UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
	)	Lead Case No. 11-40944
GAC STORAGE LANSING, LLC, *et al.*	)	(Jointly Administered)
	)	
Debtors.	)	Hon. Jacqueline P. Cox

DISCLOSURE STATEMENT TO DEBTOR GAC STORAGE COPLEY PLACE, LLC'S CHAPTER 11 PLAN OF REORGANIZATION

THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING INFORMATION OF A KIND AND IN SUFFICIENT DETAIL, ADEQUATE TO ENABLE A HYPOTHETICAL INVESTOR TO MAKE AN INFORMED JUDGMENT ABOUT THE CHAPTER 11 PLAN OF REORGANIZATION OF GAC STORAGE COPLEY PLACE, LLC. AS MORE FULLY DESCRIBED IN SECTION III, BALLOTS ON THE PLAN MUST BE RECEIVED BY THE CLERK OF THE BANKRUPTCY COURT NO LATER THAN _____ ____, 2012 AT 4:30 P.M., WITH THE CONFIRMATION HEARING ON THE PLAN COMMENCING ON _____ ___, 2012 AT _____ __.M.

March 30, 2012

Robert M. Fishman
Gordon E. Gouveia
Shaw Gussis Fishman Glantz
Wolfson & Towbin LLC
321 North Clark Street, Suite 800
Chicago, Illinois 60654

Counsel for GAC Storage Copley Place, LLC

* This proposed Disclosure Statement is filed with the Bankruptcy Court pursuant to 11 U.S.C. § 1125. The Disclosure Statement has not yet been approved by the Bankruptcy Court, and references to such approval are included to allow the Bankruptcy Court, creditors and other interested parties to review the entire, final form of the Disclosure Statement. This proposed Disclosure Statement is not a solicitation and is subject to modification. It should not be relied upon by an entity in connection with the purchase or sale of any Claims against the Debtor.

DISCLAIMER

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF DEBTOR GAC STORAGE COPLEY PLACE, LLC'S CHAPTER 11 PLAN OF REORGANIZATION (THE **"PLAN"**), AND THE INFORMATION CONTAINED HEREIN MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CLAIM AND INTEREST HOLDERS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF TITLE 11 OF THE UNITED STATES CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NONBANKRUPTCY LAW.

AS TO ANY CONTESTED MATTERS, ADVERSARY PROCEEDINGS, OR OTHER ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, A STIPULATION, OR A WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING (FOR EVIDENTIARY PURPOSES OR OTHERWISE), NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE LEGAL EFFECTS OF THE PLAN AS TO CLAIMHOLDERS OR INTERESTHOLDERS OF GAC STORAGE COPLEY PLACE, LLC.

I. INTRODUCTION

On October 7, 2011, GAC Storage Copley Place, LLC (the **"Debtor"**)[1] filed a petition for relief under title 11 of the United States Code (the **"Bankruptcy Code"**) before the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the **"Bankruptcy Court"**), commencing Case Number 11-40953 (the **"Case"**). Pursuant to Rule 1015 of the Federal Rules of Bankruptcy Procedure, the Debtor's case is being jointly administered with the chapter 11 cases of GAC Storage Lansing, LLC, GAC Storage El Monte, LLC, The Makena Great American Anza Company, LLC, and San Tan Plaza, LLC for procedural purposes only under Lead Case Number 11-40944.

The Debtor hereby submits this disclosure statement (this **"Disclosure Statement"**) pursuant to section 1125 of the Bankruptcy Code. This Disclosure Statement is prepared for use in the solicitation of votes on the Plan proposed by the Debtor and filed with the Bankruptcy Court on or about March 30, 2012.

This Disclosure Statement sets forth certain relevant information regarding the Debtor's prepetition operating and financial history, the need to seek chapter 11 protection, significant events that have occurred during the Debtor's Case, and the anticipated means and procedures for effectuating the Debtor's reorganization through the Plan. This Disclosure Statement also describes terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that Holders of Claims must follow for their votes to be counted.

FOR A DESCRIPTION OF THE PLAN AND VARIOUS RISK AND OTHER FACTORS PERTAINING TO THE PLAN AS IT RELATES TO CLAIMS AGAINST AND INTERESTS IN THE DEBTOR, PLEASE SEE SECTION II OF THIS DISCLOSURE STATEMENT, ENTITLED "SUMMARY OF PRINCIPAL PROVISIONS OF THE PLAN," AND SECTION VII, ENTITLED "RISK FACTORS AFFECTING PLAN."

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE PLAN, EVENTS IN THE CASE, AND FINANCIAL INFORMATION. ALTHOUGH THE DEBTOR BELIEVES THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

[1] Except as otherwise provided herein, capitalized terms used herein have the meanings ascribed to them in the Plan.

II. SUMMARY OF PRINCIPAL PROVISIONS OF THE PLAN

IN ACCORDANCE WITH LOCAL RULE 3016-1, THE FOLLOWING IS A SUMMARY OF CERTAIN INFORMATION CONTAINED IN THE PLAN. THE DEBTOR URGES ALL CREDITORS, INTEREST HOLDERS AND OTHER PARTIES-IN-INTEREST TO REVIEW THE PLAN IN ITS ENTIRETY BEFORE VOTING ON THE PLAN OR TAKING ANY OTHER ACTION WITH RESPECT THERETO.

A. Overview of the Plan.

The Debtor is a California limited liability company with its principal place of business located at 5871 Copley Drive, San Diego, California 92111. The Debtor is owner and operator of a self-storage facility located at the above address.

The Debtor has concluded, after a careful review of its current business operations, its prospects as an ongoing business enterprise, and the limited proceeds that a liquidation of its assets will generate, that the Debtor's continued operation as a going concern will maximize the recovery of Holders of Allowed Claims. The Debtor believes that its business has significant value that would be lost in a liquidation scenario. Moreover, as reflected in the liquidation analysis and the financial projections accompanying this Disclosure Statement, the value that the Debtor can generate for Holders of Allowed Claims is greater as a going concern than if the Debtor's assets were liquidated.

Consequently, the Plan provides for the reorganization of the Debtor's business (as opposed to a liquidation of the Debtor's Assets) and the resolution of all outstanding Claims against and Interests in the Debtor. The Plan also contemplates the issuance of new equity interests in the Reorganized Debtor to an entity owned by Ronnie Schwartz and other third-party investors (**"Newco"**) in exchange for substantial equity contributions. Neither GAC Storage, LLC, the Debtor's current owner, nor any of the Guarantors of the Bank Claim shall have any ownership interest in the Reorganized Debtor or Newco.

The Plan is intended to maximize distributions payable to holders of Allowed Claims, and it is therefore designed to allow Holders of Allowed Claims to receive distributions in excess of those which would be available if the Debtor's assets were liquidated under chapter 7 of the Bankruptcy Code. The approval and consummation of the Plan and other related agreements will enable the Debtor to effectuate its reorganization, continue its business operations, and make distributions to Holders of Allowed Claims pursuant to the Plan.

B. Summary of Plan, Classification of Claims and Interests and their Treatment[2]

The Debtor believes that the Plan provides the most appropriate platform upon which to maximize the value of its assets for the benefit of Holders of Allowed Claims. In summary, the Plan proposes to pay all Allowed Administrative Expense Claims and Allowed Priority Claims in full on the Plan's Effective Date (unless other treatment is agreed to), with Holders of

[2] The following summary of the Plan is qualified in its entirety by, and should be read in conjunction with, the Plan.

Allowed Unsecured Claims receiving a single cash distribution based on *pro rata* share of **$10,000.00** (the **"Unsecured Claim Distribution"**) within sixty (60) days of the Effective Date.

The Allowed Bank Claim, which the Debtor estimates will total $9,797,262.58, as of the Effective Date, will be treated in one of the following ways under the Plan, at the sole and exclusive discretion of the Holder of the Allowed Bank Claim, Bank of America, N.A. (the **"Bank"**):

Bank Option 1: The Reorganized Debtor shall pay to the Holder of the Allowed Bank Claim (A) the aggregate amount of any unpaid non-default rate interest that may have accrued in accordance with the Bank Loan Documents prior to the Effective Date, which amount shall be paid in Cash on the Effective Date; (B) monthly principal and interest payments (**"Monthly Payments"**) on the unpaid balance of the Allowed Bank Claim, based on a thirty (30) year amortization, with interest calculated at 4% per annum for year 1 through year 4 and 5% per annum for year 5 through year 7 of the Plan, which Monthly Payments shall commence to accrue on the Effective Date, become payable on the fifth (5^{th}) day of the first full month after the Effective Date (the **"First Payment Date"**), and continue to be paid on the same day of each month thereafter until the earlier of the date the Allowed Bank Claim is paid in full or the Maturity Date (defined by the Plan as seven (7) years after the First Payment Date); and (C) a balloon payment of the unpaid balance of the Allowed Bank Claim plus any accrued and unpaid interest, which balloon payment shall occur and shall be due and payable on the Maturity Date; or

Bank Option 2: The Allowed Bank Claim shall be reduced by the sum of $1,000,000 as of the Effective Date, and the Reorganized Debtor shall pay to the Holder of the reduced, Allowed Bank Claim: (A) the aggregate amount of (x) $1,000,000 (**"Lump Sum Payment"**), plus (y) any unpaid non-default rate interest that may have accrued in accordance with the Bank Loan Documents prior to the Effective Date, which amount shall be paid in Cash on the Effective Date and shall be applied against the unpaid balance of the reduced, Allowed Bank Claim, with the Lump Sum Payment applied to unpaid principal and the balance of the Cash applied to the unpaid interest payable on the Effective Date; (B) monthly principal and interest payments (**"Monthly Payments"**) on the unpaid balance of the Allowed Bank Claim, based on a thirty (30) year amortization, with interest calculated at 4.50% per annum, which Monthly Payments shall commence to accrue on the Effective Date, become payable on the First Payment Date, and continue to be paid on the same day of each month thereafter until the earlier of the date the Allowed Bank Claim is paid in full or the Maturity Date; and (C) a balloon payment of the unpaid balance of the Allowed Bank Claim plus any accrued and unpaid interest, which balloon payment shall occur and shall be due and payable on the Maturity Date.

If the Holder of the Allowed Bank Claim selects Bank Option 1 above, Newco will make an equity contribution to the Reorganized Debtor to establish a **"Payment Reserve"** in the amount of $385,000, which is approximately equal to one (1) year of interest under the proposed treatment of the Allowed Bank Claim. The Payment Reserve shall be used by the Reorganized Debtor to supplement the Monthly Payments under Bank Option 1 above, as needed, in the event that the Reorganized Debtor is unable to make the Monthly Payments from its own Cash at the time any Monthly Payment is due. Any balance of the Payment Reserve that remains when the Allowed Bank Claim is paid in full in accordance with the provisions of this Section 2.2.2 shall

be retained by the Reorganized Debtor. If the Holder of the Allowed Bank Claim selects Bank Option 2 above, Newco will make an equity contribution to the Reorganized Debtor to fund the Lump Sum Payment. In the event that the Holder of the Allowed Bank Claim does not elect either Bank Option 1 or 2 above, or votes to reject the Plan, then for purposes of confirmation of the Plan under § 1129(b) and Section 3.3 of the Plan, the Holder of the Allowed Bank Claim will be deemed to have selected Bank Option 1.

The Holder of the Allowed Bank Claim shall retain its Liens, as described in the Bank Loan Documents, on the Collateral securing the Allowed Bank Claim until it is indefeasibly paid in full in accordance with this Section 2.2.2.

Under the Plan, the Holders of Interests of the Debtor will be cancelled upon Confirmation of the Plan. The Holders of Interests of the Debtor will not receive or retain under the Plan any interest in any property of the Estate.

Under the Plan, Claims against and Interests in the Debtor are divided into Classes which group together substantially similar Claims and Interests. The following summarizes the classification and treatment of Claims and Interests by the Debtor under the Plan. There can be no assurance that the amounts estimated in this Disclosure Statement are correct, and the actual amount of Allowed Claims and number of Allowed Interests may be significantly different from the estimates.

Class	***Plan Treatment***	***Status***	***Voting Rights***
Class 1 (Priority Non-Tax Claims)	Allowed Priority Non-Tax Claims will be paid in full on the Effective Date. **Distribution estimated at 100%.**	Unimpaired	Deemed to Accept
Class 2 (Bank Claim)	See Bank Options 1 and 2 above. **Distribution estimated at 100%.**	Impaired	Entitled to Vote
Class 3 (Other Secured Claims)	Holders of Allowed Other Secured Claims shall be Rendered Unimpaired. **Distribution estimated at 100%.**	Unimpaired	Deemed to Accept
Class 4 (General Unsecured Claims)	Holders of Allowed Unsecured Claims shall receive their pro rata share of the Unsecured Claim Distribution. **Distribution estimated at 50%.**	Impaired	Entitled to Vote
Class 5 (Interests)	Holders shall neither receive nor retain any property under the Plan or any interest in property of the Debtor's estate. **Distribution will be 0%.**	Impaired	Deemed to Reject

C. Additional Information Regarding Classification and Treatment of Claims and Interests.

Following is a more detailed summary of the classifications and treatment of Claims and Interests under the Plan.

Unclassified Administrative Claims and Priority Tax Claims: Administrative Claims and Priority Tax Claims are not classified because the Bankruptcy Code requires, and Holders of Allowed Administrative and Priority Tax Claims shall receive, **payment in full** in Cash either on the Effective Date (because these Claims are liquidated), or at such time as may be agreed to with such Holders. Allowed Administrative Claims arising from liabilities incurred in the ordinary course of the Debtor's business during the Case shall be paid or satisfied according to the terms and conditions of any applicable agreements, course of dealing, or industry practice relating thereto. Administrative Claims include (i) Claims of Professionals retained in the Cases and statutory fees associated with the maintenance of the Debtor's Case (collectively, **"Professional Fee Claims"**), (ii) Claims for goods provided to the Debtor within 20 days before the Petition Date in the ordinary course of the Debtor's business, if any (**"§ 503(b)(9) Claims"**), and (iii) Claims for goods and services provided to the Debtor after the Petition Date in the ordinary course of the Debtor's business.

Except for Professional Fee Claims and § 503(b)(9) Claims, the Debtor has been paying administrative creditors in the ordinary course of business on a postpetition basis. Therefore, at present, the Debtor estimates that Administrative Claims (net of Professional Fee Claims and § 503(b)(9) Claims) will aggregate a *de minimis* amount on the Effective Date. The Debtor estimates that Professional Fee Claims will total approximately $50,000.00 (net of existing retainers) on the Effective Date, and the Debtor is not aware of any § 503(b)(9) Claims.

With respect to Priority Tax Claims, the Debtor scheduled $646.86 in such Claims on the bankruptcy schedules that it filed at the inception of the Case. As of March 30, 2012, the claims register maintained by the Bankruptcy Court for the Debtor reflects one Priority Tax Claims in the amount of $1,013.48 has been asserted by the State of California Franchise Tax Board.

Class 1 – Priority Non-Tax Claims. Class 1 Claims consist of all Allowed Claims, other than Administrative Claims or Priority Tax Claims, that are entitled to priority in payment pursuant to sections 507(a)(1) – (9) of the Bankruptcy Code. These Claims are Unimpaired under the Plan, which means that their Holders are presumed to accept the Plan and are therefore not entitled to vote on the Plan. Under the Plan, each Holder of an Allowed Non-Tax Priority Claim shall be **paid in full**, without interest, either on the Effective Date, on such other terms as may be agreed upon by such Holder and the Debtor, or according to the terms and conditions of any applicable agreements, course of dealing, or Debtor policies relating thereto. The Debtor's schedules reflect $0 in unpaid Priority Non-Tax Claims. Therefore, the Debtor does not anticipate any payment of Allowed Priority Non-Tax Claims on the Effective Date. As of March 30, 2012, the claims register maintained by the Bankruptcy Court for the Debtor reflects approximately $0 in Priority Non-Tax Claims. However, the Bankruptcy Court has not yet set a deadline for filing proofs of Claims in the Debtor's Case.

Class 2 – Bank Claim. The Bank Claim, which is impaired under the Plan, is comprised of the Debtor's obligations to the Bank under the Bank Loan Documents, which include the Construction Loan Agreement dated April 13, 2007, as amended from time to time, and various other agreements, instruments, financing statements, and documents. Under the Bank Loan Documents, the Debtor granted the Bank liens on substantially all of the Debtor's property to secure its obligations to the Bank. The Debtor believes that the Bank Claim is fully secured. Pursuant to § 362(d)(3) and certain interim cash collateral orders approved by the Bankruptcy Court, the Debtor has been making monthly interest payments on the Bank Claim since January 2012.

As described in Part II.A. above, under the Plan, the Bank Claim will be Allowed in its current outstanding amount of $9,797,262.58 (inclusive of unpaid postpetition interest) and paid in full over time under either Bank Option 1 or Bank Option 2, at the sole and exclusive discretion of the Holder of the Allowed Bank Claim.

If the Holder of the Allowed Bank Claim selects Option 1 above, Newco will fund the Payment Reserve. The Payment Reserve will be used by the Debtor to supplement the Monthly Payments under Bank Option 1 above, as needed, in the event that the Reorganized Debtor is unable to make the Monthly Payments from its own Cash at the time any Monthly Payment is due. If the Holder of the Allowed Bank Claim selects Bank Option 2 above, Newco will fund the Lump Sum Payment. If the Holder of the Allowed Bank Claim does not elect either Bank Option 1 or 2 above, or votes to reject the Plan, then for purposes of confirmation of the Plan under § 1129(b) and Section 3.3 of the Plan, the Holder of the Allowed Bank Claim will be deemed to have selected Bank Option 1. The Holder of the Allowed Bank Claim shall retain its Liens, as described in the Bank Loan Documents, on the Collateral securing the Allowed Bank Claim until it is indefeasibly paid in full in accordance with this Section 2.2.2. The Debtor estimates a **100% distribution** to the Holder of the Allowed Bank Claim.

Class 3 – Other Secured Claims. Class 3 Claims consist of secured claims other than the Bank Claim and that are secured by a lien or encumbrance on property of the Debtor to the extent of the value of that lien or encumbrance in accordance with section 506(a) of the Bankruptcy Code. Allowed Other Secured Claims will be Rendered Unimpaired under the Plan. Specifically, the Holder of any Other Secured Claim shall, at the Reorganized Debtor's option after the Effective Date, (i) have its legal, equitable, and contractual rights left unaltered, or (ii) have any existing default by the Debtor cured and compensated in accordance with § 1124(2) of the Bankruptcy Code. The Debtor's bankruptcy schedules reflect approximately $30,183.12 of Other Secured Claims, which relates to real estate taxing authorities which have potential liens on the Debtor's real property. Based on this amount, the Debtor estimates a **100% distribution** to Holders of Allowed Other Secured Claims.

Class 4 – General Unsecured Claims: Class 4 Claims consist of General Unsecured Claims, and they are impaired under the Plan. Each Holder of an Allowed General Unsecured Claim shall receive cash in an amount equal to the Holder's *pro rata* share of the Unsecured Claim Distribution, which consists of an aggregate distribution of $10,000.00 that the Reorganized Debtor will make sixty (60) days after the Effective Date.

The Debtor's schedules currently reflect $8,280.55 in General Unsecured Claims, some of which are identified as unliquidated or contingent. The Debtor estimates that Allowed General Unsecured Claims will total approximately $20,000.00. Though the claims register maintained by the Bankruptcy Court for the Debtor only reflects approximately $15,000.00 in aggregate, liquidated General Unsecured Claims against the Debtor as of March 30, 2012, certain creditors have not yet filed proofs of Claims against the Debtor, and the Debtor anticipates that the number may increase once a deadline for filing proofs of Claims is established. Based on the Debtor's current estimate of Allowed General Unsecured Claims, the Debtor estimates a **50% distribution** to Holders of Allowed General Unsecured Claims.

Class 5 - Interests: Class 5 Interests, which consist of the rights conferred upon the Debtor's sole member, GAC Storage, LLC, by virtue of being the Debtor's sole member, will be cancelled upon Confirmation of the Plan.

D. Summary of Implementation of the Plan.

The Plan contemplates the Debtor's ongoing business operation as the Reorganized Debtor. To the extent applicable under the Plan and to the extent necessary or required under applicable law, the articles of organization and the operating agreement of the Reorganized Debtor will be amended to provide for the implementation of the Plan and the prohibition of the issuance of nonvoting equity securities as required by 11 U.S.C. § 1123(a) as of the Effective Date. The Reorganized Debtor may thereafter amend and restate its articles of organization or operating agreement as permitted under applicable law, subject only to the terms and conditions of the Plan.

As of the Effective Date, the Reorganized Debtor shall issue and allocate one hundred percent (100%) of its equity interests to Newco in exchange for equity contributions (the **"New Equity Contributions"**) to fund (i) either the Payment Reserve or the Lump Sum Payment and (ii) payment of any Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Non-Tax Priority Claims, Allowed Other Secured Claims, and the Unsecured Claim Distribution if the Reorganized Debtor's available Cash or business operations are insufficient to fund such payments.

The Plan shall be funded from (i) the Reorganized Debtor's available Cash, (ii) the Reorganized Debtor's business operations, and (ii) the New Equity Contributions of Newco.

The Reorganized Debtor shall make all of the distributions contemplated under the Plan as the **"Distribution Agent."** To fund the distributions that the Plan requires, the Distribution Agent shall be revested with title to all assets of the Debtor's Estate, including, without limitation, all cash and cash equivalents, accounts receivable, inventory, machinery and equipment, and Litigation Claims retained under the Plan, free and clear of all liens, claims and interests and subject only to the treatment of Claims and Interests as set forth in the Plan. The holders of Claims against the Debtor shall be the sole and exclusive beneficiaries of the Plan and the distributions made thereunder, it being the intent of the Debtor that there be no unintended or incidental beneficiary under the Plan or of the distributions made thereunder. On the Effective Date, any executory contracts that (i) the Debtor entered into prior to the Petition Date, (ii) are executory as of the Effective Date, and (iii) have not been assumed or rejected pursuant to section 365 of the Bankruptcy Code before the Effective Date, shall be assumed.

E. Summary of Recovery Analysis.

The Plan, which provides for the Debtor's reorganization and continuing business operations, is the only realistic alternative to a liquidation of the Debtor's assets under chapter 7 of the Bankruptcy Code. Furthermore, as more fully described below in Section VIII(B), the Debtor believes that the Plan will generate a larger and quicker recovery for the Holders of Allowed Claims than would be achieved through a chapter 7 liquidation and its attendant delays. In addition to eliminating the Debtor as a customer for those creditors currently doing business with the Debtor, a conversion of the Debtor's Case to a chapter 7 liquidation would generate additional claims and expenses that would diminish the assets available for distribution to Holders of Allowed Claims. Moreover, a chapter 7 liquidation would not have the benefit of the significant financial contributions that Newco will make to facilitate the reorganization and fund distributions. The Plan contemplates the use of these funding sources, together with the Reorganized Debtor's available cash, to make a full distribution to Holders of all Allowed Claims within sixty (60) days of the Effective Date, except for the Bank Claim, which will be paid out over seven years. **Accordingly, the Debtor believes that the Plan provides the best recoveries possible for the Holders of Claims against the Debtor, and therefore, the Debtor strongly recommends that you vote to accept the Plan.**

F. Timing of Distributions Under the Plan:

The Plan generally provides for the Reorganized Debtor to make distributions on account of Allowed Administrative and Priority Claims as soon as is practicable on the later to occur of (a) the Effective Date, or (b) within thirty (30) days of when a Claim becomes an Allowed Claim. The Plan provides for the Reorganized Debtor to make the Unsecured Claim Distribution for the benefit of Allowed General Unsecured Claims on the later of (x) sixty (60) days after the Effective Date, or (y) thirty (30) days of when a Claim becomes an Allowed Claim. The Plan provides for the Reorganized Debtor to make distributions on account of the Bank Claim on the Effective Date and thereafter until it is paid in full on the seventh anniversary of the Effective Date.

III. GENERAL INFORMATION REGARDING DISCLOSURE STATEMENT

A. Purpose of Disclosure Statement.

Pursuant to section 1125 of the Bankruptcy Code, the Debtor has disseminated this Disclosure Statement to all known Holders of Claims against and Interests in the Debtor. The Disclosure Statement serves the following two purposes: (i) solicitation of acceptances from those entitled to vote on the Plan; and (ii) notification of the hearing in the Bankruptcy Court on confirmation of the Plan, which is scheduled to commence on _____ ___, 2012 at _____ __.m. (Central time).

This Disclosure Statement is filed with respect to the Plan to describe, among other things, the treatment of the various Classes of Claims against and Interests in the Debtor under the Plan and the means for execution of the Plan. A copy of the Plan accompanies this

Disclosure Statement and is attached hereto as Exhibit 1. The rules of construction and definitions contained in the Bankruptcy Code and Bankruptcy Rules are applicable to this Disclosure Statement. Unless otherwise indicated, all statutory references in this Disclosure Statement shall refer to the Bankruptcy Code and Bankruptcy Rules, as applicable.

B. Approval of Disclosure Statement.

On May ___, 2012, the Bankruptcy Court approved this Disclosure Statement as containing information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, that would enable a hypothetical investor to make an informed judgment about the Plan. In determining whether this Disclosure Statement provides adequate information, the Bankruptcy Court considered the complexity of this case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information. Approval of this Disclosure Statement, however, did not constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan. Furthermore, this Disclosure Statement is not intended to be an offering memorandum or securities prospectus and is exempt from all applicable federal and state securities laws pursuant to section 1125(e) of the Bankruptcy Code.

C. Dissemination of Disclosure Statement.

This Disclosure Statement has been provided to each party in interest whose Claim or Interest has been scheduled or who has filed a proof of Claim or Interest in this Case. It is intended to assist such parties in evaluating the Plan and in determining whether to accept or reject the Plan. Under the Bankruptcy Code, your vote for acceptance or rejection of the Plan may not be solicited unless you have received a copy of this Disclosure Statement prior to or concurrently with such solicitation. Each Holder of a Claim or Interest should carefully read this Disclosure Statement and the Plan in their entirety before voting on the Plan.

D. Sources of Information and Disclaimer.

This Disclosure Statement may not be relied upon for any purpose other than to determine whether to accept or reject the Plan. Nothing contained in this Disclosure Statement shall constitute an admission by the Debtor or any other party regarding the subject matter of the Disclosure Statement, be admissible in any proceeding (for evidentiary purposes or otherwise) involving the Debtor or any other party, or be deemed advice on the tax or other legal effects of the Plan on Claim or Interest Holders. In the event of any inconsistency between this Disclosure Statement and the Plan, the terms of the Plan shall control.

Except as otherwise expressly indicated herein, the information contained in this Disclosure Statement has been obtained from the Debtor's books and records and certain pleadings, papers and other documents filed with the Bankruptcy Court. There has been no independent audit of the financial information contained in this Disclosure Statement.

IV. CONFIRMATION PROCEDURES

A. Restrictions on Solicitation of Votes.

No information concerning the Plan or any assets or liabilities of the Debtor has been authorized by the Bankruptcy Court to be disseminated in connection with the solicitation of acceptances or rejections of the Plan other than as set forth in this Disclosure Statement. No party has been authorized to solicit acceptances or rejections of the Plan other than the Debtor as the proponent of the Plan. Any inducements to secure your acceptance or rejection of the Plan other than as contained in this Disclosure Statement should not be relied upon by Holders of Claims or Interests in voting on the Plan. Any such information or inducement should be reported immediately to the Debtor for further action as may be appropriate before the Bankruptcy Court.

B. Classes Entitled to Vote.

There are five (5) different classes of Claims and Interests under the Plan. Classes 1 and 3 are unimpaired and are presumed to have accepted the Plan pursuant to section 1126 of the Bankruptcy Code. Holders of Claims in Classes 2 and 4 are impaired under the Plan and are entitled to vote on the Plan. Holders of Class 5 Interests will have their Interests cancelled upon Confirmation of the Plan and are deemed to reject the Plan.

Pursuant to section 1123(a) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not subject to classification. As such, the Holders thereof are not entitled to vote on the Plan. The treatment of Administrative Claims and Priority Tax Claims is set forth in Article II of the Plan.

C. Voting on the Plan.

In order to vote on the Plan, Holders of Claims and Interests in Classes eligible to vote should complete the enclosed ballot and return it to the following address so that it is received by 4:30 p.m. (Central time) on or before _____ ___, 2012:

Clerk of the United States Bankruptcy Court
Northern District of Illinois, Eastern Division
219 South Dearborn St.
Chicago, Illinois 60604

ONLY THOSE BALLOTS RETURNED IN A TIMELY MANNER WILL BE COUNTED IN DETERMINING WHETHER A PARTICULAR CLASS OF CLAIM OR INTEREST HOLDERS HAS ACCEPTED OR REJECTED THE PLAN.

D. Confirmation Hearing.

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider the confirmation of the Plan (the **"Confirmation Hearing"**) on _____, ___, 2012 at _____ ___.m. (Central time), and it has directed that notice thereof be transmitted to all parties in interest. The Confirmation Hearing will be held before the Honorable _____, Courtroom _____, 219 South Dearborn, Chicago, Illinois.

The Bankruptcy Court has directed that objections, if any, to the confirmation of the Plan be filed and served on counsel for the Debtor on or before 4:30 p.m. (Central time) on _____ ___, 2012.

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice other than by announcement of the next adjourned date at the Confirmation Hearing or any adjourned Confirmation Hearing. At the Confirmation Hearing or any adjourned Confirmation Hearing, the Bankruptcy Court shall enter an order confirming the Plan if sufficient acceptances thereof have been received from Holders of Claims and Interests entitled to vote on the Plan and if all other statutory requirements have been satisfied.

E. Acceptances Necessary for Confirmation.

At the Confirmation Hearing, the Bankruptcy Court will determine, among other things, whether the Plan has been accepted by each Class that is Impaired under the Plan. Under section 1126 of the Bankruptcy Code, an Impaired Class of Claim Holders is deemed to have accepted the Plan if members of the class that hold two-thirds (2/3) in amount, and more than one-half (1/2) in number, of the Allowed Claims voting on the Plan have voted for acceptance of the Plan. An Impaired Class of Interest Holders is deemed to have accepted the Plan if members of the class holding two-thirds (2/3) in amount of the Allowed Interests voting on the Plan have voted for acceptance of the Plan.

Unless there is unanimous acceptance of the Plan by each Holder of a Claim or Interest in an Impaired Class, the Bankruptcy Court, as an additional requirement for Confirmation, must determine that, under the Plan, the members of each such Class will receive property of a value, as of the Effective Date of the Plan, that is not less than the value that each such Class member would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

F. Confirmation Without Necessary Acceptances.

Even if one or more classes of Claims or Interests that are Impaired under the Plan reject the Plan, or are deemed to have rejected the Plan, the Bankruptcy Court may confirm the Plan if it finds that at least one (1) Impaired Class of Claims has voted to accept the Plan (determined without including any acceptance of the Plan by an insider) and that the Plan does not "discriminate unfairly," and is "fair and equitable" as to each Impaired Class of Claims or Interests that has not accepted the Plan. This "cramdown" authority is contained in §§ 1129(a)(10) and 1129(b) of the Bankruptcy Code.

V. HISTORY OF THE DEBTOR AND ITS CHAPTER 11 CASE

A. The Debtor's Business and Events Leading to Bankruptcy Filing

The Debtor was formed on or about March 27, 2007 for the purpose of developing approximately 3.9 acres of real property located at 5871 Copley Drive, San Diego, California into two (2) class "A" buildings of +/- 112,000 square feet of storage space (the **"Property"**). On or about April 13, 2007, the Debtor entered into a Construction Loan Agreement with the Bank for an amount not to exceed $10,242,500 for the construction and development of improvements on the Property. Construction of the Property was completed in 2008, and the

Debtor opened for business with a total of 1000 storage units and 38 RV spaces comprising 90,520 square feet of rentable space. The Debtor received its first rental payments in May 2008 at $1.42 per square foot. By the end of 2008, the total occupancy was 28.4% or 262 units leased. Going forward, all lease up efforts were focused on financial stabilization of the Property and meeting the benchmark of 750 units leased by March 31, 2011, as required by the Construction Loan Agreement.

The Construction Loan Agreement had a maturity date of April 13, 2009. The Bank initially agreed to extend the maturity date for two additional six month periods through April 2010. On or about December 14, 2009, the Debtor and the Bank entered into a Modification Agreement modified the construction loan agreement to extend the maturity date to December 13, 2011 and reduce the loan amount to $10,026,000. As a condition of the extension, the Debtor agreed to make quarterly principal payments on January 1, April 1, July 1 and October 1, 2011, each in the amount of $62,500.00. The Debtor made the January and April 2011 payments, but was unable to fund additional payments to the Bank.

While the year end financials for 2009 and 2010 showed improvement at the Property, the occupancy percentages ranged from 62.0% (or 572 units leased) to 67.4% (or 644 units leased), respectively. In addition, the overall rent per square foot decreased from $1.34 to $1.24. The Property reached stabilization for net cash flow based on a final interest reserve draw in August 2010. As the rental market rates continued to soften, net cash flow of the Property continued to suffer. Attached as attached hereto as Exhibit 2 are the Debtor's consolidated annual financial statements for 2010 and 2011.

On or about July 22, 2011, the Bank sent a notice to the Debtor regarding its failure to comply with the Modification Agreement. By reason of the Debtor's defaults, the Bank declared the entire outstanding principal and interest balance of $9,516,983, plus accrued and accruing interest, default interest, late charges and any other fees and costs due and owing pursuant to the terms of the loan documents, including attorney's fees and costs immediately due and payable. On or about July 27, 2011, the Bank initiated a foreclosure action against the Debtor in California state court.

Although the Debtor took significant steps during the months before its Petition Date to negotiate and refinance its construction loan with the Bank, the Debtor's was ultimately unable to meet its existing debt service obligations and as a consequence of the Bank's foreclosure action the Debtor was forced to file a voluntary chapter 11 petition in the Bankruptcy Court. The Debtor believed that the chapter 11 process would provide the most effective and efficient platform to restructure its debts, reorganize its financial affairs, and, through that process, provide it with the flexibility it currently lacks to unlock and maximize the potential of its future business operations.

The Debtor filed its chapter 11 case on October 7, 2011 (the **"Petition Date"**). Since then, the Debtor has remained in possession of its assets, and it has continued to operate its business and administer its estate as a debtor in possession pursuant to §§ 323, 1107 and 1108 of the Bankruptcy Code. The Debtor has all of the rights and powers of a trustee in bankruptcy pursuant to § 1107(a) of the Bankruptcy Code.

As of the Petition Date, the Debtor's assets consisted principally of the self-storage facility and real property located at located at 5871 Copley Drive, San Diego, California 92111, cash on hand, accounts receivable, office furniture, supplies and equipment, and its liabilities consisted primarily of the Bank Claim, certain real estate tax liabilities, and ongoing operating expenses.

On or shortly after the Petition Date, the Debtors filed a number of so-called **"First-Day"** motions and applications, including a motion for an order determining that the Debtor's utilities were adequately protected, an application to employ Shaw Gussis Fishman Glantz Wolfson & Towbin LLC as the Debtor's bankruptcy attorneys, and, as described below, a motion to use the cash collateral of its secured lender, Bank of America, N.A. (the **"Bank"**). The Bankruptcy Court subsequently entered orders allowing all of these "First-Day" motions.

B. The Debtor's Prepetition Financing and its Postpetition Cash Collateral Use

Prior to the Petition Date, on or about April 13, 2007, the Debtor and the Bank entered into that certain Construction Loan Agreement pursuant to which the Bank agreed to lend to the Debtor up to the maximum principal amount of $10,242,500.00 in accordance with the terms of the Construction Loan Agreement. In addition to the Construction Agreement and in accordance therewith, also on or about April 13, 2007, the Debtor executed that certain Promissory Note in the principal amount set forth above (the **"Note"**). In order to secure the Debtor's obligations under the Construction Agreement and the Note, on the same date, the Debtor also entered into that certain Construction Deed of Trust, Assignment, Security Agreement and Fixture Filing (the **"Deed of Trust"**). Certain of the documents entered into by and between the Debtor and the Bank were revised pursuant to a Revision Agreement dated April 13, 2009, and a Revision Agreement dated October 13, 2009. Certain of the loan documents were modified pursuant to the terms of that certain Loan Modification Agreement dated February 10, 2010. Under the terms of the Deed of Trust, the Bank holds Lien on the Debtor's real property and an interest in the leases and rents generated by the Property and other personal property of the Debtor.

As of the Petition Date, the Debtor held total cash in the amount of approximately $41,242.66. However, the Debtor believed that the Bank would assert a collateral interest in its cash. Therefore, in order to pay ongoing expenses incurred in the ordinary course of its business and ongoing expenses associated with the maintenance and preservation of its assets pending its reorganization and the confirmation of a chapter 11 plan, the Debtor filed a motion to use the Bank's cash collateral pursuant to § 363(c)(2) of the Bankruptcy Code. The Debtor and the Bank subsequently negotiated an agreed form of cash collateral order, which the Bankruptcy Court approved on March 20, 2012. The cash collateral order authorizes the Debtor's use of the Bank's cash collateral pursuant to a budget that may be modified and extended with the consent and agreement of the Bank. The cash collateral order allows for the Debtor's use of cash collateral through July 1, 2012, provided that the Debtor has filed its chapter 11 plan and disclosure statement on or before April 1, 2012.

C. Assumption of Management Responsibilities by Storage, Etc.

On February 23, 2012, the Bankruptcy Court authorized the Debtor to enter into a Property Management Agreement with Storage Etc. Property Management, LLC (**"Storage Etc."**). Storage Etc. assumed management responsibilities at the Property effective March 1,

2012 and has agreed to operate and manage the Property and act as the exclusive leasing agent for a period of one (1) year. Storage Etc. received a $4,000.00 start-up fee and earns a monthly management fee equal to six percent (6%) of the Debtor's gross receipts from the Property. The Debtor anticipates that Storage Etc. will continue in its role as property management for the Property on behalf of the Reorganized Debtor.

VI. SUMMARY OF OTHER SIGNFICANT PROVISIONS OF THE PLAN

A. Means for Execution of the Plan.

The Plan shall be funded from the Debtor's available cash, which will be revested in the Reorganized Debtor as of the Effective Date, plus New Equity Contributions from the owner of the Reorganized Debtor, Newco. Except for those restrictions expressly imposed by the Plan or by the Confirmation Order, on and after the Effective Date, the Reorganized Debtor shall operate its business and shall use, acquire, or dispose of property without supervision or approval by the Bankruptcy Court and free of any restrictions imposed under or by virtue of the Bankruptcy Code, the Bankruptcy Rules and any other applicable rules and guidelines. Without limiting the generality of the foregoing, the Reorganized Debtor shall be free to obtain working capital financing for the purchase of inventory and payment of operating expenses and for other working capital needs as they arise. The Reorganized Debtor shall have no restrictions on its ability to obtain working capital financing or other indebtedness on such terms and conditions as may be acceptable to the Reorganized Debtor.

B. Ownership of the Reorganized Debtor.

As of the Effective Date, the Interests of the Debtor, held by GAC Storage, LLC, shall be canceled and new interests shall be issued to Newco in exchange for the New Equity Contributions that the Reorganized Debtor will use to fund the Plan. Neither GAC Storage, LLC, GAC Storage, LLC's owners, nor any of the Guarantors of the Bank Claim will be owners of the Reorganized Debtor or Newco.

C. Distribution Agent.

The Reorganized Debtor will act as the Distribution Agent for the purposes of making any and all distributions provided for under the Plan. In making distributions after the Effective Date, the Distribution Agent will reserve appropriate amounts for Disputed Claims. All distributions made pursuant to the Plan which are not negotiated within ninety (90) days after such distributions are made shall revert to and become the property of the Reorganized Debtor free and clear of any and all claims, demands and causes of action.

D. Disputed Claims.

No payment or Distribution will be made on account of any Claim that is subject to an objection until such time as the Disputed Claim becomes an Allowed Claim, in whole or in part, and no post-confirmation interest on such Claim shall be payable on the allowed portion, if any, with respect to a Disputed Claim except to the extent provided for in the Plan.

E. Retention of Litigation Claims.

Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, the Litigation Claims, including, any and all avoidance and other actions arising under chapter 5 of the Bankruptcy Code, and actions to collect the Debtor's accounts receivable shall be retained, prosecuted and enforced by the Reorganized Debtor, except to the extent released through the Plan. The Reorganized Debtor may enforce, sue on, settle or compromise any or all such Litigation Claims or, in the exercise of its discretion, may elect to not pursue certain Litigation Claims.

F. Assumption of Executory Contracts and Unexpired Leases.

The Plan provides that, as of the Effective Date, the Reorganized Debtor assumes any executory contract or unexpired lease to which the Debtor is a party, which was in existence on or before the Petition Date and which was not assumed prior to the Petition Date, except any such contract or lease (i) rejected by the Debtor or otherwise terminated prior to the Effective Date, (ii) that is the subject of an application to reject pending as of the Confirmation Date, or (iii) as to which (A) the non-Debtor party to the contract or lease has objected to the assumption of the contract or lease and (B) such objection has not been resolved between the Debtor and the non-Debtor party or by a Final Order. Each executory contract and unexpired lease assumed pursuant to the Plan shall revest in and be fully enforceable by the Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Plan, or any order of the Bankruptcy Court authorizing and providing for its assumption or applicable federal law. Within 120 days of the Effective Date, the Reorganized Debtor shall, pursuant to the provisions of §§ 365(b) and 1123(b)(2) of the Bankruptcy Code, cure all defaults existing under and pursuant to the unexpired leases and executory contracts assumed under the Plan.

G. Plan Injunction.

Section 8.2 of the Plan provides that except for actions that Holders may take to prosecute or defend their respective Claims or Interests against the Debtor in the Bankruptcy Court, entry of a Confirmation Order will operate as an injunction against the commencement or continuation of an action, the employment of process, or any act to collect, recover or offset any Claim of any Holder against the Debtor, the Estate, the Reorganized Debtor or Newco.

H. Plan Exculpation and Indemnification Provisions.

Section 8.3 of the Plan provides for exculpation and indemnification of the Debtor, the Reorganized Debtor, Newco, and any of their respective present or former members, officers, directors, officers, employees, advisors, or attorneys with respect to any liability to any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Case, formulating, negotiating or implementing the Plan or the Disclosure Statement, the pursuit of the approval of the adequacy of the Disclosure Statement, the pursuit of confirmation of the Plan, the confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan (including the distributions), except for instances of gross negligence or willful misconduct.

I. Guarantors Injunction.

Section 8.4 of the Plan provides that in consideration for Newco funding the New Equity Contributions, entry of the Confirmation Order will operate as an injunction against the commencement or continuation of an action, the employment of process, or any act to collect, recover or offset any Claim of any Holder against the Guarantors under the Bank Loan Documents or otherwise, which Guarantors Injunction shall be effective so long as the Reorganized Debtor is performing its obligations under the Plan and no Default has occurred. The Guarantors are defined by the Plan to include: (i) D.M.S.I., L.L.C.; (ii) Noam Schwartz; (iii) Noam Schwartz Living Trust; (iv) Yoel Iny; and (v) Y&T Iny Family Trust.

J. Administrative Expense Claims.

All requests for the allowance and/or payment of an Administrative Claim (other than Professional Fee Claims) must be filed with the Bankruptcy Court and served on counsel for the Debtors and the Reorganized Debtor no later than thirty (30) days after the Effective Date. Unless such request is objected to, such Administrative Claims shall be deemed allowed in the amount requested. In the event that an Administrative Claim is objected to, the Bankruptcy Court shall determine the Allowed amount of the Administrative Claim.

VII. RISK FACTORS TO BE CONSIDERED

Because the bulk of the distributions to be made under the Plan, with the exception of distributions on account of the Bank Claim, are to be made on the Effective Date or within sixty (60) days thereafter, ordinary risk factors inherent in a chapter 11 reorganization (such as the possibility that a reorganized debtor will not be able to generate sufficient funds to make anticipated deferred payments) are not as prevalent as they might otherwise be. Combined with New Equity Contributions from Newco, the Debtor's available cash will be sufficient to make anticipated Plan payments on or shortly after the Effective Date and fund the Unsecured Claim Distribution.

However, the following specific risks exist in connection with confirmation of the Plan:

1. Any objection to the Plan filed by a member of a Class could either prevent or delay confirmation of the Plan.

2. In the event that certain Classes fail to meet the minimum Class vote requirements, as described above, the Debtor may request a cramdown of such non-accepting Classes. Failure to secure a cramdown or to suitably amend the Plan, if required, will in all likelihood prevent confirmation of the Plan.

3. Section 1122(a) of the Bankruptcy Code requires that the Plan place a Claim in a particular Class only if the claim is substantially similar to the other Claims of such Class. Moreover, section 1123(a)(4) of the Bankruptcy Code requires that the Plan provide for the same treatment for each Claim of a particular Class, unless the holder of a particular Claim agrees to a less favorable treatment of such particular Claim. The Debtor believes the Plan complies with §§ 1122(a) and 1123(a)(4) and related case law by the classification and treatment of various Claim holders in the Plan. In the event the Bankruptcy Court finds that the Plan violates §§ 1122(a) and 1123(a)(4), and the affected

creditors do not consent to the treatment afforded under the Plan, the Bankruptcy Court may deny confirmation of the Plan.

4. The Debtor's current estimate as to the final amounts of Allowed Claims in each Class may prove to be lower than the actual amount of Allowed Claims. If that occurs with regard to Class 4 General Unsecured Claims, the pro rata sharing of the Unsecured Claim Distribution will result in a lower distribution than is estimated in this Disclosure Statement.

VIII. ACCEPTANCE AND CONFIRMATION

To confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of determinations concerning the Plan with respect to the Debtor and the Debtor's Estate, including that: (i) the Plan has classified Claims in a permissible manner; (ii) the contents of the Plan comply with the technical requirements of Chapter 11 of the Code; (iii) the Debtor has proposed the Plan in good faith; and (iv) the Debtor's disclosures concerning the Plan have been adequate and have included information concerning all payments made or promised in connection with the Plan and the Debtor's Case, as well as the identity and affiliations of, and compensation to be paid to, all insiders. The Debtor believes that all of these conditions have been met or will be met and will seek findings of the Bankruptcy Court to this effect at the hearing on confirmation of the Plan.

The Code also requires that the Plan be accepted by the requisite votes of holders of Claims, that the Plan be feasible, and that confirmation of the Plan be in the "best interests" (absent unanimity) of the holders in each impaired class of Claims and Interests. To confirm the Plan, the Bankruptcy Court must find that all of these conditions are met. Thus, even if all classes of Claims and Interests accept the Plan by the requisite votes, the Bankruptcy Court must make independent findings respecting the Plan's feasibility and whether it is in the best interests of Holders of Claims and Interests before it may confirm the Plan. The classification, "best interests," and feasibility conditions to confirmations are discussed below.

A. Classification of Claims.

The Bankruptcy Code requires that the Plan place each Claim or Interest in a class with other Claims or Interests which are substantially similar. The Debtor believes that the Plan satisfies the Bankruptcy Code's standards for appropriate classification.

B. Best Interests of Impaired Classes.

Notwithstanding acceptance of the Plan by each impaired class of Claims and Interests, in order to confirm the Plan, the Bankruptcy Court must determine that the Plan is in the "best interests" of creditors and equity security holders. The "best interests" test requires that the Bankruptcy Court find that the Plan will provide to each member of each impaired class of Claims and Interests property of a value, as of the Effective Date of the Plan, at least equal to the amount such member would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

To calculate what members of each impaired class of Claims and Interests would receive in the event of a liquidation, the Bankruptcy Court must first determine the aggregate dollar

amount (the **"Liquidation Value"**) that the Debtor's assets would generate if the Case was converted to a chapter 7 case under the Bankruptcy Code and the assets were liquidated by a trustee in bankruptcy. The Liquidation Value would consist of the net proceeds generated from the disposition of the Debtor's assets as augmented by the Debtor's cash.

The Liquidation Value available to Holders of General Unsecured Claims would be reduced by (i) the Allowed Bank Claim and Allowed Other Secured Claims to the extent of the value of their underlying collateral, (ii) Allowed Administrative and Priority Claims, which have a senior priority of distribution under the Bankruptcy Code, and (iii) the costs and expenses of the liquidation under chapter 7, which would include the compensation of a trustee, compensation of attorneys and other professionals retained by the trustee, and expenses incurred by the trustee in disposing of the Debtor's assets.

The Debtor believes that the Plan will produce more than a chapter 7 liquidation of its assets for several reasons including the following:

1. A liquidation would substantially reduce the value of the Debtor's Property and accounts receivable.

2. The goodwill and going concern value of the Debtor would be lost in the event of a liquidation. Creditors that do business with the Debtor would also lose a valued customer.

3. A chapter 7 trustee would incur substantial costs and expenses in attempting to sell the Debtor's Assets.

4. A chapter 7 trustee would be entitled to a statutory fee of up to three percent (3%) of the amounts that the trustee disburses to creditors, including the amounts that the trustee would disburse to secured creditors such as the Bank. In addition, a trustee customarily requires the services of an attorney and an accountant, whose fees could be substantial, and whose fees would also be paid before any distribution to unsecured creditors.

5. A chapter 7 liquidation would not have the benefit of the revenue generated from the Debtor's ongoing business operations and the New Equity Contributions of Newco, which the Plan contemplates as sources of funding distributions. The Plan contemplates the use of these funding sources, together with the Debtor's available cash, to make a distribution to Holders of all Allowed Claims within 60 days of the Effective Date, except the Bank Claim, which will be paid out over seven (7) years.

The Debtor prepared the liquidation analysis attached hereto as Exhibit 3 to reflect its estimate of likely recoveries in the event of a chapter 7 liquidation. You should review this liquidation analysis, which sets forth the amounts that the Debtor believes would be available in the event of a chapter 7 liquidation. This analysis is based upon estimates of the Debtor's assets and liabilities as of March 30, 2012, and it incorporates other estimates and assumptions developed by the Debtor that are subject to potentially material changes depending upon future economic and business conditions and legal rulings. Therefore, the actual liquidation value of the Debtor could vary materially from the estimates reflected in the analysis. The Debtor does

not intend and undertakes no obligation to update or otherwise revise the analysis to reflect events or circumstances arising hereafter.

C. Feasibility.

As a condition to confirmation, the Bankruptcy Code generally requires that confirmation is not likely to be followed by the liquidation of the Debtor or the need for further financial reorganization. This requirement is generally referred to as the feasibility test of § 1129(a)(11) of the Bankruptcy Code. The Debtor submits that the Plan is feasible and otherwise complies with § 1129(a)(11) of the Bankruptcy Code.

Attached hereto as Exhibit 4 is a projected cash flow statement (the **"Projections"**) for the Reorganized Debtor for the seven (7) year period from August 2012 through August 2019. Based upon the Projections and the New Equity Contributions, the Reorganized Debtor will have sufficient cash on hand to make the required distributions on and shortly after the Effective Date including the funding of the Unsecured Claim Distribution. Meanwhile, the Projections demonstrate that the Reorganized Debtor will generate sufficient funds from its ongoing operations to make the required payments on account of the Allowed Bank Claim as they become due and also provide an ongoing oversecured collateral base for the Allowed Bank Claim. Accordingly, the Plan passes the feasibility test of § 1129(a)(11) of the Bankruptcy Code.

Please note that the Projections were prepared by the Debtor's management with the assistance of their advisors. The Projections were not prepared to comply with the guidelines for prospective financial statements published by the American Institute of Certified Public Accountants. Though presented with numerical specificity, the Projections are necessarily based on a variety of estimates and assumptions which, though considered reasonable by the Debtor, may not be realized and are inherently subject to significant business, economic, competitive, industry, market, and financial uncertainties and contingencies, many of which are beyond the Debtor's control. The Debtor cautions you that no representations can be made or are made as to the accuracy of the Projections or to the Reorganized Debtor's ability to achieve the projected results reflected in the Projections. Consequently, the Projections may not be relied upon as a guaranty or other assurance of the actual results that will occur. In deciding whether to vote to accept or reject the Plan, Holders of Claims or Interests must make their own determinations as to the reliability of the Projections and the reasonableness of its underlying assumptions. The Debtor does not intend and undertakes no obligation to update or otherwise revise the Projections to reflect events or circumstances arising hereafter.

D. Acceptance.

As another condition to confirmation, the Bankruptcy Code requires that each impaired class of Claims or Interests accept the Plan. The Bankruptcy Code defines acceptance of the Plan by a class of Claims as acceptance by the holders of two-thirds in amount and a majority in the number of Claims in that class. For a class of Interests, acceptance is defined as acceptances by the holders of two-thirds in amount. For both purposes only those who actually vote to accept or reject the Plan are counted.

IX. ALTERNATIVES TO THE PLAN

The Debtor believes that the Plan provides holders of Claims and Interests with the earliest and greatest possible value that can be realized on their Claims and Interests. The alternatives to confirmation of the Plan include the submission of an alternative plan or plans of reorganization by one or more other parties in interest or the chapter 7 liquidation of the Debtor. As of the date of this Disclosure Statement, no alternative plans have been filed. As set forth above, the results of a chapter 7 liquidation are likely to result in a reduced amount available for distribution to holders of Claims and Interests.

X. TAX CONSEQUENCES

A detailed discussion of the federal and state income tax consequences of the Plan is not practicable under the circumstances of these cases, and the Debtor expresses no opinion thereon. Because the income tax consequences of the Plan may be different for different parties, each party is urged to seek advice from its own tax advisor with respect to the income tax consequences of the Plan. The Debtor believes, however, that there will be no adverse tax consequences to the Estate as a result of the Plan's consummation, and that the Estate has sufficient tax attributes to prevent any negative tax implications resulting from the Plan's consummation.

XI. ADDITIONAL INFORMATION

The Bankruptcy Court will hold a hearing on confirmation of the Plan commencing on _____, ___, 2012 at _____ __.m. (Central time). Any objections to confirmation of the Plan must be in writing and must be filed with the Bankruptcy Court on or before _____ ___, 2012 at 4:30 p.m. (Central time).

Objections must be served at the same time upon counsel for the Debtor:

Gordon E. Gouveia
Shaw Gussis Fishman Glantz
Wolfson & Towbin, LLC
321 North Clark Street, Suite 800
Chicago, Illinois 60654

The Debtor believes the Plan is feasible and in the best interests of the Debtor's creditors and equity security holders. Accordingly, the Debtor asks that you vote to accept the Plan. A ballot for acceptance or rejection of the Plan is enclosed. Your vote is important.

GAC Storage Copley Place, LLC

Dated: March 30, 2012

By: /s/ Gordon E. Gouveia
One of its attorneys

Robert M. Fishman (#3124316)
Gordon E. Gouveia (#6282986)
Shaw Gussis Fishman Glantz
Wolfson & Towbin LLC
321 North Clark Street, Suite 800
Chicago, Illinois 60654
(312) 541-0151
rfishman@shawgussis.com
ggouveia@shawgussis.com