Utah; and you and we consent to the exclusive jurisdiction and venue of such courts.


9. BANKRUPTCY: We understand and acknowledge that you are currently in a bankruptcy case filed under Chapter 11 of the Bankruptcy Code, pending in the United States Bankruptcy Court for the District of Utah, Case number 17-27764. We understand and acknowledge that this Loan Agreement is not binding upon you until it is approved by such bankruptcy court and an order is entered to such effect. The loan will not close until after entry of such an order.

10. ATTORNEY'S FEES: You agree for the payment of reasonable attorney's fees and costs in the event of default.

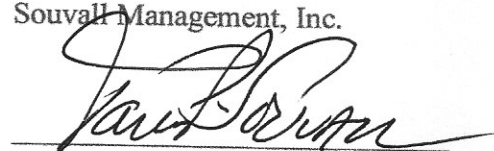
11. BINDING EFFECT: This Loan Agreement shall inure to the benefit of, and be binding on and enforceable against you and your respective personal representatives and successors, and us and our corresponding respective personal representatives and successors.

12. PARAGRAPH HEADINGS: The paragraph headings in this Loan Agreement are for convenience only and do not limit any of its provisions.

Camperworld, Inc.


Diane Williams, President

Souvall Management, Inc.


Tom Souvall, President

ADDENDUM 1 TO LOAN AGREEMENT

This ADDENDUM 1 TO LOAN AGREEMENT (“**Addendum**”) is entered into effective this 29th day of September, 2017, by Camperworld, Inc., a Utah non-profit corporation, as borrower (“**Borrower**”), and Souvall Management, Inc., a Utah corporation, or its assigns, as lender (“**Lender**”). This Addendum amends that certain Loan Agreement between the foregoing parties, with an effective date of September 22, 2017 (the “**Loan Agreement**”).

1. TREATMENT OF INTEREST: The interest charged under the Loan Agreement shall be subordinated to all other creditors of the Borrower, including all claims of creditors which are allowed claims under the confirmed Plan of Reorganization entered in that certain bankruptcy case in the United States Bankruptcy Court, District of Utah, Case Number 15-20383.

2. COLLECTION: In the event of default, Lender shall look solely to the collateral provided under the Loan Agreement for repayment, and shall have no direct right to demand payment from the Borrower, or collection against any of the Borrower’s other assets. The loan is non-recourse to the Borrower.

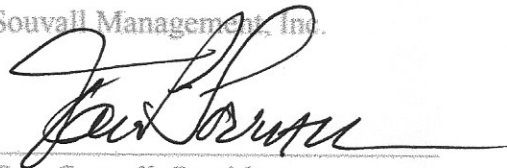
3. NO FURTHER AMENDMENT: Except as set forth herein, the Loan Agreement is not further modified and remains in full force and effect.

Camperworld, Inc.



Diane Williams, President

Souvall Management, Inc.



Tom Souvall, President

SECURITY AGREEMENT AND PROMISSORY NOTE

\$40,000.00

Salt Lake City, Utah
_____, 2017

FOR VALUE RECEIVED, the undersigned borrower (“**Borrower**”) promises to pay to the order of Souvall Management, Inc. (“**Lender**”) at 5659 Canal Street, Murray, UT 84123-5340 or such other place as Lender may designate in writing from time to time hereafter, the principal sum of Forty Thousand Dollars (\$40,000.00), with twelve percent (12%) annual interest. Borrower shall pay a two percent (2%) origination fee to Lender in the amount of Eight Hundred Dollars (\$800.00), concurrently with the execution of this Security Agreement and Promissory Note (the “**Note**”). No payments shall be required under this Note, however, the balance due under the Note shall be paid in full on or before the earlier of the following: (1) the collateral securing this Note is sold, conveyed, foreclosed upon, or otherwise title is transferred in any way from Borrower; or (2) October 1, 2018.

Secured Note. This Note is secured by a Deed of Trust between Borrower and Lender of even date herewith.

No Pre-Payment Penalty. This Note may be prepaid in whole or in part at any time without premium or penalty.

Default and Remedies. The occurrence of any one of the following events shall constitute a default by the Borrower (“**Event of Default**”) under this Note:

(a) if Borrower fails to pay any amount due hereunder ten (10) days after such amount becomes due and payable or declared due and payable, such ten (10) day period also being called the “**Grace Period**”; or

(b) if Borrower defaults under the Deed of Trust securing this Note.

If Borrower fails to pay any amount due after the applicable Grace Period, the annual interest rate shall increase to eighteen percent (18%) of the unpaid portion of such amount shall be imposed and be immediately due and payable. Upon the occurrence of an Event of Default, Lender may, at its option, declare all outstanding principal hereunder, and all other amounts accrued hereunder to be immediately due and payable, and may then exercise its power of sale or other rights granted to Lender by the Deed of Trust which secures this Note; provided, however, that before any remedies under this Note may be enforced or exercised by Lender, Lender shall first provide written notice to Borrower of the default or breach, identifying the nature of the default or breach and the action(s) to be taken to cure the same, and such default or breach shall have remained uncured for a period of ten (10) days following Borrower’s receipt of such written notice. All of Lender’s rights and remedies under this Note are cumulative and nonexclusive, and may be pursued singularly, successively or together, at the sole discretion of Lender, and may be exercised as often as occasion therefore shall arise.

Borrower agrees to pay, immediately upon demand by Lender, any and all costs, fees and expenses (including reasonable attorneys' fees, costs and expenses) incurred by Lender (i) in enforcing any of Lender's rights hereunder in a court of competent jurisdiction, and (ii) in representing Lender in any litigation, contest, suit or dispute, or to commence, defend or intervene or to take any action with respect to any litigation, contest, suit or dispute (whether instituted by Lender, Borrower or any other person) in any way relating to this Note, and to the extent not paid the same shall be added to the principal balance hereof.

Notices. All notices, demands, and requests given or required to be given hereunder shall be in writing and shall be deemed to have been properly given when delivered in person, delivered via a commercially accepted rapid means of delivery or five (5) business days after having been deposited in any post office, branch post office, or mail depository regularly maintained by the U.S. Postal Service and sent by U.S. registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

TO BORROWER: Camperworld, Inc.
P.O. Box 879
West Jordan, Utah 84084

with a copy to: James W. Anderson
CLYDE SNOW & SESSIONS
201 S. Main St., Suite 1300
Salt Lake City, Utah 84111

TO LENDER: Souvall Management, Inc.
5659 Canal Street
Murray, Utah 84123-5340

or addressed to each respective party at such other address as such party may hereafter furnish to the other party in writing.

Governing Law. This Note shall be deemed to have been submitted by Borrower to Lender and to have been made in Salt Lake City, Utah. This Note shall be governed and controlled by the internal laws of the State of Utah, without regard to the conflicts of law provisions thereof. The parties submit to the personal jurisdiction of the courts located in Salt Lake County, Utah.

Assignment. This Note shall not be assigned by Lender or Borrower without the express written consent of the other party, which consent shall not be unreasonably withheld. Any attempted assignment of this Note in violation of this provision will be null and void and will constitute an Event of Default hereunder.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

IN WITNESS WHEREOF, this Note has been executed as of the date first set forth above.

BY BORROWER:

Camperworld, Inc.

Diane Williams, President

BY LENDER:

Souvall Management, Inc.

Tom Souvall, President

WHEN RECORDED, RETURN TO:

James W. Anderson, Esq.
Clyde Snow & Sessions
201 S. Main St., Suite 1300
Salt Lake City, Utah 84111

Tax Parcel Nos. H-ZGRV-183, H-ZGRV-184, H-ZGRV-185, H-ZGRV-186, & H-ZGRV-187

DEED OF TRUST

THIS DEED OF TRUST (“**Deed of Trust**”), made effective this ____ day of _____, 2017, between Camperworld, Inc., a Utah corporation, as Trustor, whose address is P.O. Box 879, West Jordan, Utah 84084; _____, as Trustee, whose address is _____; and Souvall Management, Inc., a Utah corporation, as Beneficiary, whose address is 5659 Canal Street, Murray, Utah 84123-5340.

RECITALS:

1. Trustor is the owner of fee simple title in and to certain real property located in Washington County, Utah, in the Zions Gate campground as lots 183, 184, 185, 186, and 187, as more particularly described as follows (the “**Property**”):

LOTS 183, 184, 185, 186, AND 187, ZIONS GATE R.V. AMENDED, according to the official plat thereof on file and of record in the Washington County Recorder’s Office.

Parcel Identifications Nos. H-ZGRV-183; H-ZGRV-184; H-ZGRV-185, H-ZGRV-186, H-ZGRV-187.

2. Trustor has agreed to pay Beneficiary the sum of Forty Thousand Dollars and no/100 (\$40,000.00) plus interest thereon, in accordance with the terms and provisions of that certain Security Agreement and Promissory Note signed by Trustor, as Borrower, dated _____, 2017 (the “**Note**”).

3. Trustor is willing to encumber the Property as collateral for the Trustor’s obligations to Beneficiary.

TERMS

Trustor hereby CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the Property, together with all buildings, fixtures and improvements thereon and all water rights, rights of way, easements, rents, issues, profits, income, tenements,

hereditaments, privileges and appurtenances thereunto now or hereafter used or enjoyed with said property, or any part thereof;

FOR THE PURPOSE OF SECURING payment of the indebtedness evidenced by the Note, payable to the order of Beneficiary at the times, in the manner and with interest as therein set forth, and payment of any sums expended or advanced by Beneficiary to protect the security hereof.

Trustor agrees to pay all taxes and assessments on the Property, to pay all charges and assessments on water or water stock used on or with the Property, not to commit waste, to maintain adequate fire insurance on improvements on the Property, to pay all costs and expenses of collection (including Trustee's and attorney's fees in event of default in payment of the indebtedness secured hereby and to pay reasonable Trustee's fees for any of the services performed by Trustee hereunder, including a reconveyance hereof.

The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder by mailed to Trustor at the address hereinabove set forth.

The officers who sign this Deed of Trust hereby certify that this Deed of Trust and the transfer represented thereby was duly authorized.

Camperworld, Inc.

Diane Williams, President

STATE OF UTAH)
 :SS
COUNTY OF SALT LAKE)

On the ____ day of _____, 2017, personally appeared before me Diane Williams who being by me duly sworn did say, that she is the President of Camperworld, Inc., and that the foregoing instrument was signed on behalf of said corporation.

Notary Public

[SEAL]