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UNITED STATES BANKRUPTCY COURT

9

EASTERN DISTRICT OF CALIFORNIA - FRESNO DIVISION

10

In re:

Case No. 10-12709-A-11

11

ENNIS COMMERCIAL PROPERTIES, LLC,
a Limited Liability Company,

Chapter 11

12

Debtor.

D.C. No. PLF-13

13

Date: N/A

14

Time: N/A

15

Place: Dept. A, Ctrm. 11, 5th Floor

United States Courthouse

2500 Tulare St., Fresno, California

16

Judge: Hon. Whitney Rimel

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**DEBTOR'S DISCLOSURE STATEMENT RE: PLAN OF REORGANIZATION,
19 DATED JANUARY 21, 2011**

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1 **ARTICLE I.**

2 **INTRODUCTION**

3 ENNIS COMMERCIAL PROPERTIES, LLC, Debtor and Debtor in Possession
4 (“Debtor” or “Reorganized Debtor”), filed a voluntary petition under Chapter 11 on March 16,
5 2010. Debtor is a commercial real estate business and has operated the business as debtor-in-
6 possession since the Petition Date and a trustee has not been sought or appointed in Debtor’s
7 case.

8 This Disclosure Statement is provided to holders of claims for the purpose of providing
9 adequate information to claimants so that claimants can arrive at an informed decision in
10 exercising their right to accept or reject Debtor’s Plan of Reorganization (the “Plan”) being
11 served herewith.

12 Your vote to accept or reject the Plan is important. The Plan can be confirmed by the
13 Court if it is accepted by the holders of claims in each class of claims voting on the Plan.
14 Furthermore, the Court can confirm the Plan if it finds that the Plan accords fair and equitable
15 treatment to the class rejecting it if the requisite acceptances are not obtained.

16 EVERY ATTEMPT HAS BEEN MADE TO PROVIDE ACCURATE
17 INFORMATION IN THIS STATEMENT. HOWEVER, EXCEPT AS OTHERWISE SET
18 FORTH HEREIN, THE INFORMATION HAS NOT BEEN THE SUBJECT OF A
19 CERTIFIED AUDIT. NO REPRESENTATIONS ARE AUTHORIZED BY DEBTORS
20 EXCEPT AS SET FORTH IN THIS STATEMENT. THE INFORMATION CONTAINED IN
21 THE DISCLOSURE STATEMENT COMES FROM DEBTORS AND THEIR ATTORNEYS.
22 HOWEVER, PAM ENNIS, MANAGER OF DEBTOR, IS THE PRIMARY SOURCE OF
23 THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT AND
24

1 REPRESENTS THE BEST SOURCES OF INFORMATION CONCERNING DEBTOR AND
2 ITS ASSETS AND LIABILITES. TO THE EXTENT THAT INFORMATION CONTAINED
3 IN THIS DISCLOSURE STATEMENT IS ALSO CONTAINED IN THE PLAN FILED
4 HEREWITH, THE TERMS OF THE PLAN ARE CONTROLLING.

5 **ARTICLE II.**

6 **BACKGROUND AND EVENTS PRECIPITATING THE CHAPTER 11 FILING**

7 3.01 **Description of Business.** Debtor's business consists of acquiring raw land and
8 building commercial developments. Debtor then either operates or sells the commercial
9 buildings comprising the commercial development.

10 3.02 **History& Ownership.** Ennis Commercial Properties has been in business for
11 over 30 years, in one form or another. In 1998, a Limited Liability Company was formed to
12 operate Debtor's business. Debtor is owned by Ben Ennis, Brian Ennis and Pamela Ennis, in
13 equal shares. From the inception of Debtor's business until shortly before the bankruptcy case
14 was filed, Debtor was managed by Ben Ennis. Shortly before the bankruptcy case was filed,
15 Ben Ennis resigned as manager and Pam Ennis was appointed manager. Pam is a licensed
16 California Real Estate Professional and a licensed Real Estate Broker.

17 Pam has been instrumental in the development of retail, office, and commercial
18 facilities and residential neighborhoods in central California. Some of the accomplishments of
19 Pam include:

- 20 (1) Property Manager of approximately 751,000 square feet of retail and office space
21 throughout California;

1 (2) The development and marketing of numerous residential projects in Bakersfield,
2 Wasco, Delano, Porterville, Tulare, Hanford, Visalia, Kingsburg, Paso Robles,
3 Dinuba, Fresno, and Clovis, and

4 (3) The development and Property Management of various retail, office, and
5 commercial properties in Bakersfield, Porterville, Tulare, Visalia, Tehachapi, and
6 Sacramento

7 Pam will be involved in the operation of the Debtors' business during the pendency of
8 the Debtors' cases. On September 20, 2010, Pam Ennis and Brian Ennis transferred all of their
9 ownership interests in the Debtor to Ben Ennis. Pam will continue to manage the business of
10 Debtor for the pendency of the reorganization plan.

11 Pam Ennis filed an individual Chapter 7 bankruptcy petition on October 8, 2010 (Case
12 No. 10-61725). Brian Ennis filed an individual Chapter 7 bankruptcy petition on October 15,
13 2010 (Case No. 10-61970).

14 3.03 **Ben Ennis Chapter 11 Bankruptcy.** Ben Ennis filed an individual Chapter 11
15 bankruptcy petition on October 25, 2010 (Case No. 10-62315). Ben Ennis is a guarantor on
16 several of the unsecured claims of Debtor. While Ben Ennis had not filed a plan as of the date
17 this disclosure statement was filed, it is anticipated that his Chapter 11 plan will pay
18 substantially less than 100% of the debt owing to unsecured creditors in his case.
19 Consequently, the claims in this case have not been reduced to account for those potential
20 payments.

21 3.04 **Ennis Homes Bankruptcy.** Debtor is affiliated with Ennis Homes, Inc. ("Ennis
22 Homes") and Ennis Land Development, Inc. These two entities were consolidated in a Chapter
23 11 bankruptcy with Ennis Homes being the surviving entity. The Debtor is a guarantor of
24

1 several debts of Ennis Homes and Debtor's management anticipates that there will be
2 substantial unsecured deficiency claims based on those guarantees. Ennis Homes' Chapter 11
3 plan provided for very little payment to unsecured creditors.

4 3.05 **Events Leading to the Chapter 11 Filing.** The commercial leasing business
5 has been deteriorating since 2008. Debtor has had national, regional and local tenants who
6 have either declared bankruptcy, gone out of business and move out, or who cannot pay their
7 current rent. Each and every lease which came up for an extension in 2009 tried to renegotiate
8 their lease payments to a lower amount due to the state of the economy. Debtor was
9 significantly hampered by the tightening of the credit markets in 2008. Specifically, several
10 banks were unwilling to work with Debtor on loan extensions and interest rate reductions. In
11 addition, several loan workouts were scuttled due to what Debtor believes were artificially low
12 property appraisals. In addition, Debtor has guaranteed several obligations of affiliated entities
13 and Debtor anticipates substantial unsecured claims based on those guarantees.

14
15
16 **ARTICLE III.**

17 **SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE**

18 3.01 **Commencement of the Chapter 11 Case.** On March 16, 2010 (the "Petition
19 Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy
20 Code. The Chapter 11 Case was assigned to the Honorable Whitney Rimel, United States
21 Bankruptcy Judge for the Eastern District of California (Fresno Division). Since the Petition
22 Date, the Debtor has been operating as a debtor in possession under Sections 1107(a) and 1108
23 of the Bankruptcy Code.

1 3.02 **Retention of Professionals.** On March 25, 2010, the Bankruptcy Court
2 entered an order approving the Debtor’s retention of the Law Offices of Peter L. Fear to serve
3 as the Debtor’s reorganization counsel. On April 13, 2010, the Bankruptcy Court entered an
4 order approving the Debtor’s retention of Janzen, Tamberi & Wong as accountant for the
5 Debtor. Debtor has also employed two real estate brokers to market some of Debtor’s real
6 property. Debtor also obtained authority to hire a real estate appraiser. Debtor may attempt to
7 hire another real estate appraiser, but otherwise does not intend to retain any other
8 professionals in its Chapter 11 Case.

9 3.03 **Creditors’ Committee.** On April 8, 2010, the United States Trustee filed a
10 Statement of Inability to Appoint a Committee of Unsecured Creditors.

11 3.04 **Events.** Shortly after the filing, Debtor sought emergency and final authority
12 to use cash collateral. Authorization was granted through the end of September 2010. Debtor
13 sought extended use of cash collateral, which was granted on October 6, 2010. Shortly after the
14 bankruptcy case was filed, Visalia Community Bank (“VCB”) filed a motion for relief from
15 the automatic stay to authorize VCB to foreclose on Debtor’s office building. Debtor
16 eventually negotiated a stipulation to resolve the motion, which will allow Debtor to keep the
17 office building, but give up a vacant lot that was part of the collateral of VCB. Debtor also
18 sought authority to sell the real property located at 1850 South Central, Visalia, California,
19 which motion was granted.

20 3.05 **Plan and Disclosure Statement.** Debtor filed a Plan and Disclosure
21 Statement on October 15, 2010. Debtor filed a modified Plan and Disclosure Statement on
22 January 21, 2011.

1 4.04 **Administrative Claims for Professional Fees**. Each Person seeking an
2 award of Professional Fees: (a) must file a final application for allowance of compensation for
3 services rendered and reimbursement of expenses incurred through the Effective Date within
4 thirty (30) days of the Effective Date; and (b) if the Bankruptcy court grants such an award,
5 must be paid in full in Cash in such amounts as are allowed by the Bankruptcy Court as soon
6 thereafter as practicable. All final applications for allowance and disbursement of Professional
7 Fees must be in compliance with all of the requirements of the Bankruptcy Code, the
8 Bankruptcy Rules and any applicable guidelines and with all of the terms and conditions set
9 forth in any applicable order of the Bankruptcy Court, including, without limitation, the
10 Confirmation Order, and all other orders governing payment of Professional Fees. Debtor
11 anticipates that the only unpaid Professional Fees existing on the Effective Date will be fees
12 owed to Debtor’s counsel and accountants. Debtor anticipates that the amount due to the
13 accountant on the Effective Date will be approximately \$8,000 and the amount owed to
14 counsel for the Debtor on the Effective Date will be approximately \$40,000.

15 **ARTICLE V.**

16 **CLASSIFICATION AND TREATMENT OF**
17 **CLAIMS AND INTERESTS UNDER THE PLAN**
18

19 Classes of claims and interests are defined and treated as follows in the Plan:

20 **5.01 Class 2.1 – Secured Claim of G.E. Capital.**

21 5.01.1 **Class Description.** This class consists of the secured claim of G.E.
22 Capital with the current principal balance in the approximate amount of \$4,731,836. This claim
23 is secured by real property located at 1061 W. Henderson, Porterville, California.
24

1 5.01.2 **Impairment and Voting.** This class is unimpaired under the Plan;
2 consequently, the holders are not entitled to vote on the Plan.

3 5.01.3 **Treatment.** Debtor shall make all payments on the secured claim in
4 this Class as they come due under the terms of the note and deed of trust. This Plan shall not
5 modify the rights of the claimholder in this class. The claimholder in this class shall retain its
6 lien.

7 **5.02 Class 2.2 – Secured Claim of Bank of the United Security Bank.**

8 5.02.1 **Class Description.** This class consists of the secured claim of United
9 Security Bank, which is secured by multiple parcels, two of which are owned by Debtor and
10 several of which are not owned by Debtor. The principal balance on the loan is approximately
11 \$4,400,000. One of the parcels owned by Debtor is worth approximately \$370,000 and the
12 other is worth approximately \$500,000. Thus, Debtor believes the value of the secured claim in
13 this class is \$870,000. United Security Bank conducted a non-judicial foreclosure on these
14 properties and consequently, there is no unsecured deficiency claim against Debtor.

15 5.02.2 **Impairment and Voting.** This class is impaired under the Plan;
16 consequently, the holders are entitled to vote on the Plan.

17 5.02.3 **Treatment.** Debtor shall surrender the property to the Class 2.2
18 claimholder. The claimholder in this class shall retain its lien.

19 **5.03 Class 2.3 – Secured Claim of Wells Fargo Bank.**

20 5.03.1 **Class Description.** This class consists of the secured claim of Wells
21 Fargo Bank with the current principal balance in the approximate amount of \$3,056,894. This
22 claim is secured by a blanket lien covering twelve parcels of real property. Only one of those
23 parcels of real property is owned by Debtor. That parcel is located at 320 W. Henderson,
24 Porterville, California that is worth approximately \$426,000. Debtor believes that the other
parcels of property are worth as much or more than the balance of this secured claim.

1 Following is a chart showing the owner of the property, addresses of all of the properties, any
2 senior liens and the estimated fair market value for the properties:

3	Entity Holding Title	Address	City	Sr. Lien	Est. FMV
4	Ennis Enterprises	30-36 East Morton	Porterville		\$90,000
5	Ennis Enterprises	303 West Henderson	Porterville		\$80,000
6	Ennis Enterprises	313-317 West Henderson	Porterville		\$178,000
7	Ennis Enterprises	409 North Main Street	Porterville		\$230,000
8	Ennis Enterprises	4743 Belmont	Fresno		\$334,500
9	Ennis Enterprises	770 North Main	Porterville		\$238,300
10	Ennis Enterprises	3990 Gosford	Bakersfield		\$1,342,000
11	Roberta Ennis	1122 West Henderson	Porterville		\$513,780
12	Roberta Ennis	5520 Stockdale Highway	Bakersfield		\$1,008,000
13	Roberta Ennis	1075 West Henderson	Porterville		\$773,400
14	Debtor	320 West Henderson	Porterville		\$426,000
15	ECP Florin Road, LLC	3860 Florin Road	Sacramento	\$4,472,385	\$7,559,000
16		Totals		\$4,472,385	\$12,772,980.00

11 5.03.2 **Impairment and Voting.** This class is unimpaired under the Plan;
12 consequently, the holders are not entitled to vote on the Plan.

13 5.03.3 **Treatment.** This Plan shall not modify the rights of the claimholder in
14 this class. Debtor has apportioned the share of the Wells Fargo payment that is allocable to the
15 320 W. Henderson property and that payment amount is \$1,265.94, which amount Debtor will
16 pay as Debtor's share of the payment to Wells Fargo. This amount was calculated by
17 apportioning the debt between the buildings securing the debt by the square feet of each
18 building. The remaining amount of the payment shall be paid by the owner(s) of the other
19 eleven properties, and all payments on the claim shall be made as they come due under the
20 terms of the note and deed of trust. The claimholder in this class shall retain its lien.

21 **5.04 Class 2.4 – Secured Claim of Bank of the Sierra.**

22 5.04.1 **Class Description.** This class consists of the secured claim of Bank of
23 the Sierra with the current principal balance in the approximate amount of \$1,394,339. This
24 claim is secured by real property located at 6300 Mack Road, Sacramento, California.

1 5.04.2 **Impairment and Voting.** This class is impaired under the Plan;
2 consequently, the holders are entitled to vote on the Plan.

3 5.04.3 **Treatment.** Debtor shall attempt to negotiate a short sale for this
4 property. Upon confirmation of the Chapter 11 plan, the secured creditor in this class shall
5 have relief from the automatic stay to take whatever actions are allowed under state law to
6 foreclose on the property. The class creditor shall retain its lien on the property.

7 **5.05 Class 2.5 – Secured Claim of Rabobank on 4040 Florin Road.**

8 5.05.1 **Class Description.** This class consists of the secured claim of
9 Rabobank with the current principal balance in the approximate amount of \$1,054,186, plus
10 interest, fees and costs, evidenced by a promissory note, as amended, a business loan
11 agreement and a deed of trust and other related documents (the "Florin Loan Documents").
12 This claim is secured by real property located at 4040 Florin Road, Sacramento, California.

13 5.05.2 **Impairment and Voting.** This class is impaired under the Plan;
14 consequently, the holders are entitled to vote on the Plan.

15 5.05.3 **Treatment.** The Class 2.5 claim shall be modified as follows: (1) the
16 claim shall accrue interest at the rate of six percent (6%) per annum after the Effective Date of
17 the Plan, (2) payments on the claim shall be reamortized over 18 years, (3) beginning in the
18 month following the Effective Date of the Plan, principal and interest payments shall be
19 \$7,992.44 per month, and (4) the maturity date shall be June 15, 2019, at which time the entire
20 principal balance shall be due and owing. The Class 2.5 claimholder shall retain its lien(s) until
21 all Class 2.5 payments required by this Plan have been made. The Florin Loan Documents
22 shall remain in full force and effect, except that Debtor and the Class 2.5 claimholder shall
23 execute and deliver such amendments to the Florin Loan Documents as shall be reasonably
24 necessary to conform to the provisions of this Section 3.05, and thereafter, the Florin Loan
Documents, as so amended, shall govern the obligations of the Debtor to the Class 2.5

1 claimholder, notwithstanding the terms and conditions of this Plan. As of the Effective Date,
2 the automatic stay shall terminate as to the Class 2.5 claimholder with respect to the Class 2.5
3 Claim and the Florin Loan Documents, as amended.

4 **5.06 Class 2.6 – Secured Claim of Rabobank on 1730 Walnut.**

5 5.06.1 **Class Description.** This class consists of the secured claim of
6 Rabobank with the current principal balance in the approximate amount of \$583,622, plus
7 interest, fees and costs, evidenced by a promissory note, as amended, a business loan
8 agreement and a deed of trust and other related documents (the "Walnut Loan Documents").
9 This claim is secured by real property located at 1730 W. Walnut, Visalia, California.

10 5.06.2 **Impairment and Voting.** This class is impaired under the Plan;
consequently, the holder(s) are entitled to vote on the Plan.

11 5.06.3 **Treatment.** The Class 2.6 claim shall be modified as follows: (1) the
12 claim shall accrue interest at the rate of six percent (6%) per annum after the Effective Date of
13 the Plan, (2) payments on the claim shall be reamortized over 18 years, (3) beginning in the
14 month following the Effective Date of the Plan, principal and interest payments shall be
15 \$4,424.80 per month, and (4) the maturity date shall be October 15, 2017, at which time the
16 entire principal balance shall be due and owing. The Class 2.6 claimholder shall retain its
17 lien(s) until all Class 2.6 payments required by this Plan have been made. The Walnut Loan
18 Documents shall remain in full force and effect, except that Debtor and the Class 2.6
19 claimholder shall execute and deliver such amendments to the Walnut Loan Documents as
20 shall be reasonably necessary to conform to the provisions of this Section 3.06, and thereafter,
21 the Walnut Loan Documents, as so amended, shall govern the obligations of the Debtor to the
22 Class 2.6 claimholder, notwithstanding the terms and conditions of this Plan. As of the
23 Effective Date, the automatic stay shall terminate as to the Class 2.6 claimholder with respect
24 to the Class 2.6 Claim and the Walnut Loan Documents, as amended.

1 **5.07 Class 2.7 – Secured Claim of Rabobank on 1850 S. Central.**

2 5.07.1 **Class Description.** This class consists of the secured claim of
3 Rabobank with the current principal balance in the approximate amount of \$838,680. This
4 claim is secured by real property located at 1850 S. Central, Visalia, California.

5 5.07.2 **Impairment and Voting.** This class is unimpaired under the Plan;
6 consequently, the holders are not entitled to vote on the Plan.

7 5.07.3 **Treatment.** Debtor shall make all payments on the secured claim in
8 this Class as they come due under the terms of the note and deed of trust until the property is
9 sold. Debtor shall sell the property and payoff the entirety of the Class 2.7 claimholder. This
10 Plan shall not modify the rights of the claimholder in this class. The claimholder in this class
11 shall retain its lien until paid in full.

12 **5.08 Class 2.8 – Secured Claim of Rabobank on 259 N. Main.**

13 5.08.1 **Class Description.** This class consists of the secured claim of
14 Rabobank with the current principal balance in the approximate amount of \$646,701, plus
15 interest, fees and costs, evidenced by a promissory note, as amended, a business loan
16 agreement and a deed of trust and other related documents (the "259 North Main Loan
17 Documents"). This claim is secured by real property located at 259 N. Main, Porterville,
18 California.

19 5.08.2 **Impairment and Voting.** This class is impaired under the Plan;
20 consequently, the holders are entitled to vote on the Plan.

21 5.08.3 **Treatment.** The Class 2.8 claim shall be modified as follows: (1) the
22 claim shall accrue interest at the rate of six percent (6%) per annum after the Effective Date of
23 the Plan, (2) payments on the claim shall be reamortized over 18 years, (3) beginning in the
24 month following the Effective Date of the Plan, principal and interest payments shall be
\$4,903.04 per month, and (4) the maturity date shall be March 25, 2017, at which time the

1 entire principal balance shall be due and owing. The Class 2.8 claimholder shall retain its
2 lien(s) until all Class 2.8 payments required by this Plan have been made. The 259 North Main
3 Loan Documents shall remain in full force and effect, except that Debtor and the Class 2.8
4 claimholder shall execute and deliver such amendments to the 259 North Main Loan
5 Documents as shall be reasonably necessary to conform to the provisions of this Section 3.08,
6 and thereafter, the 259 North Main Loan Documents, as so amended, shall govern the
7 obligations of the Debtor to the Class 2.8 claimholder, notwithstanding the terms and
8 conditions of this Plan. As of the Effective Date, the automatic stay shall terminate as to the
9 Class 2.8 claimholder with respect to the Class 2.8 Claim and the 259 North Main Loan
10 Documents, as amended.

11 **5.09 Class 2.9 – Secured Claim of Rabobank on 314 Sequoia Circle.**

12 5.09.1 **Class Description.** This class consists of the secured claim of
13 Rabobank with the current principal balance in the approximate amount of \$131,091, plus
14 interest, fees and costs, evidenced by a promissory note, as amended, a business loan
15 agreement and a deed of trust and other related documents (the "Sequoia Loan Documents").
16 This claim is secured by real property located at 314 Sequoia Circle, Visalia, California.

17 5.09.2 **Impairment and Voting.** This class is impaired under the Plan;
18 consequently, the holders are entitled to vote on the Plan.

19 5.09.3 **Treatment.** The Class 2.9 claim shall be modified as follows: (1) the
20 claim shall accrue interest at the rate of six percent (6%) per annum after the Effective Date of
21 the Plan, (2) payments on the claim shall be reamortized over 18 years, (3) beginning in the
22 month following the Effective Date of the Plan, principal and interest payments shall be
23 \$994.64 per month, and (4) the maturity date shall be June 15, 2018, at which time the entire
24 principal balance shall be due and owing. The Class 2.9 claimholder shall retain its lien(s) until
all Class 2.9 payments required by this Plan have been made. The Sequoia Loan Documents

1 shall remain in full force and effect, except that Debtor and the Class 2.9 claimholder shall
2 execute and deliver such amendments to the Sequoia Loan Documents as shall be reasonably
3 necessary to conform to the provisions of this Section 3.09, and thereafter, the Sequoia Loan
4 Documents, as so amended, shall govern the obligations of the Debtor to the Class 2.9
5 claimholder, notwithstanding the terms and conditions of this Plan. As of the Effective Date,
6 the automatic stay shall terminate as to the Class 2.9 claimholder with respect to the Class 2.9
7 Claim and the Sequoia Loan Documents, as amended.

8 **5.10 Class 2.10 – Secured Claim of Rabobank on 334 N. Main.**

9 5.10.1 **Class Description.** This class consists of the secured claim of
10 Rabobank with the current principal balance in the approximate amount of \$158,685, plus
11 interest, fees and costs, evidenced by a promissory note, as amended, a business loan
12 agreement and a deed of trust and other related documents (the "334 North Main Loan
13 Documents"). This claim is secured by real property located at 334 N. Main, Porterville,
14 California.

15 5.10.2 **Impairment and Voting.** This class is impaired under the Plan;
16 consequently, the holders are entitled to vote on the Plan.

17 5.10.3 **Treatment.** The Class 2.10 claim shall be modified as follows: (1) the
18 claim shall accrue interest at the rate of six percent (6%) per annum after the Effective Date of
19 the Plan, (2) payments on the claim shall be reamortized over 18 years, (3) beginning in the
20 month following the Effective Date of the Plan, principal and interest payments shall be
21 \$1,203.09 per month, and (4) the maturity date shall be March 25, 2017, at which time the
22 entire principal balance shall be due and owing. The Class 2.10 claimholder shall retain its
23 lien(s) until all Class 2.10 payments required by this Plan have been made. The 334 North
24 Main Loan Documents shall remain in full force and effect, except that Debtor and the Class
2.10 claimholder shall execute and deliver such amendments to the 334 North Main Loan

1 Documents as shall be reasonably necessary to conform to the provisions of this Section 3.10,
2 and thereafter, the 334 North Main Loan Documents, as so amended, shall govern the
3 obligations of the Debtor to the Class 2.10 claimholder, notwithstanding the terms and
4 conditions of this Plan. As of the Effective Date, the automatic stay shall terminate as to the
5 Class 2.10 claimholder with respect to the Class 2.10 Claim and the 334 North Main Loan
6 Documents, as amended.

7 **5.11 Class 2.11 – Secured Claim of Rabobank on 760 Tucker Road.**

8 5.11.1 **Class Description.** This class consists of the secured claim of
9 Rabobank with the current principal balance in the approximate amount of \$346,000, plus
10 interest, fees and costs, evidenced by a promissory note, as amended, a business loan
11 agreement and a deed of trust and other related documents (the "760 Tucker Loan
12 Documents"). This claim is secured by real property located at 760 Tucker Road, Tehachapi,
13 California.

14 5.11.2 **Impairment and Voting.** This class is impaired under the Plan;
15 consequently, the holders are entitled to vote on the Plan.

16 5.11.3 **Treatment.** The Class 2.11 claim shall be modified as follows: (1) the
17 claim shall accrue interest at the rate of six percent (6%) per annum after the Effective Date of
18 the Plan, (2) payments on the claim shall be reamortized over 18 years, (3) beginning in the
19 month following the Effective Date of the Plan, principal and interest payments shall be
20 \$2,622.84 per month, and (4) the maturity date shall be September 15, 2017, at which time the
21 entire principal balance shall be due and owing. The Class 2.11 claimholder shall retain its
22 lien(s) until all Class 2.11 payments required by this Plan have been made. The 760 Tucker
23 Loan Documents shall remain in full force and effect, except that Debtor and the Class 2.11
24 claimholder shall execute and deliver such amendments to the 760 Tucker Loan Documents as
shall be reasonably necessary to conform to the provisions of this Section 3.11, and thereafter,

1 the 760 Tucker Loan Documents, as so amended, shall govern the obligations of the Debtor to
2 the Class 2.11 claimholder, notwithstanding the terms and conditions of this Plan. As of the
3 Effective Date, the automatic stay shall terminate as to the Class 2.11 claimholder with respect
4 to the Class 2.11 Claim and the 760 Tucker Loan Documents, as amended.

5 **5.12 Class 2.12 – Secured Claim of Rabobank on 758 Tucker Road.**

6 5.12.1 **Class Description.** This class consists of the secured claim of
7 Rabobank with the current principal balance in the approximate amount of \$622,000, plus
8 interest, fees and costs, evidenced by a promissory note, as amended, a business loan
9 agreement and a deed of trust and other related documents (the "758 Tucker Loan
10 Documents"). This claim is secured by real property located at 758 Tucker Road, Tehachapi,
11 California.

12 5.12.2 **Impairment and Voting.** This class is impaired under the Plan;
13 consequently, the holders are entitled to vote on the Plan.

14 5.12.3 **Treatment.** The Class 2.12 claim shall be modified as follows: (1) the
15 claim shall accrue interest at the rate of six percent (6%) per annum after the Effective Date of
16 the Plan, (2) payments on the claim shall be reamortized over 18 years, (3) beginning in the
17 month following the Effective Date of the Plan, principal and interest payments shall be
18 \$4,666.44 per month, and (4) the maturity date shall be March 25, 2017, at which time the
19 entire principal balance shall be due and owing. The Class 2.12 claimholder shall retain its
20 lien(s) until all Class 2.12 payments required by this Plan have been made. The 758 Tucker
21 Loan Documents shall remain in full force and effect, except that Debtor and the Class 2.12
22 claimholder shall execute and deliver such amendments to the 758 Tucker Loan Documents as
23 shall be reasonably necessary to conform to the provisions of this Section 3.12, and thereafter,
24 the 758 Tucker Loan Documents, as so amended, shall govern the obligations of the Debtor to
the Class 2.12 claimholder, notwithstanding the terms and conditions of this Plan. As of the

1 Effective Date, the automatic stay shall terminate as to the Class 2.12 claimholder with respect
2 to the Class 2.12 Claim and the 758 Tucker Loan Documents, as amended.

3 **5.13 Class 2.13 – Secured Claim of Rabobank on 1001 Tehachapi Blvd.**

4 5.13.1 **Class Description.** This class consists of the secured claim of
5 Rabobank on real property located at 1001 Tehachapi Blvd. (also known as Tehachapi
6 Crossings), Tehachapi, California, with the current principal balance in the approximate
7 amount of \$3,253,558.49, plus interest, fees and costs, evidenced by a promissory note made
8 by PR Ennis I, LLC, and a deed of trust executed and assignment of rents granted by PR Ennis
9 I, LLC, a business loan agreement made by PR Ennis I, LLC, a Commercial Guaranty
10 executed by the Debtor, and other related documents, as amended (the "Tehachapi Crossings
11 Loan Documents"). Debtor and PR Ennis I, LLC have an identity of ownership. Before the
12 commencement of the case, Debtor caused PR Ennis I, LLC, to transfer title to Tehachapi
13 Crossings to the Debtor without the consent of Rabobank. It is contemplated that on or before
14 the Effective Date, Rabobank may, but is not required to, transfer the Class 2.13 Claim to a
15 nominee, including, but not limited to, NWK2, Inc., a California corporation that is an affiliate
16 of Rabobank (the "Class 2.13 Claim Assignment").

17 5.13.2 **Impairment and Voting.** This class is impaired under the Plan;
18 consequently, the holders are entitled to vote on the Plan.

19 5.13.3 **Treatment.** Debtor shall surrender the Tehachapi Crossings property
20 to the secured lender, which may be accomplished by a consensual transfer of title or by other
21 means permissible under state law.

22 **5.14 Class 2.14 – Secured Claim of Rabobank on 1100 Tehachapi Blvd.**

23 5.14.1 **Class Description.** This class consists of the secured claim of
24 Rabobank on real property located at 1100 Tehachapi Blvd. (also known as 300 Tucker Road
or Tehachapi Junction), Tehachapi, California, with the current principal balance in the

1 approximate amount of \$2,905,581.80, plus interest, fees and costs, evidenced by a promissory
2 note made by PR Ennis II, LLC, a commercial guaranty executed by the Debtor, a guaranty of
3 completion and performance executed by the Debtor, and a deed of trust executed by PR Ennis
4 II, LLC and other related documents, as amended (the "Tehachapi Junction Loan Documents").
5 Title to Tehachapi Junction is vested in Debtor. Debtor and PR Ennis II, LLC have an identity
6 of ownership. It is contemplated that on or before the Effective Date, Rabobank may, but is not
7 required to, transfer the Class 2.14 Claim to a nominee, including, but not limited to, NWK2,
8 Inc., a California corporation that is an affiliate of Rabobank (the "Class 2.14 Claim
9 Assignment").

10 5.14.2 **Impairment and Voting.** This class is impaired under the Plan;
11 consequently, the holders are entitled to vote on the Plan.

12 5.14.3 **Treatment.** Debtor shall surrender the Tehachapi Junction property to
13 the secured lender, which may be accomplished by a consensual transfer of title or by other
14 means permissible under state law.

15 **5.15 Class 2.15 – Secured Claim of Visalia Community Bank on 643 N.**
16 **Westwood.**

17 5.15.1 **Class Description.** This class consists of the secured claims of Visalia
18 Community Bank which are secured by the real property located at 643 N. Westwood,
19 Porterville, California. Visalia Community Bank has several senior liens on the property and
20 also has a junior blanket deed of trust on this parcel, along with several properties in the name
21 of other Ennis entities and the property described in Class 2.16. Debtor estimates that the total
22 amount owing to Visalia Community Bank is \$5,400,000. Pursuant to 11 U.S.C. Sec. 506(a),
23 Debtor has valued the property at \$1,300,000.

24 5.15.2 **Impairment and Voting.** This class is impaired under the Plan;
consequently, the holders are entitled to vote on the Plan.

1 5.15.3 **Treatment.** The Class 2.15 claim shall be modified as follows: (1) the
2 claim shall accrue interest at the rate of six percent (6%) per annum after the Effective Date of
3 the Plan, (2) payments on the claim shall be reamortized over 20 years, (3) beginning in the
4 month following the Effective Date of the Plan, principal and interest payments shall be
5 \$9,313.60 per month and shall continue for 240 months. The Class 2.15 claimholder shall
6 retain its lien(s) until all Class 2.15 payments required by this Plan have been made.

7 **5.16 Class 2.16 – Secured Claim of Visalia Community Bank on 3.5 acres at**
8 **S/W Corner of Westwood & Henderson.**

9 5.16.1 **Class Description.** This class consists of the secured claims of Visalia
10 Community Bank which are secured by the real property described as 3.5 acres on the
11 southwest corner of Westwood and Henderson in Porterville, California. Visalia Community
12 Bank has several senior liens on the properties and also has a junior blanket deed of trust on
13 this parcel, along with several properties in the name of other Ennis entities and the property
14 described in Class 2.15. Debtor estimates that the total amount owing to Visalia Community
15 Bank is approximately \$5,400,000.

16 5.16.2 **Impairment and Voting.** This class is impaired under the Plan;
17 consequently, the holders are entitled to vote on the Plan.

18 5.16.3 **Treatment.** Debtor shall surrender the property to the Class 2.16
19 claimholder, subject to a right of first refusal previously agreed to by Visalia Community
20 Bank.

21 **5.17 Class 2.17 – Secured Claim of Citizens Business Bank.**

22 5.17.1 **Class Description.** This class consists of the secured claim of Citizens
23 Business Bank (“CBB”) on real property located in Porterville, California, described as the
24 Riverwalk Marketplace, located on the northwest corner of Highway 190 and Jaye Street. The

1 amount of the CBB claim was approximately \$12,695,915.50 on the Petition Date. CBB has a
2 blanket lien on most of the parcels in the Riverwalk Marketplace.

3 5.17.2 **Impairment and Voting.** This class is impaired under the Plan;
4 consequently, the holder is entitled to vote on the Plan.

5 5.17.3 **Treatment.** The Riverwalk Marketplace real property will be
6 surrendered to the secured lender.

7 **5.18 Class 2.18 – Secured Claim of Rabobank on 314 N. Main Street.**

8 5.18.1 **Class Description.** This class consists of the secured claim of
9 Rabobank with the current principal balance in the approximate amount of \$426,943.78, plus
10 interest, fees and costs, evidenced by a promissory note, a business loan agreement and a deed
11 of trust and other related documents (the "314 North Main Loan Documents"). This claim is
12 secured by real property located at 314 N. Main Street, Porterville, California. Before the
13 commencement of the case, Debtor transferred title of the real property to Ben Ennis, or an
14 entity wholly owned by Ben Ennis, without the consent of Rabobank.

15 5.18.2 **Impairment and Voting.** This class is impaired under the Plan;
16 consequently, the holders are entitled to vote on the Plan.

17 5.18.3 **Treatment.** The Class 2.18 claim shall be amended as follows: (1)
18 Debtor shall cause Ennis Enterprises LLC or Ben Ennis or another entity wholly owned by Ben
19 Ennis to assume the obligations under the 314 North Main Loan Documents, including
20 becoming the makers of the note, the trustors under the deed of trust, and grantors under the
21 assignment of rents, (2) except for changes to the terms of the loan similar to those provided to
22 other Rabobank claims in Debtor's Plan, there shall be no other amendments or changes to
23 terms and conditions of the 314 North Main Loan Documents. It is anticipated that the new
24 341 North Main Loan Documents will contain terms substantially similar to the terms of the
new loan documents for the other classes of this Plan in which Rabobank is the secured

1 creditor. The Class 2.18 claimholder shall retain its lien(s) until all Class 2.18 payments
2 required by this Plan and the 314 North Main Loan Documents, as amended, have been made.
3 As of the Effective Date, the automatic stay in this case shall terminate as to the Class 2.18
4 claimholder with respect to the Class 2.18 Claim and the 314 North Main Loan Documents, as
5 amended.

6 **5.19 Class 4.1 – General Unsecured Claims**

7 5.19.1 **Class Description.** This class consists of all unsecured claims that
8 were not guaranteed by Ben Ennis. Debtor estimates that the total amount of claims in this
9 class amount to \$2,753,334.86. This does not include claims that were filed by HA Devco, Inc.
10 and any of the EHA entities. Debtor believes that all of these claims are incorrect and intends
11 to object to these claims.

12 5.19.2 **Impairment and Voting.** Class 4.1 is impaired under the Plan;
13 consequently, the holders are entitled to vote on the Plan.

14 5.19.3 **Treatment.** Class 4.1 general unsecured claims will be paid a total of
15 \$297,826.15 under the plan. Debtor will pay this amount over ten (10) years at two percent
16 (2%) interest per annum. Payments will be made monthly to unsecured creditors on a pro rata
17 basis after the Effective Date beginning in the fourth month following the Effective Date.

18 **5.20 Class 4.2 –Unsecured Claims Personall Guaranteed by Ben Ennis**

19 5.20.1 **Class Description.** This class consists of all unsecured claims that
20 were guaranteed by Ben Ennis. Debtor estimates that the total amount of claims in this class
21 amount to \$24,040,665.58.

22 5.20.2 **Impairment and Voting.** Class 4.2 is impaired under the Plan;
23 consequently, the holders are entitled to vote on the Plan.

24 5.20.3 **Treatment.** Class 4.2 unsecured claims will be paid a total of
\$1,768,768.83 under the plan. Debtor will pay this amount over ten (10) years at two percent

1 (2%) interest per annum. Payments will be made monthly to unsecured creditors on a pro rata
2 basis after the Effective Date beginning in the fourth month following the Effective Date.

3 **5.21 Class 5 – Equity Interests**

4 5.21.1 **Impairment and Voting.** Class 5 consists of equity interests of the
5 Debtor, and is impaired under the Plan. Currently, Ben Ennis is the sole holder of equity
6 interests in the Debtor. Debtor does not believe that the equity interests have any value because
7 the amount of unsecured claims are much greater than the amount unsecured creditors would
8 receive in a Chapter 7 liquidation.

9 5.21.2 **Treatment.** Class 5 equity interest will maintain their ownership
10 interests under the Plan. Currently, Ben Ennis is paid a salary of \$4,000 per month for his work
11 for Debtor. Until all payments required under the Plan to holders of Class 4 claimholders have
12 been made, (1) neither Ben Ennis, nor any future equity interest holder in Debtor, shall receive
13 distributions from Debtor, other than the salary described in this paragraph, and (2) no more
14 than \$4,000 in any month shall be paid in salary to holders of equity interests in the Debtor.

15 **ARTICLE VI.**

16 **FEASIBILITY AND IMPLEMENTATION**

17 6.01 **Past Performance.** The business of Debtor involves the acquisition,
18 development, operation (as a landlord) and sale of commercial real property. Debtor receives
19 income from rent and sales of property. Following is a chart showing the rental income and
20 expenses (not including depreciation) Debtor has incurred for the two years prior to filing:

21

	Rental Income	Rental Expenses
22 2007	2,912,138	2,623,137
23 2008	3,098,499	3,765,606

24

1 6.02 **Performance Since Petition Date.** Attached hereto as Exhibit G is a chart
2 showing Debtor’s performance from the filing date (March 16, 2010) through November 2010.

3 6.03 **Performance Projections.** Attached hereto as Exhibit C is a monthly budget
4 showing the income and expenses Debtor anticipates post-confirmation.

5 6.04 **Implementation.** Debtor will continue to operate the business. Debtor shall
6 serve as its own disbursing agent and shall make all disbursements required by the Plan.

7 6.05 **Payment of Secured Claims on Rental Properties.** The majority of secured
8 claims in this case are on real property which is generating rental income. Most of these
9 income-generating properties will provide positive cash flow after the claims are paid as
10 provided for in the Plan. Exhibit D shows the amount of rental income anticipated from each
11 property and the secured claim payments for the property. Taken as a whole, the rental
12 properties will provide sufficient funds to make the payments required by the Plan.

13 6.06 **Payments to Unsecured Creditors.** To pay the Class 4 unsecured claims,
14 Debtor will make payments as described above from rental income. In addition, Debtor sold
15 the property located at 1850 S. Central and obtained net proceeds from the sale in the amount
16 of \$291,315.89. Debtor also intends to sell several unencumbered and unimproved lots and
17 use the proceeds of those sales to make the payments to unsecured creditors required by the
18 Plan. The proceeds from this sale and these proposed sales are reflected on the budget, attached
19 hereto as Exhibit C, in the row showing “Proceeds from Property Sales.” The unencumbered
20 properties that Debtor intends to sell are described as follows:

- 21 • 17 acres zoned multi-family at Henderson & Westwood in Porterville.
22 Estimated value after costs of sale: \$268,770.

- 3.89 acres zoned commercial at the northwest corner of Henderson and Westwood in Porterville. Estimated value after costs of sale: \$200,787.
- 1 acre zoned slated for future commercial use at Westwood and Westfield. Estimated value after costs of sale: \$35,572.50.

ARTICLE VII.

LIQUIDATION ANALYSIS

Section 1129(a)(7) of the Bankruptcy Code requires that a holder of a Claim in an impaired Class receive or retain under the Plan not less than the holder would receive or retain on account of the Claim if the debtor liquidated under Chapter 7 of the Bankruptcy Code. This test is often referred to as the “best interests of creditors” test.

To apply the “best interests” test, the Bankruptcy Court must first calculate the aggregate dollar amount that would be generated from a liquidation of the Debtor’s assets in a hypothetical liquidation on the Effective Date under Chapter 7, including the amount of cash and other tangible assets held by such Debtor and the value of any projected recoveries on actions against third parties and other intangible assets held by such Debtor (the “Liquidation Value”). The Liquidation Value must then be reduced by the costs of liquidation, including administrative costs of the Chapter 7 estates and compensation to the Chapter 7 trustees and other professionals retained by the trustees (the “Liquidation Costs”). After estimating the Liquidation Value and the Liquidation Costs, the Bankruptcy Court must ascertain the potential Chapter 7 recoveries by Creditors and then compare those recoveries with the distributions offered under the Plan to determine if the Plan is in the “best interests” of Creditors in each Class. Attached hereto as Exhibit F is a spreadsheet setting forth the

1 Liquidation Value, the Liquidation Costs and the expected return to unsecured creditors in a
2 Chapter 7 case.

3 **Capital Gains Taxes.** There would be a substantial amount of capital gains taxes
4 owing on several of Debtor's properties if Debtor was liquidated. These taxes would pass
5 through to the member of the Debtor, Ben Ennis. Ben Ennis is currently in his own Chapter 11
6 bankruptcy case in this district, Case No. 10-62315-A-11. Most of the unsecured debt owed by
7 Debtor is also unsecured debt in the Ben Ennis case. Because the tax debt would pass through
8 to the Ben Ennis Chapter 11 estate and would reduce the amount available to pay general
9 unsecured claims in that case, Debtor has divided the unsecured debt into two classes. Class
10 4.1 claims consist of unsecured debt on which Ben Ennis is liable. Class 4.2 claims consist of
11 unsecured debt for which Ben Ennis is also liable as a guarantor. Debtor performed two
12 liquidation analyses, one showing how much would be available if no capital gains taxes had to
13 be paid (Exhibit F, page 1) and one showing how much would be available if capital gains
14 taxes had to be paid (Exhibit F, page 2). Class 4.1 claims will be paid an amount equal to what
15 they would receive in a hypothetical Chapter 7 liquidation without deducting anything for
16 capital gains taxes. Class 4.2 claims will be paid an amount equal to what they would receive
17 in a hypothetical Chapter 7 liquidation, less the capital gains taxes that would be deducted from
18 the amount the Class 4.2 creditors would receive as unsecured creditors in the Ben Ennis
19 bankruptcy case if the Debtor was liquidated. Debtor believes this is reasonable, because this
20 would directly reduce the amount these creditors would receive from the Ben Ennis bankruptcy
21 estate if Debtor was liquidated.

22 **EHA Limited Liability Companies.** Debtor owns one-half of three limited liability
23 companies known as EHA-Atascadero, LLC, EHA-Modesto, LLC and EHA-Tulare, LLC. The
24

1 other half of each of the entities is owned by an entity known as HA-Devco. Each of the
2 entities is jointly managed. The only asset of EHA-Tulare was real property at Highway 99 and
3 Cartmill. Citizens Business Bank held a deed of trust against that property for approximately
4 \$2.8 million and is either in the process of or has completed foreclosure of that property. EHA-
5 Atascadero owns real property located at 8025 El Camino Real in Atascadero. The value of
6 that property is approximately \$1,028,000 (before costs of sale) and approximately \$914,000 is
7 owed to Rabobank on that property. With eight percent (8%) estimated costs of sale at
8 \$82,240, there would be only minimal value for the members of the LLC if the property was
9 sold. Due to the difficult of liquidating a membership LLC interest, Debtor does not believe the
10 one-half interest in EHA-Atascadero has any value. Consequently, Debtor does not believe that
11 either of these LLC's have any value to the estate. The third entity, EHA-Modesto, owns a
12 one-third interest in a single 40 acre parcel of real property located at Oakdale Road and
13 Pelendale, Stanislaus. Currently, the property is zoned for agricultural use. It would only have
14 use for commercial development if combined with the parcel next to it. Debtor believes the
15 parcel is worth approximately \$400,000. Because a sale of a one-third interest would be
16 difficult and obtaining a partition by sale or partition of the property would be difficult, Debtor
17 believes the LLC's interest in the property is worth approximately \$60,000. Because the
18 membership interest in the LLC would also be more difficult to liquidate than title to the real
19 property, Debtor has discounted the value of the one-half membership interest further and
20 believes it is worth no more than \$20,000.

21 For all of these reasons and as described more particularly on Exhibit F, the Debtor
22 believes that the Plan provides a distribution in excess of what would be achieved in a
23 hypothetical Chapter 7 liquidation.

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ARTICLE VIII.

ACCEPTANCE OR REJECTION OF THE PLAN

8.01 **Impaired Classes to Vote.** Each holder of an Allowed Claim or Equity Interest in any impaired class shall be entitled to vote to accept or reject this Plan.

8.02 **Acceptance by Class of Creditors and Holders of Interests.** An impaired Class of Claims accepts the Plan if the Plan is accepted by at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims of such Class that have voted to accept or reject this Plan. An impaired Class of Equity Interests shall have accepted this Plan if this Plan is accepted by at least two-thirds in amount of the Equity Interests of such Class that have voted to accept or reject this Plan.

8.03 **Cramdown.** If any impaired class of Claims or Equity Interests does not accept a plan of reorganization, a bankruptcy court may nevertheless confirm such a plan of reorganization at the proponent's request if at least one impaired class has accepted the plan of reorganization (without including the acceptance of any "insider" in such class) and, as to each impaired class that has not accepted the plan of reorganization, the bankruptcy court determines that the plan of reorganization "does not discriminate unfairly" and is "fair and equitable" with respect to rejecting impaired classes.

ARTICLE IX.

RISK FACTORS

The restructuring of the Debtor contemplated by the Plan involves a degree of risk, and this Disclosure Statement contains forward-looking statements that involve risks and uncertainty. The Debtor's actual results could differ materially from those anticipated in such forward-looking statements as a result of a variety of factors, including those set forth in the

1 following risk factors and elsewhere in this Disclosure Statement. Holders of Claims and
2 Equity Interests should consider carefully the following factors, in addition to the other
3 information contained in the Plan and Disclosure Statement, before submitting a vote to accept
4 or reject the Plan. The below risk factors should not be regarded as constituting the only risks
5 involved in connection with the Plan and its implementation.

6 The Plan contains several material risks as follows:

- 7 1. Debtor may lose tenants and may not generate the rental income projected.
- 8 2. Expenses could be greater than projected.
- 9 3. Some of the secured claims are not fully amortized. Debtor may be unable to
10 refinance those claims when the loans mature.

11 **ARTICLE X.**

12 **TAX CONSEQUENCES OF THE PLAN**

13 THE PLAN MAY HAVE SIGNIFICANT TAX CONSEQUENCES FOR ALL
14 CREDITORS AND EQUITY HOLDERS OF THE DEBTOR. ACCORDINGLY, EACH
15 HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT
16 WITH HIS OR HER TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE
17 PLAN.
18

19 Respectfully submitted,

20 ENNIS COMMERCIAL PROPERTIES, LLC

21 Date: 1/21/11

21 By: *Pam Ennis*
22 Pam Ennis, Manager

23 **APPROVED:**

LAW OFFICES OF PETER L. FEAR

24 By: /s/ Peter L. Fear
Peter L. Fear

DEFINITIONS

EXHIBIT "A"

As used in this Plan and Disclosure Statement, the following terms have the meanings specified below:

Administrative Claim. A Claim for any cost or expense of administration of the Chapter 11 Case allowed under Sections 503(b), 507(b) or 546(c)(2) of the Bankruptcy Code and entitled to priority under Section 507(a)(1) or Section 364(c)(1) of the Bankruptcy Code, including, without limitation: (a) fees payable under 28 U.S.C. § 1930; (b) actual and necessary costs and expenses incurred in the ordinary course of the Debtor's businesses; (c) actual and necessary costs and expenses of preserving the Estate or administering the Chapter 11 Case; (d) all Professional Fees to the extent Allowed by Final Order under Sections 330, 331, or 503 of the Bankruptcy Code; and (e) the DIP Loan Claims.

Allowed. With reference to any Claim against or Equity Interest in the Debtor, (a) any Claim which has been listed by the Debtor in its schedules, as such schedules may be amended by the Debtor from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim or objection to Claim has been filed, (b) any Claim or Equity Interest allowed hereunder, (c) any Claim, proof of which was filed on or before the Bar Date, or, with respect to a Governmental Unit, before the Governmental Unit Claims Bar Date, or Equity Interest, which is not Disputed, (d) any Claim or Equity Interest that is compromised, settled or otherwise resolved pursuant to a Final Order of the Bankruptcy Court, or (e) any Claim or Equity Interest which, if Disputed, has been allowed by Final Order.

Avoidance Actions. All statutory causes of action preserved for the Estate under Sections 542, 543, 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code.

Bankruptcy Code. Title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended from time to time and as applicable to the Chapter 11 Case.

Bankruptcy Court. The United States Bankruptcy Court for the Eastern District of California, Fresno Division, having jurisdiction over the Chapter 11 Case.

Bankruptcy Rules. Collectively, the Federal Rules of Bankruptcy Procedure as promulgated under 28 U.S.C. § 2075 and any Local Rules, as applicable to the Chapter 11 Case.

Business Day. Any day other than a Saturday, Sunday, or legal holiday, as defined in Bankruptcy Rule 9006(a).

Chapter 11 Case. The case under Chapter 11 of the Bankruptcy Code in which the Debtor is a debtor and debtor-in-possession, pending before the Bankruptcy Court.

Confirmation. The entry of the Confirmation Order by the Bankruptcy Court approving this Plan.

Confirmation Date. The date on which the Bankruptcy Court enters the Confirmation Order.

Confirmation Order. The order of the Bankruptcy Court confirming the Plan in accordance with the Bankruptcy Code.

Creditor. Has the meaning set forth in Section 101(10) of the Bankruptcy Code.

Disputed. With respect to Claims, any Claim: (a) that is listed in the Debtor's schedules as unliquidated, disputed, or contingent and as to which no proof of claim has been filed; or (b) as to which the Debtor or any other proper party-in-interest has interposed a timely objection or request for estimation, or has sought to equitably subordinate or otherwise limit recovery in accordance with the Bankruptcy Code and the Bankruptcy Rules, or which is otherwise disputed by the Debtor in accordance with applicable law and as to which such objection, request for estimation, or request for subordination has not been withdrawn or determined by a Final Order.

Distribution. A payment of cash or other property to the holder of an Allowed Claim pursuant to the Plan.

Distribution Date. With respect to the holder of an Allowed Claim, the date upon which such holder receives a Distribution under this Plan on account of such Allowed Claim.

Effective Date. The first Business Day that is at least fifteen (15) days after the Confirmation Date on which no stay of the Confirmation Order is in effect.

Equity Interests. The membership interests in the Debtor existing as of the Petition Date.

Estate. The estate for the Debtor created in the Chapter 11 Case in accordance with Section 541 of the Bankruptcy Code.

Estate Representative. The Reorganized Debtor in its capacity as estate representative pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code.

Final Decree. A final decree closing this Chapter 11 Case.

Final Order. An order or judgment of the Bankruptcy Court: (a) as to which the time to appeal, petition for certiorari, or move for re-argument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing is pending; (b) as to which any right to appeal, petition for certiorari, reargue, or rehear has been waived in writing in form and substance satisfactory to the Debtor or the Reorganized Debtor; or (c) if an appeal, writ of certiorari, or re-argument or rehearing has been sought, as to which the highest court to which such order was appealed, or certiorari, re-argument or rehearing has determined such appeal, writ of certiorari, re-argument, or rehearing, or has denied such appeal, writ of certiorari, re-argument, or rehearing, and the time to take any further appeal, petition for certiorari, or move for re-argument or rehearing has expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order does not prevent such order from being a Final Order.

Governmental Unit. Has the meaning set forth in Section 101(27) of the Bankruptcy Code.

Governmental Unit Claims Bar Date. The deadline for filing proof of claim by a Governmental Unit in the Chapter 11 Case.

Local Rules. The local rules of the United States Bankruptcy Court for the Eastern District of California governing this Chapter 11 Case.

Person. Any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated association or organization, or other “person” as defined in Section 101(41) of the Bankruptcy Code as well as any governmental agency, Governmental Unit or associated political subdivision.

Plan. This plan of reorganization, either in its present form or as it may be amended, supplemented or modified from time to time, including, without limitation, all of its annexed exhibits and schedules and the Plan Documents.

Plan Documents. The material documents required to implement the provisions of the Plan.

Priority Claim. Any claim (or portions of such Claim) entitled to priority under Section 507(a) of the Bankruptcy Code other than a Priority Tax Claim or an Administrative Claim.

Priority Tax Claim. Any Claim of a Governmental Unit entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

Professionals. Those Persons employed in accordance with an order of the Bankruptcy Court under Sections 327 or 1103 of the Bankruptcy Code and to be compensated for services under Sections 327, 328, 329, 330, and 331 of the Bankruptcy Code.

Professional Fees. The Administrative Claims for compensation and reimbursement of expenses of Professionals submitted in accordance with Sections 330 or 331 of the Bankruptcy Code, or any Administrative Claims Allowed by the Bankruptcy Court pursuant to Section 503(b)(4) of the Bankruptcy Code.

Reorganized Debtor. The Debtor on and after the Effective Date.

Unsecured Claims. Any Claims against the Debtor not secured by a Lien, other than an Administrative Claim, a Priority Tax Claim or an Insider Claim.

Ennis Commercial Properties
Unsecured Creditors - Class 4

Creditor Name	Amount Scheduled	Class	Amount POC	Allowed Amount	Ben Ennis Guaranty - Class 4.2	No Ben Ennis Guaranty - Class 4.1	Claim #	Comments
Aspen Builders	\$4,800.00	4.1		\$4,800.00		\$4,800.00		
Bacchus Vineyards		4.1	\$2,511,378.02	\$2,511,378.02		\$2,511,378.02	21	
Best, Best & Krieger	\$111,191.78	4.1		\$111,191.78		\$111,191.78		
Business Group International, Inc.	\$3,900.00	4.1		\$3,900.00		\$3,900.00		
California Department of Transportation	\$44,936.00	4.1		\$44,936.00		\$44,936.00		
Citizens Business Bank		4.2	\$2,886,235.50	\$2,886,235.50	\$2,886,235.50		7	
Citizens Business Bank		4.2	\$8,440,763.08	\$8,440,763.08	\$8,440,763.08		8	
Citizens Business Bank		4.2	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00			Est. Deficiency for Riverwalk
Gilmore, Wood, Vinnard & Magness	\$59,129.06	4.1		\$59,129.06		\$59,129.06		
Rabobank	\$2,000,000.00	4.2	\$0.00	\$2,000,000.00	\$2,000,000.00			Deficiency Claim Tehachapi Junction
Rabobank	\$1,580,930.00	4.2	\$0.00	\$1,580,930.00	\$1,580,930.00			Deficiency Claim Tehachapi Crossings
Visalia Community Bank	\$1,298,050.00	4.2	\$4,132,737.00	\$4,132,737.00	\$4,132,737.00		3	
Total				\$26,776,000.44	\$24,040,665.58	\$2,735,334.86		

	Total Claims	Class	% of Unsecureds	Liquidation Value - no capital gains	Liq. Value Paying Cap. Gains	Total to Pay to Unsecured Classes
Unsecured Claims with no Ben Ennis Guaranty	\$2,735,334.86	4.1	10.2%	\$297,826.15		\$297,826.15
Unsecured Claims with Ben Ennis Guaranty	\$24,040,665.58	4.2	89.8%		\$1,768,768.83	\$1,768,768.83
Totals	\$26,776,000.44		100.0%	\$2,915,399.25	\$1,970,018.46	\$2,066,594.99

Ennis Commercial Properties, LLC**Yearly Budget****Income and Expenses**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Starting Cash	334,691	58,160	199,540	104,810	210,866	184,366	122,294	76,552	30,810
Rent Income	1,890,952	1,890,952	1,928,771	1,928,771	1,966,590	1,966,590	1,985,500	1,985,500	2,004,409
Note Receivable	32,410	32,410	32,410	32,410	32,410	32,410	32,410	32,410	32,410
Proceeds from Property Sales		268,770		200,787	35,573				
TOTAL CASH INFLOW	\$ 1,923,362	\$ 2,192,132	\$ 1,961,181	\$ 2,161,968	\$ 2,034,573	\$ 1,999,000	\$ 2,017,910	\$ 2,017,910	\$ 2,036,819
CASH OUTFLOWS									
Payroll	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)	\$ (264,000)
Payroll Benefits & Taxes	\$ (122,673)	\$ (122,673)	\$ (122,673)	\$ (122,673)	\$ (122,673)	\$ (122,673)	\$ (122,673)	\$ (122,673)	\$ (122,673)
<i>Property Insurance</i>	<i>\$ (40,000)</i>	<i>\$ (30,000)</i>	<i>\$ (30,600)</i>	<i>\$ (30,600)</i>	<i>\$ (31,200)</i>	<i>\$ (31,200)</i>	<i>\$ (31,500)</i>	<i>\$ (31,500)</i>	<i>\$ (31,800)</i>
<i>Operating Expenses</i>	<i>\$ (228,000)</i>	<i>\$ (228,000)</i>	<i>\$ (232,560)</i>	<i>\$ (232,560)</i>	<i>\$ (237,120)</i>	<i>\$ (237,120)</i>	<i>\$ (239,400)</i>	<i>\$ (239,400)</i>	<i>\$ (241,680)</i>
<i>Property Taxes</i>	<i>\$ (124,506)</i>	<i>\$ (124,506)</i>	<i>\$ (124,506)</i>	<i>\$ (124,506)</i>	<i>\$ (124,506)</i>	<i>\$ (124,506)</i>	<i>\$ (124,506)</i>	<i>\$ (124,506)</i>	<i>\$ (124,506)</i>
<i>P&I Payments (pre-conf.)</i>	<i>\$ (523,378)</i>								
<i>Plan Payments</i>	<i>\$ (897,336)</i>	<i>\$ (1,281,574)</i>	<i>\$ (1,281,574)</i>	<i>\$ (1,281,574)</i>	<i>\$ (1,281,574)</i>	<i>\$ (1,281,574)</i>	<i>\$ (1,281,574)</i>	<i>\$ (1,281,574)</i>	<i>\$ (1,281,574)</i>
TOTAL CASH OUTFLOWS	\$ (2,199,893)	\$ (2,050,752)	\$ (2,055,912)	\$ (2,055,912)	\$ (2,061,072)	\$ (2,061,072)	\$ (2,063,652)	\$ (2,063,652)	\$ (2,066,232)
ECP Ending Cash	\$ 58,160	\$ 199,540	\$ 104,810	\$ 210,866	\$ 184,366	\$ 122,294	\$ 76,552	\$ 30,810	\$ 1,397

Rent Income and Monthly Payments Per Property*Exhibit D*

Class	Property Address	Secured Creditor	Monthly Claim Payments	Projected Income from Property	Property Expenses (not covered by CAM)	Net Income
2.1	1061 W. Henderson	G E Capital	50,395.51	81,460.26	8,421.28	\$31,064.75
2.3	320 W. Henderson	Wells Fargo Bank	\$1,265.94	4,794.00	533.09	\$3,528.06
2.5	4040 Florin	Rabobank NA	\$7,992.44	20,923.07	3,819.57	\$12,930.63
2.6	1730 W. Walnut	Rabobank NA	\$4,424.80	3,644.00	1,570.24	(\$780.80)
2.8	259 North Main Street	Rabobank NA	\$4,903.04	13,687.78	1,314.43	\$8,784.73
2.9	304-314 Sequoia Circle	Rabobank NA	\$994.64	2,317.00	721.15	\$1,322.36
2.10	334 North Main Street	Rabobank NA	\$1,203.09	6,696.09	10.00	\$5,493.00
2.11	760 Tucker Road	Rabobank NA	\$2,622.84	7,369.27	-	\$4,746.43
2.12	758 Tucker Road	Rabobank NA	\$4,666.44	6,758.81	2.16	\$2,092.37
2.15	633-663 North Westwood	Visalia Community Bank	\$9,313.60	9,929.08	-	\$615.48
			87,782.35	157,579.35	16,391.91	\$69,797.00

ESTIMATED SCHEDULE OF PAYMENTS FOR FIRST FIVE YEARS OF PLAN**Exhibit "E"**

Estimated Month		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
	Total claims								
Admin Claims Est.	\$100,000	\$33,333	\$33,333	\$33,333					
UST Fees									
Class 2.1		\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51
Class 2.3		\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94
Class 2.5		\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44
Class 2.6		\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80
Class 2.8		\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04
Class 2.9		\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64
Class 2.10		\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09
Class 2.11		\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84
Class 2.12		\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44
Class 2.15		\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60
Class 4.1 - unsecured	\$297,826.15				\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40
Class 4.2 - unsecured	\$1,768,768.83				\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05
Total payments		\$121,115.69	\$121,115.69	\$121,115.69	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80

ESTIMATED SCHEDULE OF PAYMENTS FOR FIRST FIVE YEARS OF PLAN**Exhibit "E"**

Estimated Month	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
Admin Claims Est.										
UST Fees										
Class 2.1	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51
Class 2.3	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94
Class 2.5	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44
Class 2.6	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80
Class 2.8	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04
Class 2.9	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64
Class 2.10	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09
Class 2.11	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84
Class 2.12	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44
Class 2.15	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60
Class 4.1 - unsecured	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40
Class 4.2 - unsecured	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05
Total payments	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80

ESTIMATED SCHEDULE OF PAYMENTS FOR FIRST FIVE YEARS OF PLAN**Exhibit "E"**

Estimated Month	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
Admin Claims Est.										
UST Fees										
Class 2.1	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51
Class 2.3	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94
Class 2.5	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44
Class 2.6	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80
Class 2.8	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04
Class 2.9	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64
Class 2.10	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09
Class 2.11	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84
Class 2.12	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44
Class 2.15	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60
Class 4.1 - unsecured	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40
Class 4.2 - unsecured	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05
Total payments	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80

ESTIMATED SCHEDULE OF PAYMENTS FOR FIRST FIVE YEARS OF PLAN**Exhibit "E"**

Estimated Month	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Admin Claims Est.										
UST Fees										
Class 2.1	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51
Class 2.3	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94
Class 2.5	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44
Class 2.6	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80
Class 2.8	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04
Class 2.9	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64
Class 2.10	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09
Class 2.11	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84
Class 2.12	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44
Class 2.15	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60
Class 4.1 - unsecured	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40
Class 4.2 - unsecured	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05
Total payments	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80

ESTIMATED SCHEDULE OF PAYMENTS FOR FIRST FIVE YEARS OF PLAN**Exhibit "E"**

Estimated Month	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Admin Claims Est.										
UST Fees										
Class 2.1	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51
Class 2.3	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94
Class 2.5	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44
Class 2.6	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80
Class 2.8	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04
Class 2.9	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64
Class 2.10	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09
Class 2.11	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84
Class 2.12	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44
Class 2.15	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60
Class 4.1 - unsecured	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40
Class 4.2 - unsecured	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05
Total payments	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80

ESTIMATED SCHEDULE OF PAYMENTS FOR FIRST FIVE YEARS OF PLAN**Exhibit "E"**

Estimated Month	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Admin Claims Est.										
UST Fees										
Class 2.1	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51	\$50,395.51
Class 2.3	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94	\$1,265.94
Class 2.5	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44	\$7,992.44
Class 2.6	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80	\$4,424.80
Class 2.8	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04	\$4,903.04
Class 2.9	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64	\$994.64
Class 2.10	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09	\$1,203.09
Class 2.11	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84	\$2,622.84
Class 2.12	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44	\$4,666.44
Class 2.15	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60	\$9,313.60
Class 4.1 - unsecured	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40	\$2,740.40
Class 4.2 - unsecured	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05	\$16,275.05
Total payments	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80	\$106,797.80

ESTIMATED SCHEDULE OF PAYMENTS FOR FIRST FIVE YEARS OF PLAN**Exhibit "E"**

Estimated Month	Mar-16	Apr-16
Admin Claims Est.		
UST Fees		
Class 2.1	\$50,395.51	\$50,395.51
Class 2.3	\$1,265.94	\$1,265.94
Class 2.5	\$7,992.44	\$7,992.44
Class 2.6	\$4,424.80	\$4,424.80
Class 2.8	\$4,903.04	\$4,903.04
Class 2.9	\$994.64	\$994.64
Class 2.10	\$1,203.09	\$1,203.09
Class 2.11	\$2,622.84	\$2,622.84
Class 2.12	\$4,666.44	\$4,666.44
Class 2.15	\$9,313.60	\$9,313.60
Class 4.1 - unsecured	\$2,740.40	\$2,740.40
Class 4.2 - unsecured	\$16,275.05	\$16,275.05
Total payments	\$106,797.80	\$106,797.80

LIQUIDATION ANALYSIS
Without Deducting Capital Gains Taxes

Assets	Value	Exhibit "F"	Notes
Bank Accounts		\$67,268.46	All but \$67,268.46 in bank accounts at the time of the filing was pre-paid rent and therefore not available for liquidation.
Accounts Receivable		\$5,000.00	At the time of filing, there were only two tenants in properties that Debtor is not surrendering that had accounts receivable owing to Debtor, one was the King of Siam, which owed \$3,130.36 and M&M Sports, which owed \$12,602.08. Debtor has employed counsel to try and collect these amounts and anticipates that at least part of these amounts may not be collectible or at least that the costs will reduce the value. Consequently, Debtor has valued these accounts receivable at \$5,000.
Note receivable from Cheng		\$391,197.00	Principal of note is currently \$391,197. Term of the note is 6.5% interest, amortized over 25 years from May 2009, due & payable in ten years. Secured by a carry-back deed of trust on real property located at 4020 Florin Road.
Software and computer equipment		\$617.00	
Machinery & Equipment		\$16,554.00	
Equity after costs of sale of real property		\$2,631,991.63	See Chart at page 3 of Exhibit F.
One-half interest in EHA-Modesto, LLC		\$20,000.00	Debtor owns a one-half interest in this LLC. The LLC's only asset is a 1/3 interest in real property. See the Disclosure Statement, Article VII for a full discussion regarding this asset.
TOTAL		<u>\$3,132,628.09</u>	
Equity Avail. To Chapter 7 Estate		<u>\$3,132,628.09</u>	
Admin Claims			
Chapter 7 Professional Expenses		\$65,000.00	(est.)
Chapter 7 Trustee fees		\$117,228.84	(est.)
Chapter 11 Admin Expenses		\$100,000.00	(est.)
Amount Avail. To Admin. Claims		<u>\$2,915,399.25</u>	
Priority Claims		\$0.00	
Amount Avail. To Unsecured Claims		<u>\$2,915,399.25</u>	

LIQUIDATION ANALYSIS
After Capital Gains Taxes Deducted

Assets	Value	Exhibit "F"	Notes
Bank Accounts		\$67,268.46	All but \$67,268.46 in bank accounts at the time of the filing was pre-paid rent and therefore not available for liquidation.
Accounts Receivable		\$5,000.00	At the time of filing, there were only two tenants in properties that Debtor is not surrendering that had accounts receivable owing to Debtor, one was the King of Siam, which owed \$3,130.36 and M&M Sports, which owed \$12,602.08. Debtor has employed counsel to try and collect these amounts and anticipates that at least part of these amounts may not be collectible or at least that the costs will reduce the value. Consequently, Debtor has valued these accounts receivable at \$5,000.
Note receivable from Cheng		\$391,197.00	Principal of note is currently \$391,197. Term of the note is 6.5% interest, amortized over 25 years from May 2009, due & payable in ten years. Secured by a carry-back deed of trust on real property located at 4020 Florin Road.
Software and computer equipment		\$617.00	
Machinery & Equipment		\$16,554.00	
Equity after costs of sale of real property, incl. capital gains taxes		\$1,657,372.27	See Chart at page 3 of Exhibit F.
One-half interest in EHA-Modesto, LLC		\$20,000.00	Debtor owns a one-half interest in this LLC. The LLC's only asset is a 1/3 interest in real property. See the Disclosure Statement, Article VII for a full discussion regarding this asset.
TOTAL		<u>\$2,158,008.73</u>	
Equity Avail. To Chapter 7 Estate		<u>\$2,158,008.73</u>	
Admin Claims			
Chapter 7 Professional Expenses		\$65,000.00	(est.)
Chapter 7 Trustee fees		\$87,990.26	(est.)
Chapter 11 Admin Expenses		\$100,000.00	(est.)
Amount Avail. To Admin. Claims		<u>\$1,970,018.46</u>	
Priority Claims		\$0.00	
Amount Avail. To Unsecured Claims		<u>\$1,970,018.46</u>	

Exhibit F

Property Address	Secured Creditor	Est. Value	Balance owed	Costs of sale (7%)	Net after Costs	Est. Capital Gains Taxes	Net after Capital Gains Taxes
1061 W. Henderson	G E Capital	5,236,000.00	4,769,162.57	366,520.00	100,317.43	-	100,317.43
320 W. Henderson	Wells Fargo Bank	362,100.00	426,000.00	25,347.00	-	10,853.11	(10,853.11)
4040 Florin	Rabobank NA	1,837,700.00	1,054,186.00	128,639.00	654,875.00	25,565.30	629,309.70
1730 W. Walnut	Rabobank NA	850,000.00	583,622.00	59,500.00	206,878.00	-	206,878.00
259 North Main Street	Rabobank NA	897,600.00	646,701.00	62,832.00	188,067.00	165,402.81	22,664.19
304-314 Sequoia Circle	Rabobank NA	144,500.00	131,191.00	10,115.00	3,194.00	-	3,194.00
334 North Main Street	Rabobank NA	729,300.00	158,685.00	51,051.00	519,564.00	164,814.51	354,749.49
760 Tucker Road	Rabobank NA	443,700.00	345,946.54	31,059.00	66,694.46	50,050.60	16,643.86
758 Tucker Road	Rabobank NA	765,000.00	615,493.65	53,550.00	95,956.35	24,171.20	71,785.15
633-663 North Westwood	Visalia Community Bank	1,300,000.00	1,300,000.00	91,000.00	-	390,000.00	(390,000.00)
1850 S. Central (net proceeds from sale)		291,315.89			291,315.89	21,015.37	270,300.52
17 acres multi-family, Henderson & Westwood	N/A	289,000.00	-	20,230.00	268,770.00	65,311.11	203,458.89
3.89 Acres Commercial,N/W Corner Westwood/Henderson	N/A	215,900.00	-	15,113.00	200,787.00	48,791.24	151,995.76
1 Ac. Future Comm. Westwood/Westfield	N/A	38,250.00	-	2,677.50	35,572.50	8,644.12	26,928.38
					2,631,991.63	974,619.36	1,657,372.27

Exhibit G
Summary of Monthly Operating Reports
March 16 - December 31, 2010

	March 16 - 31, 2010	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Total income	\$126,534.49	\$96,986.77	\$158,479.33	\$440,675.83	\$257,956.63	\$225,010.30	\$259,696.57	\$179,243.57	\$241,270.73	\$208,917.20
Total Expenses	\$0.00	\$313,505.50	\$72,177.24	\$404,043.41	\$242,436.70	\$227,656.01	\$259,625.33	\$209,370.61	\$246,143.45	\$277,607.91
Net	\$126,534.49	-\$216,518.73	\$86,302.09	\$36,632.42	\$15,519.93	-\$2,645.71	\$71.24	-\$30,127.04	-\$4,872.72	-\$68,690.71
Cumulative	\$126,534.49	-\$89,984.24	-\$3,682.15	\$32,950.27	\$48,470.20	\$45,824.49	\$45,895.73	\$15,768.69	\$10,895.97	-\$57,794.74