

1 Leslie A. Cohen, Esq. (SBN 93698)  
[leslie@lesliecohenlaw.com](mailto:leslie@lesliecohenlaw.com)  
2 J'aime K Williams Esq.(SBN 261148)  
[jaime@lesliecohenlaw.com](mailto:jaime@lesliecohenlaw.com)  
3 Leslie Cohen Law, P.C.  
4 506 Santa Monica Blvd. Ste 200  
5 Santa Monica, CA 90401  
Telephone: 310.394-5900  
Facsimile: 310.394-9280

6 Successor Attorneys  
for Debtor in Possession

7  
8 UNITED STATES BANKRUPTCY COURT  
9 CENTRAL DISTRICT OF CALIFORNIA  
10 LOS ANGELES DIVISION

11	In re	)	Case No. 2:10-BK-30727-VZ
12	FRANKLIN PACIFIC FINANCE, LLLP,	)	Chapter 11
13		)	
14	Debtor and	)	<b>DEBTORS DISCLOSURE STATEMENT AND</b>
15	Debtor in Possession	)	<b>PLAN REORGANIZATION, AS AMENDED</b>
16		)	<b>JANUARY 28, 2011</b>
17		)	Disclosure Hearing
18		)	Date: January 20, 2011
19		)	Time: 1:30 p.m.
20		)	Courtroom: 1368
21		)	Confirmation Hearing
22		)	Date: April 7, 2011
23		)	Time: 1:30 p.m.
24		)	Courtroom 1368

DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION FOR  
FRANKLIN PACIFIC FINANCE, LLLP, AS AMENDED

TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
I. INTRODUCTION.....	3
II. GENERAL DISCLAIMER AND VOTING PROCEDURE.....	4
III. WHO MAY OBJECT TO CONFIRMATION OF THE PLAN.....	6
IV. WHO MAY VOTE TO ACCEPT OR REJECT THE PLAN.....	6
V. VOTES NECESSARY TO CONFIRM THE PLAN.....	9
VI. INFORMATION REGARDING VOTING IN THIS CASE.....	10
VII. DESCRIPTION OF DEBTOR'S PAST AND FUTURE BUSINESS AND EVENTS PRECIPITATING BANKRUPTCY FILING.....	11
VIII. CRITICAL PLAN PROVISIONS .....	20
IX. DESCRIPTION AND TREATMENT OF CLAIMS.....	21
X. SOURCE OF MONEY TO PAY CLAIMS AND INTEREST-HOLDERS.....	48
XI. FINANCIAL RECORDS TO ASSIST IN DETERMINING WHETHER PROPOSED PAYMENT IS FEASIBLE.....	54
XII. ASSETS AND LIABILITIES OF THE ESTATE.....	55
XIII. TREATMENT OF NONCONSENTING CLASSES.....	56
XIV. TREATMENT OF NONCONSENTING MEMBERS OF CONSENTING CLASS (CHAPTER 7 LIQUIDATION ANALYSIS).....	58
XV. FUTURE DEBTOR.....	74
XVI. SALE OR TRANSFER OF PROPERTY; ASSUMPTION OF CONTRACTS AND LEASES; OTHER PROVISIONS.....	77
XVII. BANKRUPTCY PROCEEDINGS .....	79
XVIII. TAX CONSEQUENCES OF PLAN .....	81
XIX. EFFECT OF CONFIRMATION OF PLAN.....	81
XX. DECLARATION IN SUPPORT OF DISCLOSURE STATEMENT AND PLAN..	84

## I. INTRODUCTION

On May 24, 2010, Franklin Pacific Finance LLLP, ("Debtor") filed a bankruptcy petition under Chapter 11 of the Bankruptcy Code ("Code"). The document you are reading is both the Plan of Reorganization ("Plan") and the Disclosure Statement. Debtor ("Proponent") has proposed the Plan to treat the claims of the Debtor's creditors and, if applicable, the interests of shareholders or partners and to reorganize the Debtor's business affairs. A disclosure statement describes the assumptions that underlie the Plan and how the Plan will be executed. The Bankruptcy Court ("Court") has approved the form of this document as an adequate disclosure statement, containing enough information to enable parties affected by the Plan to make an informed judgment about the Plan. The Court has not yet confirmed the Plan, which means the terms of the Plan are not now binding on anyone.

The Proponent has reserved April 7, 2011 at 1:30 p.m. in Courtroom 1368 for a hearing to determine whether the Court will confirm the Plan.

Any interested party desiring further information should contact  
Debtor's Counsel:

Leslie Cohen Law, PC

Attn: Jaime Williams

506 Santa Monica Blvd., Suite 200

Santa Monica, CA 90401

Telephone: 310.394.5900

[leslie@lesliecohenlaw.com](mailto:leslie@lesliecohenlaw.com)

[jaime@lesliecohenlaw.com](mailto:jaime@lesliecohenlaw.com)

## **II. GENERAL DISCLAIMER AND VOTING PROCEDURE**

PLEASE READ THIS DOCUMENT, INCLUDING THE ATTACHED EXHIBITS,  
CAREFULLY. IT EXPLAINS WHO MAY OBJECT TO CONFIRMATION OF THE  
PLAN. IT EXPLAINS WHO IS ENTITLED TO VOTE TO ACCEPT OR REJECT  
THE PLAN. IT ALSO TELLS ALL CREDITORS AND ANY SHAREHOLDERS OR  
PARTNERS WHAT TREATMENT THEY CAN EXPECT TO RECEIVE UNDER THE  
PLAN, SHOULD THE PLAN BE CONFIRMED BY THE COURT.

THE SOURCES OF FINANCIAL DATA RELIED UPON IN FORMULATING THIS  
DOCUMENT ARE SET FORTH IN THE DECLARATION IN SECTION XX BELOW.  
ALL REPRESENTATIONS ARE TRUE TO THE PROPONENT'S BEST KNOWLEDGE.

NO REPRESENTATIONS CONCERNING THE DEBTOR THAT ARE INCONSISTENT WITH ANYTHING CONTAINED HEREIN ARE AUTHORIZED EXCEPT TO THE EXTENT, IF AT ALL, THAT THE COURT ORDERS OTHERWISE.

After carefully reviewing this document and the attached exhibits, please vote on the enclosed ballot and return it in the enclosed envelope.

The Proponent has reserved a hearing date for a hearing to determine whether the Court will confirm the Plan. Please refer to Section I above for the specific hearing date. If, after receiving the ballots, it appears that the Proponent has the requisite number of votes required by the Code, the Proponent will file a motion for an order confirming the Plan.

The Motion shall at least be served on all impaired creditors and partners or shareholders who reject the Plan and on the Office of the United States Trustee. Any opposition to the Motion shall be filed and served on the Proponent no later than fourteen days prior to the hearing date. Failure to oppose the confirmation of the Plan may be deemed consent to the Plan's confirmation.

**III. WHO MAY OBJECT TO CONFIRMATION OF THE PLAN**

Any party in interest may object to confirmation of the Plan, but as explained below not everyone is entitled to vote to accept or reject the Plan.

**IV. WHO MAY VOTE TO ACCEPT OR REJECT THE PLAN**

It requires both an allowed and impaired claim or interest in order to vote either to accept or reject the Plan. A claim is defined by the Code to include a right to payment from the Debtor. An interest represents an ownership stake in the Debtor.

In order to vote a creditor or interest-holder must first have an allowed claim or interest. With the exceptions explained below, a claim is allowed if proof of the claim or interest is properly filed before any bar date and no party in interest has objected, or if the court has entered an order allowing the claim or interest. Please refer to Section VI below for specific information regarding bar dates in this case.

Under certain circumstances a creditor may have an allowed claim even if a proof of claim was not filed and the bar date for filing a proof of claim has passed. A claim is deemed allowed if the claim is listed on the Debtor's schedules and is not scheduled as disputed, contingent, or unliquidated. Exhibit "A" contains a list of claims that are not scheduled as disputed, contingent, or unliquidated.

Similarly, an interest is deemed allowed if it is shown on the list of equity security holders filed by the Debtor with the court and is not scheduled as disputed.

In order to vote, an allowed claim or interest must also be impaired by the Plan.

Impaired creditors include those whose legal, equitable, and contractual rights are altered by the Plan, even if the alteration is beneficial to the creditor. A contract provision that entitles a creditor to accelerated payment upon default does not, however, necessarily render the claimant impaired, even if the Debtor defaulted and the Plan does not provide the creditor with accelerated payment. The creditor is deemed



unimpaired so long as the Plan cures the default, reinstates the maturity of such claim as it existed before default, compensates for any damages incurred as a result of reasonable reliance upon the acceleration clause, and (except for a default arising from failure to operate a nonresidential lease subject to 11 U.S.C.A. § 365 (b) (1) (A) (West Supp. 2006)) compensates for any actual pecuniary loss incurred as a result of any failure to perform a non-monetary obligation.

Impaired interest-holders include those whose legal, equitable, and contractual rights are altered by the Plan, even if the alteration is beneficial to the interest holder.

There are also some types of claims that the Code requires be treated a certain way. For that reason they are considered unimpaired and therefore holders of these claims cannot vote.

To summarize, there are two prerequisites to voting: a claim or interest must be both allowed and impaired under the Plan.

If a creditor or interest-holder has an allowed and impaired claim or interest, then he or she may vote either to accept or

reject the Plan (unimpaired claimants or interest-holders are deemed to have accepted the Plan). Impaired claims or interests are placed in classes and it is the class that must accept the Plan. Members of unimpaired classes do not vote, although as stated above, they may object to confirmation of the Plan. Even if all classes do not vote in favor of the Plan, the Plan may nonetheless be confirmed if the dissenting classes are treated in a manner prescribed by the Code. Please refer to Section VI below for information regarding impaired and unimpaired classes in this case.

Section IX sets forth which claims are in which class. Secured claims are placed in separate classes from unsecured claims. Fed. R. Bankr. P. 3018(d) provides: "A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim shall be entitled to accept or reject a plan in both capacities."

#### **V. VOTES NECESSARY TO CONFIRM THE PLAN**

The Court may confirm the Plan if at least one noninsider impaired class of claims has accepted and certain statutory

requirements are met as to both nonconsenting members within a consenting class and as to dissenting classes. A class of claims has accepted the Plan when more than one-half in number and at least two-thirds in amount of the allowed claims actually voting, vote in favor of the Plan. A class of interests has accepted the Plan when at least two-thirds in amount of the allowed interests of such class actually voting have accepted it. It is important to remember that even if the requisite number of votes to confirm the Plan are obtained, the Plan will not bind the parties unless and until the Court makes an independent determination that confirmation is appropriate. That is the subject of any upcoming confirmation hearing.

**VI. INFORMATION REGARDING VOTING IN THIS CASE**

The bar date for filing a proof of claim in this case was October 29, 2010.

The bar date for objecting to claims was January 4, 2011.

The last day for hearing on objections to claims was January 28, 2011. The Debtor intends to file a motion to extend this deadline to 180 days after the Effective Date of this Plan.

In this case the Proponent believes that classes 1, 2, 3 and 4 are impaired and therefore entitled to vote. There are no unimpaired classes. A party that disputes the Proponent's characterization of its claim or interest as unimpaired may request a finding of impairment from the Court in order to obtain the right to vote.

Ballots must be received by the Proponent, addressed to Leslie Cohen Law PC, Attn: Jaime Williams, 506 Santa Monica Blvd., Suite 200, Santa Monica, CA 90401 by March 7, 2011.

## **VII. DESCRIPTION OF DEBTOR'S PAST AND FUTURE BUSINESS AND EVENTS**

### **PRECIPITATING BANKRUPTCY FILING**

The Debtor is a Limited Liability Limited Partnership.

Debtor has conducted its business activity since 2005.

The Debtor is headquartered in Santa Monica, California. The Debtor engages in the business of acquiring and operating real estate assets and loans secured by real estate assets, equipment, vehicles and business assets, and unsecured loans. The Debtor acquires such assets and loans as portfolios or in

stand-alone transactions. As such, the Debtor maintains its operations through the collection of principal and interest payments from its notes receivables and receipt of lease payments and sales proceeds from its real estate portfolio.

What follows is a brief summary of the dates and circumstances that led Debtor to file bankruptcy.

The Debtor's financial issues leading to this chapter 11 case were a result of the failed attempts to successfully modify and extend loan terms with its principal secured creditor, Bank Midwest. The majority of the Debtor's loans with the secured creditor matured in January 2010. The Debtor was expecting a 24-month extension at its current contract rate with the additional provision to cross collateralize and cross default its entire portfolio providing the creditor with additional security. The Debtor would continue to make timely debt service payments and payoff the entire principal balance of each loan as each asset was resolved.

The Debtor and Creditor failed to agree to mutually acceptable terms resulting in the Creditor defaulting the Debtor. The Creditor then commenced collection efforts which necessitated

the Debtor filing for chapter 11 bankruptcy protection.

What follows is a brief description of the Debtor's business and future business plans. Further details relating to the Debtor's financial condition and post-confirmation operation of the Debtor are found in sections X, XI, XII, XVI, and XV.

The Debtor is in the business of acquisition and management of debt instruments purchased from the FDIC and other financial institutions. The Debtor restructures and remediates loans and foreclosed assets into a diversified portfolio of loans and income producing real estate for future dispositions.

The Debtor has ownership interests in the following real property, which either currently generate income in the form of rents or may generate such rents in the future:

- a. Shalamar Apartments. Shalamar Apartments is a 162 unit apartment complex located in San Marcos, TX (40 minutes south of Austin) that Debtor holds fee title to. Debtor has a loan with the Bank with an outstanding principal balance of \$3,525,000 as of May 20, 2010. Debtor acquired the property on December 19, 2007 with a purchase price of \$4,249,851. The

value of the property is \$6,300,000. Therefore, an equity cushion of \$2,775,000 exists on the property.

Valuation: While no current appraisal for the property exists, there is ample information available to support the Debtor's Chapter 11 value estimate of \$6,300,000. The property has exceeded its stabilized occupancy projection of 95% and currently is 98% occupied. October 2010's net operating income was \$60,000 - its highest level since acquired by the Debtor. CBRE, the court approved broker for the property, is marketing the property for sale and has sourced two letters of intent for \$5,900,000 and \$5,750,000, respectively.

- b. The National. The National is a single family home owned by the Debtor that is located at 6789 National Drive in Parkville, MO (Kansas City submarket). The Debtor has a loan with the Bank with an outstanding principal balance of \$660,000 which is secured by a first priority lien in favor of the Bank. Debtor

acquired the property on March 20, 2007 with a purchase price of \$930,000. The estimated fair market value of the property is \$950,000. Therefore, an equity cushion of \$290,000 exists on the property. The National is currently occupied and is paying rents of \$3,500 per month.

Valuation and Methodology: Bank Midwest engaged IRR Residential Metro Real Estate Services (IRR) to appraise the property. On February 10, 2009. IRR reported a Value of the \$880,000.

- c. The Villages. The Villages at Pinnacle Peak is 4,224 sf single tenant retail building that the Debtor owns located in North Scottsdale, AZ. The Debtor has a loan with the Bank with an outstanding principal balance of \$800,000 which is secured by a first priority lien in favor of the Bank. The Debtor acquired the property on May 12, 2005 with a purchase price of \$1,200,000. The value of the property is currently \$1,200,000. The Villages is currently vacant. The Debtor is in negotiation with



prospective tenants.

Valuation and Methodology - Bank Midwest engaged Grumley Valuation and Consulting to appraise the property in late 2009 which resulted in an "As Is Value" of \$600,000 in October of 2009.

In addition, the Debtor owns certain personal property, which generates or which may generate income in the form of payments and/or rents as follows:

- a. Metro Cinema. The Debtor owns certain theater equipment which is leased to Metro Cinema located in a Cineplex in Colleyville, TX (Dallas submarket). The Debtor has a loan with the Bank with an outstanding principal balance of \$167,089 which is secured by such theater equipment. The Debtor acquired the property on September 28, 2007 with a purchase price of \$207,829. The estimated fair market value of the property is \$500,000. An equity cushion of \$332,911 exists on the property. The Debtor receives a payment of \$7,000 per month from Metro Cineplex.

Valuation and Methodology: Bank Midwest ordered an updated appraisal in October of 2009 which reported a revised as-is value of approximately \$640,000.

- b. Sunset Crossing Note. The Debtor held a promissory note in the original principal sum of \$6,600,000 and with an outstanding balance thereon as of the Petition Date in the sum of \$5,842,340. The obligor under the Sunset Crossing Note is Sunset Crossing L.P. and it is a performing loan secured by a first priority deed of trust on a 217,000 s.f. retail center located in San Angelo, TX. The Bank has a security interest in the Sunset Crossing Note securing an obligation of the Debtor to the Bank with an outstanding principal balance of \$3,807,368 as of the Petition Date. Per the November 15, 2010 Order Granting Motion to Approve Compromise Re Sunset Crossing Note, the loan has been compromised and is scheduled to payoff in the amount of \$5,500,000. Therefore, an equity cushion of \$1,692,632 exists on this property. The Debtor is currently receiving payments of \$43,000 per month on the Sunset Crossing

Note. UPDATE: This loan was paid off on December 23, 2010. The proceeds of the note were used to pay off Bank Midwest approximately \$4.0 million and the balance of \$1.1 million was deposited into a segregated debtor-in-possession account.

- c. Drawbridge Note. The Debtor holds a promissory note in the original principal sum of \$9,363,434 and with an outstanding balance thereon as of the date of filing in the sum of \$8,855,519.00. The obligor under the Drawbridge Note is Drawbridge Inn, LLC, and it is a non-performing loan secured by a first priority deed of trust on a 382 room hotel located in Fort Mitchell, Kentucky. The Bank has a security interest in the Promissory Note and Deed of Trust securing an obligation of the Debtor to the Bank with an outstanding principal balance of \$5,226,090 as of the Petition Date.

As a result of the default by the obligor under the Drawbridge Note, a foreclosure proceeding was commenced by the Debtor, and ancillary thereto, the Debtor obtained the appointment of a receiver over the hotel on December 2, 2009. The receiver is in possession of, and operating the hotel pursuant to that receivership. The receiver is accepting all receipts, paying all expenses of the operation pending a resolution of the foreclosure currently pending. The Debtor is not receiving any funds from the receiver, and has loaned the receiver, pre-petition, the sum of \$40,000.

Valuation and Methodology: In late 2009, Bank Midwest engaged Hotel Leisure Advisors (HLA) to appraise the Hotel. On October 9, 2009, HLA reported an "As Is" Value of the property of \$6,700,000. On January 27, 2009, HLA reported as "As Is" value for the Hotel of \$8,300,000 and an "As Stabilized" Value of \$11,300,000.

**VIII. CRITICAL PLAN PROVISIONS**

Listed below are the sources of money earmarked to pay creditors and interest-holders.

- a. Future earnings from continued operations of the Debtor, including rental income, interest income, sales and/or refinances of properties, and note payments due to the Debtor. Cash flow generated from operations (net of operating expenses, property tax payments, capital expenditures, interest and principal payments to secured creditors) between November 1 and the proposed Effective Date of February 15, 2011 totals \$1,358,684 (See Exhibit "C").
- b. Cash held in Debtor-in-Possession Accounts. As of October 31, 2010, such balances totaled \$585,786 (See Exhibit "C").

Most likely, general unsecured creditors can expect payment:

- a. beginning 30 days after the Effective Date (as defined below) of this Plan
- b. in the amount of 1/3 of each creditors' unsecured claim plus 4% interest
- c. and continuing every month for 2 additional months.

**IX. DESCRIPTION AND TREATMENT OF CLAIMS**

a. Overview of Plan Payments

Below is a summary of who gets paid what and when and from what source. The identity of members within a particular class is explained beginning on the next page. The second column lists two amounts. First, the amount of each payment, or if only one is to be made, then that amount; second, the total amount that will be paid. The Proponent is usually not required by law to pay an unsecured creditor or interest holder everything it would otherwise be entitled to, had a bankruptcy case not commenced.

The "Payment Due Date" column states the frequency with which payments will be made and the starting and ending dates. Look at the starting date to figure out who will be paid before and after you and in what amount. The "Source of Payment" column describes the expected source of payment. Further details regarding the source of payment are found in sections X and XI.

The timing of payments to many creditors is determined by the "Effective Date," which will be 14 days after entry of an order confirming the plan. Administrative claims, unless otherwise stated, must be paid by the Effective Date. In this case, the projected Effective Date is May 1, 2011.

<b>Payment Recipient</b>	<b>Amount of each Payment</b> <b>(Total amount to be paid)</b>	<b>Payment Due Date</b>	<b>Source of Payment</b>
Clerk's Office Fees	\$0 (estimated) \$0 (estimated)	Effective Date	
Office of the U.S. Trustee	\$0 (estimated) \$0 (estimated)	Effective Date	
Leslie Cohen Law PC	\$0 - \$65,000 above retainer \$0 - \$65,000	Later of (i) Effective Date or (ii) entry of final order approving LCL's fees and expenses	Estate Funds
Michael Widener Bonnet, Fairbourn, Friedman & Balint	\$10,000 (estimated) \$10,000 (estimated)	Effective Date Pursuant to Fee Application	Estate Funds
Dennis Williams Adams, Stepner, Woltermann & Dusing PLLC	\$10,000 (estimated) \$10,000 (estimated)	Effective Date Pursuant to Fee Application	Estate Funds
Capstone Real Estate Services, Inc.	\$0 (estimated) \$0 (estimated)	Effective Date Paid current in accordance with management agreement dated July 28, 2008	
Robert Wyndelts and Wyndelts & Gagnon PLC	\$25,000 (estimated) \$25,000 (estimated)	Effective Date pursuant to Fee Application	Estate Funds
Justin Enbody and Enbody, Inc.	\$25,600 (estimated) \$25,600 (estimated)	Effective Date pursuant to Fee Application	Estate Funds
Hagan & Associates	\$35,297 (estimated) \$35,297 (estimated)	Effective Date pursuant to Fee Application	Estate Funds
CB Richard Ellis	\$0 \$0	Fees to be paid as commission directly from escrow upon sale of property and following Court order approving sale of property	Sale of Property
Century 21 All Pro	\$0 \$0	Fees to be paid as commission directly from escrow upon sale of property and following Court	Sale of Property

		order approving sale of property	
CLASS 1A Richardson ISD Tax Office and Dallas County Tax Office	\$127,546	Paid in full upon sale of each unit at Oak Trail Villas Properly Any unpaid taxes all due by 5/24/15 <sup>1</sup>	Sale of Property
CLASS 1B Kenton County and City of Fort Mitchell Kentucky *Disputed*	\$ 5% interest only on allowed claim \$147,534 or lesser allowed total claim	Monthly All unpaid principal and interest due in full upon earlier of 12/31/12 or sale of property to third party	Post confirmation income Post confirmation income or Sale of Property
CLASS 1C Property Taxes (Sunset Crossing, Shalamar,)	\$0 \$0	These taxes are current. Will be paid as taxes come due; Any unpaid taxes paid in full upon sale of property	Post confirmation income or Sale of Property
CLASS 1D Colette Franklin Tax Assessor Metro Cinema	\$35,653.41	One payment due on or before 12/31/11 – bearing interest at 4% If property is sold before payment comes due, all taxes and accrued interest then due will be paid at closing.	Post confirmation income
CLASS 1E Property Taxes on 2 <sup>nd</sup> Street	\$24,719.50	One payment due on or before 12/31/11 – bearing interest at 4% If property is sold before payment comes due, all taxes and accrued interest then due will be paid at closing.	Post confirmation income
CLASS 1F Property Taxes on Villages	\$ 11,853.02	One payment due on or before 12/31/11, bearing interest at 4%	Post confirmation income

<sup>1</sup> FPF Oak Trails is a debtor in case# 2:10-34386 and the disposition of its assets and liabilities will be subject to court approval in that case.



		If property is sold before payment comes due, all taxes and accrued interest then due will be paid at closing.	
CLASS 1G Property Taxes on National	\$15,435	One payment due on or before 12/31/11, bearing interest at 4%. If property is sold before payment comes due, all taxes and accrued interest then due will be paid at closing.	Post confirmation income
CLASS 1H Property Taxes on Manhattan Chase (220 21 <sup>st</sup> Place)	\$19,041.04	One payment due on or before 12/31/11, bearing interest at 4%. If property is sold before payment comes due, all taxes and accrued interest then due will be paid at closing.	Post confirmation income
CLASS 2A Secured Claim of Washington Mutual Bank N.A.	\$2,595.67  1 <sup>st</sup> Trust Deed \$1,039,416 on Manhattan Beach property, bearing interest at 4%	Monthly commencing Effective Date  Effective Date through the earlier of 4 years after Effective Date or Sale of Property	Post confirmation income  Post confirmation income or Sale of Property
CLASS 2B Secured Claim of Washington Mutual Bank N.A.	\$904.33  2 <sup>nd</sup> Trust Deed \$362,131 on Manhattan Beach property, bearing interest at 4%.	Monthly commencing Effective Date  Effective Date through the earlier of 4 years after Effective Date or Sale of Property	Post confirmation income  Post confirmation income or Sale of Property
CLASS 3 Secured Claim of Bank Midwest N.A.	\$ Monthly Debt service varies as properties are sold and refinanced.  \$20,440,560.00 + interest at	Monthly commencing 10 <sup>th</sup> day of the first month following Plan Confirmation. In addition there will be certain principal paydowns and waiver of default interest from default date	Post confirmation income from rents, refinances and/or sales of assets  Post confirmation income or

	4.25%	through 3/31/10 and from 7/31/10 through confirmation, per the Stipulation and Order on file with the Court. All payments due Bank Midwest at and after confirmation are set forth on the attached cash flows.  Through earlier of April 1, 2012 or sale of property	proceeds from refinance and/or Sale of Property\
CLASS 4 General Unsecured Claims	\$26,752.96 \$80,259.00	Three monthly payments commencing 30 days after the Effective Date, bearing interest at 4%.	Estate Funds and post-confirmation income
CLASS 5 Insider claims	n/a	n/a	n/a
CLASS 6 Shareholder Interests	\$0 \$0	Shareholders will retain their shares of stock in the Debtor	

No claimant or interest holder is an affiliate of the Debtor.

On the Effective Date the Debtor, as the Disbursing Agent, will deposit into a segregated account ("Reserve Account") an amount of cash equal to 1/3 (one-third) of the aggregate amount of disputed unsecured claims. Cash together with interest accruing thereon will be held in trust for the benefit of holders of disputed claims.

When a disputed unsecured claim becomes allowed, the Disbursing

Agent will distribute to the holder thereof an amount equal to 1/3 (one-third) of its claim plus accrued interest thereon. Thereafter, payments to that creditor will continue in accordance with the terms of the Plan. If a surplus arises from the fact that not all claims are allowed, then that money shall revert back to the Debtor.

Below is a detailed description and treatment of administrative expenses, claims and interests

**b. Administrative Expenses**

1. These include the "actual, necessary costs and expenses of preserving the estate" as determined by the Court after notice to creditors of a request for payment and after a hearing thereon.
2. The Code requires that allowed administrative expenses be paid on the Effective Date unless the party holding the administrative expense agrees otherwise. The claimants have not agreed otherwise.

Administrative Expense #1.

Claimant: Clerk's Office Fees

\$ 0 Estimated subject to court approval. To be paid  
in full on Effective Date.

Administrative Expense # 2.

Claimant: Office of the U.S. Trustee Fees

\$ 0, subject to court approval. To be paid in full on  
Effective Date.

Administrative Expense # 3.

Claimant: Leslie Cohen Law, PC

\$ 0 - \$65,000 (estimated net of retainer and amounts  
paid upon interim fee application and such reimbursed  
fees based on Principal's advance), subject to court  
approval. The balance awarded, if any, may be paid in  
full upon the later of (i) the Effective Date, or (ii)  
entry of a final order approving Cohen's fees and  
expenses.

Administrative Expense # 4.

Claimant: Michael Widener - Bonnett, Fairbourn,  
Friedman & Balint, P.C.

\$ 10,000 (estimated), subject to court approval. To  
be paid in full on the later of (1) the Effective Date  
or (2) entry of final order approving his fees and  
expenses pursuant to fee application.

Administrative Expense # 5.

Claimant: Dennis Williams- Adams, Stepner, Woltermann  
& Dusing PLLC

\$ 10,000 (estimated), subject to court approval. To  
be paid in full on the later of (1) the Effective Date  
or (2) entry of a final order approving his fees and  
expenses pursuant to fee application.

Administrative Expense # 6.

Claimant: Capstone Real Estate Services, Inc.

\$ 0, subject to court approval. Paid current in  
accordance with management agreement dated 7/28/08.

Administrative Expense # 7.

Claimant: Robert Wyndelts and Wyndelts & Gagnon PLC  
\$ 25,000 (estimated), subject to court approval. To  
be paid in full on or before the Effective Date  
pursuant to fee application.

Administrative Expense # 8.

Claimant: Justin Enbody and Enbody Inc.  
\$ 25,600 (estimated), subject to court approval. To  
be paid in full on Effective Date pursuant to fee  
application.

Administrative Expense # 9.

Claimant: Hagan and Associates  
\$ 35,297 (estimated), subject to court approval. To  
be paid in full on or before the Effective Date  
pursuant to fee application.

Administrative Expense # 10.

Claimant: CB Richard Ellis  
\$ 0, subject to court approval. Fees to be paid as  
commission directly from escrow upon sale of property.

Administrative Expense # 11.

Claimant: Century 21 All Pro

\$ 0, subject to court approval. Fees to be paid as commission directly from escrow upon sale of property.

TOTAL \$ 105,297 - 170,297 estimated

**c. Unsecured Priority Tax Claims**

1. These include certain types of property, sales, and income taxes.
2. The Code requires that the holders of such claims receive regular installment payments in cash over a period ending not later than five years after the date of the order for relief, unless agreed otherwise. The claimants have not agreed otherwise. The total cash payments must have a present value equal to the amount of the allowed claim. The treatment of this claim is in a manner not less favorable than the most favored nonpriority unsecured claim provided in this Plan (other than any cash payments to an administratively convenient class). The amount of

the allowed claim includes the amount of tax owed plus interest of 4% or such other amount as is ordered by the Court. The present value is calculated as of the Effective Date.

3. The Debtor does not have any unsecured priority tax claims.

TOTAL UNSECURED PRIORITY TAX CLAIM(S) \$ 0

**d. CLASS ONE - SECURED PROPERTY TAX CLAIMS**

**1. CLASS 1(A)**

Secured Claim of Richardson ISD Tax Office and Dallas County Tax Office

Description of Collateral: Oak Trail Villas<sup>2</sup>

Total amount of allowed claim as of November 20, 2010:

\$127,546

Total amount of payments (over time) to satisfy the secured claim: Paid in full upon sale of each unit at Oak Trail Villas Property, any unpaid

---

<sup>2</sup> FPF Oak Trails is a debtor in case# 2:10-34386 and the disposition of its assets and liabilities will be subject to court approval in that case.



taxes all due by 5/24/15

Interest rate (to compensate creditor because claim is  
paid over time): 4% or such other amount as is  
ordered by the Court.

Impaired

First payment date: Sale of each unit

Amount of each installment: Payment in full on  
respective unit including interest at 4%

Frequency of payments: Upon sale of each unit

Total yearly payments: Unknown

Final payment date: Not later than 5/24/15

Lien is not modified in any way by the Plan.

2. CLASS 1(B)

Secured Claim of Kenton County and City of Fort

Mitchell Kentucky

\*\*\*THIS CLAIM IS DISPUTED\*\*\*

Description of Collateral: Drawbridge

Total amount of claim as of November 20, 2010:

\$147,534

Total amount of payments (over time) to satisfy the  
secured claim: If allowed, pay interest only

monthly; All unpaid principal and interest  
due in full upon the earlier of 12/31/12 or  
sale of property to third party

Interest rate (to compensate creditor because claim is  
paid over time): Interest on allowed claim at  
4%

Impaired

First payment date: 1st of month following Court's  
determination on allowance of claim.

Amount of each installment: Interest on allowed claim  
at 4%

Frequency of payments: Monthly

Total yearly payments: 12

Final payment date: All unpaid principal and interest  
due in full upon the earlier of 12/31/12 or  
sale of property to third party

Lien is not modified in any way by the Plan.

3. CLASS 1(C)

Secured Property Taxes related to Sunset Crossing and  
Shalamar Properties

Description of Collateral: Sunset Crossing and  
Shalamar.

Total amount of claim as of November 20, 2010: \$0

Total amount of payments (over time) to satisfy the  
secured claim: These taxes are current. Will  
be paid as taxes come due; Paid in full upon  
sale of property

Interest rate (to compensate creditor because claim is  
paid over time):

Unimpaired

First payment date: As due.

Amount of each installment: As due

Frequency of payments: As due

Total yearly payments: Unknown

Final payment date: Sale of related properties

4. CLASS 1(D)

Secured Claim of Colette Franklin Tax Assessor

Description of Collateral: Metro Cinemas

Total amount of claim as of November 20, 2010:

\$35,653.41

Total amount of payments (over time) to satisfy the  
secured claim: \$35,653.41 plus interest at 4%  
Interest rate (to compensate creditor because claim is  
paid over time): 4% or such other rate as  
ordered by the Court.

Impaired

First payment date: 12/31/11.

Amount of each installment:

First and only payment on or before 12/31/11:

\$35,653.41 plus accrued interest at 4%.

Frequency of payments: Single payment

Total payments: \$35,653.41+ interest

Final payment date: On or before 12/31/11

5. CLASS 1(E)

Secured Property Taxes Related to 2<sup>nd</sup> Street Property

Description of Collateral: 2<sup>nd</sup> Street

Total amount of claim as of November 20, 2010:

\$24,719.50

Total amount of payments (over time) to satisfy the  
secured claim: \$ 24,719.50 plus interest

Interest rate (to compensate creditor because claim is  
paid over time): 4% or such other rate as  
ordered by the Court.

Impaired

First payment date: 12/31/11.

Amount of each installment:

First and only payment on or before 12/31/11:

\$24,719.50 plus accrued interest at 4%

Frequency of payments: Single payment

Total yearly payments: \$24,719.50 + interest

Final payment date: On or before 12/31/11

6. CLASS 1(F)

Secured Property Taxes related to Villages property

Description of Collateral: Villages

Total amount of claim as of 11/20/10: \$11,853.02

Total amount of payments (over time) to satisfy the  
secured claim: \$11,853.02 plus interest

Interest rate (to compensate creditor because claim is  
paid over time): 4% or such other rate as  
ordered by the Court.

Impaired

First payment date: 12/31/11.

Amount of each installment:

First and only payment on or before 12/31/11:

\$11,853.02 plus interest at 4%

Frequency of payments: Single payment

Total yearly payments: \$11,853.02 + interest

Final payment date: On or before 12/31/11

7. CLASS 1(G)

Secured Property Taxes related to National Property

Description of Collateral: National

Total amount of claim as of November 20, 2010: \$15,435

Total amount of payments (over time) to satisfy the  
secured claim: \$15,435 plus interest

Interest rate (to compensate creditor because claim is  
paid over time): 4% or such other rate as  
ordered by the Court.

Impaired

First payment date: 12/31/11.

Amount of each installment:

First and only payment on or before 12/31/11:

\$15,435 plus interest

Frequency of payments: Single payment

Total yearly payments: \$15,435 + interest

Final payment date: On or before 12/31/11

8. CLASS 1(H)

Secured Property Taxes related to 220 21<sup>st</sup> Place

Description of Collateral: 220 21<sup>st</sup> Place

Total amount of claim as of November 20, 2010: \$

19,041.04

Total amount of payments (over time) to satisfy the

secured claim: \$19,041.04 plus interest at 4%

Interest rate (to compensate creditor because claim is

paid over time): 4% or such other rate as  
ordered by the Court.

Impaired

First payment date: 12/31/11.

Amount of each installment:

First and only payment on or before 12/31/11:

\$19,041.04 plus accrued interest at 4%

Frequency of payments: Single payment

Total yearly payments: \$19,041.04 + interest

Final payment date: On or before 12/31/11

**e. CLASS TWO**

Class 2A - Washington Mutual Bank N.A.

Description of Collateral: first mortgage on Manhattan

Beach property: 220-21<sup>st</sup> Place Manhattan Beach  
Court

Total amount of allowed claim as of November 20, 2010:

\$1,039,416 on the first mortgage

Total amount of payments (over time) to satisfy the

secured claim: Commencing on the Effective

Date, subject to a reduction in the interest

rate to 4%, the member of this class will be



paid interest at \$2,595.67 per month; Member will be paid principal and interest in full upon the earlier of 4 years after Effective Date or sale of property.

Interest rate (to compensate creditor because claim is paid over time):4%

Impaired

First payment date: Effective Date

Amount of each installment: \$2,595.67

Frequency of payments: Monthly

Total yearly payments: 12

Final payment date: Earlier of 4 years after Effective Date or sale of property.

Lien is not modified in any way by the Plan.

Additional comments:

Class 2B - Washington Mutual Bank N.A.

Description of Collateral: second mortgage on

Manhattan Beach property: 220-21<sup>st</sup> Place

Manhattan Beach Court

Total amount of allowed claim as of November 20, 2010:

\$362,131 on the second mortgage

Total amount of payments (over time) to satisfy the secured claim: Commencing on the Effective Date, subject to a reduction in the interest rate to 4%, the member of this class will be paid interest at \$904.33 per month; Member will be paid principal and interest in full upon the earlier of 4 years after Effective Date or sale of property.

Interest rate (to compensate creditor because claim is paid over time):4%

Impaired

First payment date: Effective Date

Amount of each installment: \$904.33

Frequency of payments: Monthly

Total yearly payments: 12

Final payment date: Earlier of 4 years after Effective Date or sale of property.

Lien is not modified in any way by the Plan.

Additional comments:

f. **CLASS THREE**

Secured Claims of Bank Midwest N.A.

Description of Collateral: National Drive, Villages at Pinnacle Peak, Shalamar Apartments, Drawbridge Inn, Sunset Crossing, Oak Trail Villas<sup>3</sup>, Second Street property and equipment lease to Metro Cinemas

Total amount of allowed claim:\$20,440,560.00 as of Petition Date (has been reduced by certain post-petition payments)

Total amount of payments (over time) to satisfy the secured claim: The member of this class will be paid in accordance with the terms of the Loan Modification Agreement entered into in September 2010 and filed as an attachment to the parties' Stipulation. Pursuant to the Loan Modification Agreement, all loans by member will be consolidated and cross-collateralized, with payments to continue through April 2012.

---

<sup>3</sup> FPF Oak Trails is a debtor in case# 2:10-34386 and the disposition of its assets and liabilities will be subject to court approval in that case.

Interest rate (to compensate creditor because claim is paid over time):4.25%. If the Debtor confirms a consensual Plan on or before 2/15/11 or such later date as agreed to accommodate scheduling issues, Bank Midwest will waive all late charges and that portion of default interest accruing from default date through 3/31/10 and default interest after 7/31/10

Impaired

First payment date: The 10<sup>th</sup> of the first month following Plan confirmation.

Amount of each installment: Monthly debt service payment shall be made per each individual property with interest at 4.25% until such property is refinanced or sold. All default interest not waived per the cash collateral stipulation and all allowed reasonable attorneys fees and costs shall be paid at Plan confirmation.

Additional/Other Payments:

Upon the closing of the payoff of the Sunset Note as discounted pursuant to the compromise, Bank Midwest will receive immediately upon closing proceeds in the amount of \$4,019,325.53 plus applicable per diems, as payoff in full of its secured claim, consisting of principle in the amount of \$3,807,368, with the balance of proceeds to be applied to default interest and collection costs. Of the remaining proceeds from the Sunset Note Compromise, \$ 5,139,947, less the amount paid per above, will be deposited into a separate Debtor In Possession cash collateral account for the sole purpose of applying those funds to pay down the BMW debt, and released to BMW upon confirmation of Debtor's Plan of Reorganization; at that time, the Debtor will receive a credit against principle on the BMW loans in an amount corresponding to the amount of default interest being waived as

described in the Stipulation. The balance of proceeds after the payment and reserves as described in paragraphs 3a and b above shall be property of the Debtor estate and deposited in the DIP general operating account.

Frequency of payments: Monthly

Total yearly payments: 12

Final payment date: Earlier of April 1, 2012 or sale or refinance of property.

Lien is modified by the Plan in that it is now cross-collateralized among all the property in which Bank Midwest has a security interest.

Additional comments:

**g. CLASS FOUR**

Unsecured Claims

See Exhibit "B" for list of claimants and amount owed each.

Total amount of allowed claims: \$80,258.89

Total amount of payments (over time) to satisfy

claims: Three installment payments of  
\$26,752.96 totaling \$80,258.89.

Interest rate: 4%

Impaired

First payment date: 30 day after the Effective Date.

Amount of each installment: 1/3 of debt

Frequency of payments: 3 monthly payments

Total yearly payments: 3 payments total

Final payment date: 90 days after Effective Date

Additional comments:

In full and complete satisfaction of these  
Unsecured Claims, each holder of an Allowed Class  
3 Claim will be paid in full through 3 monthly  
installments commencing 30 days after the  
Effective Date with interest at 4%.

**h. CLASS FIVE**

Insider Claims

1. This is the claim of a person as defined in 11 U.S.C.A. ' 101(31) (West Supp. 2006).

Essentially, an insider is a person with a close relationship with the debtor, other than a creditor-debtor relationship.

Debtor does not have any insider claims.

TOTAL INSIDER CLAIMS \$ 0

**i. CLASS SIX**

Shareholders' Interests

1. Under the Plan, shareholders simply retain their shares of stock in the Debtor.

2. The Debtor's Equity/Interest Holders are as follows:

a. Stephen Collias - 49 ½ %

b. Gary Hall - 49 ½ %

c. Franklin Finance - 1%



**X. SOURCE OF MONEY TO PAY CLAIMS AND INTEREST-HOLDERS**

The Plan cannot be confirmed unless the Court finds that it is "feasible," which means that the Proponent has timely submitted evidence establishing that the Debtor will have sufficient funds available to satisfy all expenses, including the scheduled creditor payments discussed above. What follows is a statement of projected cash flow for the duration of the Plan. The focus is on projected cash receipts and cash disbursements. All non-cash items such as depreciation, amortization, gains and losses are omitted. A positive number reflects a source of cash; a (negative number) reflects a use of cash. A more detailed statement of cash flow projections for the duration of Plan payments is attached as Exhibit "C".

At Proposed Effective Date  
April 7, 2011

**Sources**

Cash in DIP Accounts <sup>(a)</sup>	\$585,786
Less Borrower Reserve and Escrow Accounts <sup>(b)</sup>	(\$207,681)
Monthly Cashflow	\$470,935
Sales / Dispositions / Refinances*	\$11,751,998
<b>Total Cash Sources</b>	<b>\$12,601,037</b>

**Uses**

Default Interest (April 1, 2010 - July 31, 2010) <sup>(c)</sup>	(\$343,515)
Estimated Collection Costs	(\$250,000)
Payment of Unsecured Creditors (FPF)	\$0
Payment of Unsecured Creditors (FPF Oak Trails)	\$0
Administrative Fees	(\$170,897)
BMW Debt Service	(\$299,103)
Non-BMW Debt Service	(\$58,500)
Operating Expenses	(\$195,000)
BMW Principal Paydown <sup>(d)</sup>	(\$9,971,221)
Non-BMW Principal Paydown	\$0
Total CapEx, Taxes, Etc.	(\$492,435)
<b>Total Cash Uses</b>	<b>(\$11,780,671)</b>

<b>Net Cash Available at Effective Date</b>	<b><u><u>\$820,366</u></u></b>
---	--------------------------------

**Notes:**

\* Includes DIP cash collateral account from Sunset Note to be released to BMW at closing.

(a) Balances as of October 31, 2010. Includes FPF Oak Trails DIP account.

(b) Includes the Sunset Crossing Reserve Account and Shalamar Tax and Security Deposit Liabilities.

(c) Per the Stipulation, BMW shall waive all default interest and late fees prior to March 31, 2010 and after July 31,

(d) Reflects the paydown of \$300,000 received in October from the sale of three Oak Trails Units.

As depicted in the table above, on the Effective Date, cash held in Debtor-in-Possession bank accounts and net cash flow generated by operations will allow the Debtor sufficient cash available to pay the following: \$105,297 - \$170,297 in Administrative Claims, depending on Administrative Claims accrued as of Effective Date, default interest earned between April 1, 2010 and July 31, 2010 in the amount of \$343,515 and estimated Collection Costs due to Bank Midwest in the amount of \$250,000. The Debtor also projects paying down approximately \$10 million of principal owed to Bank Midwest, reducing the principal balance by 49% prior to the Effective Date. The net cash flow generated from operations through the Effective Date described in the table above is derived from monthly recurring cash flow (loan payments, rental income, etc.) and sales / dispositions of assets (including loan payoffs). Monthly cashflow that is related to Bank Midwest's collateral (Drawbridge, National, Metro, Shalamar, Sunset Crossing, Villages, 2<sup>nd</sup> Street and Oak Trails) is projected to be \$274,245. Monthly cashflow attributable to assets that are un-encumbered by Bank Midwest (Aviation Applications, Manhattan Beach, Southern Data, Marson, Park 3000, Motti and Kamp), is projected to be \$196,690.

By the Effective Date, cashflow generated from sales / dispositions of assets related to Bank Midwest's collateral (Drawbridge, National, Metro, Shalamar, Sunset Crossing, Villages, 2<sup>nd</sup> Street and Oak Trails) is projected to be \$11,751,998. There are no sales or disposition of assets unencumbered by Bank Midwest (Aviation Applications, Manhattan Beach, Southern Data, Marson, Park 3000, Motti and Kamp), prior to the projected Confirmation Date.

Please note that the Debtor in accordance with the Stipulation has paid Bank Midwest its required Adequate Protection Payments and is current through December 31, 2010.

	<u>At Loan Maturity</u> <u>April 1, 2012</u>
<b>Sources</b>	
Cash in DIP Accounts <sup>(a)</sup>	\$585,786
Less Borrower Reserve and Escrow Accounts <sup>(b)</sup>	(\$207,681)
Monthly Cashflow	\$1,601,620
Sales / Dispositions / Refinances*	\$40,439,832
<b>Total Cash Sources</b>	<b>\$42,419,556</b>
<b>Uses</b>	
Default Interest (April 1, 2010 - July 31, 2010) <sup>(c)</sup>	(\$343,515)
Estimated Collection Costs	(\$250,000)
Payment of Unsecured Creditors (FPF)	(\$80,259)
Payment of Unsecured Creditors (FPF Oak Trails)	(\$33,662)
Administrative Fees	(\$170,897)
BMW Debt Service	(\$623,283)
Non-BMW Debt Service	(\$189,000)
Operating Expenses	(\$776,268)
BMW Principal Paydown <sup>(d)</sup>	(\$20,388,323)
Non-BMW Principal Paydown	(\$5,326,072)
Total CapEx, Taxes, Etc.	(\$3,067,815)
<b>Total Cash Uses</b>	<b>(\$31,249,094)</b>
<b>Net Cash Available at Loan Maturity</b>	<b>\$11,170,462</b>
Plus 15 Units at OTV (owned free and clear)	\$1,203,488
<b>Total</b>	<b>\$12,373,951</b>

**Notes:**

\* Includes DIP cash collateral account from Sunset Note to be released to BMW at closing.

(a) Balances as of October 31, 2010. Includes FPF Oak Trails DIP account.

(b) Includes the Sunset Crossing Reserve Account and Shalamar Tax and Security Deposit Liabilities.

(c) Per the Stipulation, BMW shall waive all default interest and late fees prior to March 31, 2010 and after July 31, 2010.

(d) Reflects the paydown of \$300,000 received in October from the sale of three Oak Trails Units.

As depicted in the table above, on the Maturity Date referenced in the Stipulation and Loan Modification, through cash held in Debtor-in-Possession bank accounts and net cash flow generated by operations, the Debtor will have sufficient funds to pay all bankruptcy expenses, secured creditors, tax authorities and unsecured creditors in accordance with the terms of this Plan. Section XV(c) states the assumptions and details surrounding the statement of projected cash flow.

The net cash flow generated from operations through the Maturity Date described in the table above is derived from monthly recurring cash flow (loan payments, rental income, etc.) and sales / dispositions of assets (including loan payoffs). Monthly cashflow related to Bank Midwest's collateral (Drawbridge, National, Metro, Shalamar, Sunset Crossing, Villages, 2<sup>nd</sup> Street and Oak Trails) is projected to be \$1,099,368. Monthly cashflow attributable to assets that are un-encumbered by Bank Midwest (Aviation Applications, Manhattan Beach, Southern Data, Marson, Park 3000, Motti and Kamp), is projected to be \$502,252.

Through Loan Maturity, cashflow generated from sales / dispositions of assets related to Bank Midwest's collateral (Drawbridge, National, Metro, Shalamar, Sunset Crossing, Villages, 2<sup>nd</sup> Street and Oak Trails) is projected to be \$29,523,332. Sales or disposition of assets un-encumbered by Bank Midwest (Aviation Applications, Manhattan Beach, Southern Data, Marson, Park 3000, Motti and Kamp), are expected to be \$10,961,500 through the projected Confirmation Date.

Please note that Southern Data, Marson, Motti and Kamp are owned free and clear. Aviation Applications, Manhattan Chase and Park 3000, with combined projected market values of \$9,412,500 are subject to loans totaling \$5,326,072.

**XI. FINANCIAL RECORDS TO ASSIST IN DETERMINING WHETHER PROPOSED  
PAYMENT IS FEASIBLE**

Attached as Exhibit "D" are three types of consolidated financial documents, including balance sheets, cash flow statements and income and expense statements for the Debtor and its related entities for the period including the most recent twelve-month calendar year and all months subsequent thereto.

**XII. ASSETS AND LIABILITIES OF THE ESTATE**

a. Assets

The identity and fair market value of the estate's assets are listed in Exhibit "E" so that the reader can assess what assets are at least theoretically available to satisfy claims and to evaluate the overall worth of the bankruptcy estate. The Debtor has given their best estimate of fair market value based on their knowledge and experience. Appraised values are also shown on this Exhibit and in some instances are less than Debtor's estimated fair market value for such assets. However for cash flow purposes the Debtor's assumptions are based on the lower of appraised values or Debtor's best estimate of fair market value. Whether the Plan proposes to sell any of these assets is discussed in section XVI.

b. Liabilities

Exhibit "F" shows the allowed claims against the estate, claims whose treatment is explained in detail by section IX.



**c. Summary**

The fair market value of all assets held in the Debtor's name equals \$35,505,855. Total liabilities equal \$22,605,233. Please note that the Debtor receives income from related assets held in entities separate of the Plan that total \$9,854,000 with liabilities totaling \$4,002,622. These assets include Park 3000, Aviation Applications, the assets of HC Finance: Motti, Kamp Motor Speedway, Marson, and Southern Data Systems (FDIC). These assets are listed in Exhibit "E".

**XIII. TREATMENT OF NONCONSENTING CLASSES**

As stated above, even if all classes do not consent to the proposed treatment of their claims under the Plan, the Plan may nonetheless be confirmed if the dissenting classes are treated in a manner prescribed by the Code. The process by which dissenting classes are forced to abide by the terms of a plan is commonly referred to as "cramdown." The Code allows dissenting classes to be crammed down if the Plan does not "discriminate unfairly" and is "fair and equitable." The Code does not define discrimination, but it does provide a minimum definition of "fair and equitable." The term can mean that secured claimants

retain their liens and receive cash payments whose present value equals the value of their security interest. For example, if a creditor lends the Debtor \$100,000 and obtains a security interest in property that is worth only \$80,000, the "fair and equitable" requirement means that the claimant is entitled to cash payments whose present value equals \$80,000 and not \$100,000. The term means that unsecured claimants whose claims are not fully satisfied at least know that no claim or interest that is junior to theirs will receive anything under the Plan, except where the Debtor is an individual, has elected to retain property included in the Estate under 11 U.S.C.A. § 1115 (West Supp. 2006) and has satisfied 11 U.S.C.A. § 1129(b)(2)(B)(ii) (West Supp. 2006). "Fair and equitable" means that each holder of an interest must receive the value of such interest or else no junior interest is entitled to receive anything.

Therefore, if a class of general unsecured claims votes against the Plan, the Plan cannot be confirmed where the Debtor or a class of interest holders (e.g. shareholders or partners) will receive or retain any property under the Plan, unless the Plan provides that the class of general unsecured claims shall be paid in full with interest. These are complex statutory

provisions and the preceding paragraphs do not purport to state or explain all of them.

**XIV. TREATMENT OF NONCONSENTING MEMBERS OF CONSENTING**

**CLASS (CHAPTER 7 LIQUIDATION ANALYSIS)**

The Plan must provide that a nonconsenting impaired claimant or interest holder of a consenting class receive at least as much as would be available had the Debtor filed a Chapter 7 petition instead.

In a Chapter 7 case the general rule is that the Debtor's assets are sold by a trustee. Unsecured creditors generally share in the proceeds of sale only after secured creditors and administrative claimants are paid. Certain unsecured creditors get paid before other unsecured creditors do. Unsecured creditors with the same priority share in proportion to the amount of their allowed claim in relationship to the total amount of allowed claims.

A creditor would recover from the assets of the bankruptcy estate less under Chapter 7 than under Chapter 11 for four reasons.

First, the liquidation value of the company's assets is estimated to be less than its fair market value if sold in a Chapter 7 Trustee liquidation process because a number of these assets are incomplete and thus require the Debtor's construction, leasing and management expertise to generate higher values. Furthermore, there is \$9,854,000 of related assets held in separate, affiliated entities entitled Aviation Applications, Park 3000 and HC Finance that are separate of the plan that provide additional source of funds for the success of the plan of reorganization.

Affiliates: Aviation Applications is an LLC in which the Debtor is a member. Under the Plan, income from Aviation Applications will be included in the source of funding for the Plan. Park 3000 is an LLC that was previously owned by the Debtor and is contributing income to the plan because it is an available source for funding. It was refinanced to pay off debt owing to Bank Midwest in December, 2009 and in connection

therewith, ownership was conveyed to a single purpose entity. It holds property valued a \$7.0 million based on capitalizing 2010 net operating income of \$640,000 by an 8.5% cap rate. Income from Park 3000 is included in the sources of funding for the Plan.

HC Finance is a limited liability limited partnership that holds assets described as the Kamp Motor Speedway, Motti, Marson and Southern Data Systems, all of which are unencumbered investments.

The ability to intensely manage and market each asset over a 2-year period is essential to obtaining optimal market value sale prices. Rents must be collected, properties must be maintained, sales and refinances must be negotiated, properties need to be listed and marketed at appropriate times, and all assets must be constantly monitored to ensure maximum performance and disposition. Debtor's current management is well suited to handle these matters based on their substantial experience.

Second, in a chapter 7 case a trustee is appointed and is entitled to compensation from the bankruptcy estate in an amount no more than 25% of the first \$5,000 of all moneys disbursed, 10% on any amounts over \$5,000 and up to \$50,000, 5% on all amounts over \$50,000 and up to \$1,000,000, and such reasonable compensation no more than 3% of moneys over \$1,000,000. Also, a chapter 7 trustee would have additional administrative expense, such as professionals, which will increase cost.

Third, payment to unsecured creditors would be delayed under a chapter 7 than in comparison with the Debtor's Plan. Here, unsecured creditors will be paid in full within 90 days following the Effective Date. In a ch. 7, even if the trustee could sell assets promptly, it would take at least that long to close the asset sales and another estimated 12 months to get approval of final report and distribution to creditors.

Finally, the Plan here is the result of negotiations with Bank Midwest, which allow for a waiver of over \$500,000 in default interest. It is unlikely that the bank would offer this same deal to a ch. 7 trustee. Moreover, delays in payment in chapter 7 would further expose the estate to additional interest and default interest.

	<u>Chapter 7</u>	<u>Chapter 11</u>	
1. Value of Assets	\$24,035,000	\$45,359,855	(a)
2. Administrative Expenses	\$500,000	\$200,000	
Plus Ch 11 Expense	\$200,000	\$0	
Total	\$700,000	\$200,000	
3. Secured Claims (including default interest)	\$23,036,869	\$26,188,248	(b)
4. Secured Taxes Claims <sup>(c)</sup>	\$310,733	\$310,733	
5. Chapter 7 Trustee Fee (3%)	\$721,050	NA	
6. Exemptions	NA	NA	
<b>Total Available for Distribution to General Unsecureds</b>	<b>(\$733,653)</b>	<b>\$18,660,873</b>	
	Unsecured creditors receive payment of 0% of total claims	Unsecured creditors receive payment of 100% plus interest of total allowed claims under Plan	

(a) Includes related assets that are not a party to the FPF filing. See Exhibit E.

(b) Includes liabilities of related assets that are not a party to the FPF filing. Chapter 7 analysis assumes approximately \$1.2 million of default interest is not waived. See Exhibit F.

(c) Includes delinquent taxes related to FPF Oak Trails, LP, a related entity. See Exhibit F.



Below is a description of how we arrived at each asset's respective Chapter 7 and Chapter 11 values:

Drawbridge Inn:

Bank Midwest engaged Hotel Leisure Advisors (HLA) to appraise the Hotel. On October 9, 2009, HLA reported an "As Is" Value of the \$6,700,000. On January 27, 2009, HLA reported as "As Is" value for the Hotel of \$8,300,000 and an "As Stabilized" Value of \$11,300,000.

The Debtor considered listing the property for sale in August of 2009. It engaged Huff, Niehaus & Associates (HN), a boutique hotel broker, to perform an Opinion of Value. HN's value range was \$8,000,000 to \$10,000,000.

Applying conservatism to the range of values listed above to account for a slightly weaker hotel market, FPF's pro forma Chapter 11 value for the property is **\$7,500,000**.

In determining the property's liquidation value, recent conversations with HN reveal that in today's market, a property similar to the Drawbridge Inn would in their opinion trade at

land value of approximately \$250,000 per acre or 1 times gross revenue. Being that the property is 16 acres and projected 2010 revenue is \$4,000,000, the resulting value would be **\$4,000,000**. Without hands on asset management of the Debtor, the property will fail to move the hotel towards greater profitability making it a more attractive acquisition candidate for buyers.

**Sunset Crossing:**

This performing loan is scheduled to pay off at \$5,500,000 as described in the Sunset Compromise Motion which was entered on November 15, 2010. Therefore, in a Chapter 11 or Chapter 7 scenario, the applicable value is **\$5,500,000**. UPDATE: This loan was paid on December 23, 2010.

**Shalamar Apartments:**

While no current appraisal for the property exists, there is ample information available to support the Debtor's Chapter 11 value estimate of \$6,300,000. The property has exceeded its stabilized occupancy projection of 95% and currently is 98% occupied. October 2010's net operating income was \$60,000 - its highest level since acquired by the Debtor. CBRE, the court approved broker for the property, is marketing the property for

sale and has sourced two letters of intent for \$5,900,000 and \$5,750,000, respectively. These offers are based on limited financial information - only one month of stabilized income has been made available to Buyers. It is the broker and Debtor's opinion that with additional months of historic performance, the property could be sold for as much as \$6,300,000. A CBRE broker opinion of value dated September 2009 displayed a value of \$5,975,000 but it was based on 95% occupancy and an 8.3% cap rate on projected net operating income of approximately \$500,000. Debtor is continuing to manage and market this property with a view toward achieving maximum value.

If the property had to be sold under a chapter 7 plan immediately, the Debtor estimates that thea Trustee could sell it for a liquidated value of **\$5,750,000**, the projected Chapter 7 value. This value is less than the Chapter 11 value because it fails to utilize the Debtor's ability to maintain the property's occupancy levels, generate net operating income and evidence for buyers over the coming months.

**Oak Trail Villas:**

Bank Midwest engaged Butler Burgher (BB) to appraise the property. On October 5, 2009, BB reported an "Aggregate Retail Value" of \$8,877,600 based on 49 remaining units. It also reported a "Bulk (Wholesale)" as is value of \$3,150,000.

The BB Aggregate Retail value used an assumed sale price per unit of \$181,176 based on comparable sales available at the time. The Debtor's projected market of **\$6,000,000** assumes a per unit sales price of \$185,000 less a cost to build of \$58,000 per unit multiplied by 47, the number of units at the time of filing. On or about September 30, 2010, three units closed with the Court's permission. The three units had an average sales price of \$185,700. The Oak Trails project is still in construction and units are being sold as they are completed.

The Debtor's Chapter 7 liquidation value of **\$3,150,000** is based on the appraised value discounted for the assumption of a bulk sale by the Trustee marketing the property in its current unfinished condition without the benefit of the Debtor's completing the construction and marketing which would unlock the property's maximum value for the estate.

**2nd Street:**

Bank Midwest engaged Grumley Valuation and Consulting to appraise the property which resulted in an "As Is Value" of \$2,535,000 in October of 2009. This value was determined when the building had no tenants or income after the construction of the building. Since this time period, the Debtor has successfully leased 3,500 square feet of the 6,500 square building at the rate of \$30 per square foot on a triple net basis plus a 4% percentage lease factor which is estimated to contribute an additional \$10 per square foot of annual income. Additionally, the lease grows by 3% per year until reaching \$40 psf in year 10 or \$50 psf including the percentage rent. The tenant, a successful restaurant operator, has an estimated budget of approximately \$1,000,000 for the improvements of the business including furnishings and equipment. The Debtor will also provide \$250,000 in additional tenant improvements. Due to this leasing event, the Debtor projects leasing the balance of the space of only 3,000 square feet over the next 12 months with similar terms. The market value is determined by taking the current rate plus the percentage rent to arrive at income of \$40 per square foot multiplied by the size of building to arrive at an income of \$260,000 capitalized at 8% to arrive at a building

value of \$3,250,000 plus the value of the lot which is the only undeveloped corner lot in "Old Town Scottsdale" at \$2,000,000 or \$140 per square foot with similar comps at \$200. A Chapter 11 market value of **\$5,250,000** is achieved by combining the value of the building when fully stabilized plus the value of the land.

If a Trustee were to liquidate the Property on an "As Is" basis, the Trustee could possibly achieve a sales price of **\$2,535,000**, the value referenced in the appraisal above. The valuation is lower in chapter 7 because a trustee would lack the ability to complete the development to achieve maximum value.

**Villages:**

Bank Midwest engaged Grumley Valuation and Consulting to appraise the property which resulted in an "As Is Value" of \$600,000 in October of 2009. The Debtor projects leasing the building for \$25 psf on a net basis in 2011 with yearly increases of 3% per annum. This lease in year two would result in net operating income of approximately \$108,665 which when capped at 9.0% results in an estimated value of **\$1,200,000**.

If a Trustee were to liquidate the Property on an "As Is" basis, it could possibly achieve a sales price of **\$600,000** based on the appraised value above.

**3789 National Drive:**

Bank Midwest engaged IRR Residential Metro Real Estate Services (IRR) to appraise the property. On February 10, 2009, IRR reported a Value of the \$880,000. At that point in time, the property was unoccupied and listed for sale. The Debtor has since been able to find a tenant to lease and stage the property while paying for landscaping and other services. The tenant pays rent of \$3,250 per month. Because the home is occupied and well presented, the Debtor believes that with time and market improvement it can find a buyer at **\$950,000**, its proposed Chapter 11 value. The home sold previously for \$1,200,000.

If a Trustee were appointed, the property would lose the tenant and its condition would deteriorate eventually resulting in a sale in the current distressed market at a distressed / foreclosure value of **\$700,000**.

**Metro Cinema**

Universal Cinema Services conducted an equipment valuation for the movie theatre equipment leased to Colleyville Cinema Grill in 2008 which estimated the current value at \$792,107. Bank Midwest ordered and updated appraisal in October of 2009 which reported a revised value of approximately \$640,000. The Debtor projects selling the equipment the cinema operators for **\$500,000**, the Chapter 11 value of the collateral.

If a Trustee were to liquidate the equipment, the projected liquidation sale price is estimated to be **\$250,000** by Universal Cinema Services.

**220 21st Place:**

The last appraisal performed by Hooks and Associates is dated April 21, 2005 and reports a \$1,600,000 value. The Debtor identified a tenant who is leasing the property for \$6,000 per month. The best indicator of value is the sale of its twin unit in May 2010 for \$1,700,000. According to Shorewood Realtors, two sales of slightly inferior properties closed recently including



203 20th Place for approximately \$1,525,000 and 125 20th Place for \$1,749,000. Based on this information, the Debtor's estimated Chapter 11 value is **\$1,700,000**.

If the property were to be liquidated by a Trustee, it would lose the tenant and its condition would deteriorate causing it to sell for a distressed value of **\$1,500,000**.

The following group of assets only applies in the event the Plan is approved. Their estimated fair markets are highlighted below.

**Park 3000:**

While no appraisal exists for the property, CBRE has been retained to market the property for sale on behalf of the principals of the Debtor. The property currently has a trailing 12 month net operating income of approximately \$630,000. In an opinion of value based on projected 2011 net operating income of \$609,674 and in place cap rate of 8.5%, CBRE projects the property to sell for \$7,135,000. The Debtor assumes a Chapter 11 value of **\$7,000,000**.

**Aviation Applications, LLC**

This entity is a single asset LLC secured by a Lear 35 aircraft with an estimate value of **\$750,000** acquired in a foreclosure of a note held by Aviation Securitization. The equipment is currently financed by PNC Bank in the amount of \$625,000 with a note that matures December 31, 2011. Payments are current.

**HC Finance, LLLP**

This entity is comprised of loans owned free and clear. HC Finance assets include a loan to Kamp Motorspeedway in the principal amount \$980,000 with collateral including a race track facility, Kmotion Racing, and a commercial building in Layfayette, Indiana. In addition, HC Finance has a lending relationship with Motti in the principal amount of \$504,000 for the restaurant equipment of Giafranco's Restaurant in North Scottsdale, Arizona. This loan is a performing loan with a maturity scheduled for December 31, 2011.

**XV. FUTURE DEBTOR**

a. Management of Debtor

1. Names of persons who will manage the Debtor's business affairs: Stephen Collias & Marc Heenan
2. Proposed compensation to persons listed above: Collias: \$150,000 annually; Heenan \$125,000 annually
3. Qualifications: See resumes attached as Exhibit "G"
4. Affiliation of persons to Debtor: Collias: 49 ½ shareholder; Heenan: none
5. Job description: Management of Assets

b. Disbursing Agent

Debtor is responsible for collecting money intended for distribution to claimants and transmitting it to them. The disbursing agent's address and telephone number are:

429 Santa Monica Blvd., Suite 625

Santa Monica, CA 90401

Telephone: 310.587.0037

1. Proposed compensation to person listed above: See above.
2. Qualifications: See above.
3. Affiliation of person to Debtor: See above.
4. Job description: See above.

c. Future Financial Outlook

The Proponent believes that the Debtor's economic health will improve from its prebankruptcy state for the following reasons. First, market conditions are improving. Second, the Chapter 11 has afforded the Debtor additional time to allow for optimal marketing and sale of assets for a more favorable economic return on sale and/or refinance. Third, Debtor has additional time due to the extended terms with Bank Midwest per the Loan Modification Agreement, as well as a partial waiver of default interest by Bank Midwest.

Section X provides a summary of the projected cash flow of the Debtor for the duration of the Plan. The following assumptions underlie the projections: Continued operations and cash flow per Exhibit "C". As previously stated, Plan payments

will come from the continued operation of the Debtor's business, including rental income, refinance and sale proceeds. If the business generates insufficient funds to provide all of the Plan payments, then the Proponent will make up the shortfall under the following conditions and subject to the following terms:

Sale and refinance of assets. The Proponent's financial solvency, which is relevant to its ability to honor its commitment to make up any shortfall, is demonstrated by the following facts: values exceed liabilities per the financial statements at Exhibit "D". Also, Debtor has a current cash investment balance of \$ 11,780,118 and the investors have shown their capability and willingness to invest additional monies necessary to meet obligations as was evidence by the additional cash infusion in 2009 of \$842,000.

**XVI. SALE OR TRANSFER OF PROPERTY; ASSUMPTION OF CONTRACTS AND  
LEASES; OTHER PROVISIONS**

The Plan provides for the following:

a. The Assumption of Contracts

Effective as of, and conditioned on, the occurrence of the Effective Date, the Debtor will assume all of the executory contracts and unexpired leases set forth in Exhibit "H." The Debtor may amend Exhibit "H" to add thereto any executory contract or unexpired leases, or to delete therefrom any executory contract or lease, up to and including the Confirmation Date. However, if any amendments are made to Exhibit "H" less than twenty-four (24) days before the Confirmation Date, the affected contract or lease parties shall have fifteen (15) days from the date of service of notice of such amendments within which to serve on the Debtor a written objection to the same. Upon receipt of any such objection, the Debtor shall promptly set a hearing on the same, and the assumption or rejection of the affected contract or lease shall be delayed until the Bankruptcy Court makes a determination on this issue (such determination may be made after the Confirmation Date, without delaying the confirmation of the Plan).

Payment of Allowed Cure Claims, if any, shall be paid over a period not to exceed thirty-six (36) months, in equal monthly installments commencing on the Effective Date.

b. The Rejection of Contracts

At present, the Debtor does not anticipate rejecting any executory contracts. The Debtor reserves the right to amend this section of the Plan to add thereto any executory contracts or leases, or to delete therefrom any executory contract or unexpired lease, up to and including the Confirmation Date. However, if any amendments are made to this section of the Plan later than twenty-four (24) days before the Confirmation Date, the affected contract or lease parties shall have fifteen (15) days from the date of service of notice of such amendments within which to serve on the Debtor a written objection to the same. Upon receipt of any such objection, the Debtor shall promptly set a hearing on the same, and the rejection of the affected contract or lease shall be delayed until the Bankruptcy Court makes a determination on this issue (such determination may be made after the Confirmation Date, without delaying the confirmation of the Plan). To the extent that an executory contract or unexpired lease has been rejected by the Debtor

prior to the Confirmation Date pursuant to an order of the Bankruptcy Court, such rejection shall not be affected by the Plan

The Court must make certain findings of fact before approving the aforementioned provisions as part of the Plan. The Proponent will request that the Court make the appropriate findings at the confirmation hearing, based upon evidence submitted in support of the confirmation motion.

**XVII. BANKRUPTCY PROCEEDINGS**

This case was commenced on May 24, 2010. On June 14, 2010, Bank Midwest N.A. filed its Motion for Relief from Stay and its Motion to Appoint Chapter 11 Trustee. By stipulation, these matters are still pending before the Court, with hearings set for October 12, 2010.

The Notice of Claims Bar Date was served on July 14, 2010.

On July 20, 2010, Debtor substituted Leslie Cohen Law PC as its Bankruptcy Counsel. The order approving the employment of Leslie Cohen Law PC was entered on August 3, 2010.



On July 20, 2010, Debtor filed its Motion to Use Cash Collateral pertaining to the Shalamar Property. There were no opposition to this Motion, and the Court's order approving it is pending.

As of the filing of this Amended Disclosure Statement and Plan, Debtor has filed Applications to Employ all of its Professionals in this case, as listed under the Administrative Claims section of this Plan. Orders have been entered approving the employment of all professionals.

On September 7, 2010, Debtor filed its stipulation with Bank Midwest N.A. concerning use of cash collateral. There were no objections to this stipulation, and the Court approved the stipulation.

On November 15, 2010, the Court granted the Order Motion to Compromise Re Sunset Crossing Note Pursuant to Federal Rule of Bankruptcy Procedure 9019.

To reflect the Sunset Crossing compromise, the Debtor and Bank Midwest N.A. are amending the September 7, 2010 Stipulation concerning use of cash collateral. This amended stipulation will be filed concurrently with this Amended Disclosure Statement and Plan.

**XVIII. TAX CONSEQUENCES OF PLAN**

All required tax reporting has been done on a timely basis, including recent tax obligations for 2009 which were just completed on September 15. Proceeding forward, all taxes will be maintained current except as referenced in the schedule of priority claims for real estate taxes for 3 of the Debtor's assets. The accelerated debt reduction requirement by Bank Midwest may create tax consequences for the Debtor, but is not expected to affect creditors. Parties in interest should contact their own tax advisors to determine any tax implications.

**XIX. EFFECT OF CONFIRMATION OF PLAN**

a. General comments

The provisions of a confirmed Plan bind the Debtor, any entity acquiring property under the Plan, and any creditor, interest holder, or general partner of the Debtor, even those who do not vote to accept the Plan.

The confirmation of the Plan vests all property of the estate in the Debtor.

The automatic stay is lifted upon confirmation as to property of the estate. However, the stay continues to prohibit collection or enforcement of pre-petition claims against the Debtor or the Debtor's property until the date the Debtor receives a discharge, if any. If the Debtor does not seek a discharge, the discharge is deemed denied, and the stay as to the Debtor and the Debtor's property terminates upon entry of the order confirming the Plan.

b. Discharge of liability for payment of debts; status of liens; equity security holders

Unless the Debtor is not entitled to receive a discharge pursuant to 11 U.S.C.A. 1141(d)(3) (West 2004), the debtor may obtain a discharge only upon specific order of the Court.

c. Modification of the Plan

The Proponent may modify the Plan pursuant to 11 U.S.C.A. § 1127 (West 2004 & Supp. 2006).

d. Post-Confirmation Causes of Action

To the best knowledge of the Proponent, the estate has the following causes of action: a) tax disputes, b) ongoing collection actions against various borrowers which may have arisen or may arise in the future , c) other actions, if any, which are currently being evaluated, including, without limitation, avoidance actions, if any.

The Reorganized Debtor is designated as representative of the estate under 11 U.S.C.A. § 1123(b)(3) (West 2004) and shall have the right to assert any or all of the above causes of action post-confirmation in accordance with applicable law.

e. Final Decree

Once the Plan has been consummated, a final decree may be entered upon motion of the Proponent. The effect of the final decree is to close the bankruptcy case. After such closure, a party seeking any type of relief relating to a Plan provision can seek such relief in a state court of general jurisdiction.

**XX. DECLARATION IN SUPPORT OF DISCLOSURE STATEMENT AND PLAN**

I, Stephen Collias, declare under penalty of perjury under the laws of the United States of America that the following statements are true and based upon personal knowledge.

1. Marc Heenan and I, together with counsel, are the individuals who prepared this document.
2. The source of all financial data is Debtor's books and records.
3. All facts and representations in the Plan and Disclosure Statement are true to the best of my knowledge.
4. No fact material to a claimant or equity security holder in voting to accept or reject the proposed Plan has been omitted.
5. The name of the person(s) who prepared the cash flow projections and the other financial documents is Marc Heenan, and such person was acting within the capacity of his position as Senior Vice President for the Debtor.

6. The accounting method used to prepare the cash flow projections and the other financial documents is cash.

Date: 1/28/11



Stephen Collias

**BALLOT FOR ACCEPTING OR REJECTING PLAN**

Franklin Pacific Finance, LLLP filed a Plan of Reorganization on September 21, 2010. By this ballot you will decide whether to accept or reject this Plan.

The Plan referred to in this ballot can be confirmed by the Court and thereby bind you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class and the holders of two-thirds in amount of equity security interests in each class voting on the Plan.

If the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class or classes rejecting it and otherwise satisfies the requirements of 11 U.S.C.A. § 1129(b) (West 2004 & Supp. 2006).

Check the appropriate line below, which describes your interest:

\_\_\_\_\_ The undersigned, a creditor with an allowed claim in the amount of \$ \_\_\_\_\_:

\_\_\_\_\_ The undersigned, a holder of a bond in the amount of \$ \_\_\_\_\_, with a stated maturity date of \_\_\_\_\_, registered in the name of \_\_\_\_\_, and bearing serial number(s) \_\_\_\_\_:

\_\_\_\_\_ The undersigned, the holder of \_\_\_\_\_ shares of \_\_\_\_\_ (explain type of stock) stock, with a certificate(s) No. \_\_\_\_\_:

[ ] Accepts the Plan

[ ] Rejects the Plan

Print or type name: \_\_\_\_\_

State which class you are a member of:  
\_\_\_\_\_

Signed: \_\_\_\_\_

If appropriate, by: \_\_\_\_\_ as \_\_\_\_\_

Address:

**Return this ballot on or before March 7, 2011 by 5 p.m. PST to:**

**Leslie Cohen Law PC  
Attn: Jaime Williams  
506 Santa Monica Blvd.  
Suite 200  
Santa Monica, CA 90401  
Facsimile: (310) 394-9280  
jaime@lesliecohenlaw.com**



**EXHIBIT A**

BSD (Official Form 6D) (12/07)

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727 VZ**

Debtor

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	Husband, Wife, Joint, or Community		DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
	H	W						
Account No. xxxxxx8856  Bank Midwest, N.A. 100 Main Kansas City, MO 64198-6458	X							
			6-20-06 UCC-1 Theater Equipment leased to Metro Cinemas Colleyville, TX Value \$ 638,555.00				167,089.00	0.00
Account No. xxxxxx7530  Bank Midwest, N.A. 100 Main Kansas City, MO 64198-6458								
			3-20-07 Deed of Trust sfr 6789 N. National Drive Parkville, MO 64152 Platte County Value \$ 950,000.00				680,000.00	0.00
Account No. xxxxxx6081  Bank Midwest, N.A. 100 Main Kansas City, MO 64198-6458								
			5-12-05 Deed of Trust Retail Property Villages at Pinnacle Peak, Building 5 10452 East Jomax Road Scottsdale, AZ 85262 Value \$ 1,200,000.00				800,000.00	0.00
Account No. xxxxxx9210  Bank Midwest, N.A. 100 Main Kansas City, MO 64198-6458								
			12-19-07 Deed of Trust Shalamar Apartments (162 Units) 1840 Aquarena Springs Drive San Marcos, TX 78866 Hays County Value \$ 6,300,000.00				3,525,000.00	0.00
Subtotal (Total of this page)							5,162,089.00	0.00

1 continuation sheets attached

B6D (Official Form 6D) (12/07) - Cont.

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	H W J C	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
Account No.  Bank Midwest, N.A. 100 Main Kansas City, MO 64198-6458	-	Note Receivable from Drawbridge Inn LLC secured by Drawbridge Inn hotel Fort Mitchell, KY  Value \$ 8,429,826.00				6,226,090.00	0.00
Account No.  Bank Midwest, N.A. 100 Main Kansas City, MO 64198-6458	-	Note Receivable from Sunset Crossing secured by Sunset Crossing Retail Center San Angelo, TX  Value \$ 5,842,340.00				3,807,368.00	0.00
Account No. xxxx7421  Collette Franklin Tax Assessor 3976 Mustang Dr. Grapevine, TX 76051	-	various  personal property taxes  Theater Equipment leased to Metro Cinemas Colleyville, TX  Value \$ 839,555.00				79,632.00	0.00
Account No. xxxxxx1388  Washington Mutual Bank, NA (Chase) POBox 78148 Phoenix, AZ 85062-8148	-	1-25-08 First Mortgage sfr 220 21st Place Manhattan Beach, CA 90266 Los Angeles County  Value \$ 1,650,000.00				1,045,922.00	0.00
Account No. xxxxxx3763  Washington Mutual Bank, NA (Chase) POBox 78148 Phoenix, AZ 85062-8148	-	1-25-08 Second Mortgage sfr 220 21st Place Manhattan Beach, CA 90266 Los Angeles County  Value \$ 1,650,000.00				360,000.00	0.00
Subtotal (Total of this page)						10,519,012.00	0.00
Total (Report on Summary of Schedules)						16,671,101.00	0.00

Sheet 1 of 1 continuation sheets attached to  
Schedule of Creditors Holding Secured Claims

B&F (Official Form 6F) (12/07)

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727-VZ**

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		H W J C					
Account No. Shalamar  A & M Cleaning 193 Valero Drive San Marcos, TX 78666	-						405.94
Account No.  Bonnott, Fairbourn, Freedman etc. 2901 N. Central Ave Suite 1000 Phoenix, AZ 85012	-						8,500.00
Account No. Shalamar  C&J Painting & Carpet Cleaning POBox 200573 Austin, TX 78720	-						3,949.74
Account No. xx1664  Classified Ventures 2563 Collections Center Drive Chicago, IL 60693	-						528.00
Subtotal (Total of this page)							13,383.68

4 continuation sheets attached

B5F (Official Form 6F) (12/07) - Cont.

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727 VZ**

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	Husband, Wife, Joint, or Community		C O N T I N G E N T	D I S P U T E D	AMOUNT OF CLAIM
		H W J C	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.			
Account No. Shalamar  Cleaning Network POBox 41975 Austin, TX 78704		-	Trade debt			952.00
Account No. Shalamar  Cowboys Painting 15405 Connie Street, #B Austin, TX 78728		-	Trade debt			4,687.29
Account No. Shalamar  CSN Support Services 252 McGarity Kyle, TX 78840		-	Trade debt			276.04
Account No.  Enbody, Inc. 14431 Ventura Blvd Suite 269 Sherman Oaks, CA 91423		-	various Consulting Services			3,000.00
Account No. Shalamar  Frank's Painting 110 N 1H 35 Suite 316-189 Round Rock, TX 78664		-	Trade debt			3,537.40
Subtotal (Total of this page)						12,452.73

Sheet no. 1 of 4 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

In re Franklin Pacific Finance, LLLP  
Debtor

Case No. LA 2:10-30727 VZ

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O N T R I B U T O R	Husband, Wife, Joint, or Community		D I S P U T E D	A M O U N T O F C L A I M
		H W	J C		
		DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.			
Account No. Shalamar  Green Grass 5333 Randolph Blvd. San Antonio, TX 78233	-	Trade debt			1,188.90
Account No. Shalamar  Greensheet POBox 140721 Austin, TX 78704	-	Trade debt			560.00
Account No. xxx8493  HD Supply Facilities Maint. Group 10841 Scripps Summit Court San Diego, CA 92131	-	Trade debt			4,285.44
Account No. Shalamar  J4 Development 2808 Longhorn Blvd., Suite 306 Austin, TX 78758	-	Trade debt			757.12
Account No. x3827  Premium Cuts Lawn Svc & Maint. POBox 820108 Austin, TX 78708	-	Trade debt			3,957.88
Subtotal (Total of this page)					10,757.34

Sheet no. 2 of 4 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

B6F (Official Form 6F) (12/07) - Cont.

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	H U S B A N D, W I F E, J O I N T, O R C O M M U N I T Y	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N D I S P U T E D	AMOUNT OF CLAIM
Account No. Shalamar  Rasa Floors POBox 619130 Dallas, TX 75261	-		Trade debt			26,799.50
Account No.  SAA Architects 6083 Bristol Parkway Cuiver City, CA 90230	-		various architectural services			3,500.00
Account No. Shalamar  South Central Texas Apt. Blue Book 112 West Hopkins Street San Marcos, TX 78666	-		Trade debt			2,405.00
Account No. Shalamar  Sunset Carpet Care POBox 142342 Austin, TX 78714	-		Trade debt			97.38
Account No. xx8488  Wilmar POBox 404284 Atlanta, GA 30384	-		Trade debt			1,504.73
					Subtotal (Total of this page)	34,306.61

Sheet no. 3 of 4 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

B6F (Official Form 6B) (12/07) - Cont.

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T R I B U T I O N	U N P A I D D E B T	D I S C U S S I O N	AMOUNT OF CLAIM
		Husband, Wife, Joint, or Community					
Account No. <del>xxxxx8888</del>  Worldwide Pest Control 6808 IH 10 West San Antonio, TX 78201			Trade debt				161.11
Account No.  Wyndelta & Gagnon 4800 N. Scottsdale Rd. Suite 1400 Scottsdale, AZ 85251			various accounting services				9,197.42
Account No.							
Account No.							
Account No.							

Sheet no. 4 of 4 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

Subtotal  
(Total of this page)

**9,358.63**

Total  
(Report on Summary of Schedules)

**80,258.89**



**EXHIBIT B**

B&F (Official Form 6F) (12/97)

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727 VZ**

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	Husband, Wife, Joint, or Community		DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
	C O D E B T O R	H W J C					
Account No. Shalamar			Trade debt				
A & M Cleaning 193 Valero Drive San Marcos, TX 78666		-					405.94
Account No.			various legal services				
Bonnett, Fairbourn, Freedman etc. 2901 N. Central Ave Suite 1000 Phoenix, AZ 85012		-					8,500.00
Account No. Shalamar			Trade debt				
C&J Painting & Carpet Cleaning POBox 200573 Austin, TX 78720		-					3,949.74
Account No. xx1664			Trade debt				
Classified Ventures 2663 Collections Center Drive Chicago, IL 60693		-					628.00
Subtotal (Total of this page)							13,383.68

4 continuation sheets attached

867 (Official Form 6F) (12/07) - Cont.

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N S E C U R E D	D E B T O R	AMOUNT OF CLAIM
		H W J C					
Account No. Shalamar  Cleaning Network POBox 41975 Austin, TX 78704							952.00
Account No. Shalamar  Cowboys Painting 15406 Connie Street, #B Austin, TX 78728							4,687.29
Account No. Shalamar  CSN Support Services 252 McGarthy Kyle, TX 78840							276.04
Account No.  Enbody, Inc. 14491 Ventura Blvd Suite 289 Sherman Oaks, CA 91423							3,000.00
Account No. Shalamar  Frank's Painting 110 N IH 35 Suite 315-189 Round Rock, TX 78664							3,537.40
						Subtotal (Total of this page)	12,452.73

Sheet no. 1 of 4 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

Subtotal  
(Total of this page)

12,452.73

85F (Official Form 6F) (12/07) - Cont.

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS, INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R  H W J C	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N D I S P U T E D	A M O U N T O F C L A I M
Account No. Shalamar  Green Grass 5333 Randolph Blvd. San Antonio, TX 78233						1,196.90
Account No. Shalamar  Greensheet POBox 140721 Austin, TX 78704						560.00
Account No. xxx6493  HD Supply Facilities Maint. Group 10641 Scripps Summit Court San Diego, CA 92131						4,285.44
Account No. Shalamar  J4 Development 2808 Longhorn Blvd., Suite 308 Austin, TX 78758						757.12
Account No. x3827  Premium Cuts Lawn Svc & Maint. POBox 820108 Austin, TX 78708						3,957.98
Subtotal (Total of this page)						10,757.34

Sheet no. 2 of 4 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

Subtotal  
(Total of this page)

10,757.34

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727-VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS, INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM	
		H W J C						
Account No. <b>Shalamar</b>  Rasa Floors POBox 619130 Dallas, TX 75281							26,789.50	
Account No.  SAA Architects 6083 Bristol Parkway Culver City, CA 90230							3,500.00	
Account No. <b>Shalamar</b>  South Central Texas Apt. Blue Book 112 West Hopkins Street San Marcos, TX 78666							2,405.00	
Account No. <b>Shalamar</b>  Sunset Carpet Care POBox 142342 Austin, TX 78714							97.38	
Account No. <b>xx8488</b>  Wilmar POBox 404284 Atlanta, GA 30384							1,504.73	
Sheet no. <u>3</u> of <u>4</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							Subtotal (Total of this page)	34,308.61

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H U S B A N D, W I F E, J O I N T, O R C O M M U N I T Y	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM	
Account No. xxxxx8888  Worldwide Pest Control 6808 IH 10 West San Antonio, TX 78201			Trade debt				161.11	
Account No.  Wyndells & Gagnon 4800 N. Scottsdale Rd. Suite 1400 Scottsdale, AZ 85251			various accounting services				9,197.42	
Account No.								
Account No.								
Account No.								
Sheet no. <u>4</u> of <u>4</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							Subtotal (Total of this page)	9,358.53
							Total (Report on Summary of Schedules)	80,258.89

**EXHIBIT C**

# Franklin Pacific Finance

1/21/2011

## *Projected Cashflow Statement*

*At Projected Court Confirmation Date of April 7, 2011*

	<u>Nov. 2010 - Mar. 2011</u>
<b>Sources</b>	
Cash in DIP Accounts <sup>(a)</sup>	\$585,786
Less Borrower Reserve and Escrow Accounts <sup>(b)</sup>	(\$207,681)
Monthly Cashflow	\$470,935
Sales / Dispositions / Refinances*	\$11,751,998
<b>Total Cash Sources</b>	<u><b>\$12,601,037</b></u>
<b>Uses</b>	
Default Interest (April 1, 2010 - July 31, 2010) <sup>(c)</sup>	(\$343,515)
Estimated Collection Costs	(\$250,000)
Payment of Unsecured Creditors (FPF)	\$0
Payment of Unsecured Creditors (FPF Oak Trails)	\$0
Administrative Fees	(\$170,897)
BMW Debt Service	(\$299,103)
Non-BMW Debt Service	(\$58,500)
Operating Expenses	(\$195,000)
BMW Principal Paydown <sup>(d)</sup>	(\$9,971,221)
Non-BMW Principal Paydown	\$0
Total CapEx, Taxes, Etc.	(\$492,435)
<b>Total Cash Uses</b>	<u><b>(\$11,780,671)</b></u>
<b>Net Cash Available at Effective Date</b>	<u><u><b>\$820,366</b></u></u>

### Notes:

\* Includes DIP cash collateral account from Sunset Note to be released to BMW at closing.

(a) Balances as of October 31, 2010. Includes FPF Oak Trails DIP account.

(b) Includes the Sunset Crossing Reserve Account and Shalamar Tax and Security Deposit Liabilities.

(c) Per the Stipulation, BMW shall waive all default interest and late fees prior to March 31, 2010 and after July 31, 2010.

(d) Reflects the paydown of \$300,000 received in October from the sale of three Oak Trails Units.



# Franklin Pacific Finance

1/26/2011

## Projected Cashflow Statement

At End of Loan Maturity of April 1, 2012

	<u>Sept 2010 - Apr. 2012</u>
<b>Sources</b>	
Cash in DIP Accounts <sup>(a)</sup>	\$585,786
Less Borrower Reserve and Escrow Accounts <sup>(b)</sup>	(\$207,681)
Monthly Cashflow	\$1,601,620
Sales / Dispositions / Refinances*	\$40,439,832
<b>Total Cash Sources</b>	<b>\$42,419,556</b>
<b>Uses</b>	
Default Interest (April 1, 2010 - July 31, 2010) <sup>(c)</sup>	(\$343,515)
Estimated Collection Costs	(\$250,000)
Payment of Unsecured Creditors (FPF)	(\$80,259)
Payment of Unsecured Creditors (FPF Oak Trails)	(\$33,662)
Administrative Fees	(\$170,897)
BMW Debt Service	(\$623,283)
Non-BMW Debt Service	(\$189,000)
Operating Expenses	(\$776,268)
BMW Principal Paydown <sup>(d)</sup>	(\$20,388,323)
Non-BMW Principal Paydown	(\$5,326,072)
Total CapEx, Taxes, Etc.	(\$3,067,815)
<b>Total Cash Uses</b>	<b>(\$31,249,094)</b>
 <b>Net Cash Available at Loan Maturity</b>	 <b>\$11,170,462</b>
 Plus 15 Units at OTV (owned free and clear)	 \$1,203,488
 <b>Total</b>	 <b>\$12,373,951</b>

### Notes:

\* Includes DIP cash collateral account from Sunset Note to be released to BMW at closing.

(a) Balances as of October 31, 2010. Includes FPF Oak Trails DIP account.

(b) Includes the Sunset Crossing Reserve Account and Shalamar Tax and Security Deposit Liabilities.

(c) Per the Stipulation, BMW shall waive all default interest and late fees prior to March 31, 2010 and after July 31, 2010.

(d) Reflects the paydown of \$300,000 received in October from the sale of three Oak Trails Units.

	Nov 2010 - Mar. 2011	GRAND TOTAL
<b>RECURRING CASH SOURCES</b>		
<i>Rents, Principal &amp; Interest</i>		
BMW Cash Collateral Subtotal	274,245	1,099,368
Unrestricted Cashflow Subtotal	196,690	502,252
<b>Total Recurring Sources</b>	<b>470,935</b>	<b>1,601,620</b>
<b>NON-RECURRING CASH SOURCES</b>		
<i>Disposition/Refinances</i>		
Bank Midwest Portfolio	11,751,998	29,523,332
Non-Bank Midwest Portfolio	-	10,916,500
<b>Total Sales/Refinances</b>	<b>11,751,998</b>	<b>40,439,832</b>
<b>TOTAL SOURCES</b>	<b>12,222,932</b>	<b>42,041,452</b>
<b>RECURRING CASH USES</b>		
<i>Interest</i>		
BMW P&I	(299,103)	(623,283)
Non- Bank Midwest P&I	(58,500)	(189,000)
<b>Total Interest</b>	<b>(357,603)</b>	<b>(812,283)</b>
<i>Asset Outflows - CapEx, TIs, Taxes, Insurance, Etc.</i>		
Bank Midwest Portfolio	(471,602)	(2,953,972)
Non-Bank Midwest Portfolio	-	(38,844)
Legal	(20,833)	(75,000)
<b>Total</b>	<b>(492,435)</b>	<b>(3,067,815)</b>
<i>FPF Operations</i>		
Payroll	(160,835)	(579,006)
General & Administrative	(34,165)	(197,262)
<b>Total FPF Operations</b>	<b>(195,000)</b>	<b>(776,268)</b>
<b>NON-RECURRING CASH USES</b>		
<i>Paydown/Retirement of Debt</i>		
Bank Midwest Portfolio	(9,971,221)	(20,388,323)
Non-Bank Midwest Portfolio	-	(5,326,072)
<b>Total Debt Paydown</b>	<b>(9,971,221)</b>	<b>(25,714,394)</b>
<b>TOTAL CASH USES</b>	<b>(11,016,259)</b>	<b>(30,370,761)</b>
<b>NET CASH SURPLUS / (DEFICIT)</b>	<b>1,206,673</b>	<b>11,670,691</b>

**Cashflow Projections**

	Nov-10	Dec-10	TOTAL 2010
<b>RECURRING CASH SOURCES</b>			
<i>Rents, Principal &amp; Interest</i>			
Drawbridge	-	-	-
National	3,250	3,250	6,500
Metro	7,000	7,000	14,000
Shalamar	30,000	30,000	60,000
Sunset Crossing	42,031	42,031	84,062
Villages	-	-	-
<b>BMW Cash Collateral Subtotal</b>	<b>82,281</b>	<b>82,281</b>	<b>164,562</b>
2nd Street (BMW)	-	-	-
Oak Trail Villas (BMW)	-	-	-
Aviation Application (1st Source)	-	-	-
Manhattan Beach (Chase)	6,000	6,000	12,000
Southern Data	3,400	3,400	6,800
Marson	-	-	-
Park 3000 (Net after Debt Service)	25,000	25,000	50,000
HC Finance - Motti	5,000	5,000	10,000
HC Finance - Kamp	618	618	1,236
<b>Unrestricted Cashflow Subtotal</b>	<b>40,018</b>	<b>40,018</b>	<b>80,036</b>
<b>Total Recurring Sources</b>	<b>122,299</b>	<b>122,299</b>	<b>244,598</b>
<b>NON-RECURRING CASH SOURCES</b>			
<i>Disposition/Refinances</i>			
2nd Street	-	-	-
Drawbridge	-	-	-
National	-	-	-
Metro	-	-	-
Oak Trail Villas (BMW)	-	-	-
Shalamar	-	-	-
Sunset Crossing	-	5,500,000	5,500,000
Villages	-	-	-
Park 3000	-	-	-
Aviation Application (1st Source)	-	-	-
Manhattan Beach (Chase)	-	-	-
Marson	-	-	-
HC Finance - Motti	-	-	-
HC Finance - Kamp	-	-	-
<b>Total Sales/Refinances</b>	<b>-</b>	<b>5,500,000</b>	<b>5,500,000</b>
<b>TOTAL SOURCES</b>	<b>122,299</b>	<b>5,622,299</b>	<b>5,744,598</b>

**Cashflow Projections**

	Nov-10	Dec-10	TOTAL 2010
<b>RECURRING CASH USES</b>			
<i>Interest</i>			
BMW P&I	(80,040)	(63,576)	(143,617)
Aviation Application (1st Source)	(4,000)	(4,000)	(8,000)
Manhattan Beach (Chase)	(3,500)	(3,500)	(7,000)
<b>Total Interest</b>	<b>(87,540)</b>	<b>(71,076)</b>	<b>(158,617)</b>
<i>Asset Outflows - CapEx, Taxes, Insurance, Etc.</i>			
2nd Street		(50,000)	(50,000)
Drawbridge			-
National	(125)	(125)	(250)
Metro	-		-
Oak Trail Villas (BMW)	(8,441)	(8,441)	(16,882)
Shalamar	-	-	-
Sunset Crossing			-
Villages	-	(3,000)	(3,000)
Aviation Application (1st Source)			-
Manhattan Beach (Chase)			-
LEGAL	(4,167)	(4,167)	(8,333)
<b>Total</b>	<b>(12,733)</b>	<b>(65,733)</b>	<b>(78,466)</b>
<i>FPF Operations</i>			
Payroll	(32,167)	(32,167)	(64,334)
General & Administrative	(5,233)	(5,233)	(10,466)
<b>Total FPF Operations</b>	<b>(37,400)</b>	<b>(37,400)</b>	<b>(74,800)</b>
<b>NON-RECURRING CASH USES</b>			
<i>Paydown/Retirement of Debt/Renewal Fees</i>			
2nd Street	-	-	-
Drawbridge	-	-	-
National	-	-	-
Metro	-	-	-
Oak Trail Villas (BMW)	-	-	-
Shalamar	-	-	-
Sunset Crossing	-	(3,807,368)	(3,807,368)
Villages	-	-	-
Park 3000	-	-	-
Aviation Application (1st Source)			-
Manhattan Beach (Chase)			-
<b>Total Debt Paydown</b>	<b>-</b>	<b>(3,807,368)</b>	<b>(3,807,368)</b>
<b>TOTAL CASH USES</b>	<b>(137,673)</b>	<b>(3,981,577)</b>	<b>(4,119,250)</b>
<b>Surplus/ (Deficit)</b>	<b>(15,374)</b>	<b>1,640,722</b>	<b>1,625,348</b>

**Cashflow Projections**

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
<b>RECURRING CASH SOURCES</b>												
<i>Rents, Principal &amp; Interest</i>												
Drawbridge	(26,567)	(17,078)	32,578	43,463	60,617	17,049	89,436	34,090	57,237	122,526	(25,877)	(18,711)
National	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Metro	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Shalamar	30,000	30,000	30,000	-	-	-	-	-	-	-	-	-
Sunset Crossing												
Villages					9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143
BMW Cash Collateral Subtotal	13,683	23,172	72,828	53,713	80,011	36,443	108,829	53,484	76,631	141,919	(6,484)	682
2nd Street (BMW)	-	-	-	15,000	15,000	15,000	15,000	15,000	15,000	22,500	22,500	22,500
Oak Trail Villas (BMW)	-	-	-	-	-	-	-	-	-	-	-	-
Aviation Application (1st Source)	-	-	-	-	-	-	-	-	-	-	-	-
Manhattan Beach (Chase)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	-	-	-	-
Southern Data	3,400	3,400										
Marson	-	-	-	-	-	-	-	-	-	-	-	-
Park 3000 (Net after Debt Servi	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
HC Finance - Motti	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
HC Finance - Kamp	618	618	618	618	618	618	618	618	618	618	618	618
Unrestricted Cashflow Subtotal	40,018	40,018	36,618	51,618	51,618	51,618	51,618	51,618	45,618	53,118	53,118	53,118
<b>Total Recurring Sources</b>	<b>53,701</b>	<b>63,190</b>	<b>109,446</b>	<b>105,331</b>	<b>131,629</b>	<b>88,061</b>	<b>160,447</b>	<b>105,102</b>	<b>122,249</b>	<b>195,037</b>	<b>46,634</b>	<b>53,800</b>
<b>NON-RECURRING CASH SOURCES</b>												
<i>Disposition/Refinances</i>												
2nd Street	-	-	-	-	-	-	-	-	-	-	-	1,800,000
Drawbridge	-	-	-	-	-	-	-	-	-	-	-	-
National	-	-	-	-	-	-	-	-	-	-	-	950,000
Metro	-	-	-	-	-	-	-	-	-	-	-	500,000
Oak Trail Villas (BMW)	-	167,333	334,665	334,665	334,665	334,665	334,665	334,665	334,665	334,665	334,665	334,665
Shalamar	-	-	5,750,000	-	-	-	-	-	-	-	-	-
Sunset Crossing	-	-	-	-	-	-	-	-	-	-	-	-
Villages	-	-	-	-	-	-	-	-	-	-	-	1,100,000
Park 3000	-	-	-	-	-	-	-	-	-	-	-	7,000,000
Aviation Application (1st Source)	-	-	-	-	-	-	-	-	-	-	-	712,500
Manhattan Beach (Chase)	-	-	-	-	-	-	-	1,700,000	-	-	-	-
Marson	-	-	-	-	-	125,000	-	-	-	-	-	-
HC Finance - Motti	-	-	-	-	-	-	-	-	-	-	-	-
HC Finance - Kamp	-	-	-	-	-	-	-	250,000	-	-	-	500,000
<b>Total Sales/Refinances</b>	<b>-</b>	<b>167,333</b>	<b>6,084,665</b>	<b>334,665</b>	<b>334,665</b>	<b>459,665</b>	<b>334,665</b>	<b>2,284,665</b>	<b>334,665</b>	<b>334,665</b>	<b>334,665</b>	<b>12,897,165</b>
<b>TOTAL SOURCES</b>	<b>53,701</b>	<b>230,523</b>	<b>6,194,111</b>	<b>439,996</b>	<b>466,294</b>	<b>547,726</b>	<b>495,112</b>	<b>2,389,767</b>	<b>456,914</b>	<b>529,702</b>	<b>381,299</b>	<b>12,950,965</b>

**Cashflow Projections**

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
<b>RECURRING CASH USES</b>												
<i>Interest</i>												
BMW P&I	(61,249)	(57,856)	(36,380)	(35,672)	(34,964)	(34,255)	(33,547)	(32,839)	(32,130)	(31,422)	(30,714)	(15,851)
Aviation Application (1st Source)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Manhattan Beach (Chase)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)
<b>Total Interest</b>	<b>(75,749)</b>	<b>(72,356)</b>	<b>(50,880)</b>	<b>(50,172)</b>	<b>(49,464)</b>	<b>(48,755)</b>	<b>(48,047)</b>	<b>(47,339)</b>	<b>(46,630)</b>	<b>(45,922)</b>	<b>(45,214)</b>	<b>(30,351)</b>
<i>Asset Outflows - CapEx, Taxes, .</i>												
2nd Street		(50,000)	(50,000)	(50,000)	(38,000)		(50,000)	(50,000)	(50,000)	(50,000)		(50,428)
Drawbridge			(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)
National	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(31,612)
Metro	-	-	-	-	-	-	-	-	-	-	-	(37,080)
Oak Trail Villas (BMW)	(3,441)	(65,564)	(128,035)	(128,313)	(128,591)	(128,869)	(129,148)	(129,426)	(129,704)	(129,982)	(130,260)	(130,538)
Shalamar	-	-	-	-	-	-	-	-	-	-	-	-
Sunset Crossing												
Villages	-		(103,000)	-		(3,000)	-	-	(3,000)	-		(27,480)
Aviation Application (1st Source)												
Manhattan Beach (Chase)												(38,844)
LEGAL	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)
<b>Total</b>	<b>(7,733)</b>	<b>(119,856)</b>	<b>(286,381)</b>	<b>(183,659)</b>	<b>(171,937)</b>	<b>(137,215)</b>	<b>(184,493)</b>	<b>(184,772)</b>	<b>(188,050)</b>	<b>(185,328)</b>	<b>(135,606)</b>	<b>(321,202)</b>
<i>FPF Operations</i>												
Payroll	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)
General & Administrative	(5,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)
<b>Total FPF Operations</b>	<b>(37,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>	<b>(41,400)</b>
<b>NON-RECURRING CASH USE</b>												
<i>Paydown/Retirement of Debt/Re.</i>												
2nd Street	-	-	-	-	-	-	-	-	-	-	-	(1,800,000)
Drawbridge	-	-	(1,105,103)	-	-	-	-	-	-	-	-	-
National	-	-	-	-	-	-	-	-	-	-	-	(891,000)
Metro	-	-	-	-	-	-	-	-	-	-	-	(225,570)
Oak Trail Villas (BMW)	-	(100,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Shalamar	-	-	(4,758,750)	-	-	-	-	-	-	-	-	-
Sunset Crossing	-	-	-	-	-	-	-	-	-	-	-	-
Villages	-	-	-	-	-	-	-	-	-	-	-	(1,080,000)
Park 3000	-	-	-	-	-	-	-	-	-	-	-	(3,365,622)
Aviation Application (1st Source)												(543,450)
Manhattan Beach (Chase)								(1,417,000)				-
<b>Total Debt Paydown</b>	<b>-</b>	<b>(100,000)</b>	<b>(6,063,853)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(1,617,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(8,105,642)</b>
<b>TOTAL CASH USES</b>	<b>(120,882)</b>	<b>(333,612)</b>	<b>(6,442,515)</b>	<b>(475,231)</b>	<b>(462,801)</b>	<b>(427,371)</b>	<b>(473,940)</b>	<b>(1,890,510)</b>	<b>(476,080)</b>	<b>(472,650)</b>	<b>(422,219)</b>	<b>(8,498,595)</b>
<b>Surplus/ (Deficit)</b>	<b>(67,181)</b>	<b>(103,090)</b>	<b>(248,404)</b>	<b>(35,235)</b>	<b>3,493</b>	<b>120,355</b>	<b>21,172</b>	<b>499,256</b>	<b>(19,166)</b>	<b>57,053</b>	<b>(40,920)</b>	<b>4,452,370</b>

**Cashflow Projections**

	<b>TOTAL 2011</b>
<b>RECURRING CASH SOURCES</b>	
<i>Rents, Principal &amp; Interest</i>	
Drawbridge	368,763
National	39,000
Metro	84,000
Shalamar	90,000
Sunset Crossing	-
Villages	73,147
<b>BMW Cash Collateral Subtotal</b>	<b>654,910</b>
2nd Street (BMW)	157,500
Oak Trail Villas (BMW)	-
Aviation Application (1st Source)	-
Manhattan Beach (Chase)	48,000
Southern Data	6,800
Marson	-
Park 3000 (Net after Debt Service)	300,000
HC Finance - Motti	60,000
HC Finance - Kamp	7,416
<b>Unrestricted Cashflow Subtotal</b>	<b>579,716</b>
<b>Total Recurring Sources</b>	<b>1,234,626</b>
<b>NON-RECURRING CASH SOURCES</b>	
<i>Disposition/Refinances</i>	
2nd Street	1,800,000
Drawbridge	-
National	950,000
Metro	500,000
Oak Trail Villas (BMW)	3,513,983
Shalamar	5,750,000
Sunset Crossing	-
Villages	1,100,000
Park 3000	7,000,000
Aviation Application (1st Source)	712,500
Manhattan Beach (Chase)	1,700,000
Marson	125,000
HC Finance - Motti	-
HC Finance - Kamp	750,000
<b>Total Sales/Refinances</b>	<b>23,901,483</b>
<b>TOTAL SOURCES</b>	<b>25,136,108</b>

**Cashflow Projections**

	<b>TOTAL 2011</b>
<b>RECURRING CASH USES</b>	
<i>Interest</i>	
BMW P&I	(436,878)
Aviation Application (1st Source)	(132,000)
Manhattan Beach (Chase)	(42,000)
<b>Total Interest</b>	<b>(610,878)</b>
<i>Asset Outflows - CapEx, Taxes,</i>	
2nd Street	(438,428)
Drawbridge	(10,542)
National	(32,987)
Metro	(37,080)
Oak Trail Villas (BMW)	(1,361,872)
Shalamar	-
Sunset Crossing	
Villages	(136,480)
Aviation Application (1st Source)	
Manhattan Beach (Chase)	(38,844)
LEGAL	(50,000)
<b>Total</b>	<b>(2,106,232)</b>
<i>FPF Operations</i>	
Payroll	(386,004)
General & Administrative	(106,796)
<b>Total FPF Operations</b>	<b>(492,800)</b>
<b>NON-RECURRING CASH USES</b>	
<i>Paydown/Retirement of Debt/Re</i>	
2nd Street	(1,800,000)
Drawbridge	(1,105,103)
National	(891,000)
Metro	(225,570)
Oak Trail Villas (BMW)	(2,100,000)
Shalamar	(4,758,750)
Sunset Crossing	-
Villages	(1,080,000)
Park 3000	(3,365,622)
Aviation Application (1st Source)	(543,450)
Manhattan Beach (Chase)	(1,417,000)
<b>Total Debt Paydown</b>	<b>(17,286,495)</b>
<b>TOTAL CASH USES</b>	<b>(20,496,406)</b>
<b>Surplus/ (Deficit)</b>	<b>4,639,702</b>



**Cashflow Projections**

	Jan-12	Feb-12	Mar-12	Apr-12	TOTAL 2012	GRAND TOTAL
<b>RECURRING CASH SOURCES</b>						
<i>Rents, Principal &amp; Interest</i>						
Drawbridge	(26,567)	(17,078)	32,578	43,463	32,396	401,159
National	-	-	-	-	-	45,500
Metro	-	-	-	-	-	98,000
Shalamar	-	-	-	-	-	150,000
Sunset Crossing	-	-	-	-	-	84,062
Villages	-	-	-	-	-	73,147
<b>BMW Cash Collateral Subtotal</b>	<b>(26,567)</b>	<b>(17,078)</b>	<b>32,578</b>	<b>43,463</b>	<b>32,396</b>	<b>851,868</b>
2nd Street (BMW)	22,500	22,500	22,500	22,500	90,000	247,500
Oak Trail Villas (BMW)	-	-	-	-	-	-
Aviation Application (1st Source)	-	-	-	-	-	-
Manhattan Beach (Chase)	-	-	-	-	-	60,000
Southern Data	-	-	-	-	-	13,600
Marson	-	-	-	-	-	-
Park 3000 (Net after Debt Servi	-	-	-	-	-	350,000
HC Finance - Motti	-	-	-	-	-	70,000
HC Finance - Kamp	-	-	-	-	-	8,652
<b>Unrestricted Cashflow Subtotal</b>	<b>22,500</b>	<b>22,500</b>	<b>22,500</b>	<b>22,500</b>	<b>90,000</b>	<b>659,752</b>
<b>Total Recurring Sources</b>	<b>(4,067)</b>	<b>5,422</b>	<b>55,078</b>	<b>65,963</b>	<b>122,396</b>	<b>1,511,620</b>
<b>NON-RECURRING CASH SOURCES</b>						
<i>Disposition/Refinances</i>						
2nd Street	-	-	-	2,500,000	2,500,000	4,300,000
Drawbridge	-	-	-	6,570,689	6,570,689	6,570,689
National	-	-	-	-	-	950,000
Metro	-	-	-	-	-	500,000
Oak Trail Villas (BMW)	334,665	334,665	334,665	334,665	1,338,660	4,852,643
Shalamar	-	-	-	-	-	5,750,000
Sunset Crossing	-	-	-	-	-	5,500,000
Villages	-	-	-	-	-	1,100,000
Park 3000	-	-	-	-	-	7,000,000
Aviation Application (1st Source)	-	-	-	-	-	712,500
Manhattan Beach (Chase)	-	-	-	-	-	1,700,000
Marson	-	125,000	-	-	125,000	250,000
HC Finance - Motti	-	-	-	504,000	504,000	504,000
HC Finance - Kamp	-	-	-	-	-	750,000
<b>Total Sales/Refinances</b>	<b>334,665</b>	<b>459,665</b>	<b>334,665</b>	<b>9,909,354</b>	<b>11,038,349</b>	<b>40,439,832</b>
<b>TOTAL SOURCES</b>	<b>330,598</b>	<b>465,087</b>	<b>389,743</b>	<b>9,975,317</b>	<b>11,160,745</b>	<b>41,951,452</b>

**Cashflow Projections**

	Jan-12	Feb-12	Mar-12	Apr-12	TOTAL 2012	GRAND TOTAL
<b>RECURRING CASH USES</b>						
<i>Interest</i>						
BMW P&I	(15,142)	(14,434)	(13,726)	514	(42,788)	(623,283)
Aviation Application (1st Source)					-	(140,000)
Manhattan Beach (Chase)					-	(49,000)
<b>Total Interest</b>	<b>(15,142)</b>	<b>(14,434)</b>	<b>(13,726)</b>	<b>514</b>	<b>(42,788)</b>	<b>(812,283)</b>
<i>Asset Outflows - CapEx, Taxes, .</i>						
2nd Street				(5,000)	(5,000)	(493,428)
Drawbridge	(1,379)	(1,379)	(1,379)	(332,379)	(336,517)	(347,058)
National					-	(33,237)
Metro	-	-	-	-	-	(37,080)
Oak Trail Villas (BMW)	(130,816)	(131,094)	(131,373)	(131,651)	(524,934)	(1,903,689)
Shalamar	-	-	-	-	-	-
Sunset Crossing						-
Villages					-	(139,480)
Aviation Application (1st Source)						-
Manhattan Beach (Chase)						(38,844)
LEGAL	(4,167)	(4,167)	(4,167)	(4,167)	(16,667)	(75,000)
<b>Total</b>	<b>(136,362)</b>	<b>(136,640)</b>	<b>(136,918)</b>	<b>(473,197)</b>	<b>(883,118)</b>	<b>(3,067,815)</b>
<i>FPF Operations</i>						
Payroll	(32,167)	(32,167)	(32,167)	(32,167)	(128,668)	(579,006)
General & Administrative	(20,000)	(20,000)	(20,000)	(20,000)	(80,000)	(197,262)
<b>Total FPF Operations</b>	<b>(52,167)</b>	<b>(52,167)</b>	<b>(52,167)</b>	<b>(52,167)</b>	<b>(208,668)</b>	<b>(776,268)</b>
<b>NON-RECURRING CASH USE</b>						
<i>Paydown/Retirement of Debt/Re.</i>						
2nd Street	-	-	-	(1,906,322)	(1,906,322)	(3,706,322)
Drawbridge	-	-	-	(1,969,167)	(1,969,167)	(3,074,270)
National	-	-	-	-	-	(891,000)
Metro	-	-	-	-	-	(225,570)
Oak Trail Villas (BMW)	(200,000)	(200,000)	(200,000)	(145,043)	(745,043)	(2,845,043)
Shalamar	-	-	-	-	-	(4,758,750)
Sunset Crossing	-	-	-	-	-	(3,807,368)
Villages	-	-	-	-	-	(1,080,000)
Park 3000	-	-	-	-	-	(3,365,622)
Aviation Application (1st Source)	-	-	-	-	-	(543,450)
Manhattan Beach (Chase)	-	-	-	-	-	(1,417,000)
<b>Total Debt Paydown</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(4,020,531)</b>	<b>(4,620,531)</b>	<b>(25,714,394)</b>
<b>TOTAL CASH USES</b>	<b>(403,672)</b>	<b>(403,241)</b>	<b>(402,811)</b>	<b>(4,545,381)</b>	<b>(5,755,105)</b>	<b>(30,370,761)</b>
<b>Surplus/ (Deficit)</b>	<b>(73,074)</b>	<b>61,846</b>	<b>(13,068)</b>	<b>5,429,936</b>	<b>5,405,640</b>	<b>11,580,691</b>

**EXHIBIT D**

**Consolidated Balance Sheet**

As of December 31, 2009

	<u>Total</u>
<b>Assets</b>	
Cash and restricted cash	\$638,762
Accounts receivable	62,869
Notes receivable	15,366,212
Investments in real estate	22,452,881
Investment in businesses	345,675
Equipment	249,341
Other assets	168,809
<b>Total assets</b>	<u><u>\$39,284,548</u></u>
<b>Liabilities</b>	
Accounts payable	270,205
Liability related to restricted cash	490,547
Other liabilities	312,779
<b>Notes payable</b>	
Notes payable on notes receivable	9,046,730
Notes payable on real estate	16,092,310
Note payable on businesses	701,698
Note payable on equipment	167,089
<b>Subtotal Notes Payable</b>	<u>26,007,827</u>
<b>Total liabilities</b>	<b>27,081,359</b>
<b>Equity</b>	
Opening contributions	350,813
Additional paid in capital	12,115,034
Preferred return paid	(2,174,400)
Retained earnings	4,423,182
Distributions retained earnings	(2,619,591)
Net Income	124,896
Noncontrolling interests	(16,744)
<b>Total Equity</b>	<u>12,203,190</u>
<b>Total Liabilities and equity</b>	<u><u>\$39,284,549</u></u>

**Franklin Pacific Finance, LLLP**  
**Consolidated Profit & Loss**  
**January - December 2009**

	<u><b>Total</b></u>
<b>Revenue</b>	
Rental and lease income	\$2,196,848
Sale of condominium units	933,984
Interest income	773,171
Other income	38,526
<b>Total Revenue</b>	<u><b>\$3,942,529</b></u>
<b>Operating Expenses</b>	
Commerical asset operating expenses	1,403,174
Cost of Condominium sales	706,483
Payroll	328,448
Interest expense on performing notes	283,953
Office, rent and parking	143,076
Legal	85,118
Accounting and tax	86,722
Contract Labor	44,341
Insurance	42,783
Storage	26,896
License, Permits & Fees	22,773
HOA fees on condominium units	10,964
<b>Total Operating Expenses</b>	<u><b>3,184,730</b></u>
<b>Net Operating Income</b>	<u><u><b>\$757,799</b></u></u>
<b>Non-Operating Expenses</b>	
Interest expense on real estate and equipment	364,143
Leasing commissions	38,384
<b>Total Non-Operating Expenses</b>	<u><b>402,527</b></u>
<b>Net Income before Depreciation</b>	<u><u><b>355,272</b></u></u>
<b>Other Expenses</b>	
Depreciation	230,376
<b>Net Income</b>	<u><u><b>124,896</b></u></u>

**Franklin Pacific Finance, LLLP**  
**Consolidated Statement of Cash Flows**  
**January - December 2009**

	<b>Total</b>
<b>Operating activities</b>	
<b>Net Income</b>	124,896
<b>Adjustments to reconcile Net Income to Net Cash provided by operations:</b>	
Depreciation	230,376
Accounts receivable	(44,671)
Other assets	(88,867)
Accounts payable	45,504
Other liabilities	166,767
Liabilities related to restricted cash	108,845
Other	3,929
<b>Net cash provided by operating activities</b>	<b>\$546,779</b>
<b>Investing activities</b>	
Purchases and additions to real estate	(828,160)
Capitalized costs on non-performing loans	(255,768)
Principal payments on notes receivable	109,348
<b>Net cash provided by investing activities</b>	<b>(\$974,580)</b>
<b>Financing activities</b>	
Principal additions to notes payable	289,438
Principal reductions to notes payable	(833,672)
Additional capital contributions by members	886,726
<b>Net cash provided by financing activities</b>	<b>\$342,492</b>
<b>Net cash increase for period</b>	<b>(85,309)</b>
<b>Cash at beginning of period</b>	<b>724,071</b>
<b>Cash at end of period*</b>	<b>\$638,762</b>
<b>* Restricted Portion</b>	<b>523,035</b>

**Franklin Pacific Finance, LLLP**  
**Consolidated Balance Sheet**  
As of June 30, 2010

	<b>Total</b>
<b>Assets</b>	
Cash	\$1,239,879
Restricted cash	605,760
Accounts receivable	84,417
Notes receivable	14,963,629
Investments in real estate	22,672,894
Investment in Aviation Application	1,106,111
Depreciation	(866,052)
Net Investment in Aviation Application	240,059
Equipment	249,341
Other assets	103,147
<b>Total assets</b>	<b>\$40,159,124</b>
<b>Liabilities</b>	
Accounts payable	222,848
Liability related to restricted cash	625,198
Other liabilities	156,527
<b>Notes payable</b>	
Notes payable on notes receivable	9,033,458
Notes payable on real estate	15,973,846
Note payable on businesses	655,066
Note payable on equipment	167,089
<b>Subtotal Notes Payable</b>	<b>\$25,829,459</b>
<b>Total liabilities</b>	<b>\$26,834,031</b>
<b>Equity</b>	
Opening contributions	350,813
Additional paid in capital	11,791,735
Preferred return paid	(2,174,400)
Retained earnings	4,546,323
Distributions retained earnings	(2,619,591)
Net Income	1,445,478
Noncontrolling interests	(15,266)
<b>Total Equity</b>	<b>\$13,325,093</b>
<b>Total Liabilities and equity</b>	<b>\$40,159,124</b>

**Franklin Pacific Finance, LLLP**  
**Consolidated Profit & Loss**  
January - June 2010

	<b>Total</b>
<b>Revenue</b>	
Rental and lease income	\$1,224,592
Sale of condominium units	193,500
Interest income	1,273,139
Other income	122,588
<b>Total Revenue</b>	<b>\$2,813,819</b>
<b>Operating Expenses</b>	
Commerical asset operating expenses	611,071
Cost of condominium sales	164,086
Payroll	178,559
Interest expense on performing notes	15,389 *
Office, rent and parking	67,183
Legal	54,095
Accounting and tax	16,439
Contract Labor	8,150
Insurance	19,933
<b>Total Operating Expenses</b>	<b>\$1,139,144</b>
<b>Net Operating Income</b>	<b>\$1,674,675</b>
<b>Non-Operating Income (Expenses)</b>	
HOA fees on condominium units	135
Interest expense on real estate and equipment	(116,617)
<b>Total Non-Operating Expenses</b>	<b>(\$116,482)</b>
<b>Net Operating Income</b>	<b>\$1,558,193</b>
 Depreciation	 112,715 **
<b>Net Income before Depreciation</b>	<b>\$1,445,478</b>

*\* - Interest expense is only reflected for the month of January 2010 for BMW & First Source assets. As the amount of the expense and probability of the timing of the payments is uncertain, we have not accrued amounts for February - June 2010. In addition, it is the companies policy to capitalize interest on non-performing assets. All interest paid related to those assets is capitalized to the basis of the assets and will be reflected in the gain upon exit.*

*\*\*Depreciation on some assets is booked at year end in conjunction with preparing tax returns.*



**EXHIBIT E**

## **Franklin Pacific Finance Portfolio**

---

### ***Basis and Value per Most Recent Appraisals***

Asset Name	Fair Mkt. Value
<b>Bank Midwest</b>	
Drawbridge Inn	\$7,500,000
Sunset Crossing	\$5,500,000
Shalamar Apartments	\$6,300,000
Oak Trail Villas	\$6,000,000
2nd Street	\$5,250,000
Villages	\$1,200,000
3789 National	\$950,000
Metro Cinema	\$500,000
<b>Total BMW Portfolio</b>	<b>\$33,200,000</b>
220 21st Place (WaMu Chase)	\$1,700,000
Bank Accounts as of Oct. 31, 2010	\$585,786
Office Furniture	\$20,069
<b>Total Debtor Held Assets</b>	<b>\$35,505,855</b>
<b>Non-Estate Assets:</b>	
Park 3000 (Wells Fargo)	\$7,000,000
Aviation Applications (1st Source)	\$750,000
Other Secured Assets	\$7,750,000
<b>HC Finance Portfolio</b>	
Kamp Motor Speedway	\$1,150,000
Motti Loan	\$504,000
Marson Loan	\$300,000
FDIC / Wells Loans	\$150,000
<b>Total HC Finance</b>	<b>\$2,104,000</b>
<b>Total Assets Outside of Ch. 11 Filings</b>	<b>\$9,854,000</b>
<b>Consolidated FPF / HC Portfolio</b>	<b>\$45,359,855</b>

**EXHIBIT F**

## Franklin Pacific Finance Portfolio

1/21/2011

### *Liabilities*

*As of Filing Date*

	<u>Total</u>
<b>Debtor and FPF Oak Trails Liabilities</b>	
Bank Midwest Principal	\$20,440,564
Bank Midwest Default Interest <sup>(a)</sup>	\$343,515
Washington Mutual	\$1,401,547
Richardson ISD and Dallas County Tax Office <sup>(b)</sup>	\$127,546
Colette Franklin Tax Assessor	\$35,653
Kenton County and City of Fort Mitchell	\$147,534
Unsecured Claims (See Attached)	\$80,259
Unsecured Claims - FPF Oak Trails <sup>(b)</sup>	\$28,615
<b>Debtor and FPF Oak Trails Liabilities</b>	<b>\$22,605,233</b>
<b>Non- Estate Liabilities</b>	
Wells Fargo (Park 3000)	\$3,365,622
1st Source (Aviation Applications)	\$637,000
<b>Total Related Liabilities</b>	<b>\$4,002,622</b>
<b>Total Liabilities</b>	<b>\$26,607,855</b>

---

*(a) Assumes default interest is waived per the terms of the Stip.*

*(b) FPF Oak Trails is a debtor in case # 2:10-34386 and the disposition of its assets and liabilities will be subject to court approval in that case.*

BSF (Official Form 6F) (12/07)

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

### SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Creditor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Creditors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	Husband, Wife, Joint, or Community		CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
	H W J C					
Account No. Shalamar						
A & M Cleaning 193 Valero Drive San Marcos, TX 78666	-					405.94
Account No.						
Bonnett, Fairbourn, Freedman etc. 2801 N. Central Ave Suite 1000 Phoenix, AZ 85012	-					8,600.00
Account No. Shalamar						
C&J Painting & Carpet Cleaning POBox 200573 Austin, TX 78720	-					3,849.74
Account No. xx1664						
Classified Ventures 2663 Collections Center Drive Chicago, IL 60693	-					628.00
<b>Subtotal</b> (Total of this page)						<b>13,383.68</b>

4 continuation sheets attached

B6F (Official Form 6F) (12/07) - Cont.

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
 (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O R P O R A T E D	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		H W	J C				
Account No. <b>Shalamar</b>  <b>Cleaning Network</b> <b>POBox 41976</b> <b>Austin, TX 78704</b>							952.00
Account No. <b>Shalamar</b>  <b>Cowboys Painting</b> <b>15405 Connie Street, #B</b> <b>Austin, TX 78728</b>							4,697.29
Account No. <b>Shalamar</b>  <b>CSN Support Services</b> <b>252 McGarity</b> <b>Kyle, TX 78840</b>							276.04
Account No.  <b>Enbody, Inc.</b> <b>14431 Ventura Blvd</b> <b>Suite 289</b> <b>Sherman Oaks, CA 91423</b>							3,000.00
Account No. <b>Shalamar</b>  <b>Frank's Painting</b> <b>110 N 1H 35</b> <b>Suite 316-189</b> <b>Round Rock, TX 78664</b>							3,537.40
Subtotal (Total of this page)							12,462.73

Sheet no. 1 of 4 sheets attached to Schedule of  
 Creditors Holding Unsecured Nonpriority Claims

Subtotal  
(Total of this page)

12,462.73

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
 (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	Husband, Wife, Joint, or Community		D I S P U T E D	A M O U N T O F C L A I M
		H W	J C		
		DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.			
Account No. Shalamar  Green Grass 5333 Randolph Blvd. San Antonio, TX 78233					1,196.90
Account No. Shalamar  Greensheet POBox 140721 Austin, TX 78704					580.00
Account No. xxx6493  HD Supply Facilities Maint. Group 10641 Scripps Summit Court San Diego, CA 92131					4,285.44
Account No. Shalamar  J4 Development 2808 Longhorn Blvd., Suite 306 Austin, TX 78758					757.12
Account No. x3827  Premium Cuts Lawn Svc & Maint. POBox 820108 Austin, TX 78708					3,957.88
Sheet no. <u>2</u> of <u>4</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims					Subtotal (Total of this page) <b>10,757.34</b>

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B Y C	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		H W	J C				
Account No. <b>Shalamar</b>  Rasa Floors POBox 619130 Dallas, TX 75261							26,799.60
Account No.  SAA Architects 6083 Bristol Parkway Culver City, CA 90230							3,600.00
Account No. <b>Shalamar</b>  South Central Texas Apt. Blue Book 112 West Hopkins Street San Marcos, TX 78666							2,406.00
Account No. <b>Shalamar</b>  Sunset Carpet Care POBox 142342 Austin, TX 78714							97.38
Account No. <b>xx9488</b>  Wilmar POBox 404284 Atlanta, GA 30384							1,604.73
Subtotal (Total of this page)							34,308.61

Sheet no. 3 of 4 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims

Subtotal  
(Total of this page)

34,308.61



In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T R I B U T I O N	U N L I Q U I T A T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No. <del>XXXX8888</del>  Worldwide Pest Control 6808 IH 10 West San Antonio, TX 78201				Trade debt				161.11
Account No.  Wyndells & Gagnon 4800 N. Scottsdale Rd. Suite 1400 Scottsdale, AZ 85251				various accounting services				9,197.42
Account No.								
Account No.								
Account No.								
Subtotal (Total of this page)								9,358.53
Total (Report on Summary of Schedules)								80,268.89

Sheet no. 4 of 4 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims

**EXHIBIT G**

### **FPF Unique Qualifications**

FPF is uniquely qualified to manage the portfolio based upon the successful track record of the firm and its key officers and its intimate familiarity with the specific assets and the issues related to them. FPF has owned and managed the assets within the portfolio since 2005. In regards to real property, FPF has become an expert in the specific product types, the geographic submarkets and the most capable third-parties (brokers and property managers) of each property. In regards to loans and leases, FPF has built strong relationships with its Borrowers and Tenants that make it the best manager of such property. Its understanding of the tenants their issues are critical to keeping a current payment stream.

Commencing in 1994 with KWP Financial and currently at Franklin Pacific Finance, Mr. Collias as manager has never posted a loss on an annual basis. FPF acquires distressed commercial real estate loans from financial institutions and the Federal Government. The challenges of this business usually include the foreclosure of real estate, the curing of problems including but not limited to completion of construction, environmental remediation, leasing and marketing and ultimately the successful sale of the asset.

A bio of the officers of FPF is found below:

#### **Stephen J. Collias, President**

Mr. Collias founded Franklin Pacific Finance in November of 2004. Previously, he founded KWP Financial in 1994 to capitalize on the failed S&Ls of late 1980's. As President, he grew the company's portfolio to over \$135MM in debt obligations. Prior to KWP, Mr. Collias served as VP-Development for Pacific West and as President of S.J. Collias Co., his own industrial development firm. Previously, Mr. Collias served as Project Manager of Emkay Development based in Phoenix, a Morrison Knudsen subsidiary. Mr. Collias received his BA in Finance from Boise State University.

#### **Marc P. Heenan, Senior Vice President**

Mr. Heenan joined FPF in 2005 and has worked with Mr. Collias since 1999. Mr. Heenan's primary responsibilities include new deal sourcing, underwriting, bank reporting, loan servicing, asset management (loans and REO) and closings. At KWP Financial (1999-2004), Mr. Heenan helped purchase and manage over \$45MM of loans (principal balance). Prior to KWP, he served as a financial analyst for global investment banking firm Merrill Lynch. Mr. Heenan holds an MBA from the Anderson School of Business at UCLA and a BA from UCLA.

If you need more FPF see below:

FPF was co-founded in 2004 as a Nevada Limited Liability Limited Partnership (LLLP) between Gary L. Hall and Stephen J. Collias.

- Mr. Collias, President of FPF developed a 20-year track record of success with the first 10-years devoted to Arizona real estate development and the second phase as President of KWP Financial, a Kennedy Wilson subsidiary.
- At KWP, Mr. Collias was directly responsible for the acquisition and recovery of \$135MM of note obligations purchased for \$66MM. This portfolio generated revenues of \$30MM and net profit of \$17MM.
- At KWP, Mr. Collias was able to secure a \$30MM Senior Credit facility from Wells Fargo Foothill.

- **FPF has invested \$36.0MM in its first 26 months, purchasing 40 loans, originating four loans and directly investing in five real estate investments.**
- **To date, FPF has collected \$22.0MM with Expected Remaining Collections (ERC) of \$37.3MM**

**EXHIBIT H**

In re Franklin Pacific Finance, LLLP

Case No. LA 2:10-30727 VZ

Debtor

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no executory contracts or unexpired leases.

Name and Mailing Address, including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest State whether lease is for nonresidential real property. State contract number of any government contract.
ANB Special Assets LLC 102 W. Moore Ave. Terrell, TX 75160	Lease for Theater Equipment UCC-1 Colleyville, TX
CA-429 Santa Monica Limited Partnership DE	Landlord of 429 Santa Monica Blvd. (5-1-10) 9-1-10 to 8-31-15
Capstone Management 210 Barton Springs Rd. Suite 300 Austin, TX 78704	Real Estate Management Shalamar Apartments
Century 21 All-Pro 6789 N. National Dr. Kansas City, MO 64152	broker listing agreement sfr @ 6789 N. National Dr. Kansas City, MO
Integrated Data 220 21st Place Manhattan Beach, CA 90266	lease of sfr 220 21st Place Manhattan Beach, CA
Sandra Green 6789 N. National Dr. Kansas City, MO 64152	real property lease sfr 6789 N. National Dr. Parkville, MO

0

continuation sheets attached to Schedule of Executory Contracts and Unexpired Leases

In re: FRANKLIN PACIFIC FINANCE, LLLP	Debtor(s).	CHAPTER 11 CASE NUMBER 2:10-bk-30727-VZ
--	------------	--

**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

506 Santa Monica Blvd., Suite 200, Santa Monica, CA 90401

A true and correct copy of the foregoing document described **DEBTORS PROPOSED DISCLOSURE STATEMENT AND PLAN REORGANIZATION, AS AMENDED JANUARY 28, 2011** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On 1/28/11 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Leslie A Cohen [leslie@lesliecohenlaw.com](mailto:leslie@lesliecohenlaw.com), [jaimie@lesliecohenlaw.com](mailto:jaimie@lesliecohenlaw.com)  
Sheri Kanesaka [kanesaka@gmail.com](mailto:kanesaka@gmail.com)  
Dare Law [dare.law@usdoj.gov](mailto:dare.law@usdoj.gov)  
William D May [dp@srwadelaw.com](mailto:dp@srwadelaw.com)  
Hal M Mersel [mark.mersel@bryancave.com](mailto:mark.mersel@bryancave.com)  
United States Trustee (LA) [ustregion16.la.ecf@usdoj.gov](mailto:ustregion16.la.ecf@usdoj.gov)  
Stephen R Wade [dp@srwadelaw.com](mailto:dp@srwadelaw.com)

Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL**(indicate method for each person or entity served):

On 1/28/11 I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_ I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

1/28/11  
Date

Brian Link  
Type Name

/s/ Brian Link  
Signature

<p>In re: FRANKLIN PACIFIC FINANCE, LLLP</p> <p>Debtor(s).</p>	<p>CHAPTER: 11</p> <p>CASE NUMBER: 2:10-bk-30727-VZ</p>
--	---

**Served By Overnight Service:**

Hon. Vincent Zurzolo  
US Bankruptcy Court  
255 E. Temple Street  
Los Angeles, CA 90012

**Served By U.S. Mail:**

Debtor  
Franklin Pacific Finance, LLLP  
429 Santa Monica Blvd., Suite 625  
Santa Monica, CA 90401

U.S. Trustee  
Dare Law  
Office of United States Trustee  
725 S Figueroa Street, 26<sup>th</sup> Floor  
Los Angeles, CA 90017

Securities Exchange Commission  
450 5<sup>th</sup> Street, NW  
Washington, DC 20549

Securities Exchange Commission  
5670 Wilshire Blvd, 11<sup>th</sup> Floor  
Los Angeles, CA 90036

Special Notice:  
City of Colleyville, Grapevine-Colleyville ISD  
c/o Elizabeth Banda Calvo  
Perdue, Brandon, Fielder, Collins & Mott  
P O Box 13430  
Arlington TX 76094-0430