



A handwritten signature in black ink, appearing to read "Timothy W. Dore", is written over a horizontal line.

**Timothy W. Dore**  
**U.S. Bankruptcy Court**  
(Dated as of Entered on Docket date above)

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**BUCKNELL STEHLIK SATO & ORTH, LLP**

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Seattle, Washington 98121

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**UNITED STATES BANKRUPTCY COURT**  
**WESTERN DISTRICT OF WASHINGTON, AT SEATTLE**

15

16 In re:

) No. 16-15814-TWD  
) (Lead Case)

17 LODGE HOLDINGS COMPANY,

) No. 16-15849-TWD  
) No. 16-15850-TWD

18 Mukilteo Lodge, LLC,

) No. 16-15851-TWD

19 Kirkland Lodge, LLC,

) No. 16-15852-TWD

20 Stadium Lodge, LLC,

) No. 16-15853-TWD

21 Downtown Lodge, LLC,

) No. 16-15854-TWD

Mill Creek Lodge, LLC,

) (Jointly Administered Cases)

Greenwood Lodge, LLC

)

22

Debtors.

) **INTERIM ORDER GRANTING**  
) **SECOND MOTION FOR**  
) **AUTHORITY TO USE CASH**  
) **COLLATERAL**

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Interim Order Granting Second Motion for

28 Authority to Use Cash Collateral - 1

**BUCKNELL STEHLIK SATO & ORTH, LLP**

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1           THIS MATTER having come before this Court upon the Second Motion and Notice Thereof  
2   for Authority to Use Cash Collateral (“Motion”), the Notice of Interim Hearing on Second Motion  
3   for Authority to Use Cash Collateral (“Interim Notice”), and the Motion to Shorten Time for Interim  
4   Hearing (“Motion to Shorten Time”) filed by Sheena R. Aebig, the duly-appointed Chapter 11  
5   Trustee (“Trustee”) in the above-captioned cases, pursuant to 11 U.S.C. §§105(a), 363(c)(2), and  
6   other applicable law, seeking authority to use cash collateral, and the Court having considered the  
7   Motion, Interim Notice, and Motion to Shorten Time, all papers and evidence timely submitted in  
8   support of or response to the same, the pleadings and files herein, and the arguments of counsel, if  
9   any, and being fully advised in the premises; the Court hereby makes the following findings of fact  
10   and conclusions of law on an interim basis.

### 11                                   **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

12  
13  
14           1.       On November 18, 2016 (the “Petition Date”), debtor Lodge Holdings Company  
15   (“Holdings”) filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United  
16   States Code. On November 21, 2016, various of Holdings’ subsidiaries (the “Subsidiaries”) filed  
17   voluntary petitions pursuant to Chapter 11 of Title 11 of the United States Code.<sup>1</sup> The bankruptcy  
18   cases of Holdings and its Subsidiaries have been administratively consolidated and this case is the  
19   lead case.

20           2.       This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a  
21   “core” proceeding within the meaning of 28 U.S.C. § 157(b)(2)(M), among other provisions, and the  
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24                                   

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25   <sup>1</sup> *In re Mukilteo Lodge, LLC*, Cause No. 16-15849; *In re Kirkland Lodge, LLC*, Cause No. 16-15850, *In re Stadium*  
26   *Lodge, LLC*, Cause No. 16-15851; *In re Downtown Lodge, LLC*, Cause No. 16-15852; *In re Mill Creek Lodge, LLC*,  
Cause No. 16-15853; and *In re Greenwood Lodge, LLC*, Cause No. 16-15854.

1 Court has authority to enter this Order pursuant to 11 U.S.C. §§ 363 and 105, and other applicable  
2 law.

3 3. Holdings is the parent company of the Subsidiaries, which own and operate  
4 restaurants in various locations in Washington.

5 4. CBC Partners I, LLC (hereinafter referred to as “CBC”) and the Debtors contend that  
6 CBC extended a non-revolving credit (the “Loan”) to Holdings and its Subsidiaries (collectively,  
7 and together with any trustee appointed therefor, the “Debtors”) on or around June 10, 2016,  
8 evidenced, in part, by a Secured Promissory Note dated as of June 10, 2016, in the stated principal  
9 amount of Eight Hundred Twenty-Five Thousand Dollars (\$825,000) (as amended from time to  
10 time, the “Note”), plus accrued interest at a fixed rate of thirteen and one half percent (13.5%).

11 5. CBC and the Debtors contend that Debtors’ obligations under the Loan are secured  
12 by a security interest in favor of CBC in and to all of Debtors’ presently owned and thereafter  
13 acquired inventory, accounts, general intangibles, rights to payment, and equipment, together with  
14 all products and proceeds of the foregoing (as more fully described in the Agreement, the  
15 “Collateral”).

16 6. CBC and the Debtors contend that CBC filed UCC-1 financing statements with the  
17 Washington Department of Licensing on July 26, 2016, under file number 2016-208-8376-3, with  
18 respect to the Collateral owned by Holdings; on June 10, 2016, under file number 2016-162-7334-9,  
19 with respect to the Collateral owned by Downtown Lodge LLC; on June 10, 2016, under file number  
20 2016-162-7335-6, with respect to the Collateral owned by Greenwood Lodge LLC; on June 10,  
21 2016, under file number 2016-162-7336-3, with respect to the Collateral owned by Kirkland Lodge,  
22 LLC; on June 10, 2016, under file number 2016-162-7337-0, with respect to the Collateral owned by  
23 Mill Creek Lodge LLC; on June 10, 2016, under file number 2016-162-7338-7, with respect to the  
24 Collateral owned by Mukilteo Lodge LLC; and on June 10, 2016, under file number 2016-162-7344-  
25

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27 Interim Order Granting Second Motion for  
28 Authority to Use Cash Collateral - 3

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1 8, with respect to the Collateral owned by Stadium Lodge LLC (collectively, the “Lien”). The  
2 Internal Revenue Service and other creditors similarly filed with the Washington Department of  
3 Licensing.

4 7. The Note and all other documents, instruments, amendments, modifications, and  
5 agreements relating to, and expressly referencing the Loan shall collectively be referred to herein as  
6 the “Loan Documents.”

7 8. CBC and the Debtors contend that Debtors remain indebted to CBC for the unpaid  
8 principal balance owing on the Note in the amount of \$850,000, plus interest, attorney’s fees, costs,  
9 and other expenses owing under the Loan Documents.

10 9. Debtors assert that substantially all of the estates’ revenue is derived from proceeds  
11 of sale of inventory, which, together with all of the estates’ cash on hand as of the date of filing and  
12 any post-petition proceeds of CBC’s pre-petition collateral, constitute cash collateral (the “Cash  
13 Collateral”) as defined in 11 U.S.C. § 363(a).

14 10. The Court has found that Debtors’ estates have immediate and continuing need for  
15 the use of the Cash Collateral to avoid immediate and irreparable harm to their businesses and the  
16 Collateral. Without the ability to use the Cash Collateral, the estates will be unable to pay ongoing  
17 ordinary expenses relating to the continued operation of the businesses.

18 11. Authorization of use of Cash Collateral in accordance with the budget attached hereto  
19 as Exhibit 1 (the “Budget”), on an interim basis, is in the best interests of the estates and is necessary  
20 for the estates to avoid immediate and irreparable harm.

21 12. Good cause exists to grant the Motion to Shorten Time so that interim relief may be  
22 considered at the hearing previously scheduled in these cases, for February 3, 2017.

### 23 **ORDER**

24 Based upon the foregoing findings and conclusions, it is hereby ORDERED as follows:  
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27 Interim Order Granting Second Motion for  
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1           1.       The Trustee, and Debtors solely to the extent expressly authorized by the Trustee in  
2 the Trustee's operations of the Debtors' businesses (the Trustee, and Debtors as so limited, referred  
3 to hereafter as "Trustee/Debtors"), are authorized to use Cash Collateral as set forth in the Budget  
4 for the month of February, 2017; provided, however, that such authority shall expire at the close of  
5 business on March 3, 2017, unless extended by further order of this Court.

6           2.       Subject to the terms, conditions and limitations of this Order, the Trustee/Debtors are  
7 authorized to incur and timely pay only the operating and administrative expenses identified in the  
8 Budget and may incur such obligations and make such payments, without further approval of CBC  
9 or this Court, provided that (a) Trustee/Debtors shall not use Cash Collateral to pay any pre-petition  
10 expense or obligation of any person or entity except as expressly permitted by order of the Court, (b)  
11 Trustee/Debtors shall otherwise only use Cash Collateral to pay post-petition expenses and  
12 obligations directly relating to the preservation and protection of the Collateral and operation of  
13 Debtors' businesses, and in the case of the Trustee, to pay actual and reasonable costs of  
14 administration in these cases, and (c) the payment of compensation to the Trustee and her  
15 professionals shall be subject to prior notice, hearing and approval requirements set forth in the  
16 Bankruptcy Code and Federal and Local Rules of Bankruptcy Procedure, as the same may be  
17 modified by order of the Court and notwithstanding the inclusion of monthly line items in the  
18 Budget, for compensation to the Trustee and her professionals. Nothing herein shall constitute a  
19 waiver of the Trustee's right to seek assessment of the reasonable, necessary costs and expenses of  
20 preserving, or disposing of, cash collateral or any other collateral of secured creditors under 11  
21 U.S.C. § 506(c), which right is expressly reserved.

22           3.       Trustee/Debtors shall be in compliance with their obligations related to the Budget so  
23 long as the actual expenditures paid with Cash Collateral do not exceed the corresponding expense  
24 line item set forth in the Budget by more than ten percent (10%), and the total amount of Cash  
25

1 Collateral used does not exceed the total amount set forth in the Budget for all expenses by more  
2 than five percent (5%) of the overall Budget on a monthly basis.

3         4. Each of CBC and the United States of American on behalf of its agency the Internal  
4 Revenue Service (“IRS”) shall retain all of its pre-petition security interests in all pre-petition  
5 collateral, including, without limitation, the Cash Collateral. The Trustee is authorized and directed  
6 to provide adequate protection of each of CBC’s and the IRS’ interests in the Cash Collateral as set  
7 forth in this Order, by granting, on behalf of the estates of the Debtors, CBC and the IRS  
8 replacement liens in the Collateral, Cash Collateral, and proceeds of the Cash Collateral  
9 (collectively, the “Replacement Liens”), in the same order and priority as existed pre-petition,  
10 provided that the Replacement Liens shall be subordinated to the allowed compensation of the  
11 Trustee and her professionals up to the amounts specified in the Budget. Because the Budget line  
12 items for compensation to the Trustee and her professionals are based on rough estimates only, and  
13 the Trustee may identify additional professionals or professional services that should be employed or  
14 rendered to benefit the estates, the Trustee may amend or supplement the line items for professional  
15 fees on notice to CBC and the IRS, and either written consent of CBC and IRS to such amendment  
16 or supplement, or further order of this Court upon notice to CBC and the IRS.

17         5. On an interim basis, the Replacement Liens shall be valid, perfected and enforceable  
18 security interests and liens on the Cash Collateral and post-petition proceeds thereof without further  
19 filing or recording of any document or instrument or any other action. No further documentation  
20 shall be necessary to evidence or perfect the lien or to give notice to third parties of the same.  
21 Notwithstanding any other provision in this Order, all rights of the Trustee to object to the validity,  
22 perfection, amount, priority, or enforceability of asserted pre-petition liens are reserved pending  
23 opportunity for review of such liens.  
24

1           6.       On a monthly basis, Trustee shall provide or cause the Debtors to provide each of  
2 CBC, the IRS, and their counsel with a statement showing payments by budgeted line item and  
3 deviations (both positive and negative) from the Budget for the prior monthly period as well as such  
4 other information pertaining to the Collateral and Cash Collateral as each of the CBC or the IRS in  
5 its reasonable discretion may reasonably require. Trustee shall in all other respects continue to  
6 provide, or cause Debtors to provide, CBC and the IRS with the reporting Debtors are required to  
7 provide to the Court pursuant to the Loan Documents, Fed. R. Bankr. P. 2015 and Local Bankruptcy  
8 Rule 2015. If the United States Trustee monthly operating report satisfies the above report to CBC  
9 and the IRS, CBC and the IRS may accept such report in lieu of a separate report.

10           7.       During the term of this Order, CBC and the IRS shall also be entitled to request and  
11 receive any and all additional operational or financial information or documents pertaining to the  
12 Collateral and Cash Collateral. Trustee/Debtors shall reasonably cooperate with each of CBC and  
13 the IRS and its representatives in providing full and reasonable access to the Collateral, the Cash  
14 Collateral, the estates' financial condition, assets, and liabilities.

15           8.       Trustee shall otherwise comply, or cause Debtors to comply, in all respects with the  
16 provisions of the Loan Documents to the extent practicable and consistent with the Bankruptcy Code  
17 and Bankruptcy Rules. Trustee/Debtors shall permit CBC free and unfettered reasonable business-  
18 hour access, with reasonable advance notice, to all books, records and information relating to the  
19 estates' full and timely post-petition compliance with their obligations under the Loan Documents,  
20 including, without limitation, access to information and records concerning the maintenance of  
21 insurance, reserve accounts for capital expenditures, taxes and insurance and other protection of the  
22 Collateral.

23           9.       Nothing contained in this Order shall be construed in any form as (i) consent by CBC  
24 or the IRS to any use of Cash Collateral or the Collateral, other than the specific uses authorized and  
25

1 described in this Order, the Budget and only during the duration of this Order; (ii) a commitment by  
2 CBC or the IRS to provide financing to defray expenses arising during or after the Budget period nor  
3 as imposing any liability on CBC to any third party; or (iii) consent by CBC or the IRS to a carve-  
4 out from its Cash Collateral for amounts owing for professional fees and costs incurred by Debtors  
5 and their authorized professionals.

6 10. This Order shall take effect upon entry by the Court. Nothing contained in this Order  
7 shall prejudice any party's rights to apply for an order prospectively modifying this Order on appro-  
8 priate grounds and after notice and opportunity for a hearing, or prejudice any party's rights and  
9 arguments at the final hearing.

10 11. Except as otherwise specifically provided herein and under the Bankruptcy Code,  
11 nothing in this Order shall be deemed a waiver of any rights that CBC or the IRS may have under  
12 applicable law or under the Loan Documents. Any rights granted to CBC and the IRS in this Order  
13 are in addition to, and not intended as a waiver or substitution for, any rights, remedies, liens or  
14 security interest granted under the Loan Documents or the right to additional adequate protection  
15 under 11 U.S.C. § 363, each of CBC and the IRS reserves all claims and defenses with respect to the  
16 priority of its security interest, and reserves all rights and remedies against non-debtor parties.

17 12. All notices, request and demands which any party is required or may desire to give to  
18 any other party under the provisions of this Order must be in writing and delivered to each party at  
19 the following address:  
20

21 If to CBC:

Gregory R. Fox  
Lane Powell PC  
1420 Fifth Avenue, Suite 4200  
Seattle, WA 98101-2338  
Email: [foxg@lanepowell.com](mailto:foxg@lanepowell.com)



1	If to the US Trustee:	Kathryn E Perkins
2		Office of the United States Trustee
3		700 Stewart Street, Suite 5103
4		Seattle, WA 98101
5		Email: <a href="mailto:kathryn.e.perkins@usdoj.gov">kathryn.e.perkins@usdoj.gov</a>
6	If to the IRS:	Aditi Paranjpye
7		Assistant United States Attorney
8		United States Attorney's Office
9		700 Stewart Street, Suite 5103
10		Seattle, WA 98101
11		Email: <a href="mailto:aditi@paranjpye.usdoj.gov">aditi@paranjpye.usdoj.gov</a>
12	If to Trustee:	Sheena R. Aebig
13		1215 Fourth Avenue, Suite 900
14		Seattle, WA 98161
15		Email: <a href="mailto:saebig@ajbr.com">saebig@ajbr.com</a>
16	(with a copy to):	Edwin K. Sato
17		Bucknell Stehlik Sato & Orth, LLP
18		2003 Western Avenue, Suite 400
19		Seattle, WA 98121
20		Email: <a href="mailto:esato@bsss-law.com">esato@bsss-law.com</a>
21	If to Debtors:	Larry B. Feinstein
22		Vortman & Feinstein
23		520 Pike Street, Suite 2250
24		Seattle, WA 98101
25		Email: <a href="mailto:feinstein1947@gmail.com">feinstein1947@gmail.com</a>

or such other address as any party may designate by written notice to all other parties. Each notice, request and demand shall be deemed given or made as follows (a) if sent by e-mail or facsimile transmission, upon receipt; or (b) if sent by mail, upon the earlier of the date of receipt or three (3) business days after deposit in U.S. mail.

13. In the event Trustee fail to comply with the terms of this Order, each of CBC and the IRS shall thereupon have the right, but not the obligation, to send written notice via facsimile or e-mail transmission to Trustee and Trustee's counsel, and unless such default is cured, either of CBC

26		<b>BUCKNELL STEHLIK SATO &amp; ORTH, LLP</b>
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1 or the IRS may move the Court on five (5) business days' notice to terminate the Trustee/Debtors'  
2 authorization to use cash collateral as provided hereunder. Notwithstanding the foregoing, CBC's or  
3 the IRS' failure or decision not to immediately or otherwise send a notice of default in the event of a  
4 default hereunder shall in no way be deemed or construed as a waiver of any rights or remedies  
5 granted it hereunder or pursuant to the terms of the Loan Documents, with all such rights and  
6 remedies being expressly reserved.

7 14. The Motion to Shorten Time is granted such that interim relief under the Motion may  
8 be considered at the hearing of February 3, 2017. The final hearing on the Motion shall be held on  
9 March 3, 2017, at 9:30 a.m., as scheduled.

10 /// End of Order ///

11 Presented by:

12 BUCKNELL STEHLIK SATO & ORTH, LLP

13 /s/ Edwin K. Sato

14 \_\_\_\_\_  
15 Edwin K. Sato, WSBA #13633  
16 of Attorneys for Trustee, Sheena R. Aebig  
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27 Interim Order Granting Second Motion for  
28 Authority to Use Cash Collateral - 10

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# EXHIBIT 1

LODGE										
Avg sales per mo based on full yr 2016	173,685.78	144,294.44	115,651.51	164,218.25	133,674.11	114,423.81	845,947.90			
Feb1 2016 Actual Net Sales	160,722.43	121,246.43	78,327.92	123,522.50	121,195.35	103,669.33	708,683.96			
Net Feb Sales 2017 budget	154,000.00	120,000.00	80,000.00	155,000.00	125,000.00	100,000.00	734,000.00			
Food	77,000.00	60,000.00	40,000.00	77,500.00	62,500.00	50,000.00	367,000.00			
Beer	40,040.00	31,200.00	20,800.00	40,300.00	32,500.00	26,000.00	190,840.00			
Liquor	26,180.00	20,400.00	13,600.00	26,350.00	21,250.00	17,000.00	124,780.00			
Wine	7,700.00	6,000.00	4,000.00	7,750.00	6,250.00	5,000.00	36,700.00			
NA Beverage	3,080.00	2,400.00	1,600.00	3,100.00	2,500.00	2,000.00	14,680.00			
COST OF GOODS SOLD										
Food/NA Bev	26,024.46	20,278.80	13,519.20	26,193.45	21,123.75	16,899.00	124,038.66			
FSA Based on 4 wk %	19,866.00	15,480.00	10,320.00	19,995.00	16,125.00	12,900.00	94,686.00			
Charl Produce trip B	3,377.22	2,631.60	1,754.40	3,399.15	2,741.25	2,193.00	16,096.62			
Franz	2,781.24	2,167.20	1,444.80	2,799.30	2,257.50	1,806.00	13,256.04			
Whidbey Misc							0.00			
Beer/Wine/Liquor	19,057.50	14,850.00	9,900.00	19,181.25	15,468.75	12,375.00	90,832.50			
Columbia Youngs										
Click/Crown										
Odum/ACRS										
Southern										
Misc Brewers/wine										
TOTAL COGS	45,081.96	35,128.80	23,419.20	45,374.70	36,592.50	29,274.00	214,871.16			
Gross Profit	108,918.04	84,871.20	56,580.80	109,625.30	88,407.50	70,726.00	519,128.84			
CONTROLLABLE EXPENSES										
Payroll Expenses										
Tips							0.00			
Jan \$9.47 to \$11.00 Hike	2,772.00	2,160.00	1,440.00	2,790.00	2,250.00	1,800.00	13,212.00			
Employees including tax	49,742.00	41,040.00	27,600.00	48,980.00	41,500.00	34,200.00	243,062.00			
Est Tax portion of above 941/LNI/SUT/	12,435.50	10,260.00	6,900.00	12,245.00	10,375.00	8,550.00	60,765.50			
Health/Dental Ins	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	6,900.00			
Total Payroll	53,664.00	44,350.00	30,190.00	52,920.00	44,900.00	37,150.00	263,174.00			
Prime Costs	98,745.96	79,478.80	53,609.20	98,294.70	81,492.50	66,424.00	478,045.16			
Direct Operating Expense										
Janitorial	1,800.00	1,900.00	1,000.00	2,000.00	1,800.00	1,000.00	9,500.00			
Eduardo/Victor Pd	1,800.00	1,900.00	1,000.00	2,000.00	1,800.00	1,000.00	9,500.00			
Linen	1,400.00	1,400.00	800.00	1,400.00	1,400.00	800.00	7,200.00			
Aromark	1,400.00	1,400.00	1,200.00	1,400.00	1,400.00	1,200.00	8,000.00			
Office Supplies	500.00	500.00	250.00	500.00	500.00	250.00	2,500.00			
Costco/Bank Direct	500.00	500.00	250.00	500.00	500.00	250.00	2,500.00			
Kitchen Supplies	1,800.00	1,800.00	150.00	1,800.00	1,800.00	150.00	7,500.00			
Supplies-Employee purchase	800.00	800.00	150.00	800.00	800.00	150.00	3,500.00			
Capital One/Citi/Cred	500.00	500.00	0.00	500.00	500.00	0.00	2,000.00			
Bargreen/Costco	500.00	500.00	0.00	500.00	500.00	0.00	2,000.00			
Restaurant Supplies	775.00	775.00	375.00	775.00	775.00	375.00	3,850.00			
New C02	350.00	350.00	150.00	350.00	350.00	150.00	1,700.00			
Tapman Services	225.00	225.00	125.00	225.00	225.00	125.00	1,150.00			
Cintas Paper/Sam	200.00	200.00	100.00	200.00	200.00	100.00	1,000.00			
Apparel	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Total Op Expense	6,275.00	6,375.00	2,575.00	6,475.00	6,275.00	2,575.00	30,550.00			
Entertainment										
Mood Media	25.00	25.00	25.00	25.00	25.00	25.00	150.00			
Direct TV	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	7,500.00			
Total Entertainment	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	7,650.00			
Marketing										
Donations-Gift C, etc							0.00			
Menu Development	200.00	200.00	0.00	200.00	200.00	0.00	800.00			
Advertising	300.00	300.00		300.00	300.00		1,200.00			
Total Marketing	500.00	500.00	0.00	500.00	500.00	0.00	2,000.00			
Utilities										
PSE Gas Utilities	1,200.00		600.00	1,200.00	1,200.00	800.00	5,000.00			
PUD Electric Utilities	1,200.00		800.00	1,200.00	1,200.00	900.00	5,300.00			
Total Utilities	2,400.00	0.00	1,400.00	2,400.00	2,400.00	1,700.00	10,300.00			
Tax Plan Pmts										
Extra IRS Tax pmt							0.00			
Extra DOR/LNI/Etc Tax pmt							0.00			
Total Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Administrative & General Expense										
Credit Card Fee										
Hartland	3,388.00	2,640.00	1,760.00	3,410.00	2,750.00	2,200.00	16,148.00			

Misc fee	600.00	600.00	600.00	600.00	600.00	600.00	3,600.00
Accounting & Bookkeeping							
Danta-RSI-Etc	600.00	600.00	300.00	600.00	600.00	300.00	3,000.00
Legal							
Attorney Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licensing							
Ins License & Permits	800.00	800.00	800.00	800.00	800.00	800.00	4,800.00
Garbage			1,350.00	1,100.00	600.00	800.00	3,850.00
Misc							
Accent Table/Flowers							0.00
Baker Commodities	200.00	200.00	200.00	200.00	200.00	200.00	1,200.00
Nella Knife	100.00	100.00	100.00	100.00	100.00	100.00	600.00
RT Hood/Fire Alarm	300.00	300.00	300.00	300.00	300.00	300.00	1,800.00
Window Cleaning	125.00	125.00	125.00	125.00	125.00	125.00	750.00
Storage Rent	300.00	300.00		300.00	300.00		1,200.00
Phone & Internet							
DMX/ATT	25.00	25.00	25.00	25.00	25.00	25.00	150.00
Comcast Wave	375.00	575.00	375.00	375.00	375.00	375.00	2,450.00
Equipment Lease							
Vend/Time Leasing	0.00	0.00	795.00	0.00	0.00	0.00	795.00
Alpine Ice M rent		575.00		575.00	575.00	0.00	1,725.00
Auto Chlor DW rent	900.00	900.00	900.00	900.00	900.00	900.00	5,400.00
<b>Total Administrative</b>	7,713.00	7,740.00	7,630.00	9,410.00	8,250.00	6,725.00	47,468.00
<b>Maintenance</b>							
Repairs & Maintenance							
Misc Materials	1,000.00	1,000.00	250.00	1,000.00	1,000.00	250.00	4,500.00
HVAC Etc repair companies	600.00	600.00	600.00	600.00	600.00	600.00	3,600.00
Building Maintenance							
Bob/Handyman	750.00	750.00	300.00	750.00	750.00	300.00	3,600.00
<b>Total Maintenance</b>	2,350.00	2,350.00	1,150.00	2,350.00	2,350.00	1,150.00	11,700.00
<b>Misc Expense / Construction Balance</b>							
							0.00
<b>TOTAL CONTROLLABLES</b>	74,177.00	62,590.00	44,220.00	75,330.00	65,950.00	50,575.00	372,842.00
<b>OCCUPANCY COSTS</b>							
Lease/NNN	17,980.00	13,093.00	10,349.83	20,223.97	7,562.12	15,670.78	84,879.70 11.6%
<b>TOTAL OCCUPANCY</b>	17,980.00	13,093.00	10,349.83	20,223.97	7,562.12	15,670.78	84,879.70
<b>Total Operating Expenses</b>	137,238.96	110,811.80	77,989.03	140,928.67	110,104.62	95,519.78	672,592.86
<b>Net Profit</b>	16,761.04	9,188.20	2,010.97	14,071.33	14,895.38	4,480.22	61,407.14
<b>Profit %</b>	10.9%	7.7%	2.5%	9.1%	11.9%	4.5%	8.4%
<b>Sales Tax</b>	14,630.00	11,400.00	7,600.00	14,725.00	11,875.00	9,500.00	69,730.00
<b>Chap 11</b>							
Est US Trustee Quarterly Fee 4th Q	1,625.00	1,625.00	1,625.00	1,625.00	1,625.00	1,625.00	9,750.00
Est Trustee and Professional							55,000.00
NOTE: February is one of the slowest months of the year with average sales off between 15% and 20% of annual monthly average							
<b>2017 Net Budget Sales</b>	2,100,000	1,800,000	1,600,000	2,000,000	1,700,000	1,500,000	10,700,000 2017
<b>Estimated Annual % Profit</b>	9.9%	10.8%	7.8%	12.3%	10.6%	5.6%	9.0%
<b>Annual Operating Profit</b>	207,900	194,400	124,800	246,000	180,200	84,000	963,000 2017

LODGE		Mukilteo	Kirkland	Stadium	Downtown	Mill Creek	Greenwood	Total	
Avg sales per mo based on full yr 2016		173,685.78	144,294.44	115,651.51	164,218.25	133,674.11	114,423.81	845,947.90	
March 2016 Actual Net Sales		188,308.72	155,451.28	95,021.43	161,280.51	133,978.85	116,042.20	850,082.99	100.5%
Net March Sales 2017 budget		190,000.00	145,000.00	95,000.00	170,000.00	140,000.00	115,000.00	855,000.00	
Food		95,000.00	72,500.00	47,500.00	85,000.00	70,000.00	57,500.00	427,500.00	50.0%
Beer		49,400.00	37,700.00	24,700.00	44,200.00	36,400.00	29,900.00	222,300.00	26.0%
Liquor		32,300.00	24,650.00	16,150.00	28,900.00	23,800.00	19,550.00	145,350.00	17.0%
Wine		9,500.00	7,250.00	4,750.00	8,500.00	7,000.00	5,750.00	42,750.00	5.0%
NA Beverage		3,800.00	2,900.00	1,900.00	3,400.00	2,800.00	2,300.00	17,100.00	2.0%
COST OF GOODS SOLD									
Food/NA Bev		32,108.10	24,503.55	16,054.05	28,728.30	23,658.60	19,433.85	144,486.45	32.5%
FSA Based on 4 wk %		24,510.00	18,705.00	12,255.00	21,930.00	18,060.00	14,835.00	110,295.00	
Charl Produce trip B		4,166.70	3,179.85	2,083.35	3,728.10	3,070.20	2,521.95	18,750.15	
Franz		3,431.40	2,618.70	1,715.70	3,070.20	2,528.40	2,076.90	15,441.30	
Whidbey Misc								0.00	
Beer/Wine/Liquor		23,512.50	17,943.75	11,756.25	21,037.50	17,325.00	14,231.25	105,806.25	25.8%
Columbia Youngs									
Click/Crown									
Odum/ACRS									
Southern									
Misc Brewers/wine									
TOTAL COGS		55,620.60	42,447.30	27,810.30	49,765.80	40,983.60	33,665.10	250,292.70	29.3%
Gross Profit		134,379.40	102,552.70	67,189.70	120,234.20	99,016.40	81,334.90	604,707.30	
CONTROLLABLE EXPENSES									
Payroll Expenses									
Tips									0.00
Jan \$9.47 to \$11.00 Hike		3,420.00	2,610.00	1,710.00	3,060.00	2,520.00	2,070.00	15,390.00	1.8%
Employees including tax		61,370.00	49,590.00	32,775.00	53,720.00	46,480.00	39,330.00	283,265.00	33.1%
Est Tax portion of above 941/LNI/SUT/		15,342.50	12,397.50	8,193.75	13,430.00	11,620.00	9,832.50	70,816.25	
Health/Dental Ins		1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	6,900.00	
Total Payroll		65,940.00	53,350.00	35,635.00	57,930.00	50,150.00	42,550.00	305,555.00	35.7%
Prime Costs		121,560.60	95,797.30	63,445.30	107,695.80	91,133.60	76,215.10	555,847.70	65.0%
Direct Operating Expense									
Janitorial		1,800.00	1,900.00	1,000.00	2,000.00	1,800.00	1,000.00	9,500.00	
Eduardo/Victor Pd		1,800.00	1,900.00	1,000.00	2,000.00	1,800.00	1,000.00	9,500.00	
Linen		1,400.00	1,400.00	800.00	1,400.00	1,400.00	800.00	7,200.00	
Aromark		1,400.00	1,400.00	1,200.00	1,400.00	1,400.00	1,200.00	8,000.00	
Office Supplies		500.00	500.00	250.00	500.00	500.00	250.00	2,500.00	
Costco/Bank Direct		500.00	500.00	250.00	500.00	500.00	250.00	2,500.00	
Kitchen Supplies		1,800.00	1,800.00	150.00	1,800.00	1,800.00	150.00	7,500.00	
Supplies-Employee purchase		800.00	800.00	150.00	800.00	800.00	150.00	3,500.00	
Capital One/Citi/Cred		500.00	500.00	0.00	500.00	500.00	0.00	2,000.00	
Bargreen/Costco		500.00	500.00	0.00	500.00	500.00	0.00	2,000.00	
Restaurant Supplies		775.00	775.00	375.00	775.00	775.00	375.00	3,850.00	
New C02		350.00	350.00	150.00	350.00	350.00	150.00	1,700.00	
Tapman Services		225.00	225.00	125.00	225.00	225.00	125.00	1,150.00	
Cintas Paper/Sam		200.00	200.00	100.00	200.00	200.00	100.00	1,000.00	
Apparel		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Op Expense		6,275.00	6,375.00	2,575.00	6,475.00	6,275.00	2,575.00	30,550.00	
Entertainment									
Mood Media		25.00	25.00	25.00	25.00	25.00	25.00	150.00	
Direct TV		1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	7,500.00	
Total Entertainment		1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	7,650.00	
Marketing									
Donations-Gift C, etc								0.00	
Menu Development		200.00	200.00	0.00	200.00	200.00	0.00	800.00	
Advertising		300.00	300.00		300.00	300.00		1,200.00	
Total Marketing		500.00	500.00	0.00	500.00	500.00	0.00	2,000.00	
Utilities									
PSE Gas Utilities		1,200.00		600.00	1,200.00	1,200.00	800.00	5,000.00	
PUD Electric Utilities		1,200.00		800.00	1,200.00	1,200.00	900.00	5,300.00	
Total Utilities		2,400.00	0.00	1,400.00	2,400.00	2,400.00	1,700.00	10,300.00	
Tax Plan Pmts									
Extra IRS Tax pmt								0.00	
Extra DOR/LNI/Etc Tax pmt								0.00	
Total Tax		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Administrative & General Expense									
Credit Card Fee									
Hartland		4,180.00	3,190.00	2,090.00	3,740.00	3,080.00	2,530.00	18,810.00	

Misc fee	600.00	600.00	600.00	600.00	600.00	600.00	3,600.00
Accounting & Bookkeeping							
Danta-RSI-Etc	600.00	600.00	300.00	600.00	600.00	300.00	3,000.00
Legal							
Attorney Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licensing							
Ins License & Permits	800.00	800.00	800.00	800.00	800.00	800.00	4,800.00
Garbage			1,350.00	1,100.00	600.00	800.00	3,850.00
Misc							
Accent Table/Flowers							0.00
Baker Commodities	200.00	200.00	200.00	200.00	200.00	200.00	1,200.00
Nella Knife	100.00	100.00	100.00	100.00	100.00	100.00	600.00
RT Hood/Fire Alarm	300.00	300.00	300.00	300.00	300.00	300.00	1,800.00
Window Cleaning	125.00	125.00	125.00	125.00	125.00	125.00	750.00
Storage Rent	300.00	300.00		300.00	300.00		1,200.00
Phone & Internet							
DMX/ATT	25.00	25.00	25.00	25.00	25.00	25.00	150.00
Comcast Wave	375.00	575.00	375.00	375.00	375.00	375.00	2,450.00
Equipment Lease							
Vend/Time Leasing	0.00	0.00	795.00	0.00	0.00	0.00	795.00
Alpine Ice M rent		575.00		575.00	575.00	0.00	1,725.00
Auto Chlor DW rent	900.00	900.00	900.00	900.00	900.00	900.00	5,400.00
<b>Total Administrative</b>	8,505.00	8,290.00	7,960.00	9,740.00	8,580.00	7,055.00	50,130.00
<b>Maintenance</b>							
Repairs & Maintenance							
Misc Materials	1,000.00	1,000.00	250.00	1,000.00	1,000.00	250.00	4,500.00
HVAC Etc repair companies	600.00	600.00	600.00	600.00	600.00	600.00	3,600.00
Building Maintenance							
Bob/Handyman	750.00	750.00	300.00	750.00	750.00	300.00	3,600.00
<b>Total Maintenance</b>	2,350.00	2,350.00	1,150.00	2,350.00	2,350.00	1,150.00	11,700.00
<b>Misc Expense / Construction Balance</b>							
							0.00
<b>TOTAL CONTROLLABLES</b>	87,245.00	72,140.00	49,995.00	80,670.00	71,530.00	56,305.00	417,885.00
<b>OCCUPANCY COSTS</b>							
Lease/NNN	17,980.00	13,093.00	10,349.83	20,973.97	7,562.12	15,670.78	85,629.70 10.0%
<b>TOTAL OCCUPANCY</b>	17,980.00	13,093.00	10,349.83	20,973.97	7,562.12	15,670.78	85,629.70
<b>Total Operating Expenses</b>	160,845.60	127,680.30	88,155.13	151,409.77	120,075.72	105,640.88	753,807.40
<b>Net Profit</b>	29,154.40	17,319.70	6,844.87	18,590.23	19,924.28	9,359.12	101,192.60
<b>Profit %</b>	15.3%	11.9%	7.2%	10.9%	14.2%	8.1%	11.8%
<b>Sales Tax</b>	18,050.00	13,775.00	9,025.00	16,150.00	13,300.00	10,925.00	81,225.00
<b>Chap 11</b>							
Est US Trustee Quarterly Fee							
Est Trustee and Professionals							45,000.00
NOTE:	March sales start to increase because of March Madness (college basketball) and soccer season for stadium location						
2017 Net Budget Sales	2,100,000	1,800,000	1,600,000	2,000,000	1,700,000	1,500,000	10,700,000 2017
Estimated Annual % Profit	9.9%	10.8%	7.8%	12.3%	10.6%	5.6%	9.0%
Annual Operating Profit	207,900	194,400	124,800	246,000	180,200	84,000	963,000 2017

# LODGE

Avg sales per mo based on full yr 2016	173,685.78	144,294.44	115,651.51	164,218.25	133,674.11	114,423.81	845,947.90
April 2016 Actual Net Sales	166,728.39	161,978.91	118,263.85	149,016.52	128,175.34	106,552.83	830,715.84
Net April Sales 2017 budget	170,000.00	150,000.00	115,000.00	160,000.00	135,000.00	110,000.00	840,000.00
Food	85,000.00	75,000.00	57,500.00	80,000.00	67,500.00	55,000.00	420,000.00
Beer	44,200.00	39,000.00	29,900.00	41,600.00	35,100.00	28,600.00	218,400.00
Liquor	28,900.00	25,500.00	19,550.00	27,200.00	22,950.00	18,700.00	142,800.00
Wine	8,500.00	7,500.00	5,750.00	8,000.00	6,750.00	5,500.00	42,000.00
NA Beverage	3,400.00	3,000.00	2,300.00	3,200.00	2,700.00	2,200.00	16,800.00

## COST OF GOODS SOLD

Food/NA Bev	28,728.30	25,348.50	19,433.85	27,038.40	22,813.65	18,588.90	141,951.60
FSA Based on 4 wk %	21,930.00	19,350.00	14,835.00	20,640.00	17,415.00	14,190.00	108,360.00
Charl Produce trip B	3,728.10	3,289.50	2,521.95	3,508.80	2,960.55	2,412.30	18,421.20
Franz	3,070.20	2,709.00	2,076.90	2,889.60	2,438.10	1,986.60	15,170.40
Whidbey Misc							0.00
Beer/Wine/Liquor	21,037.50	18,562.50	14,231.25	19,800.00	16,706.25	13,612.50	103,950.00
Columbia Youngs							
Click/Crown							
Odum/ACRS							
Southern							
Misc Brewers/wine							
TOTAL COGS	49,765.80	43,911.00	33,665.10	46,838.40	39,519.90	32,201.40	245,901.60

Gross Profit	120,234.20	106,089.00	81,334.90	113,161.60	95,480.10	77,798.60	594,098.40
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## CONTROLLABLE EXPENSES

### Payroll Expenses

Tips							0.00
Jan \$9.47 to \$11.00 Hike	3,060.00	2,700.00	2,070.00	2,880.00	2,430.00	1,980.00	15,120.00
Employees including tax	54,910.00	51,300.00	39,675.00	50,560.00	44,820.00	37,620.00	278,885.00
Est Tax portion of above 941/LNI/SUT/	13,727.50	12,825.00	9,918.75	12,640.00	11,205.00	9,405.00	69,721.25
Health/Dental Ins	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	6,900.00
Total Payroll	59,120.00	55,150.00	42,895.00	54,590.00	48,400.00	40,750.00	300,905.00

Prime Costs	108,885.80	99,061.00	76,560.10	101,428.40	87,919.90	72,951.40	546,806.60
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### Direct Operating Expense

Janitorial	1,800.00	1,900.00	1,000.00	2,000.00	1,800.00	1,000.00	9,500.00
Eduardo/Victor Pd	1,800.00	1,900.00	1,000.00	2,000.00	1,800.00	1,000.00	9,500.00
Linen	1,400.00	1,400.00	800.00	1,400.00	1,400.00	800.00	7,200.00
Aromark	1,400.00	1,400.00	1,200.00	1,400.00	1,400.00	1,200.00	8,000.00
Office Supplies	500.00	500.00	250.00	500.00	500.00	250.00	2,500.00
Costco/Bank Direct	500.00	500.00	250.00	500.00	500.00	250.00	2,500.00
Kitchen Supplies	1,800.00	1,800.00	150.00	1,800.00	1,800.00	150.00	7,500.00
Supplies-Employee purchase	800.00	800.00	150.00	800.00	800.00	150.00	3,500.00
Capital One/Citi/Cred	500.00	500.00	0.00	500.00	500.00	0.00	2,000.00
Bargreen/Costco	500.00	500.00	0.00	500.00	500.00	0.00	2,000.00
Restaurant Supplies	775.00	775.00	375.00	775.00	775.00	375.00	3,850.00
New C02	350.00	350.00	150.00	350.00	350.00	150.00	1,700.00
Tapman Services	225.00	225.00	125.00	225.00	225.00	125.00	1,150.00
Cintas Paper/Sam	200.00	200.00	100.00	200.00	200.00	100.00	1,000.00
Apparel	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Op Expense	6,275.00	6,375.00	2,575.00	6,475.00	6,275.00	2,575.00	30,550.00

### Entertainment

Mood Media	25.00	25.00	25.00	25.00	25.00	25.00	150.00
Direct TV	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	7,500.00
Total Entertainment	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	7,650.00

### Marketing

Donations-Gift C, etc							0.00
Menu Development	200.00	200.00	0.00	200.00	200.00	0.00	800.00
Advertising	300.00	300.00		300.00	300.00		1,200.00
Total Marketing	500.00	500.00	0.00	500.00	500.00	0.00	2,000.00

### Utilities

PSE Gas Utilities	1,200.00		600.00	1,200.00	1,200.00	800.00	5,000.00
PUD Electric Utilities	1,200.00		800.00	1,200.00	1,200.00	900.00	5,300.00
Total Utilities	2,400.00	0.00	1,400.00	2,400.00	2,400.00	1,700.00	10,300.00

### Tax Plan Pmts

Extra IRS Tax pmt							0.00
Extra DOR/LNI/Etc Tax pmt							0.00
Total Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### Administrative & General Expense

Credit Card Fee							
Hartland	3,740.00	3,300.00	2,530.00	3,520.00	2,970.00	2,420.00	18,480.00
Book Service Charges							



Misc fee	600.00	600.00	600.00	600.00	600.00	600.00	3,600.00
Accounting & Bookkeeping							
Danta-RSI-Etc	600.00	600.00	300.00	600.00	600.00	300.00	3,000.00
Legal							
Attorney Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licensing							
Ins License & Permits	800.00	800.00	800.00	800.00	800.00	800.00	4,800.00
Garbage			1,350.00	1,100.00	600.00	800.00	3,850.00
Misc							
Accent Table/Flowers							0.00
Baker Commodities	200.00	200.00	200.00	200.00	200.00	200.00	1,200.00
Nella Knife	100.00	100.00	100.00	100.00	100.00	100.00	600.00
RT Hood/Fire Alarm	300.00	300.00	300.00	300.00	300.00	300.00	1,800.00
Window Cleaning	125.00	125.00	125.00	125.00	125.00	125.00	750.00
Storage Rent	300.00	300.00		300.00	300.00		1,200.00
Phone & Internet							
DMX/ATT	25.00	25.00	25.00	25.00	25.00	25.00	150.00
Comcast Wave	375.00	575.00	375.00	375.00	375.00	375.00	2,450.00
Equipment Lease							
Vend/Time Leasing	0.00	0.00	795.00	0.00	0.00	0.00	795.00
Alpine Ice M rent		575.00		575.00	575.00	0.00	1,725.00
Auto Chlor DW rent	900.00	900.00	900.00	900.00	900.00	900.00	5,400.00
<b>Total Administrative</b>	8,065.00	8,400.00	8,400.00	9,520.00	8,470.00	6,945.00	49,800.00
<b>Maintenance</b>							
Repairs & Maintenance							
Misc Materials	1,000.00	1,000.00	250.00	1,000.00	1,000.00	250.00	4,500.00
HVAC Etc repair companies	600.00	600.00	600.00	600.00	600.00	600.00	3,600.00
Building Maintenance							
Bob/Handyman	750.00	750.00	300.00	750.00	750.00	300.00	3,600.00
<b>Total Maintenance</b>	2,350.00	2,350.00	1,150.00	2,350.00	2,350.00	1,150.00	11,700.00
<b>Misc Expense / Construction Balance</b>							
							0.00
<b>TOTAL CONTROLLABLES</b>	79,985.00	74,050.00	57,695.00	77,110.00	69,670.00	54,395.00	412,905.00
<b>OCCUPANCY COSTS</b>							
Lease/NNN	17,980.00	13,093.00	10,349.83	20,473.97	7,562.12	15,670.78	85,129.70 10.1%
<b>TOTAL OCCUPANCY</b>	17,980.00	13,093.00	10,349.83	20,473.97	7,562.12	15,670.78	85,129.70
<b>Total Operating Expenses</b>	147,730.80	131,054.00	101,709.93	144,422.37	116,752.02	102,267.18	743,936.30
<b>Net Profit</b>	22,269.20	18,946.00	13,290.07	15,577.63	18,247.98	7,732.82	96,063.70
<b>Profit %</b>	13.1%	12.6%	11.6%	9.7%	13.5%	7.0%	11.4%
<b>Sales Tax</b>	16,150.00	14,250.00	10,925.00	15,200.00	12,825.00	10,450.00	79,800.00
<b>Chap 11</b>							
Est US Trustee Quarterly Fee 1st Q	4,875.00	4,875.00	4,875.00	4,875.00	4,875.00	4,875.00	29,250.00
Est Trustee and Professional							45,000.00
NOTE:	April sales historically equal the annual average helped by baseball season and soccer season						
<b>2017 Budget Sales</b>	2,100,000	1,800,000	1,600,000	2,000,000	1,700,000	1,500,000	10,700,000 2017
<b>Estimated Annual % Profit</b>	9.9%	10.8%	7.8%	12.3%	10.6%	5.6%	9.0%
<b>Operating Profit</b>	207,900	194,400	124,800	246,000	180,200	84,000	963,000 2017