

1 **Albert N. Kennedy**, OSB No. 821429 (Lead Attorney)
 Direct Dial: (503) 802-2013
 2 Facsimile: (503) 972-3713
 E-Mail: al.kennedy@tonkon.com
 3 **Ava L. Schoen**, OSB No. 044072
 Direct Dial: (503) 802-2143
 4 Facsimile: (503) 972-3843
 E-Mail: ava.schoen@tonkon.com

5 **TONKON TORP LLP**
 1600 Pioneer Tower
 6 888 S.W. Fifth Avenue
 Portland, OR 97204

7 Attorneys for Debtor

10 UNITED STATES BANKRUPTCY COURT
 11 DISTRICT OF OREGON

12 In re
 13 General Auto Building, LLC,
 14 Debtor

Case No. 12-31450-elp11
DEBTOR'S ~~FIRST~~SECOND
AMENDED DISCLOSURE
STATEMENT (~~November 27~~October
5, 2012)

17 **1. INTRODUCTION**

18 On March 2, 2012 (the "Petition Date"), General Auto Building, LLC ("Debtor") filed
 19 a voluntary petition under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy
 20 Code"). This Disclosure Statement ("Disclosure Statement") describes various transactions
 21 contemplated under the Plan, including the manner in which Claims and Interests will be
 22 satisfied. A copy of the Plan is attached hereto as **Exhibit 1**. You are urged to review the
 23 Plan and, if appropriate, consult with counsel about the Plan and its impact upon your legal
 24 rights before voting on the Plan. Capitalized terms used but not defined in this Disclosure
 25 Statement shall have the meanings assigned to such terms in the Plan or the Bankruptcy
 26 Code.

1 This Disclosure Statement has been prepared by Debtor based on information
2 contained in its books and records. The information contained herein has been prepared in
3 good faith, based upon information available to it. The information concerning the Plan has
4 not been subject to a verified audit. Debtor believes this Disclosure Statement complies with
5 the requirements of the Bankruptcy Code.

6 The statements contained in this Disclosure Statement are made as of the date hereof,
7 unless another time is specified herein, and the delivery of this Disclosure Statement shall not
8 imply there has been no change in the facts set forth herein since the date of this Disclosure
9 Statement and the date of the material relied on in preparation of this Disclosure Statement
10 was compiled. The description of the Plan contained in this Disclosure Statement is intended
11 as a summary only and is qualified in its entirety by reference to the Plan itself. If any
12 inconsistency exists between the Plan and this Disclosure Statement, the terms of the Plan are
13 controlling. Each holder of a Claim is encouraged to read, consider and carefully analyze the
14 terms and provisions of the Plan. This Disclosure Statement may not be relied on for any
15 purpose other than to determine how to vote on the Plan. Nothing contained herein shall
16 constitute an admission of any fact or liability by any party, or be admissible in any
17 proceeding involving Debtor or any other party, or be deemed conclusive advice on the tax or
18 other legal effects of the reorganization on the holders of Claims or Interests.

19 This Disclosure Statement is submitted in accordance with Section 1125 of the
20 Bankruptcy Code and Bankruptcy Rule 3016. The Bankruptcy Court has scheduled a
21 hearing on confirmation of the Plan to commence on _____, 2012 at _____. That
22 hearing will be held at the United States Bankruptcy Court for the District of Oregon,
23 Courtroom 1, 1001 SW Fifth Avenue, Portland, Oregon 97204 before the Honorable
24 Elizabeth L. Perris. The hearing on confirmation may be adjourned from time to time by the
25 Bankruptcy Court without further notice, except for an announcement made at the hearing or
26 any adjournment thereof.

1 A ballot has been enclosed with this Disclosure Statement for use in voting on the
2 Plan. In order to be tabulated for purposes of determining whether the Plan has been
3 accepted or rejected, ballots must be received at the address indicated on the ballot no later
4 than 4:00 p.m. Pacific Time on _____, 2012.

5 **2. SUMMARY OF PLAN**

6 A copy of the Plan is attached hereto as **Exhibit 1** and discussed in detail later in this
7 Disclosure Statement. The following description of the Plan is intended as a summary only
8 and is qualified in its entirety by reference to the Plan. Debtor urges each holder of a Claim
9 to carefully review the entire Plan, together with this Disclosure Statement, before voting on
10 the Plan.

11 **2.1. GENERAL**

12 Generally, the Plan provides that (a) all membership interests in Debtor will be
13 cancelled on the Effective Date; (b) North Park Development will purchase a \$400,000
14 membership interest in Reorganized Debtor; (c) all Insiders and Creditors of Debtor are
15 offered the opportunity to purchase membership interests in Reorganized Debtor in \$50,000
16 increments; (d) membership interests in Reorganized Debtor will be allocated pro rata among
17 all new investors; and (e) Debtor will operate in the ordinary course and pay all Creditors in
18 full or in part over time pursuant to the Plan from revenue generated by operations, from cash
19 savings, and from the new investment in Debtor.

20 **2.2. SECURED CREDITORS**

21 Reorganized Debtor will pay its Secured Creditors, R&H Construction, Multnomah
22 County, and Homestreet Bank as follows.

23 2.2.1. R&H Construction ~~has filed a proof of claim in the amount of~~
24 ~~\$146,946.80. The proof of claim asserts that the claim is secured by a construction lien~~
25 ~~arising from certain improvements made to the General Automotive Building. R&H~~
26 ~~Construction filed a proof of claim in the amount of \$146,946.80 as of the Petition Date.~~

1 R&H Construction believes it is owed the construction lien claim amount plus (i) interest
 2 accruing at the rate of 18% per annum until the Effective Date and (ii) costs and reasonable
 3 attorneys' fees. The Plan provides that R&H Construction will be paid \$178,000 in full
 4 satisfaction of its Allowed Secured Claim on the Effective Date. Park & Flanders filed an
 5 objection to the R&H Construction claim and initiated an adversary proceeding seeking a
 6 determination of the validity and priority of the R&H Construction lien. In the event that
 7 Park & Flanders prevails, then the R&H Construction claim may not be an Allowed Secured
 8 Claim.

9 2.2.2. As of the Petition Date, Multnomah County had a lien on the General
 10 Automotive Building for unpaid real property taxes in the approximate amount of \$90,000.
 11 Multnomah County's Secured Claim will be paid in full prior to the Effective Date. Debtor
 12 anticipates that Multnomah County will have no money owing to it on the Effective Date
 13 and, in turn, no Allowed Claim.

14 2.2.3. Homestreet Bank's ("Homestreet") Allowed Secured Claim is secured
 15 by a perfected security interest in substantially all of Debtor's assets, including rents.
 16 Homestreet will retain its interests in its Collateral with the same priority that it had as of the
 17 Petition Date. Homestreet's Claim will be an Allowed Secured Claim up to the value of
 18 Homestreet's interest in the ~~of the~~ property securing the Claim. ~~, which~~ In September of
 19 2012, the Bankruptcy Court ~~found to be~~ valued the General Auto Building at \$10,800,000. ~~A,~~
 20 after subtraction of (i) -prior liens determined as of the Petition Date and (ii) the amount of
 21 adequate protection payments, Debtor believes that the Allowed Secured Claim of
 22 Homestreet will be less than \$10,800,000. Homestreet's Allowed Secured Claim will be paid
 23 in full together with interest at a fixed rate of 4.5%, or at such other rate fixed by the Court at
 24 confirmation. Commencing on the first day of the first month following the Effective Date
 25 and continuing on the first day of the following 11 months, Homestreet will be paid monthly
 26 payments of interest only. Commencing on the first day of the thirteenth month following

1 the Effective Date and continuing on the first day of each month thereafter, Homestreet will
 2 be paid equal, monthly amortizing payments of principal and interest based upon a 30-year
 3 amortization schedule with a balloon payment of the unpaid principal plus accrued interest
 4 due on the tenth anniversary of the Effective Date. This means that Debtor will pay
 5 Homestreet approximately \$39,938 per month in interest payments for 12 months, and then
 6 pay Homestreet approximately \$53,962 per month in interest and principal for 9 years. A
 7 balloon payment of approximately \$8,551,418 will then be paid to Homestreet. [After the](#)
 8 [Petition Dated, Homestreet assigned its claim to Park & Flanders.](#) -Reorganized Debtor will
 9 maintain and insure the General Automotive Building and promptly pay all real property
 10 taxes as they come due.

11 **2.3. UNSECURED CREDITORS**

12 2.3.1. General Unsecured Creditors includes PDC's Allowed Claim, which
 13 Debtor believes is unsecured. Commencing on the last business day of April, 2013 and
 14 continuing on the last business day of each July, October, January and April thereafter until
 15 paid or satisfied as hereafter provided, Reorganized Debtor shall pay to each holder of a
 16 Class 4 claim an amount equal to its pro rata share of Reorganized Debtor's Excess Cash as
 17 of the last day of the prior calendar quarter. Payments shall continue until the (a) holders of
 18 Class 4 Claims have been paid in full together with interest at the Federal Judgment Rate; or
 19 (b) the last day of January, 2023, whichever shall first occur, provided, however that, in the
 20 event that holders of Class 4 Claims have received payments totaling at least 60% of their
 21 Class 4 Claim on or before December 31, 2017, then the Class 4 Claims will be deemed to
 22 have been paid and satisfied in full and Reorganized Debtor will have no further payment
 23 obligations. [If Park & Flanders prevails in its objection to the R&H secured claim, then the](#)
 24 [R&H claim will be a General Unsecured Claim.](#)

25 2.3.2. Small Unsecured Creditors (creditors with claims of \$6,000 or less)
 26 will be paid 60% of their Allowed Claim in cash on the later of the Effective Date of the Plan

1 or the date on which the Claim is Allowed. Small Unsecured Creditors will not receive any
2 interest payment.

3 2.3.3. General Auto Lessee's Allowed Unsecured Claim will be satisfied by
4 Reorganized Debtor as follows: On the Effective Date, Debtor will assign all Tenant Leases
5 to General Auto Lessee and Debtor and General Auto Lessee will amend the schedule of
6 base rent provided in Section 4.1 of the Master Lease as necessary given Debtor's historic
7 and projected financial performance. Debtor and General Auto Lessee restate and reaffirm
8 their rights and obligations arising from and after the Effective Date under the Tax Credit
9 Documents, including but not limited to (i) General Auto Lessee's obligation to fund all
10 remaining tax credit investments, (ii) TCC's option to sell its membership interest to General
11 Auto Development Manager (the "Put Option"), and (iii) General Auto Development
12 Manager, LLC's right and option to purchase TCC's membership interest in General Auto
13 Lessee (the "Call Option"). Debtor, TCC, and General Auto Lessee will execute such mutual
14 releases of pre-Effective Date claims and such modifications as are necessary or appropriate
15 to effectuate the intent of the Tax Credit Documents and conform the Tax Credit Documents
16 to circumstances as of the Effective Date.

17 2.3.4. The Allowed Unsecured Claims of Insiders will be subordinated to the
18 payment of all other allowed unsecured claims.

19 **2.4. EQUITY INTERESTS.**

20 The Plan provides that existing equity interests in the Debtor will be extinguished.

21 **2.5. LEASES AND EXECUTORY CONTRACTS.**

22 All unexpired leases and executory contracts will be treated as set out in Section 8.1
23 below.

24 **2.6. MISCELLANEOUS.**

25 The Effective Date of the Plan shall be January 1, 2013.
26

1 In the event any Class does not accept the Plan, Debtor reserves the right to request
2 that the Bankruptcy Court confirm the Plan in accordance with Section 1129(b) of the
3 Bankruptcy Code or otherwise modify the Plan.

4 **3. BRIEF EXPLANATION OF CHAPTER 11**

5 Chapter 11 of the Bankruptcy Code is the principal reorganization provision of the
6 Bankruptcy Code. Pursuant to Chapter 11, a debtor attempts to reorganize its business for
7 the benefit of the debtor, its creditors, and other parties in interest.

8 The formulation and confirmation of a plan of reorganization is the principal purpose
9 of a Chapter 11 case. A plan of reorganization sets forth a proposed method for
10 compensating the holders of claims and interests in the debtor. A claim or interest is
11 impaired under a plan of reorganization if the plan provides that the legal, equitable or
12 contractual rights of the holder of such claim or interest are altered. A holder of an impaired
13 claim or interest is entitled to vote to accept or reject the plan. Chapter 11 does not require
14 all holders of claims and interests to vote in favor of a plan in order for the Bankruptcy Court
15 to confirm it. However, the Bankruptcy Court must find that the plan meets a number of
16 statutory tests before it may approve the plan. These tests are designed to protect the
17 interests of holders of claims or interests who do not vote to accept the plan, but who will
18 nonetheless be bound by the plan's provisions if it is confirmed by the Bankruptcy Court.

19 An official committee of unsecured creditors may be appointed by the trustee in
20 Chapter 11 cases to, among other things, negotiate the plan of reorganization on behalf of the
21 unsecured creditors of the debtor. A committee of unsecured creditors has not yet been
22 appointed by the United States Trustee in this case.

23 **4. VOTING PROCEDURES AND CONFIRMATION OF A PLAN**

24 **4.1. BALLOTS AND VOTING DEADLINE**

25 A ballot to be used for voting to accept or reject the Plan is enclosed with each copy
26 of this Disclosure Statement mailed to all Creditors entitled to vote. After carefully

1 reviewing this Disclosure Statement and its exhibits, including the Plan, please indicate your
2 acceptance or rejection of the Plan by voting in favor or against the Plan on the enclosed
3 ballot as directed below.

4 The Bankruptcy Court has directed that, to be counted for voting purposes, ballots for
5 the acceptance or rejection of the Plan must be received no later than 4:00 p.m. Pacific Time,
6 on _____, 2012 by Debtor at the following address:

7
8 Tonkon Torp LLP,
9 Attention: Ava L. Schoen
10 1600 Pioneer Tower
11 888 S.W. Fifth Avenue
12 Portland, Oregon 97204-2099

13 Holders of each Claim scheduled by Debtor or with respect to which a Proof of Claim
14 has been filed will receive ballots and are permitted to vote based on the amount of the Proof
15 of Claim. If no Proof of Claim has been filed, then the vote will be based on the amount
16 scheduled by Debtor in its Schedules. Holders of disputed Claims who have settled their
17 dispute with Debtor are entitled to vote the settled amount of their Claim. The Bankruptcy
18 Code provides that such votes will be counted unless the Claim has been disputed,
19 disallowed, disqualified or suspended prior to computation of the vote on the Plan. The
20 Claim to which an objection has been filed is not allowed to vote unless and until the
21 Bankruptcy Court rules on the objection. The Bankruptcy Code provides that the Bankruptcy
22 Court may, if requested to do so by the holder of such claim, estimate or temporarily allow a
23 disputed claim for the purposes of voting on the Plan.

24 If a person holds claims in more than one class entitled to vote on the Plan, such
25 person will be entitled to complete and return a ballot for each Class. If you do not receive a
26 ballot or if a ballot is damaged or lost, please contact:

27
28 Tonkon Torp LLP
29 Attention: Larissa Stec
30 1600 Pioneer Tower

1 888 S.W. Fifth Avenue
2 Portland, Oregon 97204-2099
3 Telephone: (503) 802-2148

4 All persons entitled to vote on the Plan may cast their vote for or against the Plan by
5 completing, dating and signing the ballot accompanying this Disclosure Statement and
6 returning it, by First Class Mail or hand delivery, to Debtor at the address indicated above.
7 In order to be counted, all ballots must be executed and received at the above address no later
8 than 4:00 p.m. Pacific Time on _____, 2012. Any ballots received after 4:00 p.m. Pacific
9 Time on _____, 2012 will not be included in any calculation to determine whether the
10 parties entitled to vote on the Plan have voted to accept or reject the Plan.

11 When a ballot is signed and returned without further instruction regarding acceptance
12 or rejection of the Plan, the signed ballot shall be counted as a vote accepting the Plan. When
13 a ballot is returned indicating acceptance or rejection of the Plan but is unsigned, the
14 unsigned ballot will not be included in any calculation to determine whether parties entitled
15 to vote on the Plan have voted to accept or reject the Plan. When a ballot is returned without
16 indicating the amount of the Claim, the amount shall be as set forth on Debtor's Schedules or
17 any Proof of Claim filed with respect to such Claim.

18 **4.2. PARTIES ENTITLED TO VOTE**

19 Pursuant to Section 1126 of the Bankruptcy Code, each class of impaired claims or
20 interests that is not deemed to reject the Plan is entitled to vote to accept or reject the Plan.
21 Any holder of an Allowed Claim that is in an impaired class under the Plan, and whose Class
22 is not deemed to reject the Plan, is entitled to vote. A Class is "impaired" unless the legal,
23 equitable and contractual rights of the holders of claims in that Class are left unaltered by the
24 Plan or if the Plan reinstates the Claims held by members of such Class by (1) curing any
25 defaults, (2) reinstating the maturity of such claim, (3) compensating the holder of such claim
26 for damages that result from the reasonable reliance on any contractual provision of law that
allows acceleration of such claim and (4) otherwise leaving unaltered any legal, equitable or

1 contractual right of which the Claim entitles the holder of such claim. Because of their
2 favorable treatment, classes that are not impaired are conclusively presumed to accept the
3 Plan. Accordingly, it is not necessary to solicit votes from the holders of claims in classes
4 that are not impaired.

5 Classes of Claims or Interests that will not receive or retain any money or property
6 under a Plan on account of such Claims or Interests are deemed, as a matter of law under
7 Section 1126(g) of the Bankruptcy Code, to have rejected the Plan and are likewise not
8 entitled to vote on the Plan. Class 9 (Interests) are deemed to have rejected Debtor's Plan.

9 Class 1 (Other Priority Claims) and Class 5 (Multnomah County) are not impaired
10 and therefore are deemed to have accepted the Plan. All other Classes of Claims, Classes 2
11 through 4, Classes 6 through 8, and Class 10, are impaired under the Plan and persons
12 holding Class 2 through 4, Classes 6 through 8, and Class 10 Claims are entitled to vote to
13 accept or reject the Plan. Class 9 Interests is deemed to have rejected the Plan because
14 holders of Class 9 Interests will receive nothing in consideration of their Interests.

15 **4.3. VOTES REQUIRED FOR CLASS ACCEPTANCE OF THE PLAN**

16 As a condition to confirmation, the Bankruptcy Code requires that each impaired
17 Class of Claims or Interests accept the Plan, subject to the exceptions described below in the
18 section entitled "Cram Down of the Plan." At least one impaired Class of Claims must
19 accept the Plan in order for the Plan to be confirmed.

20 For a Class of Claims to accept a plan, Section 1126 of the Bankruptcy Code requires
21 acceptance by Creditors that hold at least two-thirds in dollar amount and a majority in
22 number of the Allowed Claims of such Class, in both cases counting only those claims
23 actually voting to accept or reject the plan. The holders of Claims who fail to vote are not
24 counted as either accepting or rejecting the Plan. If the Plan is confirmed, the Plan will be
25 binding with respect to all holders of Claims and Interests in each Class, including Classes
26 and members of Classes that did not vote or that voted to reject the Plan.

1 **4.4. "CRAM DOWN" OF THE PLAN**

2 If the Plan is not accepted by all the impaired Classes of Claims, the Plan may still be
3 confirmed by the Bankruptcy Court pursuant to Section 1129(b) of the Bankruptcy Code's
4 "Cram Down" provision if the Plan has been accepted by at least one Impaired Class of
5 Claims, without counting the acceptances of any insiders of Debtor, and the Bankruptcy
6 Court determines, among other things, that the Plan "does not discriminate unfairly" and is
7 "fair and equitable" with respect to each non-accepting Impaired Class of Claims or Interest.

8 **4.5. CONFIRMATION HEARING**

9 The Bankruptcy Court has scheduled a hearing on confirmation of the Plan to take
10 place on _____, 201~~23~~²³ at _____ Pacific Time. The Confirmation Hearing will be held at
11 the United States Bankruptcy Court for the District of Oregon, Courtroom 1, 1001 SW Fifth
12 Avenue, 8th Floor, Portland, Oregon, before the Honorable Elizabeth L. Perris, United States
13 Bankruptcy Judge. At the hearing, the Bankruptcy Court will consider whether the Plan
14 satisfies the various requirements of the Bankruptcy Code, including whether it is feasible
15 and whether it is in the best interest of the creditors of Debtor. At that time, Debtor will
16 submit a report to the Bankruptcy Court concerning the votes for acceptance or rejection of
17 the Plan by the persons entitled to vote thereon.

18 Section 1128(b) of the Bankruptcy Code provides that any party in interest may
19 object to confirmation of the Plan. Any objections to confirmation of the Plan must be made
20 in writing and filed with the Bankruptcy Court and received by counsel for Debtor no later
21 than _____, by _____ Pacific Time. Unless an objection to confirmation is timely
22 filed and received, it may not be considered by the Bankruptcy Court.

23 **5. BACKGROUND AND GENERAL INFORMATION**

24 **5.1. DEBTOR**

25 Debtor is an Oregon limited liability company formed in 2007 with its principal place
26 of business in Spokane, Washington. Debtor was formed to renovate and lease commercial

1 property located at 411 NW Park Avenue, Portland, OR 97205 (the "General Automotive
2 Building"). The General Automotive Building includes 40,000 square feet divided into
3 thirteen units of varying sizes. As of the Petition date, Debtor has developed virtually all of
4 the General Automotive Building and has leased approximately 98% of the building's space
5 to retail and commercial tenants. Debtor continues to seek tenants for the remaining spaces.

6 **5.2. DEBTOR'S BUSINESS STRATEGY**

7 Debtor's strategy was and is to lease commercial and retail units in a beautifully
8 restored and well-managed former industrial building at competitive rental rates. The
9 General Automotive Building offers desirable space to tenants and potential tenants: it is
10 located in the heart of the Pearl District, provides abundant natural light with views of the
11 adjacent North Park Blocks, and offers flexible work space. Debtor has obtained LEED Gold
12 designation.

13 **5.3. MANAGEMENT**

14 Debtor is a limited liability company made up of four members: North Park
15 Development, LLC; Revonoc LLC; KTP Development LLC; and David Sniderman. North
16 Park Development is the managing member of Debtor. Pursuant to the Plan, all Interests in
17 Debtor will be extinguished on the Effective Date and North Park Development will invest
18 \$400,000 of new money in Reorganized Debtor. North Park has executed a subscription
19 agreement reflecting its anticipated investment. North Park Development will be the initial
20 managing member of Debtor. All Creditors and Insiders will also have the opportunity to
21 invest in the Reorganized Debtor and acquire newly issued membership interests (see Section
22 10 of this Disclosure Statement).

23 North Park Development or its successor managing member will be entitled to
24 compensation not to exceed \$2,000 per month and reimbursement of expenses not to exceed
25 \$1,000 per month. In addition, North Park Development (and any other entities that elect to
26 acquire membership interest in the Reorganized Debtor pursuant to the Plan, will be entitled

1 to distributions necessary to pay any federal, state, or local income taxes arising from taxable
2 income of the Reorganized Debtor.

3 Since filing for bankruptcy protection, Debtor has retained a third-party property
4 management company, Deering Management Group, Inc. ("Deering"). Deering was formed
5 in 1992. It manages approximately 75 assets in Oregon and Washington. Its services include
6 asset and facility management for office, retail, and mixed use facilities. Prior to forming
7 Deering, its president, Mariann Deering, spent 28 years in Portland, Oregon with companies
8 such as CB Commercial Real Estate Group, Inc., Prendergast and Associates, Cushman and
9 Wakefield, and First Interstate Bank. Debtor has no ownership interest in Deering and
10 Deering has no ownership interest in Debtor. Deering acts as Debtor's exclusive agent for
11 purposes of managing and operating the General Automotive Building. Deering's
12 responsibilities include ensuring that repairs are made; entering into service contracts;
13 collecting and segregating rent; and paying expenses, taxes and insurance. Deering renders
14 monthly statements to the managing member; these statements reflect income, operating and
15 non-operating expenses, an activity reconciliation report (which includes details of rent
16 payments), and an accounts payable distribution (which provides details on payments made).
17 For its services, Deering is paid 2-1/2% of General Automotive Building's gross income each
18 month.

19 Debtor has also engaged Apex Real Estate Partners ("Apex") as its exclusive listing
20 agent to help secure satisfactory tenants for any units in the General Automotive Building
21 that are vacant or become vacant. Apex has considerable experience as a leasing agent and
22 extensive knowledge of the neighborhood in which the General Automotive Building is
23 located.

24 To the extent no other Insiders or Creditors invest in the Reorganized Debtor, North
25 Park Development will be the Reorganized Debtor's sole member and its managing member.
26 North Park Development and Deering have in-depth experience in the commercial real estate

1 industry and with the rental market in Portland, Oregon. North Park Development's members
2 will include Robert Brewster, Sr., Robert Brewster, Jr. and David Sniderman.

3 **5.4. FINANCIAL PERFORMANCE**

4 Attached as **Exhibit 2** is a spreadsheet that presents in summary fashion the actual
5 operating results for Debtor for fiscal year 2012 to date and the projected operating results
6 for Debtor through fiscal year 2022 on a monthly basis. **Exhibit 2** reflects that Debtor has
7 had financial success leasing units in the General Automotive Building and that Debtor has
8 adequate funds with which to repay its creditors.

9 **6. THE BANKRUPTCY CASE**

10 **6.1. THE FILING**

11 Debtor obtained a loan from Homestreet in June 2008 in the principal amount of
12 \$10,200,000 ("Homestreet Loan"). Pursuant to an agreement between Debtor and
13 Homestreet in September 2010, the principal amount of the loan was reduced to \$10,000,000.
14 To secure the obligations under the Homestreet Loan, Debtor granted to Homestreet a Line
15 of Credit Commercial Deed of Trust, Assignment of Rents and Leases, and Security
16 Agreement and Fixture Filing. The loan was originally due to mature on January 1, 2010,
17 but was extended several times by agreement between Homestreet and the Debtor.

18 Debtor also obtained a loan from PDC in June 2008 in the principal amount of
19 \$1,400,000 ("PDC Loan"). To secure the obligations under the PDC Loan, Debtor granted to
20 PDC a Line of Credit Commercial Deed of Trust, Security Agreement, Fixture Filing and
21 Assignment of Leases and Rents. The loan was due to mature on June 1, 2019. Pursuant to a
22 Subordination, Nondisturbance and Attornment Agreement, the PDC Loan is subordinate to
23 the Homestreet Loan.

24 In early 2012, debtor hired R&H Construction to perform work at the General
25 Automotive Building and authorized tenant improvements for tenants based on an additional
26 anticipated loan of \$225,000 from PDC. PDC ultimately did not fund that loan. Due to

1 PDC's failure to fund the additional loan, the difficult economic and real estate markets in
2 which Debtor was developing the General Automotive Building, and unanticipated rent
3 concessions and tenant improvement costs, Debtor was unable to remain current on its
4 payments to Homestreet and PDC and defaulted on the Homestreet Loan and PDC Loan. In
5 January 2012, PDC demanded payment of the full loan balance from Debtor and in February
6 2012, Homestreet demanded payment of the full loan balance from Debtor. Debtor was
7 unable to make such payments. Homestreet, in turn, commenced a non-judicial foreclosure
8 of the deed of trust and filed a motion for appointment of a receiver.

9 In order to keep Debtor operating, and protect Debtor's creditors, Debtor resolved to
10 seek the protection of Chapter 11 Bankruptcy.

11 **6.2. TRANSFER OF CLAIMS TO PARK & FLANDERS**

12 On May 29, 2012, Homestreet transferred to Park & Flanders all Homestreet's right,
13 title and interest in and to Homestreet's claims against the Debtor. On that same day, PDC
14 transferred to Park & Flanders all of PDC's right, title and interest in and to PDC's claims
15 against the Debtor.

16 On June 29, 2012, Park & Flanders filed a proof of claim for (i) \$10,529,361.87 based
17 upon the claim transferred to it by Homestreet and (ii) \$1,477,761.30 based upon the claim
18 transferred to it by PDC.

19 **6.3. MOTION FOR RELIEF FROM STAY**

20 Prior to transferring its claims to Park & Flanders, Homestreet filed a motion for
21 relief from the automatic stay seeking to terminate the automatic stay to permit Homestreet to
22 complete a non-judicial foreclosure of the General Automotive Building. Debtor filed a brief
23 in opposition to the motion and Park & Flanders (having at this point become the transferee
24 of Homestreet's claim) filed a brief in support of the motion. On June 15, 2012, the
25 Bankruptcy Court entered an order, which (i) neither granted nor denied the motion for relief
26 from stay and (ii) determined that a final hearing on the motion for relief from stay will be

1 held immediately following the confirmation hearing. Debtor believes that if the motion for
2 relief from stay is granted, Park & Flanders will foreclose on the General Automotive
3 Building. If a foreclosure takes place, there will be no money available to make payments to
4 any creditors other than Park & Flanders.

5 [In November of 2012, Park & Flanders filed a second motion for relief from stay.](#)
6 [Debtor anticipates that a final hearing on the second motion will also be scheduled to be held](#)
7 [immediately following the confirmation hearing.](#)

8 **6.4. VALUATION OF THE GENERAL AUTOMOTIVE BUILDING**

9 On June 26, 2012, Park & Flanders filed a motion with the Bankruptcy Court seeking
10 an evidentiary hearing to determine the value of the General Automotive Building.
11 Thereafter, on August 27, August 29 and September 6, 2012 a hearing was held to determine
12 the value of the General Automotive Building. The Bankruptcy Court heard and considered
13 evidence, including the testimony of witnesses, expert appraisal reports, and other
14 documentary evidence, and considered the arguments of counsel for the Debtor and Park &
15 Flanders. The Bankruptcy Court valued the General Automotive Building at \$10,800,000.

16 [In subsequent pleadings, Park & Flanders has asserted that the value of the General](#)
17 [Automotive Building has increased since the September valuation as a result of Debtor's](#)
18 [leasing efforts. Debtor anticipates that Park & Flanders will seek to revisit the valuation of](#)
19 [the building at the confirmation hearing.](#)

20 **6.5. PARK & FLANDERS' OBJECTIONS TO DISCLOSURE** 21 **STATEMENTS**

22 Park & Flanders filed an objection to Debtor's original disclosure statement (filed
23 May 31, 2012). Park & Flanders states that the May 31, 2012 disclosure statement was not
24 adequate because it, (i) does not provide adequate disclosure regarding the terms of the
25 Master Lease and General Auto Lessee's ability to make payments pursuant to the Master
26 Lease, (ii) does not state the correct value of the General Automotive Building, (iii) fails to

1 adequately treat ~~the~~ secured and super priority claims transferred from the PDC to and
 2 asserted by Park & Flanders, (iv) does not explain why R&H construction's lien is senior to
 3 Park & Flanders' liens, (v) does not reflect property taxes paid by Debtor, and (vi) does not
 4 adequately disclose North Park Development's willingness or ability to purchase a
 5 membership interest in the Reorganized Debtor. Debtor believes that it has addressed all of
 6 Park & Flanders' objections, ~~herein~~.

7 Park & Flanders further argues that it will not support Debtor's Plan and that the Plan
 8 should not be confirmed because it, (i) "transmutes" existing tenant leases into subleases,
 9 (ii) does not satisfy the "cram down" provisions applicable to secured creditors, (iii) violates
 10 the "absolute priority rule," (iv) fails to properly treat Park & Flanders' ~~liens and~~ secured ~~and~~
 11 super priority claims, ~~and~~ (v) is not feasible, and (vi) was not filed in good faith. Debtor
 12 disagrees with all of Park & Flanders' objections to confirmation.

13 Debtor filed an amended disclosure statement on October 5, 2012. Park & Flanders
 14 filed a second objection on October 19th asserting virtually the same positions. Park &
 15 Flanders continues to assert that the Plan is not confirmable. Debtor continues to believe that
 16 the Plan is confirmable.

17 **7. ASSETS AND LIABILITIES**

18 **7.1. ASSETS**

19 Debtor's principal asset is the commercial property and real estate located at 411 NW
 20 Park Avenue, Portland, OR 97205 (the General Automotive Building). As described above,
 21 the Bankruptcy Court has valued the General Automotive Building at \$10,800,000.

22 Debtor generates revenue from the leases with its tenants. Currently, Debtor is a
 23 party to twelve leases with its tenants generating approximately \$80,000 per month in
 24 revenues.

25 **7.2. LIABILITIES**

1 7.2.1. R&H Construction. R&H Construction performed construction in and
 2 upon the General Automotive Building for which it was not paid. R&H Construction
 3 recorded a claim of construction lien in Multnomah County on February 27, 2012. The
 4 amount of debt owing to R&H Construction as of the Petition Date was \$146,946.80. If
 5 R&H holds a valid first priority lien, then R&H is an oversecured creditor and R&H
 6 Construction is entitled to post-petition contract interest and attorney fees allowed by Oregon
 7 statute. Debtor believes that R&H Construction has a valid first priority lien because the
 8 improvements constructed by R&H Construction were not repairs or alterations. Park &
 9 Flanders has objected to the R&H Construction secured claim and has commenced an
 10 adversary proceeding seeking a determination that the R&H Construction lien is not valid
 11 and is subordinate to the Park & Flanders' secured claim. If Park & Flanders prevails, then
 12 R&H Construction will not have an Allowed Secured Claim and will hold a General
 13 Unsecured Claim.

14 7.2.2. Multnomah County Assessment & Taxation. On the Petition Date,
 15 Multnomah County is was a secured creditor of Debtor. The amount of debt owing to
 16 Multnomah County is was approximately \$90,000. The obligations of Debtor to Multnomah
 17 County are were secured by a lien on the Property. All property taxes for the 2012-2013 and
 18 2011-2012 tax years and prior years have been paid. Multnomah County's Secured Claim for
 19 the 2012-2013 tax year will be paid in full prior to the Effective Date.

20 7.2.3. Homestreet Bank. According to the proof of claim filed by Park &
 21 Flanders (the successor to Homestreet's Claim), the principal amount of debt owing to
 22 Homestreet as of the Petition Date is \$9,966,398.01 and the total debt owing to Homestreet
 23 as of the Petition Date is \$10,529,361.87. The obligations of Debtor to Homestreet are
 24 secured by a perfected security interest in the General Automotive Building and rents.
 25 Homestreet is a secured creditor of Debtor up to the value of the collateral. Thwhich the
 26 Bankruptcy Court has found the value of the General Automotive Building to be

1 | \$10,800,000, ~~after subtracting the amount of prior liens~~ Park & Flanders has asserted that
2 | the value of the building has increased since the Court's determination. ~~as of the Petition~~
3 | ~~Date.~~

4 | Homestreet is undersecured. Homestreet's claim, including post-petition interest and
5 | costs, will be capped at \$10,800,000 less the amount owing on prior liens as of the Petition
6 | Date.

7 | Debtor is analyzing the implications of Homestreet's management of draw requests
8 | and disbursements of funds in a manner that was inconsistent with Debtor's instructions.
9 | Debtor has not determined whether it has a valid claim against Homestreet.

10 | 7.2.4. Portland Development Commission. The principal amount of debt
11 | owing to PDC as of the Petition Date is \$1,400,000. Debtor believes the PDC's Allowed
12 | Claim is fully unsecured because the PDC Loan is subordinate to the Homestreet Loan and
13 | the R&H Construction lien and because the value of the General Automotive Building was
14 | found to be \$10,800,000. In any event, the balance owing as of the Effective Date on the
15 | Homestreet loan including interest and fees will exceed \$10,800,000.

16 | 7.2.5. Unsecured Creditors. Debtor owes approximately \$3,060,000 to
17 | unsecured creditors excluding the unsecured claim of PDC, General Auto Lessee, and any
18 | unsecured claim of Homestreet. Approximately \$1,740,000 of that amount is owed to
19 | Insiders.

20 | 7.2.6. General Auto Lessee. General Auto Lessee filed a proof of claim
21 | asserting an unsecured claim of \$776,612.79 for damages arising from Debtor's default under
22 | the Master Lease and the HTC Pass-Through Agreement, both executed and between Debtor
23 | and General Auto Lessee. The agreements allowed Debtor to obtain over \$700,000 in
24 | financing to fund the improvements at the General Automotive Building. The funding was
25 | approved by Homestreet and PDC and was integral to the financing of the rehabilitation of
26 | the General Automotive Building. Both Homestreet and PDC contemplated the execution

1 and performance by Debtor of its agreements with General Auto Lessee. The General Auto
2 Lessee claim is treated as the Class 8 Claim.

3 **8. ADMINISTRATIVE EXPENSES**

4 Debtor has retained Tonkon Torp LLP as its counsel in this case. Debtor has retained
5 Apex Real Estate Partners to provide leasing services and anticipates retaining Anton Collins
6 Mitchell LLP to provide tax services. Debtor anticipates it will incur approximately
7 \$275,000 in professional fees and expenses through confirmation of the Plan.

8 Park & Flanders has asserted that the PDC loan is entitled to a super priority
9 administrative expense claim pursuant to section 507(b) of the Bankruptcy Code because of a
10 failure of adequate protection. Debtor disputes that assertion because, among other things,
11 PDC's claim was unsecured as of the Petition Date because secured claims with priority over
12 the secured claim of PDC exceeded the value of PDC's collateral as of the Petition Date.
13 Therefore, PDC's interest in Debtor's interest in PDC's collateral had no value and is not
14 entitled to adequate protection.

15 **8.1. EXECUTORY CONTRACTS**

16 Debtor is a party to (i) a contract with Kone for elevator maintenance (ii) leases with
17 the tenants in the General Automotive Building, and (iii) a Master Lease with General Auto
18 Lessee.

19 Debtor will assume its contract with Kone and cure any default of that contract on the
20 Effective Date.

21 Debtor is in default of the lease with tenant Lapchi due to unreimbursed tenant
22 improvements owed by Debtor to Lapchi. On the Effective Date, Debtor will assume all
23 Tenant Leases, including the lease with Lapchi, assign all Tenant Leases to General Auto
24 Lessee, and cure the default in the Lapchi lease by paying the outstanding balance owing to
25 Lapchi. Thereafter, General Auto Lessee will collect rent from all tenants of the General
26 Automotive Building and perform its obligations under the Master Lease, which will be

1 modified as necessary to conform to circumstances as of the Effective Date, including paying
2 all expenses relating to the General Automotive Building and paying rent to Reorganized
3 Debtor pursuant to the Master Lease. These transactions were contemplated by the loan
4 documents between Debtor and Homestreet and Debtor and PDC and will have no material
5 economic impact on Reorganized Debtor or its ability to perform its obligations under this
6 Plan.

7 **9. DESCRIPTION OF PLAN OF REORGANIZATION**

8 **9.1. BRIEF EXPLANATION OF CHAPTER 11**

9 Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code.
10 Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of itself, its
11 creditors and equity holders. In addition to permitting rehabilitation of the debtor, another
12 goal of Chapter 11 is to promote equality of treatment of creditors and equity holders of
13 equal rank with respect to the distribution of a debtor's assets. In furtherance of these two
14 goals, upon the filing of the reorganization under Chapter 11, Section 362 of the Bankruptcy
15 Code generally provides for an automatic stay of substantially all acts and proceedings
16 against the debtor and its property, including all attempts to collect debts or enforce liens that
17 arose prior to commencement of the debtor's case under Chapter 11.

18 The confirmation of a plan of reorganization is the principal objective of a Chapter 11
19 reorganization case. A plan of reorganization sets forth the means for satisfying claims
20 against, and interests in, a debtor. Confirmation of a plan of reorganization by a bankruptcy
21 court makes the plan binding upon the debtor, any issuer of securities under the plan, any
22 person acquiring property under the plan, and any creditor and any equity holder of the
23 debtor. Subject to certain limited exceptions provided by the Bankruptcy Code and except as
24 specifically provided in the plan of reorganization, the confirmation order discharges the
25 debtor from any debt that arose prior to the date of such confirmation and order and
26 substitutes therefor the obligations specified in the plan.

1 **9.2. SOLICITATION AND CLASSIFICATION AND TREATMENT OF**
2 **CLAIMS AND INTERESTS**

3 9.2.1. General. Pursuant to Section 1123(a)(1) of the Bankruptcy Code, a
4 plan of reorganization must designate classes of claims and classes of interest. The plan
5 classifies all Claims and Interests into ten classes, including a class of Small Unsecured
6 Claims for administrative convenience pursuant to Section 1122(b) of the Bankruptcy Code.
7 The classification of Claims and Interests is made for the purpose of voting on the plan and
8 making distributions thereunder, and for ease of administration of the Plan. A Claim or
9 Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies
10 within the description of that Class and is classified in a different Class to the extent that the
11 Claim or Interest qualifies within the description of such different Class. A Claim or Interest
12 is entitled to vote in a particular Class and to receive distribution in such Class only to the
13 extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and
14 has not been paid prior to the Effective Date. Under the Plan, a Claim or Interest is an
15 Allowed Claim against or an Allowed Interest in Debtor to the extent that (a) proof of the
16 Claim or Interest was (i) timely filed or (ii) deemed filed under applicable law by reason of
17 an order of the Bankruptcy Court; or (iii) scheduled by Debtor on its Schedules of Liabilities
18 as neither contingent, unliquidated or disputed; and (b) (i) no party in interest has filed an
19 objection within the time fixed by the Bankruptcy Court; or (ii) the Claim or Interest is
20 allowed by Final Order; and (c) with respect to an application for compensation or
21 reimbursement of an Administrative Expense Claim, the amount of Administrative Expense
22 Claim of which has been approved by the Bankruptcy Court.

23 9.2.2. Unclassified Claims. Administrative Expense Claims and Priority Tax
24 Claims are not classified. An Administrative Expense Claim is a claim against Debtor
25 constituting an expense of administration of the Bankruptcy Case allowed under
26 Section 503(b) of the Bankruptcy Code, including, without limitation, the actual and

1 necessary costs and expenses of preserving the estate and operating the business of Debtor
2 during the case, any indebtedness or obligations incurred by Debtor during the pendency of
3 the case in connection with the conduct of, the acquisition or lease of property by, or the
4 rendition of services to, Debtor and compensation for legal and other professional services
5 and reimbursement of expenses and statutory fees payable to the United States Trustee.

6 A "Priority Tax Claim" is a claim of a governmental unit of the kind entitled to
7 priority under Section 507(a)(8) of the Bankruptcy Code. Debtor does not believe it owes
8 any significant amount of Priority Tax Claims.

9 Pursuant to the Plan, Administrative Expense Claims will be paid in full on the later
10 of the Effective Date or the date on which any such Administrative Expense Claim becomes
11 an Allowed Claim; provided, however, that the Administrative Expense Claim representing
12 liabilities incurred in the ordinary course of business (including amounts owed to vendors
13 and suppliers that have sold products or furnished services to Debtor after the Petition Date)
14 will be paid in accordance with the terms and conditions of the particular transactions and
15 any other agreements relating thereto. Debtor will provide a list of unpaid ordinary course
16 administrative expenses to the Court at the confirmation hearing on Debtor's Plan.

17 Priority Tax Claims will be paid as allowed by Section 1129(a)(9) within 30 days
18 following the Effective Date or the date the claim is Allowed, whichever first occurs.

19 9.2.3. Classified Claims. The following summary of distributions under the
20 Plan to Classified Claims does not purport to be complete and is subject to, and is qualified in
21 its entirety by reference to, the Plan attached hereto as **Exhibit 1**.

22 9.2.3.1. Class 1 - Allowed Other Priority Claims. An "Other Priority
23 Claim" is a claim against Debtor entitled to priority under Section 507(a) of the Bankruptcy
24 Code (other than an Administrative Expense Claim or Priority Tax Claim). Debtor is
25 unaware of any unpaid Other Priority Claim. However, pursuant to the Plan, unless
26 otherwise agreed by any holder of an Allowed Other Priority Claim, any such holder shall be

1 paid in full on the latest to occur of (1) the Effective Date, (2) the date such claim becomes
2 an Allowed Claim and (3) the date that the such claim becomes due and owing.

3 9.2.3.2. Class 2 – R&H Construction. Class 2 consists of the
4 Allowed Secured Claim of R&H Construction. Debtor believes that R&H Construction's
5 holds an Allowed Secured Claim is secured by a perfected lien in the real property located at
6 411 NW Park Ave., Portland, Oregon. R&H Construction will be paid \$178,000 in full
7 satisfaction of its Allowed Secured Claim on the Effective Date (or, pursuant to Article 6 of
8 the Plan, on the date the secured claim is Allowed). In the event the Court has not confirmed
9 Debtor's Plan by March 31, 2013, R&H Construction reserves all of its rights to claim the
10 full amount of its claim and lien and all of its fees and costs. R&H Construction asserts that
11 its lien is entitled to priority over Homestreet's Secured Claim pursuant to ORS 87.025
12 because the lien is not for the alteration or repair of an improvement. Rather, R&H
13 Construction asserts it is for the making or partial construction of an improvement. Although
14 Debtor agrees with R&H Construction, Park & Flanders has objected to the R&H
15 Construction Secured Claim and has filed an adversary proceeding seeking a determination
16 of the validity and priority of the R&H Ceonstruction lien. In the event that Park & Flanders
17 prevails, then R&H Construction will not have an Allowed Secured Claim and the R&H
18 Construction claim will be a General Unsecured Claim.

19 Class 2 is impaired and R&H Construction is entitled to vote on the Plan.

20 9.2.3.3. Class 3 – Homestreet's Secured Claim. Class 3 consists of
21 the Allowed Secured Claim of Homestreet. Homestreet's Allowed Secured Claim is secured
22 by a perfected security interest in substantially all of Debtor's assets, including rents.
23 Homestreet will retain its interests in its Collateral with the same priority that it had as of the
24 Petition Date. Homestreet's claim will be an Allowed Secured Claim up to the value of the
25 property securing the claim ~~(\$10,800,000),~~ after subtraction of the amounts owing on prior
26 liens, ~~as of the Petition Date.~~ Homestreet's Allowed Secured Claim will be paid in full

1 together with interest at a fixed rate of 4.5%, or at such other rate fixed by the Court at
2 confirmation. Commencing on the Effective Date, Homestreet will be paid monthly
3 payments of interest only for 12 months. Commencing on the first day of the thirteenth
4 month following the Effective Date, Homestreet will be paid equal, monthly amortizing
5 payments of principal and interest based upon a 30-year amortization schedule with a balloon
6 payment of the unpaid principal plus accrued interest due on the tenth anniversary of the
7 Effective Date. Reorganized Debtor will maintain and insure the General Automotive
8 Building and promptly pay all real property taxes as they come due.

9 Class 3 is impaired and Homestreet is entitled to vote on the Plan.

10 9.2.3.4. Class 4 – General Unsecured Claims. Commencing on the
11 last business day of April, 2013 and continuing on the last business day of each July,
12 October, January and April thereafter until paid or satisfied as hereafter provided,
13 Reorganized Debtor shall pay to each holder of a Class 4 claim an amount equal to its pro
14 rata share of Reorganized Debtor's Excess Cash as of the last day of the prior calendar
15 quarter. Payments shall continue until the (a) holders of Class 4 Claims have been paid in
16 full together with interest at the Federal Judgment Rate; or (b) the last day of January, 2023,
17 whichever shall first occur, provided, however that, in the event that holders of Class 4
18 Claims have received payments totaling at least 60% of their Class 4 Claim on or before
19 December 31, 2017, then the Class 4 Claims will be deemed to have been paid and satisfied
20 in full and Reorganized Debtor will have no further payment obligations. Debtor believes
21 that General Unsecured Claims, excluding Insider claims and General Auto Lessee's claim
22 could total up to \$2,800,000.

23 Class 4 is impaired and General Unsecured Creditors are entitled to vote on the Plan.

24 9.2.3.5. Class 5 – Multnomah County's Secured Claim. Class 5
25 consists of the Allowed Secured Claim of Multnomah County. Multnomah County has a lien
26 on the General Auto Building for unpaid real property taxes. Multnomah County's Secured

1 Claim will be paid in full prior to the Effective Date. Debtor anticipates that Multnomah
2 County will have no money owing to it on the Effective Date and, in turn, no Allowed Claim.
3 Class 5 is unimpaired.

4 9.2.3.6. Class 6 – Small Unsecured Claims. Class 6 consists of all
5 Allowed Unsecured Claims in the amount of \$6,000 or less, or that have been reduced to
6 \$6,000 by election of the holders thereof. There are approximately \$18,750 of Class 6
7 Claims excluding those creditors who may elect to be included in Class 6. Small Unsecured
8 Creditors will be paid 60% of their Allowed Claim in cash on the later of the Effective Date,
9 or the date on which the Claim is Allowed.

10 Class 6 is impaired and Small Unsecured Creditors are entitled to vote on the Plan.

11 9.2.3.7. Class 7 – Insider Claims. Insider Claims will be
12 subordinated to Class 4 Claims and no payment will be made on or in respect of Insider
13 Claims unless and until all Class 4 Claims have been paid as provided in Section 5.3 of the
14 Plan. Debtor believes that the Insider Claims exceed \$1,700,000.

15 Class 7 is impaired and Insider Claims are entitled to vote on the Plan.

16 9.2.3.8. Class 8 – General Auto Lessee. General Auto Lessee's
17 Allowed Unsecured Claim will be satisfied by Reorganized Debtor's performance as follows:
18 On the Effective Date, (a) Debtor will assign all Tenant Leases to General Auto Lessee and
19 (b) Debtor and General Auto Lessee will amend the base rent schedule set forth in Section
20 4.1 of the Master Lease to be consistent with the historical and projected revenue from
21 General Automotive Building and Reorganized Debtor's obligations under this Plan. Debtor
22 and General Auto Lessee restate and reaffirm their rights and obligations arising from and
23 after the Effective Date under the Tax Credit Documents, including but not limited to
24 (i) General Auto Lessee's obligation to fund all remaining tax credit investments, (ii) TCC's
25 option to sell its membership interest to General Auto Development Manager, LLC (the "Put
26 Option"), and (iii) General Auto Development Manager, LLC's right and option to purchase

1 TCC's membership interest in General Auto Lessee (the "Call Option"). Debtor, TCC, and
2 General Auto Lessee will execute such mutual releases of pre-Effective Date claims and such
3 modifications as are necessary or appropriate to effectuate the intent of the Tax Credit
4 Documents and conform the Tax Credit Documents to circumstances as of the Effective
5 Date.

6 Class 8 is impaired and General Auto Lessee is entitled to vote on the Plan.

7 9.2.3.9. Class 9 - Interests. The Plan provides that holders of Class 9
8 Interests will be extinguished.

9 Class 9 is deemed to have rejected the Plan.

10 9.2.3.10. Class 10 – PDC. Class 10 consists of the Allowed Secured
11 Claim of PDC. Debtor does not believe PDC has an Allowed Secured Claim. To the extent
12 PDC has no Allowed Secured Claim, PDC will be treated as holder of a Class 4 Claim. To
13 the extent PDC does have an Allowed Secured Claim, it will be paid on the same terms as
14 Class 3 (Homestreet).

15 **10. RECAPITALIZATION AND OFFER OF MEMBERSHIP INTERESTS**

16 The Plan provides that all existing membership interests in Debtor will be cancelled
17 on the Effective Date. All Creditors and Insiders are offered the opportunity to invest in the
18 Reorganized Debtor and acquire newly issued membership interests. Such investments may
19 be made in \$50,000 increments. North Park Development has executed a subscription
20 agreement and agreed to purchase a \$400,000 membership interest on the Effective Date.
21 Any other Creditor or Insider that wishes to acquire a membership interest in the
22 Reorganized Debtor must execute a subscription agreement in the form attached as Exhibit 1
23 to the Plan and deliver it to Debtor's counsel on or before the date set for the return of ballots
24 accepting or rejecting the Plan. Membership Interests in the Reorganized Debtor will be
25 allocated on a pro rata basis based on the total amount of new investments.

1 **11. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

2 The Bankruptcy Code gives debtors the right, after commencement of their
3 Chapter 11 Cases, subject to the approval of the Bankruptcy Court, to assume or reject
4 executory contracts and unexpired leases. Generally, an "executory contract" is a contract
5 under which material performance (other than the payment of money) is still due by each
6 party. The Plan provides for the assumption by the Debtor of all executory contracts and
7 unexpired leases that are not expressly rejected or subject to a motion for rejection filed on or
8 before the Confirmation Date.

9 If an executory contract or unexpired lease is or has been rejected, the other party to
10 the agreement may file a Proof of Claim for damages resulting from such rejection. The Plan
11 provides that a Proof of Claim with respect to any such Claim must be filed within 30 days of
12 approval of the Bankruptcy Court of the rejection of the relevant executory contract or
13 unexpired lease. Any such Claim shall constitute a Class 4 or Class 6 Claim to the extent
14 that such Claim is finally treated as an Allowed Claim. To the extent Debtor rejects an
15 unexpired lease of nonresidential real property, the Claim for damages resulting from such
16 rejection will be limited to the amount allowed under the Bankruptcy Code.

17 Upon assumption of an executory contract or unexpired lease, Debtor must cure or
18 provide adequate assurance of prompt cure of any monetary defaults. The Plan provides that
19 Reorganized Debtor will promptly cure all monetary defaults. Debtor is in default with
20 regards to one of the aforementioned residential leases with tenant (Lapchi). Debtor owes a
21 prepetition balance to Lapchi, which monetary default will be cured upon the Effective Date.

22 **12. EFFECT OF CONFIRMATION**

23 12.1.1. Discharge. The treatment of, and consideration received by, holders of
24 Allowed Claims and Allowed Interests pursuant to the Plan of Reorganization will be in full
25 satisfaction, release and discharge of their respective Claims against or interests in the
26 Debtor. Confirmation Orders shall discharge Debtor from any liability that arose before the

1 Effective Date as provided in Sections 524 and 1141 of the Bankruptcy Code and any debt
2 and liability of a kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code,
3 whether or not: (a) a Proof of Claim based on such debt or liability is filed or deemed filed
4 under Section 501 of the Bankruptcy Code; (b) a Claim based on such debt or liability is
5 Allowed; or (c) the holder of the Claim based on such debt or liability has accepted the Plan.

6 12.1.2. Revesting, Operation of Business. All property of the estate shall
7 revest in the Reorganized Debtor on the Effective Date free and clear of all rights, claims,
8 liens, charges, encumbrances and interests, except as otherwise provided in the Plan.

9 12.1.3. Injunction. Except as otherwise expressly provided in the Plan, all
10 persons who have held, hold, or may hold Claims or who may have held, hold or may hold
11 any Interest are permanently enjoined from and after the Effective Date from
12 (a) commencing or continuing in any manner any action or other proceedings of any kind
13 with respect to any Claims or Interests against Reorganized Debtor; (b) enforcing, attaching,
14 collecting or recovering by any manner or any means any judgment, award, decree or order
15 against Reorganized Debtor; (c) creating, perfecting or enforcing any encumbrances of any
16 kind against Reorganized Debtor with respect to any such Claim except as specifically set
17 forth in the Plan; (d) asserting any setoff, right of subrogation, or recoupment of any kind
18 against any obligation due to Debtor, Reorganized Debtor or their property; and
19 (e) proceeding in any manner in any place whatsoever that does not conform to, does not
20 comply with, or is inconsistent with the provisions of the Plan or the order confirming the
21 Plan.

22 12.1.4. Event of Default. Upon the occurrence of an Event of Default, the
23 holder of an Allowed Claim to whom performance is due shall have all rights and remedies
24 granted by law (namely, state law breach of contract rights), this Plan or any agreement
25 between the holder of such Claim and Debtor or Reorganized Debtor.

1 12.1.5. Utility Deposits. The Plan provides that all utilities holding a Utility
2 Deposit shall immediately after the Effective Date return or refund such Utility Deposit to
3 Reorganized Debtor. At the sole option of Reorganized Debtor, Reorganized Debtor may
4 apply any Utility Deposit that has not been refunded to Reorganized Debtor in satisfaction of
5 any payments due or to become due from Reorganized Debtor to a utility holding such a
6 Utility Deposit.

7 12.1.6. Modification of the Plan; Revocation or Withdrawal of the Plan.

8 Subject to Section 1127 of the Bankruptcy Code, Debtor reserves the right to alter,
9 amend or modify the Plan before its substantial consummation so long as the treatment of
10 holders of Claims and Interests under the Plan is not adversely affected.

11 12.1.7. Retention of Jurisdiction. Notwithstanding the entry of the
12 Confirmation Order or the Effective Date having occurred, the Bankruptcy Court shall retain
13 exclusive jurisdiction over all matters arising out of or relating to the Chapter 11 Case,
14 including but not limited to the following matters to: (a) hear and determine any pending
15 applications for the rejection of executory contracts or unexpired leases, and the allowance of
16 Claims resulting therefrom; (b) determine any adversary proceedings, applications, contested
17 matters or other litigative matters pending on the Effective Date; (c) insure that distributions
18 to holders of Allowed Claims are accomplished; (d) hear and determine objections to or
19 requests for estimations of Claims, including any objections to the classification of any Claim
20 and to allow, disallow and/or estimate any Claim in whole or in part; (e) enter and implement
21 such orders as may be appropriate in the event the Confirmation Order is for any reason
22 stayed, revoked, modified or vacated; (f) issue any appropriate orders in aid of execution of
23 the Plan or to enforce the Confirmation Order and/or the discharge, or the effect of such
24 discharge, provided to Debtor; (g) hear and determine any applications to modify the Plan, to
25 cure any defective or omission or to reconcile any inconsistency in the Plan or in any order of
26 the Bankruptcy Court, including, without limitation, the Confirmation Order; (h) hear and

1 determine all applications for compensation and reimbursement of expenses of professionals
2 under the Bankruptcy Code; (i) hear and determine disputes arising in connection with the
3 interpretation, implementation or enforcement of the Plan; (j) hear and determine other issues
4 presented or arising under the Plan; (k) hear and determine any other matters related hereto
5 and not inconsistent with Chapter 11 of the Bankruptcy Code; and (l) enter a final decree
6 closing the Chapter 11 Case.

7 12.1.8. U.S. Trustee Fees. Reorganized Debtor shall be responsible for timely
8 payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6) until the case is closed,
9 converted or dismissed. After confirmation, Reorganized Debtor shall serve on the United
10 States Trustee a financial report for each quarter, or portion thereof, that the case remains
11 open. The quarterly financial report shall include a statement of all disbursements made
12 during the course of the quarter, whether or not pursuant to the Plan.

13 **13. LIQUIDATION ANALYSIS**

14 A Plan of Reorganization cannot be confirmed unless the Bankruptcy Court finds the
15 Plan is in the "best interest of creditors" of holders of claims against, and interests in, debtor
16 subject to such plan. The best interest test is satisfied if the plan provides each dissenting or
17 non-voting member of each impaired Class with a recovery not less than the recovery such
18 member would receive if the debtor was liquidated in a hypothetical case under Chapter 7 of
19 the Bankruptcy Code by a Chapter 7 Trustee. Debtor believes the holders of impaired
20 Claims will receive more than they would receive under a Chapter 7 liquidation. In applying
21 the "best interest" test, the Bankruptcy Court would ascertain the hypothetical recovery in a
22 Chapter 7 proceeding to secured Creditors, priority claimants, general Unsecured Creditors
23 and equity interest holders. The hypothetical Chapter 7 recoveries would then be compared
24 with the distribution offered to each Class of Claims or Interests under the Plan to determine
25 that the Plan satisfied the "best interest" test set forth in the Bankruptcy Code.

1 In a liquidation, it is likely that Multnomah County (Class 5) would be paid in full (to
 2 the extent it is owed any money), R&H Construction (Class 2) would be paid in full,
 3 Homestreet's Secured Claim (Class 3) would be paid at least in part from the proceeds of its
 4 Collateral, and General Unsecured Claims (Class 4) Small Unsecured Claims (Class 6),
 5 General Auto Lessee (Class 8), and PDC (Class 10) would receive nothing. The following
 6 chart demonstrates this:

7	Total Assets (Liquidation Value of Building)	\$10,800,000 ¹
8	Less Selling Expenses (10%)	\$1,080,000
9	Net Available to Creditors	\$9,720,000
10	Less Secured Claims:	
11	Multnomah County	\$0
12	R&H Construction	\$178,000
13	Homestreet	\$9,966,398
14	Net Available After Payment of Secured Claims	(\$424,398)
15	Other Claimants:	
16	Administrative Expenses	\$275,000
17	Unsecured Claims	\$4,539,000
18	Projected Distributions Other Than To Secured Creditors:	0%

19 **14. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

20 Internal Revenue Service Circular 230 Notice

21 **TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE**
 22 **INTERNAL REVENUE SERVICE, EACH CREDITOR AND EACH**
 23 **MEMBER IS HEREBY NOTIFIED THAT (I) ANY DISCUSSION OF U.S.**

25 ¹ Debtor believes the liquidation value of the General Automotive Building would likely be
 26 less than \$10,800,000, making even less money available to creditors if the building were to
 be liquidated.

1 **FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT**
2 **INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE**
3 **RELIED UPON BY ANY CREDITOR OR MEMBER, FOR PURPOSES OF**
4 **AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH CREDITOR**
5 **OR MEMBER UNDER THE INTERNAL REVENUE CODE OF 1986, AS**
6 **AMENDED; (II) SUCH DISCUSSION IS WRITTEN TO SUPPORT THE**
7 **PROMOTION OF THE PLAN; AND (III) EACH CREDITOR AND EACH**
8 **MEMBER SHOULD SEEK ADVICE BASED ON SUCH CREDITOR'S OR**
9 **MEMBER'S PARTICULAR CIRCUMSTANCE FROM AN INDEPENDENT**
10 **TAX ADVISOR.**

11 **14.1 INTRODUCTION**

12 Implementation of the Plan may have federal, state, local and foreign tax
13 consequences to the Debtor, Creditors and Members. No tax opinion or ruling has been
14 sought or will be obtained with respect to any tax consequences of the Plan, and the
15 following discussion does not constitute and is not intended to constitute either a tax opinion
16 or tax advice to any person.

17 The following discussion is based upon the provisions of the Internal Revenue Code
18 of 1986, as amended (the "IRC"), the Treasury regulations promulgated thereunder, and
19 published rulings and court decisions in effect as of the date hereof, all of which are subject
20 to change, possibly retroactively, and such changes could modify or adversely affect the
21 federal income tax consequences summarized below. There can be no assurance that the
22 Internal Revenue Service will agree with the federal income tax consequences described
23 below.

24 The federal income tax consequences of the Plan are complex. Each Creditor and
25 each Member is strongly urged to consult its own tax advisors as to the particular federal,
26

1 state, local and foreign income and other tax consequences of the transactions contemplated
2 by the Plan.

3 **14.2 CANCELLATION OF DEBT INCOME: GENERAL RULE**

4 Subject to certain exceptions, a debtor realizes income (referred to herein as
5 "cancellation of debt" or "COD" income) upon the discharge or cancellation of its
6 outstanding indebtedness in an amount equal to the excess (if any) of (i) the amount of the
7 indebtedness discharged over (ii) the amount of cash plus the issue price of any new
8 indebtedness issued plus the fair market value of any other consideration given in satisfaction
9 of the indebtedness.

10 One of the exceptions to this general rule provides that a debtor is not required to
11 include COD income in gross income if the debtor is under the jurisdiction of the court in a
12 Title 11 case and the discharge is granted by the court or the discharge is pursuant to a plan
13 approved by the court (the "Bankruptcy Exception"). Instead, the amount excluded from
14 gross income is applied to reduce certain tax attributes of the debtor in a specified order. Tax
15 attributes generally are reduced by one dollar for each dollar excluded from gross income,
16 except that tax credits are reduced by one-third of the amount excluded from gross income.
17 Notwithstanding the general order of attribute reduction, the IRC provides a debtor with an
18 election to reduce its tax basis in depreciable assets prior to reducing net operating losses.
19 The reduction in tax attributes generally takes place after the federal income tax is
20 determined for the tax year in which the debt discharge occurs. As Debtor is a partnership
21 for federal income tax purposes, the COD rules will apply at the Member level only.

22 **14.3 GENERAL DISCUSSION AND CANCELLATION OF DEBT** 23 **INCOME: DEBTOR AND MEMBERS**

24 The Debtor is classified as a partnership for federal income tax purposes. Section
25 1399 of the IRC provides that no separate taxable entity is created as a result of a partnership
26 in bankruptcy. Therefore, the commencement of a bankruptcy proceeding by or against the

1 Debtor will not result in the creation of a new taxable entity, nor will the commencement of
2 the proceedings result in the recognition of any income, gain or loss to the Debtor, or result
3 in the acceleration of any income or recapture of any tax benefits to the Debtor or its
4 Members. Moreover, following the cancellation and extinguishment of the Interests and the
5 issuance of new membership interests, income and deductions of the Reorganized Debtor
6 will continue to flow through to each Member in the same manner as before the bankruptcy
7 except to the extent that there has been a change in the percentage of outstanding
8 membership interests owned by the Member.

9 Under the IRC, any cancellation of debt income recognized by the Debtor flows
10 through to the ultimate beneficial owners of membership interests in the Debtor. Because the
11 IRC exclusions from cancellation of debt income for discharge of debt in a Title 11
12 bankruptcy case or with respect to an insolvent taxpayer are applied at the ultimate beneficial
13 owner level, they are not available with respect to a Member's allocable share of cancellation
14 of debt income of the Debtor, unless that ultimate beneficial owner is itself the subject of a
15 Title 11 bankruptcy case or is insolvent.

16 **14.4 HISTORIC TAX CREDITS.**

17 Debtor and General Auto Lessee, LLC previously entered into certain agreements
18 whereby (i) Debtor leased the General Automotive Building to General Auto Lessee, LLC
19 and (ii) Debtor elected to pass through to General Auto Lessee, LLC certain rehabilitation tax
20 credits. The five-year recapture period for the pass-through rehabilitation tax credits has not
21 yet expired.

22 The rehabilitation tax credit is subject to recapture if the rehabilitation tax credit
23 property is disposed of, or otherwise ceases to be rehabilitation tax credit property with
24 respect to the taxpayer, before the close of the recapture period. With respect to
25 rehabilitation tax credits for which a pass-through election has been made by a lessor, the
26 lessee is the "taxpayer" at issue. Accordingly, no recapture event is deemed to have occurred

1 with respect to the General Automotive Building on account of the transactions contemplated
2 by the Plan because (i) the Master Lease is being assumed by Debtor (with the effect that no
3 disposition of the property has been made by General Auto Lessee, LLC, as lessee) and (ii)
4 the General Automotive Building does not cease to be rehabilitation tax credit property (i.e.,
5 the business use of the General Automotive Building has not changed and all of the new
6 membership interests in Debtor will be held by persons that do not disqualify the property as
7 rehabilitation tax credit property). The bankruptcy of Debtor, as lessor, is not a recapture
8 event.

9 **14.5 INFORMATION REPORTING AND BACKUP WITHHOLDING**

10 Certain payments, including the payments with respect to Claims pursuant to the
11 Plan, are generally subject to information reporting by the payor to the IRS. Moreover, under
12 certain circumstances, a holder of a Claim may be subject to "backup withholding" with
13 respect to payments made pursuant to the Plan, unless such holder either (i) comes within
14 certain exempt categories (which generally include corporations) and, when required,
15 demonstrates this fact, or (ii) provides a correct United States taxpayer identification number
16 and certifies under penalty of perjury that the holder is a United States person, the taxpayer
17 identification number is correct, and that the taxpayer is not subject to backup withholding
18 because of a failure to report all dividend and interest income. Backup withholding is not an
19 additional tax. Amounts withheld under the backup withholding rules may be credited
20 against the holder's United States federal income tax liability, and the holder may obtain a
21 refund of any excess amounts withheld under the backup withholding rules by filing an
22 appropriate claim for refund with the IRS.

23 **14.6 GENERAL DISCLAIMER**

24 The federal income tax consequences of the Plan are complex. The foregoing
25 discussion is not intended to be a substitute for careful tax planning, particularly since certain
26 of the federal income tax consequences of the Plan will not be the same for all Creditors or

1 Members due to their individual circumstances. Each Creditor and each Member is strongly
2 urged to consult with its own tax advisors in determining the federal, state, local, and foreign
3 income and other tax consequences of the transactions contemplated by the Plan.

4 **15. ACCEPTANCE AND CONFIRMATION OF THE PLAN**

5 **15.1. CONFIRMATION HEARING**

6 The Bankruptcy Court has scheduled a hearing on confirmation of the Plan on
7 _____ at _____ Pacific Time. The hearing will be held at the United States
8 Bankruptcy Court for the District of Oregon, Courtroom 1, 1001 SW Fifth Avenue, Portland,
9 Oregon 97204, before the Honorable Elizabeth L. Perris, United States Bankruptcy Judge.
10 At that hearing, the Bankruptcy Court will consider whether the Plan satisfies the various
11 requirements of the Bankruptcy Code, including whether it is feasible and whether it is in the
12 best interest of Creditors and Interest holders of Debtor. Debtor will submit a report to the
13 Bankruptcy Court at that time concerning the votes for acceptance or rejection of the Plan by
14 the parties entitled to vote thereon. Any objection to confirmation of the Plan must be timely
15 filed as stated above.

16 **15.2. REQUIREMENTS OF CONFIRMATION**

17 At the hearing on confirmation, the Bankruptcy Court will determine whether the
18 provisions of Section 1129 of the Bankruptcy Code have been satisfied. If all of the
19 provisions of Section 1129 are met, the Bankruptcy Court may enter an order confirming the
20 Plan. Debtor believes the Plan satisfies all of the requirements of Chapter 11 of the
21 Bankruptcy Code, that it has complied or will have complied with all of the requirements of
22 Chapter 11, and that the Plan has been proposed and is made in good faith.

23 **15.2.1. The Best Interests of Creditors - Liquidation Alternative.**

24 Notwithstanding acceptance of the Plan by each impaired Class, to confirm the Plan the
25 Bankruptcy Court must determine that the Plan meets the requirements of Section 1129(a)(7)
26 of the Bankruptcy Code; that is, that the Plan is in the best interests of each holder of a Claim

1 or Interest in an impaired Class that has not voted to accept the Plan. Accordingly, if an
2 impaired Class does not unanimously accept the Plan, the "best interests" test requires that
3 the Bankruptcy Court find that the Plan provides to each holder of a Claim or Interest in such
4 impaired Class a recovery on account of the holder's Claim or Interest that has a value at least
5 equal to the value of the distribution that each such holder would receive if the debtor was
6 liquidated under Chapter 7 of the Bankruptcy Code. In the opinion of Debtor, confirmation
7 of the Plan is in the best interests of the holders of Claims and Interests because it provides to
8 holders of impaired Claims a distribution having a present value as of the Effective Date of
9 not less than the value such holders would likely receive if Debtor were liquidated under
10 Chapter 7 of the Bankruptcy Code.

11 Debtor believes that Chapter 7 liquidation would result in a diminution in the value to
12 be realized by holders of Claims and Interests due to, among other factors, (a) the loss of the
13 going concern value of Debtor's assets; (b) additional costs and expenses in the appointment
14 of a Chapter 7 trustee and attorneys, accountants and other professionals to assist such trustee
15 in the Chapter 7 case; and (c) additional expenses and Claims, some of which would be
16 entitled to priority in payment, which would arise by reason of the liquidation, including
17 Claims resulting from the breach of Debtor's real estate leases and in connection with
18 cessation of the Debtor's business. Consequently, Debtor believes the Plan, which provides
19 for the continuation of Debtor's business, will provide a greater ultimate return to the holders
20 of Claims and Interests than would a Chapter 7 liquidation.

21 At the confirmation hearing, the Bankruptcy Court will determine whether the holders
22 of impaired Claims and Interests receive a distribution under the Plan that is at least as great
23 as the distribution that such holders would receive upon liquidation of Debtor pursuant to
24 Chapter 7 of the Bankruptcy Code.

25 15.2.2. Feasibility of the Plan. Debtor believes that confirmation of the Plan
26 is not likely to be followed by the liquidation of Reorganized Debtor or a need for a further

1 financial reorganization of Reorganized Debtor. The projections of Debtor's post-
2 confirmation business, attached hereto as **Exhibit 2**, show sufficient earnings, investment,
3 and cash flow from operations to support and meet the ongoing financial needs of
4 Reorganized Debtor. The projections indicate that the Plan as proposed by Debtor is feasible
5 and that Reorganized Debtor will be financially viable after confirmation of the Plan.

6 **15.3. CRAM DOWN**

7 A Court may confirm a Plan, even if it is not accepted by all impaired classes if the
8 Plan has been accepted by at least one impaired class of claims and the Plan meets the cram
9 down requirements set forth in Section 1129(b) of the Bankruptcy Code. In the event any
10 impaired Class of Claims does not accept the Plan, Debtor hereby requests the Bankruptcy
11 Court to confirm the Plan in accordance with Section 1129(b) of the Bankruptcy Code or
12 otherwise permit Debtor to modify the Plan.

13 **15.4. RISK FACTORS**

14 There are a number of risks associated with Debtor's proposed Plan. Each Creditor
15 should carefully consider those risks in evaluating its vote on Debtor's Plan. All of the risks
16 associated with Debtor's Plan are too numerous to identify, however, a few of those risks are
17 set forth below.

18 15.4.1. General Financial Market Conditions. The recent disruption with
19 numerous major financial institutions and the resulting crisis in the financial markets has
20 rippled through the economy, and has impacted the real estate industry in particular. While
21 the ultimate effects of this crisis on the owners and operators of buildings, such as Debtor,
22 are as yet unclear, it is possible that this financial market will prevent even qualified
23 borrowers from being able to obtain mortgages on affordable terms, if at all. A continued
24 freeze of the credit markets could have a significant adverse impact on the Debtor.

25 15.4.2. Projected Financial Results. The Debtor's projected financial results
26 reflect management's best estimate of Reorganized Debtor's future financial performance

1 based on currently known facts and hypothetical assumptions about, among other matters, the
2 timing, confirmation and consummation of the Plan in accordance with its terms, the
3 anticipated future performance of the Reorganized Debtor, and the real estate market. Many
4 of these factors are beyond the control of the Reorganized Debtor. As a consequence, the
5 actual financial results may differ significantly from the projections. Specifically, the
6 Reorganized Debtor may not be able to meet the projected financial results or achieve the
7 revenue or cash flow that it has assumed in projecting future leases and lease rates.

8 **16. ALTERNATIVES TO CONFIRMATION OF THE PLAN**

9 If a Plan is not confirmed, Debtor or another party in interest may attempt to
10 formulate or propose a different Plan or Plans of Reorganization. Such Plans might involve a
11 reorganization and continuation of Debtor's business, a sale of Debtor's business as a going
12 concern, an orderly liquidation of Debtor's assets or any combination thereof. If no Plan of
13 Reorganization is determined by the Bankruptcy Court to be confirmable, the Chapter 11
14 case may be converted to a liquidation proceeding under Chapter 7 of the Bankruptcy Code.

15 In a liquidation, a Chapter 7 Trustee would be appointed with the purpose of
16 liquidating the assets of Debtor. Typically, in a liquidation, assets are sold for less than their
17 going concern value and, accordingly, the return to Creditors and Interest holders is less than
18 the return in a reorganization, which derives the value to be distributed in a Plan from the
19 business as a going concern. Proceeds from liquidation would be distributed to Creditors and
20 Interest holders of Debtor in accordance with the priorities set forth in the Bankruptcy Code.

21 Debtor believes there is no currently available alternative that would offer holders of
22 Claims and Interests in Debtor greater than the Plan. In fact, the likely alternative to
23 confirmation of the Plan is that Park & Flanders will foreclose on the General Automotive
24 Building and no unsecured creditor will be paid anything. Debtor urges all parties entitled to
25 vote on the Plan to vote to accept the Plan.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

17. CONCLUSION

Please read this Disclosure Statement and the Plan carefully. After reviewing all the information and making an informed decision, please vote by using the enclosed ballot.

DATED this ~~5th-27th~~ day of ~~October~~November, 2012.

General Auto Building, LLC

By: North Park Development, LLC, a Washington limited liability company, Its Manager

By /s/ _____
Robert C. Brewster, Jr., Manager

Presented by:

TONKON TORP LLP

By: /s/ _____
Albert N. Kennedy, OSB No. 821429
Ava L. Schoen, OSB No. 044072
Of Attorneys for Debtor

1 **Albert N. Kennedy**, OSB No. 821429 (Lead Attorney)

Direct Dial: (503) 802-2013

2 Facsimile: (503) 972-3713

E-Mail: al.kennedy@tonkon.com

3 **Ava L. Schoen**, OSB No. 044072

Direct Dial: (503) 802-2143

4 Facsimile: (503) 972-3843

E-Mail: ava.schoen@tonkon.com

5 **TONKON TORP LLP**

1600 Pioneer Tower

6 888 S.W. Fifth Avenue

Portland, OR 97204

7 Attorneys for Debtor

10 UNITED STATES BANKRUPTCY COURT

11 DISTRICT OF OREGON

12 In re

Case No. 12-31450-elp11

13 General Auto Building, LLC,

**DEBTOR'S SECOND AMENDED
DISCLOSURE STATEMENT**

14 Debtor

(November 27, 2012)

17 **1. INTRODUCTION**

18 On March 2, 2012 (the "Petition Date"), General Auto Building, LLC ("Debtor") filed
19 a voluntary petition under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy
20 Code"). This Disclosure Statement ("Disclosure Statement") describes various transactions
21 contemplated under the Plan, including the manner in which Claims and Interests will be
22 satisfied. A copy of the Plan is attached hereto as **Exhibit 1**. You are urged to review the
23 Plan and, if appropriate, consult with counsel about the Plan and its impact upon your legal
24 rights before voting on the Plan. Capitalized terms used but not defined in this Disclosure
25 Statement shall have the meanings assigned to such terms in the Plan or the Bankruptcy
26 Code.

1 This Disclosure Statement has been prepared by Debtor based on information
2 contained in its books and records. The information contained herein has been prepared in
3 good faith, based upon information available to it. The information concerning the Plan has
4 not been subject to a verified audit. Debtor believes this Disclosure Statement complies with
5 the requirements of the Bankruptcy Code.

6 The statements contained in this Disclosure Statement are made as of the date hereof,
7 unless another time is specified herein, and the delivery of this Disclosure Statement shall not
8 imply there has been no change in the facts set forth herein since the date of this Disclosure
9 Statement and the date of the material relied on in preparation of this Disclosure Statement
10 was compiled. The description of the Plan contained in this Disclosure Statement is intended
11 as a summary only and is qualified in its entirety by reference to the Plan itself. If any
12 inconsistency exists between the Plan and this Disclosure Statement, the terms of the Plan are
13 controlling. Each holder of a Claim is encouraged to read, consider and carefully analyze the
14 terms and provisions of the Plan. This Disclosure Statement may not be relied on for any
15 purpose other than to determine how to vote on the Plan. Nothing contained herein shall
16 constitute an admission of any fact or liability by any party, or be admissible in any
17 proceeding involving Debtor or any other party, or be deemed conclusive advice on the tax or
18 other legal effects of the reorganization on the holders of Claims or Interests.

19 This Disclosure Statement is submitted in accordance with Section 1125 of the
20 Bankruptcy Code and Bankruptcy Rule 3016. The Bankruptcy Court has scheduled a
21 hearing on confirmation of the Plan to commence on _____, 2012 at _____. That
22 hearing will be held at the United States Bankruptcy Court for the District of Oregon,
23 Courtroom 1, 1001 SW Fifth Avenue, Portland, Oregon 97204 before the Honorable
24 Elizabeth L. Perris. The hearing on confirmation may be adjourned from time to time by the
25 Bankruptcy Court without further notice, except for an announcement made at the hearing or
26 any adjournment thereof.

1 A ballot has been enclosed with this Disclosure Statement for use in voting on the
2 Plan. In order to be tabulated for purposes of determining whether the Plan has been
3 accepted or rejected, ballots must be received at the address indicated on the ballot no later
4 than 4:00 p.m. Pacific Time on _____, 2012.

5 **2. SUMMARY OF PLAN**

6 A copy of the Plan is attached hereto as **Exhibit 1** and discussed in detail later in this
7 Disclosure Statement. The following description of the Plan is intended as a summary only
8 and is qualified in its entirety by reference to the Plan. Debtor urges each holder of a Claim
9 to carefully review the entire Plan, together with this Disclosure Statement, before voting on
10 the Plan.

11 **2.1. GENERAL**

12 Generally, the Plan provides that (a) all membership interests in Debtor will be
13 cancelled on the Effective Date; (b) North Park Development will purchase a \$400,000
14 membership interest in Reorganized Debtor; (c) all Insiders and Creditors of Debtor are
15 offered the opportunity to purchase membership interests in Reorganized Debtor in \$50,000
16 increments; (d) membership interests in Reorganized Debtor will be allocated pro rata among
17 all new investors; and (e) Debtor will operate in the ordinary course and pay all Creditors in
18 full or in part over time pursuant to the Plan from revenue generated by operations, from cash
19 savings, and from the new investment in Debtor.

20 **2.2. SECURED CREDITORS**

21 Reorganized Debtor will pay its Secured Creditors, R&H Construction, Multnomah
22 County, and Homestreet Bank as follows.

23 2.2.1. R&H Construction filed a proof of claim in the amount of
24 \$146,946.80. The proof of claim asserts that the claim is secured by a construction lien
25 arising from certain improvements made to the General Automotive Building. R&H
26 Construction believes it is owed the claim amount plus (i) interest accruing at the rate of 18%

1 per annum until the Effective Date and (ii) costs and reasonable attorneys' fees. The Plan
2 provides that R&H Construction will be paid \$178,000 in full satisfaction of its Allowed
3 Secured Claim on the Effective Date. Park & Flanders filed an objection to the R&H
4 Construction claim and initiated an adversary proceeding seeking a determination of the
5 validity and priority of the R&H Construction lien. In the event that Park & Flanders
6 prevails, then the R&H Construction claim may not be an Allowed Secured Claim.

7 2.2.2. As of the Petition Date, Multnomah County had a lien on the General
8 Automotive Building for unpaid real property taxes in the approximate amount of \$90,000.
9 Multnomah County's Secured Claim will be paid in full prior to the Effective Date. Debtor
10 anticipates that Multnomah County will have no money owing to it on the Effective Date
11 and, in turn, no Allowed Claim.

12 2.2.3. Homestreet Bank's ("Homestreet") Allowed Secured Claim is secured
13 by a perfected security interest in substantially all of Debtor's assets, including rents.
14 Homestreet will retain its interests in its Collateral with the same priority that it had as of the
15 Petition Date. Homestreet's Claim will be an Allowed Secured Claim up to the value of
16 Homestreet's interest in the property securing the Claim. In September of 2012, the
17 Bankruptcy Court valued the General Auto Building at \$10,800,000. After subtraction of
18 (i) prior liens determined as of the Petition Date and (ii) the amount of adequate protection
19 payments, Debtor believes that the Allowed Secured Claim of Homestreet will be less than
20 \$10,800,000. Homestreet's Allowed Secured Claim will be paid in full together with interest
21 at a fixed rate of 4.5%, or at such other rate fixed by the Court at confirmation. Commencing
22 on the first day of the first month following the Effective Date and continuing on the first day
23 of the following 11 months, Homestreet will be paid monthly payments of interest only.
24 Commencing on the first day of the thirteenth month following the Effective Date and
25 continuing on the first day of each month thereafter, Homestreet will be paid equal, monthly
26 amortizing payments of principal and interest based upon a 30-year amortization schedule

1 with a balloon payment of the unpaid principal plus accrued interest due on the tenth
2 anniversary of the Effective Date. This means that Debtor will pay Homestreet
3 approximately \$39,938 per month in interest payments for 12 months, and then pay
4 Homestreet approximately \$53,962 per month in interest and principal for 9 years. A balloon
5 payment of approximately \$8,551,418 will then be paid to Homestreet. After the Petition
6 Dated, Homestreet assigned its claim to Park & Flanders. Reorganized Debtor will maintain
7 and insure the General Automotive Building and promptly pay all real property taxes as they
8 come due.

9 **2.3. UNSECURED CREDITORS**

10 2.3.1. General Unsecured Creditors includes PDC's Allowed Claim, which
11 Debtor believes is unsecured. Commencing on the last business day of April, 2013 and
12 continuing on the last business day of each July, October, January and April thereafter until
13 paid or satisfied as hereafter provided, Reorganized Debtor shall pay to each holder of a
14 Class 4 claim an amount equal to its pro rata share of Reorganized Debtor's Excess Cash as
15 of the last day of the prior calendar quarter. Payments shall continue until the (a) holders of
16 Class 4 Claims have been paid in full together with interest at the Federal Judgment Rate; or
17 (b) the last day of January, 2023, whichever shall first occur, provided, however that, in the
18 event that holders of Class 4 Claims have received payments totaling at least 60% of their
19 Class 4 Claim on or before December 31, 2017, then the Class 4 Claims will be deemed to
20 have been paid and satisfied in full and Reorganized Debtor will have no further payment
21 obligations. If Park & Flanders prevails in its objection to the R&H secured claim, then the
22 R&H claim will be a General Unsecured Claim.

23 2.3.2. Small Unsecured Creditors (creditors with claims of \$6,000 or less)
24 will be paid 60% of their Allowed Claim in cash on the later of the Effective Date of the Plan
25 or the date on which the Claim is Allowed. Small Unsecured Creditors will not receive any
26 interest payment.

1 2.3.3. General Auto Lessee's Allowed Unsecured Claim will be satisfied by
2 Reorganized Debtor as follows: On the Effective Date, Debtor will assign all Tenant Leases
3 to General Auto Lessee and Debtor and General Auto Lessee will amend the schedule of
4 base rent provided in Section 4.1 of the Master Lease as necessary given Debtor's historic
5 and projected financial performance. Debtor and General Auto Lessee restate and reaffirm
6 their rights and obligations arising from and after the Effective Date under the Tax Credit
7 Documents, including but not limited to (i) General Auto Lessee's obligation to fund all
8 remaining tax credit investments, (ii) TCC's option to sell its membership interest to General
9 Auto Development Manager (the "Put Option"), and (iii) General Auto Development
10 Manager, LLC's right and option to purchase TCC's membership interest in General Auto
11 Lessee (the "Call Option"). Debtor, TCC, and General Auto Lessee will execute such mutual
12 releases of pre-Effective Date claims and such modifications as are necessary or appropriate
13 to effectuate the intent of the Tax Credit Documents and conform the Tax Credit Documents
14 to circumstances as of the Effective Date.

15 2.3.4. The Allowed Unsecured Claims of Insiders will be subordinated to the
16 payment of all other allowed unsecured claims.

17 **2.4. EQUITY INTERESTS.**

18 The Plan provides that existing equity interests in the Debtor will be extinguished.

19 **2.5. LEASES AND EXECUTORY CONTRACTS.**

20 All unexpired leases and executory contracts will be treated as set out in Section 8.1
21 below.

22 **2.6. MISCELLANEOUS.**

23 The Effective Date of the Plan shall be January 1, 2013.

24 In the event any Class does not accept the Plan, Debtor reserves the right to request
25 that the Bankruptcy Court confirm the Plan in accordance with Section 1129(b) of the
26 Bankruptcy Code or otherwise modify the Plan.

1 **3. BRIEF EXPLANATION OF CHAPTER 11**

2 Chapter 11 of the Bankruptcy Code is the principal reorganization provision of the
3 Bankruptcy Code. Pursuant to Chapter 11, a debtor attempts to reorganize its business for
4 the benefit of the debtor, its creditors, and other parties in interest.

5 The formulation and confirmation of a plan of reorganization is the principal purpose
6 of a Chapter 11 case. A plan of reorganization sets forth a proposed method for
7 compensating the holders of claims and interests in the debtor. A claim or interest is
8 impaired under a plan of reorganization if the plan provides that the legal, equitable or
9 contractual rights of the holder of such claim or interest are altered. A holder of an impaired
10 claim or interest is entitled to vote to accept or reject the plan. Chapter 11 does not require
11 all holders of claims and interests to vote in favor of a plan in order for the Bankruptcy Court
12 to confirm it. However, the Bankruptcy Court must find that the plan meets a number of
13 statutory tests before it may approve the plan. These tests are designed to protect the
14 interests of holders of claims or interests who do not vote to accept the plan, but who will
15 nonetheless be bound by the plan's provisions if it is confirmed by the Bankruptcy Court.

16 An official committee of unsecured creditors may be appointed by the trustee in
17 Chapter 11 cases to, among other things, negotiate the plan of reorganization on behalf of the
18 unsecured creditors of the debtor. A committee of unsecured creditors has not yet been
19 appointed by the United States Trustee in this case.

20 **4. VOTING PROCEDURES AND CONFIRMATION OF A PLAN**

21 **4.1. BALLOTS AND VOTING DEADLINE**

22 A ballot to be used for voting to accept or reject the Plan is enclosed with each copy
23 of this Disclosure Statement mailed to all Creditors entitled to vote. After carefully
24 reviewing this Disclosure Statement and its exhibits, including the Plan, please indicate your
25 acceptance or rejection of the Plan by voting in favor or against the Plan on the enclosed
26 ballot as directed below.

1 The Bankruptcy Court has directed that, to be counted for voting purposes, ballots for
2 the acceptance or rejection of the Plan must be received no later than 4:00 p.m. Pacific Time,
3 on _____, 2012 by Debtor at the following address:

4 Tonkon Torp LLP,
5 Attention: Ava L. Schoen
6 1600 Pioneer Tower
7 888 S.W. Fifth Avenue
8 Portland, Oregon 97204-2099

9 Holders of each Claim scheduled by Debtor or with respect to which a Proof of Claim
10 has been filed will receive ballots and are permitted to vote based on the amount of the Proof
11 of Claim. If no Proof of Claim has been filed, then the vote will be based on the amount
12 scheduled by Debtor in its Schedules. Holders of disputed Claims who have settled their
13 dispute with Debtor are entitled to vote the settled amount of their Claim. The Bankruptcy
14 Code provides that such votes will be counted unless the Claim has been disputed,
15 disallowed, disqualified or suspended prior to computation of the vote on the Plan. The
16 Claim to which an objection has been filed is not allowed to vote unless and until the
17 Bankruptcy Court rules on the objection. The Bankruptcy Code provides that the Bankruptcy
18 Court may, if requested to do so by the holder of such claim, estimate or temporarily allow a
19 disputed claim for the purposes of voting on the Plan.

20 If a person holds claims in more than one class entitled to vote on the Plan, such
21 person will be entitled to complete and return a ballot for each Class. If you do not receive a
22 ballot or if a ballot is damaged or lost, please contact:

23 Tonkon Torp LLP
24 Attention: Larissa Stec
25 1600 Pioneer Tower
26 888 S.W. Fifth Avenue
Portland, Oregon 97204-2099
Telephone: (503) 802-2148

1 All persons entitled to vote on the Plan may cast their vote for or against the Plan by
2 completing, dating and signing the ballot accompanying this Disclosure Statement and
3 returning it, by First Class Mail or hand delivery, to Debtor at the address indicated above.
4 In order to be counted, all ballots must be executed and received at the above address no later
5 than 4:00 p.m. Pacific Time on _____, 2012. Any ballots received after 4:00 p.m. Pacific
6 Time on _____, 2012 will not be included in any calculation to determine whether the
7 parties entitled to vote on the Plan have voted to accept or reject the Plan.

8 When a ballot is signed and returned without further instruction regarding acceptance
9 or rejection of the Plan, the signed ballot shall be counted as a vote accepting the Plan. When
10 a ballot is returned indicating acceptance or rejection of the Plan but is unsigned, the
11 unsigned ballot will not be included in any calculation to determine whether parties entitled
12 to vote on the Plan have voted to accept or reject the Plan. When a ballot is returned without
13 indicating the amount of the Claim, the amount shall be as set forth on Debtor's Schedules or
14 any Proof of Claim filed with respect to such Claim.

15 **4.2. PARTIES ENTITLED TO VOTE**

16 Pursuant to Section 1126 of the Bankruptcy Code, each class of impaired claims or
17 interests that is not deemed to reject the Plan is entitled to vote to accept or reject the Plan.
18 Any holder of an Allowed Claim that is in an impaired class under the Plan, and whose Class
19 is not deemed to reject the Plan, is entitled to vote. A Class is "impaired" unless the legal,
20 equitable and contractual rights of the holders of claims in that Class are left unaltered by the
21 Plan or if the Plan reinstates the Claims held by members of such Class by (1) curing any
22 defaults, (2) reinstating the maturity of such claim, (3) compensating the holder of such claim
23 for damages that result from the reasonable reliance on any contractual provision of law that
24 allows acceleration of such claim and (4) otherwise leaving unaltered any legal, equitable or
25 contractual right of which the Claim entitles the holder of such claim. Because of their
26 favorable treatment, classes that are not impaired are conclusively presumed to accept the

1 Plan. Accordingly, it is not necessary to solicit votes from the holders of claims in classes
2 that are not impaired.

3 Classes of Claims or Interests that will not receive or retain any money or property
4 under a Plan on account of such Claims or Interests are deemed, as a matter of law under
5 Section 1126(g) of the Bankruptcy Code, to have rejected the Plan and are likewise not
6 entitled to vote on the Plan. Class 9 (Interests) are deemed to have rejected Debtor's Plan.

7 Class 1 (Other Priority Claims) and Class 5 (Multnomah County) are not impaired
8 and therefore are deemed to have accepted the Plan. All other Classes of Claims, Classes 2
9 through 4, Classes 6 through 8, and Class 10, are impaired under the Plan and persons
10 holding Class 2 through 4, Classes 6 through 8, and Class 10 Claims are entitled to vote to
11 accept or reject the Plan. Class 9 Interests is deemed to have rejected the Plan because
12 holders of Class 9 Interests will receive nothing in consideration of their Interests.

13 **4.3. VOTES REQUIRED FOR CLASS ACCEPTANCE OF THE PLAN**

14 As a condition to confirmation, the Bankruptcy Code requires that each impaired
15 Class of Claims or Interests accept the Plan, subject to the exceptions described below in the
16 section entitled "Cram Down of the Plan." At least one impaired Class of Claims must
17 accept the Plan in order for the Plan to be confirmed.

18 For a Class of Claims to accept a plan, Section 1126 of the Bankruptcy Code requires
19 acceptance by Creditors that hold at least two-thirds in dollar amount and a majority in
20 number of the Allowed Claims of such Class, in both cases counting only those claims
21 actually voting to accept or reject the plan. The holders of Claims who fail to vote are not
22 counted as either accepting or rejecting the Plan. If the Plan is confirmed, the Plan will be
23 binding with respect to all holders of Claims and Interests in each Class, including Classes
24 and members of Classes that did not vote or that voted to reject the Plan.

25 * * *

26 * * *

1 **4.4. "CRAM DOWN" OF THE PLAN**

2 If the Plan is not accepted by all the impaired Classes of Claims, the Plan may still be
3 confirmed by the Bankruptcy Court pursuant to Section 1129(b) of the Bankruptcy Code's
4 "Cram Down" provision if the Plan has been accepted by at least one Impaired Class of
5 Claims, without counting the acceptances of any insiders of Debtor, and the Bankruptcy
6 Court determines, among other things, that the Plan "does not discriminate unfairly" and is
7 "fair and equitable" with respect to each non-accepting Impaired Class of Claims or Interest.

8 **4.5. CONFIRMATION HEARING**

9 The Bankruptcy Court has scheduled a hearing on confirmation of the Plan to take
10 place on _____, 2013 at _____ Pacific Time. The Confirmation Hearing will be held at the
11 United States Bankruptcy Court for the District of Oregon, Courtroom 1, 1001 SW Fifth
12 Avenue, 8th Floor, Portland, Oregon, before the Honorable Elizabeth L. Perris, United States
13 Bankruptcy Judge. At the hearing, the Bankruptcy Court will consider whether the Plan
14 satisfies the various requirements of the Bankruptcy Code, including whether it is feasible
15 and whether it is in the best interest of the creditors of Debtor. At that time, Debtor will
16 submit a report to the Bankruptcy Court concerning the votes for acceptance or rejection of
17 the Plan by the persons entitled to vote thereon.

18 Section 1128(b) of the Bankruptcy Code provides that any party in interest may
19 object to confirmation of the Plan. Any objections to confirmation of the Plan must be made
20 in writing and filed with the Bankruptcy Court and received by counsel for Debtor no later
21 than _____, by _____ Pacific Time. Unless an objection to confirmation is timely
22 filed and received, it may not be considered by the Bankruptcy Court.

23 **5. BACKGROUND AND GENERAL INFORMATION**

24 **5.1. DEBTOR**

25 Debtor is an Oregon limited liability company formed in 2007 with its principal place
26 of business in Spokane, Washington. Debtor was formed to renovate and lease commercial

1 property located at 411 NW Park Avenue, Portland, OR 97205 (the "General Automotive
2 Building"). The General Automotive Building includes 40,000 square feet divided into
3 thirteen units of varying sizes. As of the Petition date, Debtor has developed virtually all of
4 the General Automotive Building and has leased approximately 98% of the building's space
5 to retail and commercial tenants. Debtor continues to seek tenants for the remaining spaces.

6 **5.2. DEBTOR'S BUSINESS STRATEGY**

7 Debtor's strategy was and is to lease commercial and retail units in a beautifully
8 restored and well-managed former industrial building at competitive rental rates. The
9 General Automotive Building offers desirable space to tenants and potential tenants: it is
10 located in the heart of the Pearl District, provides abundant natural light with views of the
11 adjacent North Park Blocks, and offers flexible work space. Debtor has obtained LEED Gold
12 designation.

13 **5.3. MANAGEMENT**

14 Debtor is a limited liability company made up of four members: North Park
15 Development, LLC; Revonoc LLC; KTP Development LLC; and David Sniderman. North
16 Park Development is the managing member of Debtor. Pursuant to the Plan, all Interests in
17 Debtor will be extinguished on the Effective Date and North Park Development will invest
18 \$400,000 of new money in Reorganized Debtor. North Park has executed a subscription
19 agreement reflecting its anticipated investment. North Park Development will be the initial
20 managing member of Debtor. All Creditors and Insiders will also have the opportunity to
21 invest in the Reorganized Debtor and acquire newly issued membership interests (see Section
22 10 of this Disclosure Statement).

23 North Park Development or its successor managing member will be entitled to
24 compensation not to exceed \$2,000 per month and reimbursement of expenses not to exceed
25 \$1,000 per month. In addition, North Park Development (and any other entities that elect to
26 acquire membership interest in the Reorganized Debtor pursuant to the Plan, will be entitled

1 to distributions necessary to pay any federal, state, or local income taxes arising from taxable
2 income of the Reorganized Debtor.

3 Since filing for bankruptcy protection, Debtor has retained a third-party property
4 management company, Deering Management Group, Inc. ("Deering"). Deering was formed
5 in 1992. It manages approximately 75 assets in Oregon and Washington. Its services include
6 asset and facility management for office, retail, and mixed use facilities. Prior to forming
7 Deering, its president, Mariann Deering, spent 28 years in Portland, Oregon with companies
8 such as CB Commercial Real Estate Group, Inc., Prendergast and Associates, Cushman and
9 Wakefield, and First Interstate Bank. Debtor has no ownership interest in Deering and
10 Deering has no ownership interest in Debtor. Deering acts as Debtor's exclusive agent for
11 purposes of managing and operating the General Automotive Building. Deering's
12 responsibilities include ensuring that repairs are made; entering into service contracts;
13 collecting and segregating rent; and paying expenses, taxes and insurance. Deering renders
14 monthly statements to the managing member; these statements reflect income, operating and
15 non-operating expenses, an activity reconciliation report (which includes details of rent
16 payments), and an accounts payable distribution (which provides details on payments made).
17 For its services, Deering is paid 2-1/2% of General Automotive Building's gross income each
18 month.

19 Debtor has also engaged Apex Real Estate Partners ("Apex") as its exclusive listing
20 agent to help secure satisfactory tenants for any units in the General Automotive Building
21 that are vacant or become vacant. Apex has considerable experience as a leasing agent and
22 extensive knowledge of the neighborhood in which the General Automotive Building is
23 located.

24 To the extent no other Insiders or Creditors invest in the Reorganized Debtor, North
25 Park Development will be the Reorganized Debtor's sole member and its managing member.
26 North Park Development and Deering have in-depth experience in the commercial real estate

1 industry and with the rental market in Portland, Oregon. North Park Development's members
2 will include Robert Brewster, Sr., Robert Brewster, Jr. and David Sniderman.

3 **5.4. FINANCIAL PERFORMANCE**

4 Attached as **Exhibit 2** is a spreadsheet that presents in summary fashion the actual
5 operating results for Debtor for fiscal year 2012 to date and the projected operating results
6 for Debtor through fiscal year 2022 on a monthly basis. **Exhibit 2** reflects that Debtor has
7 had financial success leasing units in the General Automotive Building and that Debtor has
8 adequate funds with which to repay its creditors.

9 **6. THE BANKRUPTCY CASE**

10 **6.1. THE FILING**

11 Debtor obtained a loan from Homestreet in June 2008 in the principal amount of
12 \$10,200,000 ("Homestreet Loan"). Pursuant to an agreement between Debtor and
13 Homestreet in September 2010, the principal amount of the loan was reduced to \$10,000,000.
14 To secure the obligations under the Homestreet Loan, Debtor granted to Homestreet a Line
15 of Credit Commercial Deed of Trust, Assignment of Rents and Leases, and Security
16 Agreement and Fixture Filing. The loan was originally due to mature on January 1, 2010,
17 but was extended several times by agreement between Homestreet and the Debtor.

18 Debtor also obtained a loan from PDC in June 2008 in the principal amount of
19 \$1,400,000 ("PDC Loan"). To secure the obligations under the PDC Loan, Debtor granted to
20 PDC a Line of Credit Commercial Deed of Trust, Security Agreement, Fixture Filing and
21 Assignment of Leases and Rents. The loan was due to mature on June 1, 2019. Pursuant to a
22 Subordination, Nondisturbance and Attornment Agreement, the PDC Loan is subordinate to
23 the Homestreet Loan.

24 In early 2012, debtor hired R&H Construction to perform work at the General
25 Automotive Building and authorized tenant improvements for tenants based on an additional
26 anticipated loan of \$225,000 from PDC. PDC ultimately did not fund that loan. Due to

1 PDC's failure to fund the additional loan, the difficult economic and real estate markets in
2 which Debtor was developing the General Automotive Building, and unanticipated rent
3 concessions and tenant improvement costs, Debtor was unable to remain current on its
4 payments to Homestreet and PDC and defaulted on the Homestreet Loan and PDC Loan. In
5 January 2012, PDC demanded payment of the full loan balance from Debtor and in February
6 2012, Homestreet demanded payment of the full loan balance from Debtor. Debtor was
7 unable to make such payments. Homestreet, in turn, commenced a non-judicial foreclosure
8 of the deed of trust and filed a motion for appointment of a receiver.

9 In order to keep Debtor operating, and protect Debtor's creditors, Debtor resolved to
10 seek the protection of Chapter 11 Bankruptcy.

11 **6.2. TRANSFER OF CLAIMS TO PARK & FLANDERS**

12 On May 29, 2012, Homestreet transferred to Park & Flanders all Homestreet's right,
13 title and interest in and to Homestreet's claims against the Debtor. On that same day, PDC
14 transferred to Park & Flanders all of PDC's right, title and interest in and to PDC's claims
15 against the Debtor.

16 On June 29, 2012, Park & Flanders filed a proof of claim for (i) \$10,529,361.87 based
17 upon the claim transferred to it by Homestreet and (ii) \$1,477,761.30 based upon the claim
18 transferred to it by PDC.

19 **6.3. MOTION FOR RELIEF FROM STAY**

20 Prior to transferring its claims to Park & Flanders, Homestreet filed a motion for
21 relief from the automatic stay seeking to terminate the automatic stay to permit Homestreet to
22 complete a non-judicial foreclosure of the General Automotive Building. Debtor filed a brief
23 in opposition to the motion and Park & Flanders (having at this point become the transferee
24 of Homestreet's claim) filed a brief in support of the motion. On June 15, 2012, the
25 Bankruptcy Court entered an order, which (i) neither granted nor denied the motion for relief
26 from stay and (ii) determined that a final hearing on the motion for relief from stay will be

1 held immediately following the confirmation hearing. Debtor believes that if the motion for
2 relief from stay is granted, Park & Flanders will foreclose on the General Automotive
3 Building. If a foreclosure takes place, there will be no money available to make payments to
4 any creditors other than Park & Flanders.

5 In November of 2012, Park & Flanders filed a second motion for relief from stay.
6 Debtor anticipates that a final hearing on the second motion will also be scheduled to be held
7 immediately following the confirmation hearing.

8 **6.4. VALUATION OF THE GENERAL AUTOMOTIVE BUILDING**

9 On June 26, 2012, Park & Flanders filed a motion with the Bankruptcy Court seeking
10 an evidentiary hearing to determine the value of the General Automotive Building.

11 Thereafter, on August 27, August 29 and September 6, 2012 a hearing was held to determine
12 the value of the General Automotive Building. The Bankruptcy Court heard and considered
13 evidence, including the testimony of witnesses, expert appraisal reports, and other
14 documentary evidence, and considered the arguments of counsel for the Debtor and Park &
15 Flanders. The Bankruptcy Court valued the General Automotive Building at \$10,800,000.

16 In subsequent pleadings, Park & Flanders has asserted that the value of the General
17 Automotive Building has increased since the September valuation as a result of Debtor's
18 leasing efforts. Debtor anticipates that Park & Flanders will seek to revisit the valuation of
19 the building at the confirmation hearing.

20 **6.5. PARK & FLANDERS' OBJECTIONS TO DISCLOSURE**
21 **STATEMENTS**

22 Park & Flanders filed an objection to Debtor's original disclosure statement (filed
23 May 31, 2012). Park & Flanders states that the May 31, 2012 disclosure statement was not
24 adequate because it, (i) does not provide adequate disclosure regarding the terms of the
25 Master Lease and General Auto Lessee's ability to make payments pursuant to the Master
26 Lease, (ii) does not state the correct value of the General Automotive Building, (iii) fails to

1 adequately treat secured and super priority claims transferred from the PDC to and asserted
2 by Park & Flanders, (iv) does not explain why R&H construction's lien is senior to Park &
3 Flanders' liens, (v) does not reflect property taxes paid by Debtor, and (vi) does not
4 adequately disclose North Park Development's willingness or ability to purchase a
5 membership interest in the Reorganized Debtor. Debtor believes that it has addressed all of
6 Park & Flanders' objections.

7 Park & Flanders further argues that it will not support Debtor's Plan and that the Plan
8 should not be confirmed because it, (i) "transmutes" existing tenant leases into subleases,
9 (ii) does not satisfy the "cram down" provisions applicable to secured creditors, (iii) violates
10 the "absolute priority rule," (iv) fails to properly treat Park & Flanders' secured and super
11 priority claims, (v) is not feasible, and (vi) was not filed in good faith. Debtor disagrees with
12 all of Park & Flanders' objections to confirmation.

13 Debtor filed an amended disclosure statement on October 5, 2012. Park & Flanders
14 filed a second objection on October 19th asserting virtually the same positions. Park &
15 Flanders continues to assert that the Plan is not confirmable. Debtor continues to believe that
16 the Plan is confirmable.

17 **7. ASSETS AND LIABILITIES**

18 **7.1. ASSETS**

19 Debtor's principal asset is the commercial property and real estate located at 411 NW
20 Park Avenue, Portland, OR 97205 (the General Automotive Building). As described above,
21 the Bankruptcy Court has valued the General Automotive Building at \$10,800,000.

22 Debtor generates revenue from the leases with its tenants. Currently, Debtor is a
23 party to twelve leases with its tenants generating approximately \$80,000 per month in
24 revenues.

25 * * *

26 * * *

1 **7.2. LIABILITIES**

2 7.2.1. R&H Construction. R&H Construction performed construction in and
3 upon the General Automotive Building for which it was not paid. R&H Construction
4 recorded a claim of construction lien in Multnomah County on February 27, 2012. The
5 amount of debt owing to R&H Construction as of the Petition Date was \$146,946.80. If
6 R&H holds a valid first priority lien, then R&H is an oversecured creditor and R&H
7 Construction is entitled to post-petition contract interest and attorney fees allowed by Oregon
8 statute. Debtor believes that R&H Construction has a valid first priority lien because the
9 improvements constructed by R&H Construction were not repairs or alterations. Park &
10 Flanders has objected to the R&H Construction secured claim and has commenced an
11 adversary proceeding seeking a determination that the R&H Construction lien is not valid
12 and is subordinate to the Park & Flanders' secured claim. If Park & Flanders prevails, then
13 R&H Construction will not have an Allowed Secured Claim and will hold a General
14 Unsecured Claim.

15 7.2.2. Multnomah County Assessment & Taxation. On the Petition Date,
16 Multnomah County was a secured creditor of Debtor. The amount of debt owing to
17 Multnomah County was approximately \$90,000. The obligations of Debtor to Multnomah
18 County were secured by a lien on the Property. All property taxes for the 2012-2013 and
19 2011-2012 tax years and prior years have been paid.

20 7.2.3. Homestreet Bank. According to the proof of claim filed by Park &
21 Flanders (the successor to Homestreet's Claim), the principal amount of debt owing to
22 Homestreet as of the Petition Date is \$9,966,398.01 and the total debt owing to Homestreet
23 as of the Petition Date is \$10,529,361.87. The obligations of Debtor to Homestreet are
24 secured by a perfected security interest in the General Automotive Building and rents.
25 Homestreet is a secured creditor of Debtor up to the value of the collateral. The Bankruptcy
26 Court found the value of the General Automotive Building to be \$10,800,000. Park &

1 Flanders has asserted that the value of the building has increased since the Court's
2 determination.

3 Homestreet is undersecured. Homestreet's claim, including post-petition interest and
4 costs, will be capped at \$10,800,000 less the amount owing on prior liens as of the Petition
5 Date.

6 Debtor is analyzing the implications of Homestreet's management of draw requests
7 and disbursements of funds in a manner that was inconsistent with Debtor's instructions.
8 Debtor has not determined whether it has a valid claim against Homestreet.

9 7.2.4. Portland Development Commission. The principal amount of debt
10 owing to PDC as of the Petition Date is \$1,400,000. Debtor believes the PDC's Allowed
11 Claim is fully unsecured because the PDC Loan is subordinate to the Homestreet Loan and
12 the R&H Construction lien and because the value of the General Automotive Building was
13 found to be \$10,800,000. In any event, the balance owing as of the Effective Date on the
14 Homestreet loan including interest and fees will exceed \$10,800,000.

15 7.2.5. Unsecured Creditors. Debtor owes approximately \$3,060,000 to
16 unsecured creditors excluding the unsecured claim of PDC, General Auto Lessee, and any
17 unsecured claim of Homestreet. Approximately \$1,740,000 of that amount is owed to
18 Insiders.

19 7.2.6. General Auto Lessee. General Auto Lessee filed a proof of claim
20 asserting an unsecured claim of \$776,612.79 for damages arising from Debtor's default under
21 the Master Lease and the HTC Pass-Through Agreement, both executed and between Debtor
22 and General Auto Lessee. The agreements allowed Debtor to obtain over \$700,000 in
23 financing to fund the improvements at the General Automotive Building. The funding was
24 approved by Homestreet and PDC and was integral to the financing of the rehabilitation of
25 the General Automotive Building. Both Homestreet and PDC contemplated the execution

26 * * *

1 and performance by Debtor of its agreements with General Auto Lessee. The General Auto
2 Lessee claim is treated as the Class 8 Claim.

3 **8. ADMINISTRATIVE EXPENSES**

4 Debtor has retained Tonkon Torp LLP as its counsel in this case. Debtor has retained
5 Apex Real Estate Partners to provide leasing services and anticipates retaining Anton Collins
6 Mitchell LLP to provide tax services. Debtor anticipates it will incur approximately
7 \$275,000 in professional fees and expenses through confirmation of the Plan.

8 Park & Flanders has asserted that the PDC loan is entitled to a super priority
9 administrative expense claim pursuant to section 507(b) of the Bankruptcy Code because of a
10 failure of adequate protection. Debtor disputes that assertion because, among other things,
11 PDC's claim was unsecured as of the Petition Date because secured claims with priority over
12 the secured claim of PDC exceeded the value of PDC's collateral as of the Petition Date.
13 Therefore, PDC's interest in Debtor's interest in PDC's collateral had no value and is not
14 entitled to adequate protection.

15 **8.1. EXECUTORY CONTRACTS**

16 Debtor is a party to (i) a contract with Kone for elevator maintenance (ii) leases with
17 the tenants in the General Automotive Building, and (iii) a Master Lease with General Auto
18 Lessee.

19 Debtor will assume its contract with Kone and cure any default of that contract on the
20 Effective Date.

21 Debtor is in default of the lease with tenant Lapchi due to unreimbursed tenant
22 improvements owed by Debtor to Lapchi. On the Effective Date, Debtor will assume all
23 Tenant Leases, including the lease with Lapchi, assign all Tenant Leases to General Auto
24 Lessee, and cure the default in the Lapchi lease by paying the outstanding balance owing to
25 Lapchi. Thereafter, General Auto Lessee will collect rent from all tenants of the General
26 Automotive Building and perform its obligations under the Master Lease, which will be

1 modified as necessary to conform to circumstances as of the Effective Date, including paying
2 all expenses relating to the General Automotive Building and paying rent to Reorganized
3 Debtor pursuant to the Master Lease. These transactions were contemplated by the loan
4 documents between Debtor and Homestreet and Debtor and PDC and will have no material
5 economic impact on Reorganized Debtor or its ability to perform its obligations under this
6 Plan.

7 **9. DESCRIPTION OF PLAN OF REORGANIZATION**

8 **9.1. BRIEF EXPLANATION OF CHAPTER 11**

9 Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code.
10 Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of itself, its
11 creditors and equity holders. In addition to permitting rehabilitation of the debtor, another
12 goal of Chapter 11 is to promote equality of treatment of creditors and equity holders of
13 equal rank with respect to the distribution of a debtor's assets. In furtherance of these two
14 goals, upon the filing of the reorganization under Chapter 11, Section 362 of the Bankruptcy
15 Code generally provides for an automatic stay of substantially all acts and proceedings
16 against the debtor and its property, including all attempts to collect debts or enforce liens that
17 arose prior to commencement of the debtor's case under Chapter 11.

18 The confirmation of a plan of reorganization is the principal objective of a Chapter 11
19 reorganization case. A plan of reorganization sets forth the means for satisfying claims
20 against, and interests in, a debtor. Confirmation of a plan of reorganization by a bankruptcy
21 court makes the plan binding upon the debtor, any issuer of securities under the plan, any
22 person acquiring property under the plan, and any creditor and any equity holder of the
23 debtor. Subject to certain limited exceptions provided by the Bankruptcy Code and except as
24 specifically provided in the plan of reorganization, the confirmation order discharges the
25 debtor from any debt that arose prior to the date of such confirmation and order and
26 substitutes therefor the obligations specified in the plan.

1 **9.2. SOLICITATION AND CLASSIFICATION AND TREATMENT OF**
2 **CLAIMS AND INTERESTS**

3 9.2.1. General. Pursuant to Section 1123(a)(1) of the Bankruptcy Code, a
4 plan of reorganization must designate classes of claims and classes of interest. The plan
5 classifies all Claims and Interests into ten classes, including a class of Small Unsecured
6 Claims for administrative convenience pursuant to Section 1122(b) of the Bankruptcy Code.
7 The classification of Claims and Interests is made for the purpose of voting on the plan and
8 making distributions thereunder, and for ease of administration of the Plan. A Claim or
9 Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies
10 within the description of that Class and is classified in a different Class to the extent that the
11 Claim or Interest qualifies within the description of such different Class. A Claim or Interest
12 is entitled to vote in a particular Class and to receive distribution in such Class only to the
13 extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and
14 has not been paid prior to the Effective Date. Under the Plan, a Claim or Interest is an
15 Allowed Claim against or an Allowed Interest in Debtor to the extent that (a) proof of the
16 Claim or Interest was (i) timely filed or (ii) deemed filed under applicable law by reason of
17 an order of the Bankruptcy Court; or (iii) scheduled by Debtor on its Schedules of Liabilities
18 as neither contingent, unliquidated or disputed; and (b) (i) no party in interest has filed an
19 objection within the time fixed by the Bankruptcy Court; or (ii) the Claim or Interest is
20 allowed by Final Order; and (c) with respect to an application for compensation or
21 reimbursement of an Administrative Expense Claim, the amount of Administrative Expense
22 Claim of which has been approved by the Bankruptcy Court.

23 9.2.2. Unclassified Claims. Administrative Expense Claims and Priority Tax
24 Claims are not classified. An Administrative Expense Claim is a claim against Debtor
25 constituting an expense of administration of the Bankruptcy Case allowed under
26 Section 503(b) of the Bankruptcy Code, including, without limitation, the actual and

1 necessary costs and expenses of preserving the estate and operating the business of Debtor
2 during the case, any indebtedness or obligations incurred by Debtor during the pendency of
3 the case in connection with the conduct of, the acquisition or lease of property by, or the
4 rendition of services to, Debtor and compensation for legal and other professional services
5 and reimbursement of expenses and statutory fees payable to the United States Trustee.

6 A "Priority Tax Claim" is a claim of a governmental unit of the kind entitled to
7 priority under Section 507(a)(8) of the Bankruptcy Code. Debtor does not believe it owes
8 any significant amount of Priority Tax Claims.

9 Pursuant to the Plan, Administrative Expense Claims will be paid in full on the later
10 of the Effective Date or the date on which any such Administrative Expense Claim becomes
11 an Allowed Claim; provided, however, that the Administrative Expense Claim representing
12 liabilities incurred in the ordinary course of business (including amounts owed to vendors
13 and suppliers that have sold products or furnished services to Debtor after the Petition Date)
14 will be paid in accordance with the terms and conditions of the particular transactions and
15 any other agreements relating thereto. Debtor will provide a list of unpaid ordinary course
16 administrative expenses to the Court at the confirmation hearing on Debtor's Plan.

17 Priority Tax Claims will be paid as allowed by Section 1129(a)(9) within 30 days
18 following the Effective Date or the date the claim is Allowed, whichever first occurs.

19 9.2.3. Classified Claims. The following summary of distributions under the
20 Plan to Classified Claims does not purport to be complete and is subject to, and is qualified in
21 its entirety by reference to, the Plan attached hereto as **Exhibit 1**.

22 9.2.3.1. Class 1 - Allowed Other Priority Claims. An "Other Priority
23 Claim" is a claim against Debtor entitled to priority under Section 507(a) of the Bankruptcy
24 Code (other than an Administrative Expense Claim or Priority Tax Claim). Debtor is
25 unaware of any unpaid Other Priority Claim. However, pursuant to the Plan, unless
26 otherwise agreed by any holder of an Allowed Other Priority Claim, any such holder shall be

1 paid in full on the latest to occur of (1) the Effective Date, (2) the date such claim becomes
2 an Allowed Claim and (3) the date that the such claim becomes due and owing.

3 9.2.3.2. Class 2 – R&H Construction. Class 2 consists of the
4 Allowed Secured Claim of R&H Construction. Debtor believes that R&H Construction
5 holds an Allowed Secured Claim secured by a perfected lien in the real property located at
6 411 NW Park Ave., Portland, Oregon. R&H Construction will be paid \$178,000 in full
7 satisfaction of its Allowed Secured Claim on the Effective Date (or, pursuant to Article 6 of
8 the Plan, on the date the secured claim is Allowed). In the event the Court has not confirmed
9 Debtor's Plan by March 31, 2013, R&H Construction reserves all of its rights to claim the
10 full amount of its claim and lien and all of its fees and costs. R&H Construction asserts that
11 its lien is entitled to priority over Homestreet's Secured Claim pursuant to ORS 87.025
12 because the lien is not for the alteration or repair of an improvement. Rather, R&H
13 Construction asserts it is for the making or partial construction of an improvement. Although
14 Debtor agrees with R&H Construction, Park & Flanders has objected to the R&H
15 Construction Secured Claim and has filed an adversary proceeding seeking a determination
16 of the validity and priority of the R&H Construction lien. In the event that Park & Flanders
17 prevails, then R&H Construction will not have an Allowed Secured Claim and the R&H
18 Construction claim will be a General Unsecured Claim.

19 Class 2 is impaired and R&H Construction is entitled to vote on the Plan.

20 9.2.3.3. Class 3 – Homestreet's Secured Claim. Class 3 consists of
21 the Allowed Secured Claim of Homestreet. Homestreet's Allowed Secured Claim is secured
22 by a perfected security interest in substantially all of Debtor's assets, including rents.
23 Homestreet will retain its interests in its Collateral with the same priority that it had as of the
24 Petition Date. Homestreet's claim will be an Allowed Secured Claim up to the value of the
25 property securing the claim after subtraction of the amounts owing on prior liens.
26 Homestreet's Allowed Secured Claim will be paid in full together with interest at a fixed rate

1 of 4.5%, or at such other rate fixed by the Court at confirmation. Commencing on the
2 Effective Date, Homestreet will be paid monthly payments of interest only for 12 months.
3 Commencing on the first day of the thirteenth month following the Effective Date,
4 Homestreet will be paid equal, monthly amortizing payments of principal and interest based
5 upon a 30-year amortization schedule with a balloon payment of the unpaid principal plus
6 accrued interest due on the tenth anniversary of the Effective Date. Reorganized Debtor will
7 maintain and insure the General Automotive Building and promptly pay all real property
8 taxes as they come due.

9 Class 3 is impaired and Homestreet is entitled to vote on the Plan.

10 9.2.3.4. Class 4 – General Unsecured Claims. Commencing on the
11 last business day of April, 2013 and continuing on the last business day of each July,
12 October, January and April thereafter until paid or satisfied as hereafter provided,
13 Reorganized Debtor shall pay to each holder of a Class 4 claim an amount equal to its pro
14 rata share of Reorganized Debtor's Excess Cash as of the last day of the prior calendar
15 quarter. Payments shall continue until the (a) holders of Class 4 Claims have been paid in
16 full together with interest at the Federal Judgment Rate; or (b) the last day of January, 2023,
17 whichever shall first occur, provided, however that, in the event that holders of Class 4
18 Claims have received payments totaling at least 60% of their Class 4 Claim on or before
19 December 31, 2017, then the Class 4 Claims will be deemed to have been paid and satisfied
20 in full and Reorganized Debtor will have no further payment obligations. Debtor believes
21 that General Unsecured Claims, excluding Insider claims and General Auto Lessee's claim
22 could total up to \$2,800,000.

23 Class 4 is impaired and General Unsecured Creditors are entitled to vote on the Plan.

24 9.2.3.5. Class 5 – Multnomah County's Secured Claim. Class 5
25 consists of the Allowed Secured Claim of Multnomah County. Multnomah County has a lien
26 on the General Auto Building for unpaid real property taxes. Multnomah County's Secured

1 Claim will be paid in full prior to the Effective Date. Debtor anticipates that Multnomah
2 County will have no money owing to it on the Effective Date and, in turn, no Allowed Claim.
3 Class 5 is unimpaired.

4 9.2.3.6. Class 6 – Small Unsecured Claims. Class 6 consists of all
5 Allowed Unsecured Claims in the amount of \$6,000 or less, or that have been reduced to
6 \$6,000 by election of the holders thereof. There are approximately \$18,750 of Class 6
7 Claims excluding those creditors who may elect to be included in Class 6. Small Unsecured
8 Creditors will be paid 60% of their Allowed Claim in cash on the later of the Effective Date,
9 or the date on which the Claim is Allowed.

10 Class 6 is impaired and Small Unsecured Creditors are entitled to vote on the Plan.

11 9.2.3.7. Class 7 – Insider Claims. Insider Claims will be
12 subordinated to Class 4 Claims and no payment will be made on or in respect of Insider
13 Claims unless and until all Class 4 Claims have been paid as provided in Section 5.3 of the
14 Plan. Debtor believes that the Insider Claims exceed \$1,700,000.

15 Class 7 is impaired and Insider Claims are entitled to vote on the Plan.

16 9.2.3.8. Class 8 – General Auto Lessee. General Auto Lessee's
17 Allowed Unsecured Claim will be satisfied by Reorganized Debtor's performance as follows:
18 On the Effective Date, (a) Debtor will assign all Tenant Leases to General Auto Lessee and
19 (b) Debtor and General Auto Lessee will amend the base rent schedule set forth in Section
20 4.1 of the Master Lease to be consistent with the historical and projected revenue from
21 General Automotive Building and Reorganized Debtor's obligations under this Plan. Debtor
22 and General Auto Lessee restate and reaffirm their rights and obligations arising from and
23 after the Effective Date under the Tax Credit Documents, including but not limited to
24 (i) General Auto Lessee's obligation to fund all remaining tax credit investments, (ii) TCC's
25 option to sell its membership interest to General Auto Development Manager, LLC (the "Put
26 Option"), and (iii) General Auto Development Manager, LLC's right and option to purchase

1 TCC's membership interest in General Auto Lessee (the "Call Option"). Debtor, TCC, and
2 General Auto Lessee will execute such mutual releases of pre-Effective Date claims and such
3 modifications as are necessary or appropriate to effectuate the intent of the Tax Credit
4 Documents and conform the Tax Credit Documents to circumstances as of the Effective
5 Date.

6 Class 8 is impaired and General Auto Lessee is entitled to vote on the Plan.

7 9.2.3.9. Class 9 - Interests. The Plan provides that holders of Class 9
8 Interests will be extinguished.

9 Class 9 is deemed to have rejected the Plan.

10 9.2.3.10. Class 10 – PDC. Class 10 consists of the Allowed Secured
11 Claim of PDC. Debtor does not believe PDC has an Allowed Secured Claim. To the extent
12 PDC has no Allowed Secured Claim, PDC will be treated as holder of a Class 4 Claim. To
13 the extent PDC does have an Allowed Secured Claim, it will be paid on the same terms as
14 Class 3 (Homestreet).

15 **10. RECAPITALIZATION AND OFFER OF MEMBERSHIP INTERESTS**

16 The Plan provides that all existing membership interests in Debtor will be cancelled
17 on the Effective Date. All Creditors and Insiders are offered the opportunity to invest in the
18 Reorganized Debtor and acquire newly issued membership interests. Such investments may
19 be made in \$50,000 increments. North Park Development has executed a subscription
20 agreement and agreed to purchase a \$400,000 membership interest on the Effective Date.
21 Any other Creditor or Insider that wishes to acquire a membership interest in the
22 Reorganized Debtor must execute a subscription agreement in the form attached as Exhibit 1
23 to the Plan and deliver it to Debtor's counsel on or before the date set for the return of ballots
24 accepting or rejecting the Plan. Membership Interests in the Reorganized Debtor will be
25 allocated on a pro rata basis based on the total amount of new investments.

26 * * *

1 **11. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

2 The Bankruptcy Code gives debtors the right, after commencement of their
3 Chapter 11 Cases, subject to the approval of the Bankruptcy Court, to assume or reject
4 executory contracts and unexpired leases. Generally, an "executory contract" is a contract
5 under which material performance (other than the payment of money) is still due by each
6 party. The Plan provides for the assumption by the Debtor of all executory contracts and
7 unexpired leases that are not expressly rejected or subject to a motion for rejection filed on or
8 before the Confirmation Date.

9 If an executory contract or unexpired lease is or has been rejected, the other party to
10 the agreement may file a Proof of Claim for damages resulting from such rejection. The Plan
11 provides that a Proof of Claim with respect to any such Claim must be filed within 30 days of
12 approval of the Bankruptcy Court of the rejection of the relevant executory contract or
13 unexpired lease. Any such Claim shall constitute a Class 4 or Class 6 Claim to the extent
14 that such Claim is finally treated as an Allowed Claim. To the extent Debtor rejects an
15 unexpired lease of nonresidential real property, the Claim for damages resulting from such
16 rejection will be limited to the amount allowed under the Bankruptcy Code.

17 Upon assumption of an executory contract or unexpired lease, Debtor must cure or
18 provide adequate assurance of prompt cure of any monetary defaults. The Plan provides that
19 Reorganized Debtor will promptly cure all monetary defaults. Debtor is in default with
20 regards to one of the aforementioned residential leases with tenant (Lapchi). Debtor owes a
21 prepetition balance to Lapchi, which monetary default will be cured upon the Effective Date.

22 **12. EFFECT OF CONFIRMATION**

23 12.1.1. Discharge. The treatment of, and consideration received by, holders of
24 Allowed Claims and Allowed Interests pursuant to the Plan of Reorganization will be in full
25 satisfaction, release and discharge of their respective Claims against or interests in the
26 Debtor. Confirmation Orders shall discharge Debtor from any liability that arose before the

1 Effective Date as provided in Sections 524 and 1141 of the Bankruptcy Code and any debt
2 and liability of a kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code,
3 whether or not: (a) a Proof of Claim based on such debt or liability is filed or deemed filed
4 under Section 501 of the Bankruptcy Code; (b) a Claim based on such debt or liability is
5 Allowed; or (c) the holder of the Claim based on such debt or liability has accepted the Plan.

6 12.1.2. Revesting, Operation of Business. All property of the estate shall
7 revest in the Reorganized Debtor on the Effective Date free and clear of all rights, claims,
8 liens, charges, encumbrances and interests, except as otherwise provided in the Plan.

9 12.1.3. Injunction. Except as otherwise expressly provided in the Plan, all
10 persons who have held, hold, or may hold Claims or who may have held, hold or may hold
11 any Interest are permanently enjoined from and after the Effective Date from
12 (a) commencing or continuing in any manner any action or other proceedings of any kind
13 with respect to any Claims or Interests against Reorganized Debtor; (b) enforcing, attaching,
14 collecting or recovering by any manner or any means any judgment, award, decree or order
15 against Reorganized Debtor; (c) creating, perfecting or enforcing any encumbrances of any
16 kind against Reorganized Debtor with respect to any such Claim except as specifically set
17 forth in the Plan; (d) asserting any setoff, right of subrogation, or recoupment of any kind
18 against any obligation due to Debtor, Reorganized Debtor or their property; and
19 (e) proceeding in any manner in any place whatsoever that does not conform to, does not
20 comply with, or is inconsistent with the provisions of the Plan or the order confirming the
21 Plan.

22 12.1.4. Event of Default. Upon the occurrence of an Event of Default, the
23 holder of an Allowed Claim to whom performance is due shall have all rights and remedies
24 granted by law (namely, state law breach of contract rights), this Plan or any agreement
25 between the holder of such Claim and Debtor or Reorganized Debtor.

26 * * *

1 12.1.5. Utility Deposits. The Plan provides that all utilities holding a Utility
2 Deposit shall immediately after the Effective Date return or refund such Utility Deposit to
3 Reorganized Debtor. At the sole option of Reorganized Debtor, Reorganized Debtor may
4 apply any Utility Deposit that has not been refunded to Reorganized Debtor in satisfaction of
5 any payments due or to become due from Reorganized Debtor to a utility holding such a
6 Utility Deposit.

7 12.1.6. Modification of the Plan; Revocation or Withdrawal of the Plan.

8 Subject to Section 1127 of the Bankruptcy Code, Debtor reserves the right to alter,
9 amend or modify the Plan before its substantial consummation so long as the treatment of
10 holders of Claims and Interests under the Plan is not adversely affected.

11 12.1.7. Retention of Jurisdiction. Notwithstanding the entry of the
12 Confirmation Order or the Effective Date having occurred, the Bankruptcy Court shall retain
13 exclusive jurisdiction over all matters arising out of or relating to the Chapter 11 Case,
14 including but not limited to the following matters to: (a) hear and determine any pending
15 applications for the rejection of executory contracts or unexpired leases, and the allowance of
16 Claims resulting therefrom; (b) determine any adversary proceedings, applications, contested
17 matters or other litigative matters pending on the Effective Date; (c) insure that distributions
18 to holders of Allowed Claims are accomplished; (d) hear and determine objections to or
19 requests for estimations of Claims, including any objections to the classification of any Claim
20 and to allow, disallow and/or estimate any Claim in whole or in part; (e) enter and implement
21 such orders as may be appropriate in the event the Confirmation Order is for any reason
22 stayed, revoked, modified or vacated; (f) issue any appropriate orders in aid of execution of
23 the Plan or to enforce the Confirmation Order and/or the discharge, or the effect of such
24 discharge, provided to Debtor; (g) hear and determine any applications to modify the Plan, to
25 cure any defective or omission or to reconcile any inconsistency in the Plan or in any order of
26 the Bankruptcy Court, including, without limitation, the Confirmation Order; (h) hear and

1 determine all applications for compensation and reimbursement of expenses of professionals
2 under the Bankruptcy Code; (i) hear and determine disputes arising in connection with the
3 interpretation, implementation or enforcement of the Plan; (j) hear and determine other issues
4 presented or arising under the Plan; (k) hear and determine any other matters related hereto
5 and not inconsistent with Chapter 11 of the Bankruptcy Code; and (l) enter a final decree
6 closing the Chapter 11 Case.

7 12.1.8. U.S. Trustee Fees. Reorganized Debtor shall be responsible for timely
8 payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6) until the case is closed,
9 converted or dismissed. After confirmation, Reorganized Debtor shall serve on the United
10 States Trustee a financial report for each quarter, or portion thereof, that the case remains
11 open. The quarterly financial report shall include a statement of all disbursements made
12 during the course of the quarter, whether or not pursuant to the Plan.

13 **13. LIQUIDATION ANALYSIS**

14 A Plan of Reorganization cannot be confirmed unless the Bankruptcy Court finds the
15 Plan is in the "best interest of creditors" of holders of claims against, and interests in, debtor
16 subject to such plan. The best interest test is satisfied if the plan provides each dissenting or
17 non-voting member of each impaired Class with a recovery not less than the recovery such
18 member would receive if the debtor was liquidated in a hypothetical case under Chapter 7 of
19 the Bankruptcy Code by a Chapter 7 Trustee. Debtor believes the holders of impaired
20 Claims will receive more than they would receive under a Chapter 7 liquidation. In applying
21 the "best interest" test, the Bankruptcy Court would ascertain the hypothetical recovery in a
22 Chapter 7 proceeding to secured Creditors, priority claimants, general Unsecured Creditors
23 and equity interest holders. The hypothetical Chapter 7 recoveries would then be compared
24 with the distribution offered to each Class of Claims or Interests under the Plan to determine
25 that the Plan satisfied the "best interest" test set forth in the Bankruptcy Code.

26 * * *

1 In a liquidation, it is likely that Multnomah County (Class 5) would be paid in full (to
 2 the extent it is owed any money), R&H Construction (Class 2) would be paid in full,
 3 Homestreet's Secured Claim (Class 3) would be paid at least in part from the proceeds of its
 4 Collateral, and General Unsecured Claims (Class 4) Small Unsecured Claims (Class 6),
 5 General Auto Lessee (Class 8), and PDC (Class 10) would receive nothing. The following
 6 chart demonstrates this:

7	Total Assets (Liquidation Value of Building)	\$10,800,000 ¹
8	Less Selling Expenses (10%)	\$1,080,000
9	Net Available to Creditors	\$9,720,000
10	Less Secured Claims:	
11	Multnomah County	\$0
12	R&H Construction	\$178,000
13	Homestreet	\$9,966,398
14	Net Available After Payment of Secured Claims	(\$424,398)
15	Other Claimants:	
16	Administrative Expenses	\$275,000
17	Unsecured Claims	\$4,539,000
18	Projected Distributions Other Than To Secured Creditors:	0%

19 **14. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

20 Internal Revenue Service Circular 230 Notice

21 **TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE**
 22 **INTERNAL REVENUE SERVICE, EACH CREDITOR AND EACH**
 23 **MEMBER IS HEREBY NOTIFIED THAT (I) ANY DISCUSSION OF U.S.**

24
 25 ¹ Debtor believes the liquidation value of the General Automotive Building would likely be
 26 less than \$10,800,000, making even less money available to creditors if the building were to
 be liquidated.

1 **FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT**
2 **INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE**
3 **RELIED UPON BY ANY CREDITOR OR MEMBER, FOR PURPOSES OF**
4 **AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH CREDITOR**
5 **OR MEMBER UNDER THE INTERNAL REVENUE CODE OF 1986, AS**
6 **AMENDED; (II) SUCH DISCUSSION IS WRITTEN TO SUPPORT THE**
7 **PROMOTION OF THE PLAN; AND (III) EACH CREDITOR AND EACH**
8 **MEMBER SHOULD SEEK ADVICE BASED ON SUCH CREDITOR'S OR**
9 **MEMBER'S PARTICULAR CIRCUMSTANCE FROM AN INDEPENDENT**
10 **TAX ADVISOR.**

11 **14.1 INTRODUCTION**

12 Implementation of the Plan may have federal, state, local and foreign tax
13 consequences to the Debtor, Creditors and Members. No tax opinion or ruling has been
14 sought or will be obtained with respect to any tax consequences of the Plan, and the
15 following discussion does not constitute and is not intended to constitute either a tax opinion
16 or tax advice to any person.

17 The following discussion is based upon the provisions of the Internal Revenue Code
18 of 1986, as amended (the "IRC"), the Treasury regulations promulgated thereunder, and
19 published rulings and court decisions in effect as of the date hereof, all of which are subject
20 to change, possibly retroactively, and such changes could modify or adversely affect the
21 federal income tax consequences summarized below. There can be no assurance that the
22 Internal Revenue Service will agree with the federal income tax consequences described
23 below.

24 The federal income tax consequences of the Plan are complex. Each Creditor and
25 each Member is strongly urged to consult its own tax advisors as to the particular federal,

26 * * *

1 state, local and foreign income and other tax consequences of the transactions contemplated
2 by the Plan.

3 **14.2 CANCELLATION OF DEBT INCOME: GENERAL RULE**

4 Subject to certain exceptions, a debtor realizes income (referred to herein as
5 "cancellation of debt" or "COD" income) upon the discharge or cancellation of its
6 outstanding indebtedness in an amount equal to the excess (if any) of (i) the amount of the
7 indebtedness discharged over (ii) the amount of cash plus the issue price of any new
8 indebtedness issued plus the fair market value of any other consideration given in satisfaction
9 of the indebtedness.

10 One of the exceptions to this general rule provides that a debtor is not required to
11 include COD income in gross income if the debtor is under the jurisdiction of the court in a
12 Title 11 case and the discharge is granted by the court or the discharge is pursuant to a plan
13 approved by the court (the "Bankruptcy Exception"). Instead, the amount excluded from
14 gross income is applied to reduce certain tax attributes of the debtor in a specified order. Tax
15 attributes generally are reduced by one dollar for each dollar excluded from gross income,
16 except that tax credits are reduced by one-third of the amount excluded from gross income.
17 Notwithstanding the general order of attribute reduction, the IRC provides a debtor with an
18 election to reduce its tax basis in depreciable assets prior to reducing net operating losses.
19 The reduction in tax attributes generally takes place after the federal income tax is
20 determined for the tax year in which the debt discharge occurs. As Debtor is a partnership
21 for federal income tax purposes, the COD rules will apply at the Member level only.

22 **14.3 GENERAL DISCUSSION AND CANCELLATION OF DEBT**
23 **INCOME: DEBTOR AND MEMBERS**

24 The Debtor is classified as a partnership for federal income tax purposes. Section
25 1399 of the IRC provides that no separate taxable entity is created as a result of a partnership
26 in bankruptcy. Therefore, the commencement of a bankruptcy proceeding by or against the

1 Debtor will not result in the creation of a new taxable entity, nor will the commencement of
2 the proceedings result in the recognition of any income, gain or loss to the Debtor, or result
3 in the acceleration of any income or recapture of any tax benefits to the Debtor or its
4 Members. Moreover, following the cancellation and extinguishment of the Interests and the
5 issuance of new membership interests, income and deductions of the Reorganized Debtor
6 will continue to flow through to each Member in the same manner as before the bankruptcy
7 except to the extent that there has been a change in the percentage of outstanding
8 membership interests owned by the Member.

9 Under the IRC, any cancellation of debt income recognized by the Debtor flows
10 through to the ultimate beneficial owners of membership interests in the Debtor. Because the
11 IRC exclusions from cancellation of debt income for discharge of debt in a Title 11
12 bankruptcy case or with respect to an insolvent taxpayer are applied at the ultimate beneficial
13 owner level, they are not available with respect to a Member's allocable share of cancellation
14 of debt income of the Debtor, unless that ultimate beneficial owner is itself the subject of a
15 Title 11 bankruptcy case or is insolvent.

16 **14.4 HISTORIC TAX CREDITS.**

17 Debtor and General Auto Lessee, LLC previously entered into certain agreements
18 whereby (i) Debtor leased the General Automotive Building to General Auto Lessee, LLC
19 and (ii) Debtor elected to pass through to General Auto Lessee, LLC certain rehabilitation tax
20 credits. The five-year recapture period for the pass-through rehabilitation tax credits has not
21 yet expired.

22 The rehabilitation tax credit is subject to recapture if the rehabilitation tax credit
23 property is disposed of, or otherwise ceases to be rehabilitation tax credit property with
24 respect to the taxpayer, before the close of the recapture period. With respect to
25 rehabilitation tax credits for which a pass-through election has been made by a lessor, the
26 lessee is the "taxpayer" at issue. Accordingly, no recapture event is deemed to have occurred

1 with respect to the General Automotive Building on account of the transactions contemplated
2 by the Plan because (i) the Master Lease is being assumed by Debtor (with the effect that no
3 disposition of the property has been made by General Auto Lessee, LLC, as lessee) and (ii)
4 the General Automotive Building does not cease to be rehabilitation tax credit property (i.e.,
5 the business use of the General Automotive Building has not changed and all of the new
6 membership interests in Debtor will be held by persons that do not disqualify the property as
7 rehabilitation tax credit property). The bankruptcy of Debtor, as lessor, is not a recapture
8 event.

9 **14.5 INFORMATION REPORTING AND BACKUP WITHHOLDING**

10 Certain payments, including the payments with respect to Claims pursuant to the
11 Plan, are generally subject to information reporting by the payor to the IRS. Moreover, under
12 certain circumstances, a holder of a Claim may be subject to "backup withholding" with
13 respect to payments made pursuant to the Plan, unless such holder either (i) comes within
14 certain exempt categories (which generally include corporations) and, when required,
15 demonstrates this fact, or (ii) provides a correct United States taxpayer identification number
16 and certifies under penalty of perjury that the holder is a United States person, the taxpayer
17 identification number is correct, and that the taxpayer is not subject to backup withholding
18 because of a failure to report all dividend and interest income. Backup withholding is not an
19 additional tax. Amounts withheld under the backup withholding rules may be credited
20 against the holder's United States federal income tax liability, and the holder may obtain a
21 refund of any excess amounts withheld under the backup withholding rules by filing an
22 appropriate claim for refund with the IRS.

23 **14.6 GENERAL DISCLAIMER**

24 The federal income tax consequences of the Plan are complex. The foregoing
25 discussion is not intended to be a substitute for careful tax planning, particularly since certain
26 of the federal income tax consequences of the Plan will not be the same for all Creditors or

1 Members due to their individual circumstances. Each Creditor and each Member is strongly
2 urged to consult with its own tax advisors in determining the federal, state, local, and foreign
3 income and other tax consequences of the transactions contemplated by the Plan.

4 **15. ACCEPTANCE AND CONFIRMATION OF THE PLAN**

5 **15.1. CONFIRMATION HEARING**

6 The Bankruptcy Court has scheduled a hearing on confirmation of the Plan on
7 _____ at _____ Pacific Time. The hearing will be held at the United States
8 Bankruptcy Court for the District of Oregon, Courtroom 1, 1001 SW Fifth Avenue, Portland,
9 Oregon 97204, before the Honorable Elizabeth L. Perris, United States Bankruptcy Judge.
10 At that hearing, the Bankruptcy Court will consider whether the Plan satisfies the various
11 requirements of the Bankruptcy Code, including whether it is feasible and whether it is in the
12 best interest of Creditors and Interest holders of Debtor. Debtor will submit a report to the
13 Bankruptcy Court at that time concerning the votes for acceptance or rejection of the Plan by
14 the parties entitled to vote thereon. Any objection to confirmation of the Plan must be timely
15 filed as stated above.

16 **15.2. REQUIREMENTS OF CONFIRMATION**

17 At the hearing on confirmation, the Bankruptcy Court will determine whether the
18 provisions of Section 1129 of the Bankruptcy Code have been satisfied. If all of the
19 provisions of Section 1129 are met, the Bankruptcy Court may enter an order confirming the
20 Plan. Debtor believes the Plan satisfies all of the requirements of Chapter 11 of the
21 Bankruptcy Code, that it has complied or will have complied with all of the requirements of
22 Chapter 11, and that the Plan has been proposed and is made in good faith.

23 **15.2.1. The Best Interests of Creditors - Liquidation Alternative.**

24 Notwithstanding acceptance of the Plan by each impaired Class, to confirm the Plan the
25 Bankruptcy Court must determine that the Plan meets the requirements of Section 1129(a)(7)
26 of the Bankruptcy Code; that is, that the Plan is in the best interests of each holder of a Claim

1 or Interest in an impaired Class that has not voted to accept the Plan. Accordingly, if an
2 impaired Class does not unanimously accept the Plan, the "best interests" test requires that
3 the Bankruptcy Court find that the Plan provides to each holder of a Claim or Interest in such
4 impaired Class a recovery on account of the holder's Claim or Interest that has a value at least
5 equal to the value of the distribution that each such holder would receive if the debtor was
6 liquidated under Chapter 7 of the Bankruptcy Code. In the opinion of Debtor, confirmation
7 of the Plan is in the best interests of the holders of Claims and Interests because it provides to
8 holders of impaired Claims a distribution having a present value as of the Effective Date of
9 not less than the value such holders would likely receive if Debtor were liquidated under
10 Chapter 7 of the Bankruptcy Code.

11 Debtor believes that Chapter 7 liquidation would result in a diminution in the value to
12 be realized by holders of Claims and Interests due to, among other factors, (a) the loss of the
13 going concern value of Debtor's assets; (b) additional costs and expenses in the appointment
14 of a Chapter 7 trustee and attorneys, accountants and other professionals to assist such trustee
15 in the Chapter 7 case; and (c) additional expenses and Claims, some of which would be
16 entitled to priority in payment, which would arise by reason of the liquidation, including
17 Claims resulting from the breach of Debtor's real estate leases and in connection with
18 cessation of the Debtor's business. Consequently, Debtor believes the Plan, which provides
19 for the continuation of Debtor's business, will provide a greater ultimate return to the holders
20 of Claims and Interests than would a Chapter 7 liquidation.

21 At the confirmation hearing, the Bankruptcy Court will determine whether the holders
22 of impaired Claims and Interests receive a distribution under the Plan that is at least as great
23 as the distribution that such holders would receive upon liquidation of Debtor pursuant to
24 Chapter 7 of the Bankruptcy Code.

25 15.2.2. Feasibility of the Plan. Debtor believes that confirmation of the Plan
26 is not likely to be followed by the liquidation of Reorganized Debtor or a need for a further

1 financial reorganization of Reorganized Debtor. The projections of Debtor's post-
2 confirmation business, attached hereto as **Exhibit 2**, show sufficient earnings, investment,
3 and cash flow from operations to support and meet the ongoing financial needs of
4 Reorganized Debtor. The projections indicate that the Plan as proposed by Debtor is feasible
5 and that Reorganized Debtor will be financially viable after confirmation of the Plan.

6 **15.3. CRAM DOWN**

7 A Court may confirm a Plan, even if it is not accepted by all impaired classes if the
8 Plan has been accepted by at least one impaired class of claims and the Plan meets the cram
9 down requirements set forth in Section 1129(b) of the Bankruptcy Code. In the event any
10 impaired Class of Claims does not accept the Plan, Debtor hereby requests the Bankruptcy
11 Court to confirm the Plan in accordance with Section 1129(b) of the Bankruptcy Code or
12 otherwise permit Debtor to modify the Plan.

13 **15.4. RISK FACTORS**

14 There are a number of risks associated with Debtor's proposed Plan. Each Creditor
15 should carefully consider those risks in evaluating its vote on Debtor's Plan. All of the risks
16 associated with Debtor's Plan are too numerous to identify, however, a few of those risks are
17 set forth below.

18 15.4.1. General Financial Market Conditions. The recent disruption with
19 numerous major financial institutions and the resulting crisis in the financial markets has
20 rippled through the economy, and has impacted the real estate industry in particular. While
21 the ultimate effects of this crisis on the owners and operators of buildings, such as Debtor,
22 are as yet unclear, it is possible that this financial market will prevent even qualified
23 borrowers from being able to obtain mortgages on affordable terms, if at all. A continued
24 freeze of the credit markets could have a significant adverse impact on the Debtor.

25 15.4.2. Projected Financial Results. The Debtor's projected financial results
26 reflect management's best estimate of Reorganized Debtor's future financial performance

1 based on currently known facts and hypothetical assumptions about, among other matters, the
2 timing, confirmation and consummation of the Plan in accordance with its terms, the
3 anticipated future performance of the Reorganized Debtor, and the real estate market. Many
4 of these factors are beyond the control of the Reorganized Debtor. As a consequence, the
5 actual financial results may differ significantly from the projections. Specifically, the
6 Reorganized Debtor may not be able to meet the projected financial results or achieve the
7 revenue or cash flow that it has assumed in projecting future leases and lease rates.

8 **16. ALTERNATIVES TO CONFIRMATION OF THE PLAN**

9 If a Plan is not confirmed, Debtor or another party in interest may attempt to
10 formulate or propose a different Plan or Plans of Reorganization. Such Plans might involve a
11 reorganization and continuation of Debtor's business, a sale of Debtor's business as a going
12 concern, an orderly liquidation of Debtor's assets or any combination thereof. If no Plan of
13 Reorganization is determined by the Bankruptcy Court to be confirmable, the Chapter 11
14 case may be converted to a liquidation proceeding under Chapter 7 of the Bankruptcy Code.

15 In a liquidation, a Chapter 7 Trustee would be appointed with the purpose of
16 liquidating the assets of Debtor. Typically, in a liquidation, assets are sold for less than their
17 going concern value and, accordingly, the return to Creditors and Interest holders is less than
18 the return in a reorganization, which derives the value to be distributed in a Plan from the
19 business as a going concern. Proceeds from liquidation would be distributed to Creditors and
20 Interest holders of Debtor in accordance with the priorities set forth in the Bankruptcy Code.

21 Debtor believes there is no currently available alternative that would offer holders of
22 Claims and Interests in Debtor greater than the Plan. In fact, the likely alternative to
23 confirmation of the Plan is that Park & Flanders will foreclose on the General Automotive
24 Building and no unsecured creditor will be paid anything. Debtor urges all parties entitled to
25 vote on the Plan to vote to accept the Plan.

26 * * *

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

17. CONCLUSION

Please read this Disclosure Statement and the Plan carefully. After reviewing all the information and making an informed decision, please vote by using the enclosed ballot.

DATED this 27th day of November, 2012.

General Auto Building, LLC

By: North Park Development, LLC, a Washington limited liability company, Its Manager

By /s/ Robert C. Brewster, Jr.
Robert C. Brewster, Jr., Manager

Presented by:

TONKON TORP LLP

By: /s/ Ava L. Schoen
Albert N. Kennedy, OSB No. 821429
Ava L. Schoen, OSB No. 044072
Of Attorneys for Debtor

EXHIBIT 1
TO THE SECOND
AMENDED DISCLOSURE
STATEMENT

1 **Albert N. Kennedy**, OSB No. 821429 (Lead Attorney)

Direct Dial: (503) 802-2013

2 Facsimile: (503) 972-3713

E-Mail: al.kennedy@tonkon.com

3 **Ava L. Schoen**, OSB No. 044072

Direct Dial: (503) 802-2143

4 Facsimile: (503) 972-3843

E-Mail: ava.schoen@tonkon.com

5 **TONKON TORP LLP**

1600 Pioneer Tower

6 888 S.W. Fifth Avenue

Portland, OR 97204

7 Attorneys for Debtor

8

9

10 UNITED STATES BANKRUPTCY COURT

11 DISTRICT OF OREGON

12 In re

Case No. 12-31450-elp11

13 General Auto Building, LLC,

**DEBTOR'S SECOND AMENDED
PLAN OF REORGANIZATION
(November 27, 2012)**

14 Debtor.

15

16

17

18

19

20

21

22

23

24

25

26

DEBTOR'S SECOND AMENDED PLAN OF REORGANIZATION (November 27, 2012)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS.....1

ARTICLE 2 UNCLASSIFIED CLAIMS8

ARTICLE 3 CLASSIFICATION9

ARTICLE 4 TREATMENT OF UNIMPAIRED CLASSES10

ARTICLE 5 TREATMENT OF IMPAIRED CLASSES.....10

ARTICLE 6 DISPUTED CLAIMS; OBJECTIONS TO CLAIMS13

ARTICLE 7 IMPLEMENTATION OF THE PLAN14

ARTICLE 8 EXECUTORY CONTRACTS AND UNEXPIRED LEASES17

ARTICLE 9 EFFECT OF CONFIRMATION18

ARTICLE 10 RETENTION OF JURISDICTION.....18

ARTICLE 11 ADMINISTRATIVE PROVISIONS.....19

ARTICLE 12 MISCELLANEOUS PROVISIONS.....20

1 General Auto Building, LLC, as debtor and debtor in possession, proposes this
2 Second Amended Plan of Reorganization (the "Plan") pursuant to Section 1121(a) of Title 11
3 of the United States Code:

4 This Plan provides for the repayment of Debtor's obligations to its Creditors. The
5 Plan provides for payment to all Creditors in part or in full over time as set forth below. A
6 Disclosure Statement is enclosed herewith to assist you in understanding this Plan and
7 making an informed judgment concerning its terms.

8 **ARTICLE 1**

9 **DEFINITIONS**

10 Definitions of certain terms used in this Plan are set forth below. Other terms are
11 defined in the text of this Plan or the text of the Disclosure Statement. In either case, when a
12 defined term is used, the first letter of each word in the defined term is capitalized. Terms
13 used and not defined in this Plan or the Disclosure Statement shall have the meanings given
14 in the Bankruptcy Code or Bankruptcy Rules, or otherwise as the context requires. The
15 meanings of all terms shall be equally applicable to both the singular and plural, and
16 masculine and feminine, forms of the terms defined. The words "herein," "hereof," "hereto,"
17 "hereunder," and others of similar import, refer to the Plan as a whole and not to any
18 particular section, subsection or clause contained in the Plan. Captions and headings to
19 articles, sections and exhibits are inserted for convenience of reference only and are not
20 intended to be part of or to affect the interpretation of the Plan. The rules of construction set
21 forth in Section 102 of the Bankruptcy Code shall apply. In computing any period of time
22 prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.
23 Any capitalized term that is not defined herein but is defined in the Bankruptcy Code shall
24 have the meaning ascribed to such term in the Bankruptcy Code.

25 1.1. "Administrative Expense Claim" means any Claim entitled to the priority
26 afforded by Sections 503(b) and 507(a)(1) of the Bankruptcy Code.

1 1.2. "Allowed" means, with respect to any Claim, proof of which has been
2 properly Filed or, if no Proof of Claim was so Filed, which was or hereafter is listed on
3 the Schedules as liquidated in amount and not disputed or contingent, and, in either case,
4 a Claim as to which no objection to the allowance thereof, or motion to estimate for
5 purposes of allowance, shall have been Filed on or before any applicable period of
6 limitation that may be fixed by the Bankruptcy Code, the Bankruptcy Rules and/or the
7 Bankruptcy Court, or as to which any objection, or any motion to estimate for purposes
8 of allowance, shall have been so Filed, to the extent allowed by a Final Order.

9 1.3. "Allowed Secured Claim" means an Allowed Claim that is secured by a
10 lien, security interest or other charge against or interest in property in which Debtor has
11 an interest or that is subject to setoff under Section 553 of the Bankruptcy Code, to the
12 extent of the value (as set forth in the Plan, or if no value is specified, as determined in
13 accordance with Section 506(a) of the Bankruptcy Code or, if applicable, Section 1111(b)
14 of the Bankruptcy Code) of the interest of the holder of such Claim in Debtor's interest in
15 such property or to the extent of the amount subject to setoff, as the case may be.

16 1.4. "Allowed Unsecured Claim" means an Allowed Claim that is not an
17 Allowed Secured Claim.

18 1.5. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as
19 amended from time to time, set forth in Sections 101 et seq. of Title 11 of the United
20 States Code.

21 1.6. "Bankruptcy Court" means the United States Bankruptcy Court for the
22 District of Oregon, or such other court that exercises jurisdiction over the Bankruptcy
23 Case or any proceeding therein, including the United States District Court for the District
24 of Oregon, to the extent that the reference to the Bankruptcy Case or any proceeding
25 therein is withdrawn.

26 * * *

1 1.7. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy
2 Procedure, as amended and promulgated under Section 2075, Title 28, of the United
3 States Code, and the local rules and standing orders of the Bankruptcy Court.

4 1.8. "Business Day" means a day other than a Saturday, Sunday or other day
5 on which banks in Portland, Oregon are authorized or required by law to be closed.

6 1.9. "Cash" means lawful currency of the United States of America.

7 1.10. "Chapter 11 Case" means the case under Chapter 11 of the Bankruptcy
8 Code with respect to the Debtor, pending in the District of Oregon, administered as *In re*
9 *General Auto Building, LLC*, Case No. 12-31450-elp11.

10 1.11. "Claim" means (a) any right to payment from Debtor arising before the
11 Effective Date, whether or not such right is reduced to judgment, liquidated,
12 unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal,
13 equitable, secured or unsecured; or (b) any right to an equitable remedy against Debtor
14 arising before the Effective Date for breach of performance if such breach gives rise to a
15 right of payment from Debtor, whether or not such right to an equitable remedy is
16 reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed,
17 secured or unsecured.

18 1.12. "Class" means one of the classes of Claims defined in 2.1. hereof.

19 1.13. "Collateral" means any property in which Debtor has an interest that is
20 subject to a lien or security interest securing the payment of an Allowed Secured Claim.

21 1.14. "Confirmation Date" means the date on which the Confirmation Order is
22 entered on the docket by the Clerk of the Bankruptcy Court.

23 1.15. "Confirmation Order" means the order of the Bankruptcy Court
24 confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy
25 Code.

26 * * *

1 1.16. "Creditor" means any entity holding a Claim against Debtor.

2 1.17. "Debtor" means General Auto Building, LLC, as Debtor and Debtor-in-
3 Possession in the Bankruptcy Case, and as lessor under the Master Lease with General
4 Auto Lessee.

5 1.18. "Disclosure Statement" means Debtor's Second Amended Disclosure
6 Statement as amended, modified, restated or supplemented from time to time, pertaining
7 to the Plan.

8 1.19. "Disputed Claim" means a Claim with respect to which a Proof of Claim
9 has been timely Filed or deemed timely Filed under applicable law, and as to which an
10 objection, timely Filed, has not been withdrawn on or before the Effective Date or any
11 date fixed for filing such objections by order of the Bankruptcy Court, and has not been
12 denied by a Final Order and which Claim has not been estimated or temporarily allowed
13 by the Bankruptcy Court on timely motion by the holder of such Claim. If an objection
14 related to the allowance of only a part of a Claim has been timely Filed or deemed timely
15 Filed, such Claim shall be a Disputed Claim only to the extent of the objection.

16 1.20. "Effective Date" means the first day of the first month following the date
17 that the Confirmation Order becomes a Final Order.

18 1.21. "Excess Cash" means cash held by Reorganized Debtor and/or General
19 Auto Lessee measured as of the last day of each calendar quarter after payment of or
20 allowance for all operating and non-operating expenses, including debt service and tax
21 distributions to members pursuant to Section 7.2 of this Plan, in excess of a \$300,000
22 reserve for maintenance, repair, capital expenses, tenant improvements, leasing
23 commissions, real property taxes and insurance.

24 1.22. "Federal Judgment Rate" means the rate payable on federal judgments as
25 of the Effective Date pursuant to 28 USC § 1961.

26 * * *

1 1.23. "Filed" means filed with the Bankruptcy Court in the Bankruptcy Case.

2 1.24. "Final Order" means an order or judgment entered on the docket by the
3 Clerk of the Bankruptcy Court or any other court exercising jurisdiction over the subject
4 matter and the parties that has not been reversed, stayed, modified or amended and as to
5 which the time for filing a notice of appeal, or petition for certiorari or request for
6 certiorari, or request for rehearing shall have expired.

7 1.25. "General Auto Development Manager" means General Auto Development
8 Manager, LLC the managing member of General Auto Lessee.

9 1.26. "General Auto Lessee" means General Auto Lessee, LLC, the lessee under
10 the Master Lease with Debtor.

11 1.27. "General Automotive Building" means the building and real property
12 located at 411 NW Park Avenue, Portland, Oregon, 97209.

13 1.28. "Homestreet" means Homestreet Bank, its successor Park & Flanders, and
14 any other successors and assigns.

15 1.29. "Insider" shall have the meaning ascribed to it by Section 101(31) of the
16 Bankruptcy Code.

17 1.30. "Interests" means all rights of the owners of the membership interests of
18 Debtor.

19 1.31. "Master Lease" means the lease between General Auto Building, LLC and
20 General Auto Lessee dated June 13, 2008.

21 1.32. "North Park Development" means North Park Development, LLC, its
22 successors and assigns, or another entity formed by the members of North Park
23 Development.

24 1.33. "Other Priority Claim" means any Claim for an amount entitled to priority
25 in right of payment under Section 507(a)(3), (4), (5), (6), or (7) of the Bankruptcy Code.

26 * * *

1 1.34. "Park & Flanders" means Park & Flanders LLC, the successor and
2 transferee to the Claim of Homestreet and the Claim of PDC.

3 1.35. "PDC" means Portland Development Commission, its successor Park &
4 Flanders, and any other successors and assigns.

5 1.36. "Petition Date" means March 2, 2012, the date on which the petition
6 commencing the Chapter 11 Case was Filed.

7 1.37. "Plan" means this Second Amended Plan of Reorganization, as amended,
8 modified, restated or supplemented from time to time.

9 1.38. "Priority Tax Claim" means a Claim of a governmental unit of the kind
10 entitled to priority under Section 507(a)(8) of the Bankruptcy Code or that would
11 otherwise be entitled to priority but for the secured status of the Claim.

12 1.39. "QRE" means qualified rehabilitation expenditures as such term is defined
13 in Section 47(c)(2) of the Internal Revenue Code of 1986.

14 1.40. "QRE Completion Date" means the date on which the last QRE with
15 respect to the General Automotive Building is placed in service for purposes of Section
16 47 of the Internal Revenue Code of 1986.

17 1.41. "R&H Construction" means R&H Construction Co. and its successors and
18 assigns.

19 1.42. "Reorganized Debtor" means the Debtor from and after the Effective Date.

20 1.43. "Restated Articles of Organization" means the restated articles of
21 organization and restated operating agreement ("Organizational Document") of Debtor,
22 which shall modify and amend Debtor's Organizational Documents to prohibit the
23 issuance of non-voting equity securities to the extent required by Section 1123(a)(6) of
24 the Bankruptcy Code.

25 1.44. "Scheduled Amounts" means the Claim amounts as set forth in Debtor's
26 Bankruptcy Schedules.

1 1.45. "Schedules" means the Schedules of Assets and Liabilities and the
2 Statement of Financial Affairs Filed by Debtor pursuant to Section 521 of the Bankruptcy
3 Code, as amended, modified, restated or supplemented from time to time.

4 1.46. "Secured Claim" means any Claim against Debtor held by any entity,
5 including, without limitation, an Affiliate or judgment creditor of Debtor, to the extent
6 such Claim constitutes a secured Claim under Sections 506(a) or 1111(b) of the
7 Bankruptcy Code.

8 1.47. "Small Unsecured Claims" means any Allowed Unsecured Claim that is
9 equal to or less than \$6,000, or that has been reduced by election in writing to \$6,000,
10 provided that such written election shall be served on Debtor no later than the first date
11 fixed by the court for the filing of acceptances or rejections of the Plan.

12 1.48. "TCC" means TCC Historic Tax Credit Fund VII L.P. "Tax Credit
13 Documents" means the following documents and all amendments and modifications
14 thereto: (i) General Auto Lessee, LLC Operating Agreement dated June 13, 2008;
15 (ii) HTC Pass-Through Agreement between General Auto Building, LLC and General
16 Auto Lessee, LLC dated June 13, 2008; (iii) Investor Security Agreement between
17 General Auto Lessee, LLC and TCC Historic Tax Credit Fund VII L.P. dated June 13,
18 2008; (iv) Purchase Agreement between General Auto Development Manager, LLC and
19 TCC Historic Tax Credit Fund VII, L.P. dated June 13, 2008; and (v) Lease between
20 General Auto Building, LLC and General Auto Lessee, LLC dated June 13, 2008.

21 1.49. "Tenant Leases" means all leases between Debtor and tenants of the suites
22 located in the General Automotive Building.

23 1.50. "Unsecured Claim" means an unsecured Claim that is not an
24 Administrative Claim, a Secured Claim, a Tax Claim, or an Other Priority Claim.

25 1.51. "Unsecured Creditor" means a holder of an Allowable Unsecured Claim.

26 * * *

1 1.52. "Utility Deposits" means deposits with utilities made by Debtor after the
2 Petition Date pursuant to Section 366(b) of the Bankruptcy Code.

3 **ARTICLE 2**

4 **UNCLASSIFIED CLAIMS**

5 2.1. Administrative Expense Claims. Each holder of an Allowed
6 Administrative Expense Claim shall be paid by Debtor in full in Cash on the later of
7 (a) the Effective Date or (b) the date on which such Claim becomes Allowed, unless such
8 holder shall agree in writing to a different treatment of such Claim (including, without
9 limitation, any different treatment that may be provided for in any documentation, statute
10 or regulation governing such Claim); provided, however, that Administrative Expense
11 Claims representing obligations incurred in the ordinary course of business by Debtor
12 during the Bankruptcy Case shall be paid by Debtor or Reorganized Debtor in the
13 ordinary course of business and in accordance with any terms and conditions of the
14 particular transaction, and any agreements relating thereto. Debtor will provide a list of
15 unpaid ordinary course administrative expenses to the Court at the confirmation hearing
16 on Debtor's Plan.

17 2.2. Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall
18 be paid by Debtor the full amount of its Allowed Priority Tax Claim as allowed by
19 11 USC § 1129(a)(9)(C) and (D) on the Effective Date or the date the claim is Allowed,
20 whichever first occurs.

21 2.3. Bankruptcy Fees. Fees payable by Debtor under 28 USC § 1930, or to the
22 Clerk of the Bankruptcy Court, will be paid in full in Cash on the Effective Date. After
23 confirmation, Reorganized Debtor shall continue to pay quarterly fees of the Office of the
24 United States Trustee and to file quarterly reports with the Office of the United States
25 Trustee until this case is closed by the Court, dismissed or converted. This requirement

26 * * *

1 is subject to any amendments to 28 USC § 1930(a)(6) that Congress makes retroactively
2 applicable to confirmed Chapter 11 cases.

3 **ARTICLE 3**
4 **CLASSIFICATION**

5 For purposes of this Plan, Claims and Interests are classified as provided below. A
6 Claim is classified in a particular Class only to the extent that such Claim qualifies within the
7 description of such Class, and is classified in a different Class to the extent that such Claim
8 qualifies within the description of such different Class.

9 3.1. Class 1 - Other Priority Claims. Class 1 consists of Allowed Other
10 Priority Claims.

11 3.2. Class 2 – R&H Construction's Secured Claim. Class 2 consists of the
12 Allowed Secured Claim of R&H Construction.

13 3.3. Class 3 – Homestreet Bank's Secured Claim. Class 3 consists of the
14 Allowed Secured Claim of Homestreet Bank.

15 3.4. Class 4 – General Unsecured Claims. Class 4 consists of all Allowed
16 Unsecured Claims other than Administrative Expense Claims, Priority Tax Claims, Other
17 Priority Tax Claims, and Small Unsecured Claims.

18 3.5. Class 5 – Multnomah County's Secured Claim. Class 5 consists of the
19 Allowed Secured Claim of Multnomah County.

20 3.6. Class 6 – Small Unsecured Claims. Class 6 consists of all Allowed Small
21 Unsecured Claims.

22 3.7. Class 7 – Insider Claims. Class 7 consists of all Allowed Unsecured
23 Claims held by Insiders.

24 3.8. Class 8 – General Auto Lessee. Class 8 consists of the Allowed
25 Unsecured Claim of General Auto Lessee.

26 * * *

1 3.9. Class 9 - Interests. Class 9 consists of the Interests of the holders of
2 Debtor's membership interests.

3 3.10. Class 10 – PDC. Class 10 consists of the Allowed Secured Claim of PDC.

4 **ARTICLE 4**

5 **TREATMENT OF UNIMPAIRED CLASSES**

6 4.1. Class 1 (Other Priority Claims). Each holder of an Allowed Class 1 Claim
7 shall be paid in full in cash the amount of its Allowed Class 1 Claim on the latest to occur
8 of (1) the Effective Date, (2) the date such claim becomes an Allowed Claim, or (3) the
9 date that the such claim becomes due and owing, unless such holder shall agree in writing
10 or has agreed to a different treatment of such Claim (including, without limitation, any
11 different treatment that may be provided for in any documentation, agreement, contract,
12 statute, law or regulation creating and governing such Claim).

13 4.2. Class 5 (Multnomah County's Secured Claim). On the Petition Date,
14 Multnomah County had a lien on the General Automotive Building for unpaid real
15 property taxes. Multnomah County's Secured Claim has been paid in full. Debtor
16 anticipates that Multnomah County will have no money owing to it on the Effective Date
17 and, in turn, no Allowed Claim.

18 **ARTICLE 5**

19 **TREATMENT OF IMPAIRED CLASSES**

20 5.1. Class 2 (R&H Construction's Secured Claim). R&H Construction will be
21 paid \$178,000 in full satisfaction of its Allowed Secured Claim on the Effective Date. In
22 the event the Court has not confirmed Debtor's Plan by March 31, 2013, R&H
23 Construction reserves all of its rights to claim the full amount of its claim and lien and all
24 of its fees and costs.

25 5.2. Class 3 (Homestreet's Secured Claim). Homestreet's Allowed Secured
26 Claim is secured by a perfected security interest in substantially all of Debtor's assets,

1 including rents. Homestreet will retain its interests in its Collateral with the same priority
2 that it had as of the Petition Date. Homestreet's Claim will be an Allowed Secured Claim
3 (including interest and fees as provided in section 506(b) of the Bankruptcy Code) up to
4 the value of Homestreet's interest in the property securing the Claim, after subtraction of
5 (i) prior Allowed Secured Claims and (ii) the amount of adequate protection payments
6 received. Homestreet's Allowed Secured Claim will be paid in full together with interest
7 at a fixed rate of 4.5%, or at such other rate fixed by the Court at confirmation.

8 Commencing on the first day of the first month following the Effective Date and
9 continuing on the first day of the following 11 months, Homestreet will be paid monthly
10 payments of interest only. Commencing on the first day of the thirteenth month
11 following the Effective Date, and continuing on the first day of each month thereafter,
12 Homestreet will be paid equal, monthly amortizing payments of principal and interest
13 based upon a 30-year amortization schedule with a balloon payment of the unpaid
14 principal plus accrued interest due on the tenth anniversary of the Effective Date.

15 Reorganized Debtor will maintain and insure the General Automotive Building and
16 promptly pay all real property taxes as they come due. Homestreet will cooperate with
17 Reorganized Debtor, General Auto Lessee, General Auto Development Manager, and
18 TCC in connection with the implementation of the transaction contemplated by the Tax
19 Credit Documents.

20 5.3. Class 4 –General Unsecured Claims. Commencing on the last business
21 day of April, 2013 and continuing on the last business day of each July, October, January
22 and April thereafter until paid or satisfied as hereafter provided, Reorganized Debtor
23 shall pay to each holder of a Class 4 claim an amount equal to its pro rata share of
24 Reorganized Debtor's Excess Cash as of the last day of the prior calendar quarter.
25 Payments shall continue until the (a) holders of Class 4 Claims have been paid in full
26 together with interest at the Federal Judgment Rate; or (b) the last day of January, 2023,

1 whichever shall first occur, provided, however that, in the event that holders of Class 4
2 Claims have received payments totaling at least 60% of their Class 4 Claim on or before
3 December 31 2017, then the Class 4 Claims will be deemed to have been paid and
4 satisfied in full and Reorganized Debtor will have no further payment obligations.

5 5.4. Class 6 (Small Unsecured Claims). Small Unsecured Creditors will be
6 paid 60% of their Allowed Claim in cash on the later of the Effective Date, or the date on
7 which the Claim is Allowed.

8 5.5. Class 7 (Insider Claims). Insider Claims will be subordinated to Class 4
9 Claims and no payment will be made on or in respect of Insider Claims unless and until
10 all Class 4 Claims have been paid as provided in Section 5.3 of this Plan.

11 5.6. Class 8 (General Auto Lessee). General Auto Lessee's Allowed
12 Unsecured Claim will be satisfied as follows: On the Effective Date, (a) Debtor will
13 assign all Tenant Leases to General Auto Lessee; (b) Debtor and General Auto Lessee
14 will amend the schedule of annual base rent set forth in Section 4.1 of the Master Lease to
15 adjust the annual base rent as appropriate in recognition of the historic and projected net
16 operating income of the General Automotive Building and the Reorganized Debtor's
17 obligations under this Plan; and (c) Debtor and General Auto Lessee restate and reaffirm
18 their rights and obligations arising from and after the Effective Date under the Tax Credit
19 Documents, including but not limited to (i) General Auto Lessee's obligation to fund all
20 remaining tax credit investments, (ii) TCC's option to sell its membership interest to
21 General Auto Development Manager, LLC (the "Put Option"), and (iii) General Auto
22 Development Manager, LLC's right and option to purchase TCC's membership interest in
23 General Auto Lessee, LLC (the "Call Option"). Debtor, TCC, General Auto Lessee, and
24 General Auto Development will execute such mutual releases of pre-Effective Date
25 claims and such modifications as are necessary or appropriate to effectuate the intent of

26 * * *

1 the Tax Credit Documents and conform the Tax Credit Documents to circumstances as of
2 the Effective Date.

3 5.7. Class 9 (Interests). All Interests are cancelled as of the Effective Date.

4 5.8. Class 10 (PDC). PDC's secured claim is subordinate to Homestreet's
5 secured claim. Debtor does not believe that PDC has an Allowed Secured Claim. To the
6 extent PDC does have an Allowed Secured Claim, it will be paid on the same terms as
7 Class 3 (Homestreet).

8 **ARTICLE 6**

9 **DISPUTED CLAIMS; OBJECTIONS TO CLAIMS**

10 Disputed Claims; Objections to Claims. Only Claims that are Allowed shall be
11 entitled to distributions under the Plan. Debtor reserves the right to contest and object to any
12 Claims and previously Scheduled Amounts, including, without limitation, those Claims and
13 Scheduled Amounts that are specifically referenced herein, are not listed in the Schedules,
14 are listed therein as disputed, contingent and/or unliquidated in amount, or are listed therein
15 at a different amount than the Debtor currently believes is validly due and owing. Unless
16 otherwise ordered by the Bankruptcy Court, all objections to Claims and Scheduled Amounts
17 (other than Administrative Expense Claims) shall be Filed and served upon counsel for
18 Debtor and the holder of the Claim objected to on or before the later of (a) thirty (30) days
19 after the Effective Date or (b) sixty (60) days after the date (if any) on which a Proof of
20 Claim is Filed in respect of a Rejection Claim. The last day for filing objections to
21 Administrative Expense Claims shall be set pursuant to an order of the Bankruptcy Court.
22 All Disputed Claims shall be resolved by the Bankruptcy Court, except to the extent that
23 (a) Debtor may otherwise elect consistent with the Plan and the Bankruptcy Code or (b) the
24 Bankruptcy Court may otherwise order.

25 * * *

26 * * *

1 **ARTICLE 7**

2 **IMPLEMENTATION OF THE PLAN**

3 7.1. General.

4 7.1.1. Reorganized Debtor will pay Allowed Claims pursuant to the Plan.

5 7.1.2. All equity interests in Debtor will be extinguished as of the Effective
6 Date.

7 7.1.3. On the Effective Date, North Park Development, LLC will purchase a
8 membership interest in Reorganized Debtor in the amount of \$400,000. North Park
9 Development, LLC shall be the initial manager of the Reorganized Debtor.

10 7.1.4. All Insiders and Creditors of Debtor will have the right and
11 opportunity to purchase on the Effective Date a membership interest in Reorganized Debtor
12 in \$50,000 increments. The membership interests in Reorganized Debtor shall be allocated
13 pro rata based on the amount invested pursuant to this Section 7.1.. The offer may be
14 accepted by executing and delivering, on or before the first date set for the hearing on
15 confirmation of this Plan, to Reorganized Debtor a subscription agreement in a form
16 substantially similar to the Subscription Agreement attached to this Plan as **Exhibit 1**.
17 Anyone who invests in Reorganized Debtor pursuant to this paragraph shall execute an
18 amendment to Reorganized Debtor's operating agreement to reflect the capital accounts and
19 ownership interests of all such investors.

20 7.2. Member Compensation and Distributions.

21 7.2.1. The manager of Reorganized Debtor or its nominee shall be entitled to
22 compensation for management services, in an amount not to exceed \$2,000 per month and
23 reimbursement of expenses in an amount not to exceed \$1,000 per month.

24 7.2.2. Members of Reorganized Debtor shall be entitled to distributions
25 necessary to pay any federal, state or local income tax obligations arising from taxable
26 income of Reorganized Debtor.

1 7.2.3. Until all Allowed Claims have been paid as provided in this Plan,
2 Members shall not be paid or receive any further or additional dividends, distributions or
3 compensation of any kind from the Reorganized Debtor.

4 7.3. Termination of Master Lease. As contemplated in the Tax Credit
5 Documents, General Auto Development Manager will purchase TCC's membership
6 interest in General Auto Lessee on January 1st of the sixth calendar year beginning after
7 the year in which the QRE Completion Date occurs. Immediately thereafter, (i) General
8 Auto Development Manager will transfer all of its rights and interests to the Reorganized
9 Debtor, (ii) General Auto Lessee will terminate the Master Lease, and (iii) leases between
10 General Auto Lessee and tenants of the General Automotive Building will be assigned to
11 Reorganized Debtor as landlord. Debtor, TCC, General Auto Development Manager,
12 and General Auto Lessee will execute such other and further documents as are necessary
13 or appropriate to effectuate the transactions set out in this paragraph.

14 7.4. Restated Articles of Organization. Reorganized Debtor shall be deemed to
15 have adopted the Restated Articles of Organization on the Effective Date and shall
16 promptly thereafter cause the same to be filed with the Secretary of State of the State of
17 Oregon. After the Effective Date, Reorganized Debtor may amend the Restated
18 Organizational Documents and may amend its bylaws in accordance with the Restated
19 Articles of Organization, such bylaws and applicable state law.

20 7.5. Setoffs. Debtor may, but shall not be required to, set off against any
21 Claim and the distributions to be made pursuant to the Plan in respect of such Claim, any
22 claims of any nature whatsoever which Debtor may have against the holder of such
23 Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall
24 constitute a waiver or release of any such claim Debtor may have against such holder.

25 7.6. Corporate Action. Upon entry of the Confirmation Order by the Clerk of
26 the Bankruptcy Court, all actions contemplated by the Plan shall be authorized and

1 approved in all respects (subject to the provisions of the Plan), including, without
2 limitation, the following: (a) the adoption and filing with the Secretary of State of the
3 State of Oregon the Restated Articles of Organization, and (b) the execution, delivery and
4 performance of all documents and agreements relating to the Plan and any of the
5 foregoing. On the Effective Date, the appropriate officers of Reorganized Debtor are
6 authorized and directed to execute and deliver the agreements, documents and
7 instruments contemplated by the Plan and the Disclosure Statement in the name of and on
8 behalf of Reorganized Debtor.

9 7.7. Saturday, Sunday or Legal Holiday. If any payment or act under the Plan
10 is required to be made or performed on a date that is not a Business Day, then the making
11 of such payment or the performance of such act may be completed on the next
12 succeeding Business Day, but shall be deemed to have been completed as of the required
13 date.

14 7.8. Utility Deposit. All utilities holding a Utility Deposit shall immediately
15 after the Effective Date return or refund such Utility Deposit to Reorganized Debtor. At
16 the sole option of Reorganized Debtor, Reorganized Debtor may apply any Utility
17 Deposit that has not been refunded to Reorganized Debtor in satisfaction of any payments
18 due or to become due from Reorganized Debtor to a utility holding such a Utility
19 Deposit.

20 7.9. Event of Default; Remedy. Any material failure by Reorganized Debtor
21 to perform any term of this Plan, which failure continues for a period of five Business
22 Days following receipt by Reorganized Debtor of written notice of such default from the
23 holder of an Allowed Claim to whom performance is due, shall constitute an event of
24 Default. Upon the occurrence of an Event of Default, the holder of an Allowed Claim to
25 whom performance is due shall have all rights and remedies granted by law, this Plan or
26 any agreement between the holder of such Claim and Debtor or Reorganized Debtor. An

1 Event of Default with respect to one Claim shall not be an Event of Default with respect
2 to any other Claim.

3 **ARTICLE 8**

4 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

5 8.1. Assumption. Except as may otherwise be provided, all executory
6 contracts and unexpired leases of Debtor, which are not otherwise subject to a prior
7 Bankruptcy Court order or pending motion before the Bankruptcy Court are assumed by
8 Reorganized Debtor on the Effective Date. The Confirmation Order shall constitute an
9 order authorizing assumption of all executory contracts and unexpired leases except those
10 otherwise specifically rejected or otherwise provided for or subject to other Court Order
11 or pending motion. Reorganized Debtor shall promptly pay all amounts required under
12 Section 365 of the Bankruptcy Code to cure any defaults and assume the executory
13 contracts.

14 On the Effective Date, Debtor will (a) assume all Tenant Leases and assign the
15 Tenant Leases to General Auto Lessee, and (b) cure Debtor's default under the Lapchi
16 lease by paying the outstanding balance owing to Lapchi for unreimbursed tenant
17 improvements.

18 8.2. Assignment. To the extent necessary and except as may otherwise be
19 provided, all executory contracts and unexpired leases shall be deemed assigned to
20 Reorganized Debtor as of the Effective Date. The Confirmation Order shall constitute an
21 order authorizing such assignment of executory contracts and unexpired leases, and no
22 further assignment documentation shall be necessary to effectuate such assignment.

23 8.3. Rejection Claims. Rejection Claims must be Filed no later than 30 days
24 after the entry of the order rejecting the executory contract or unexpired lease or 30 days
25 after the Effective Date, whichever is sooner. Any such Rejection Claim not Filed within
26 such time shall be forever barred from assertion against Debtor, Reorganized Debtor, and

1 its property and estates. Each Rejection Claim resulting from such rejection shall
2 constitute a Class 4 Claim or a Class 6 Claim, as appropriate.

3 **ARTICLE 9**

4 **EFFECT OF CONFIRMATION**

5 9.1. Injunction. The effect of confirmation shall be as set forth in Section 1141
6 of the Bankruptcy Code. Except as otherwise provided in the Plan or in the Confirmation
7 Order, confirmation of the Plan shall act as a permanent injunction applicable to entities
8 against (a) the commencement or continuation, including the issuance or employment of
9 process, of a judicial, administrative, or other action or proceeding against Reorganized
10 Debtor that was or could have been commenced before the entry of the Confirmation
11 Order, (b) the enforcement against Reorganized Debtor or its assets of a judgment
12 obtained before the Petition Date, and (c) any act to obtain possession of or to exercise
13 control over, or to create, perfect or enforce a lien upon all or any part of the assets.

14 9.2. Discharge. Except as otherwise expressly provided herein, the
15 confirmation of the Plan shall, provided that the Effective Date shall have occurred,
16 discharge all Claims, to the fullest extent authorized or provided for by the bankruptcy
17 Code, including, without limitation, to the extent authorized or provided for by sections
18 524 and 1141 thereof.

19 **ARTICLE 10**

20 **RETENTION OF JURISDICTION**

21 10.1. Jurisdiction of the Bankruptcy Court. Notwithstanding the entry of the
22 Confirmation Order, the Court shall retain jurisdiction of this Chapter 11 Case pursuant
23 to and for the purposes set forth in Section 1127(b) of the Bankruptcy Code and

24 10.1.1. to classify the Claim or interest of any Creditor or stockholder,
25 reexamine Claims or Interests which have been owed for voting purposes and determine any
26 objections that may be Filed to Claims or Interests,

1 10.1.2. to determine requests for payment of Claims entitled to priority
2 under Section 507(a)(1) of the Bankruptcy Code, including compensation and reimbursement
3 of expenses in favor of professionals employed at the expense of the Estate,

4 10.1.3. to avoid transfers or obligations to subordinate Claims under
5 Chapter 5 of the Bankruptcy Code,

6 10.1.4. to approve the assumption, assignment or rejection of an executory
7 contract or an unexpired lease pursuant to this Plan,

8 10.1.5. to resolve controversies and disputes regarding the interpretation
9 of this Plan,

10 10.1.6. to implement the provisions of this Plan and enter orders in aid of
11 confirmation,

12 10.1.7. to adjudicate adversary proceedings and contested matters pending
13 or hereafter commenced in this Chapter 11 Case, and

14 10.1.8. to enter a final decree closing this Chapter 11 proceeding.

15 10.2. Failure of Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy
16 Court abstains from exercising or declines to exercise jurisdiction over any matter arising
17 under, arising in or related to the Chapter 11 Case, this Article shall not prohibit or limit
18 the exercise of jurisdiction by any other court having competent jurisdiction with respect
19 to such subject matter.

20 **ARTICLE 11**

21 **ADMINISTRATIVE PROVISIONS**

22 11.1. Modification or Withdrawal of the Plan. Debtor may alter, amend or
23 modify the Plan pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule
24 3019 at any time prior to the time that the Bankruptcy Court has signed the Confirmation
25 Order. After such time, and prior to the substantial consummation of the Plan, Debtor
26 may, so long as the treatment of holders of Claims and Interests under the Plan is not

1 adversely affected, institute proceedings in Bankruptcy Court to remedy any defect or
2 omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the
3 Confirmation Order, and any other matters as may be necessary to carry out the purposes
4 and effects of the Plan; provided, however, that prior notice of such proceedings shall be
5 served in accordance with Bankruptcy Rule 2002.

6 11.2. Revocation or Withdrawal of Plan.

7 11.2.1. Right to Revoke. Debtor reserves the right to revoke or
8 withdraw the Plan at any time prior to the Effective Date.

9 11.2.2. Effect of Withdrawal or Revocation. If Debtor revokes or
10 withdraws the Plan prior to the Effective Date, then the Plan shall be deemed null and void.
11 In such event, nothing contained herein shall be deemed to constitute a waiver or release of
12 any claims by or against Debtor or any other Entity or to prejudice in any manner the rights
13 of Debtor or any Entity in any further proceeding involving Debtor.

14 11.3. Nonconsensual Confirmation. Debtor shall request that the Bankruptcy
15 Court confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code if the
16 requirements of all provisions of Section 1129(a) of the Bankruptcy Code, except
17 subsection 1129(a)(8), are met.

18 **ARTICLE 12**

19 **MISCELLANEOUS PROVISIONS**

20 12.1. Revesting. Except as otherwise expressly provided herein, on the
21 Effective Date, all property and assets of the estate of Debtor shall revest in Reorganized
22 Debtor, free and clear of all claims, liens encumbrances, charges and other Interests of
23 Creditors arising on or before the Effective Date, and Reorganized Debtor may operate,
24 from and after the Effective Date, free of any restrictions imposed by the Bankruptcy
25 Code or the Bankruptcy Court.

26 * * *

1 12.2. Rights of Action. Except as otherwise expressly provided herein, any
2 rights or causes of action (including, without limitation, any and all avoidance actions)
3 accruing to Debtor shall remain assets of Reorganized Debtor. Reorganized Debtor may
4 pursue such rights of action, as appropriate, in accordance with what is in its best
5 interests and for its benefit.

6 12.3. Governing Law. Except to the extent the Bankruptcy Code, the
7 Bankruptcy Rules or other federal laws are applicable, the laws of the State of Oregon
8 shall govern the construction and implementation of the Plan, and all rights and
9 obligations arising under the Plan.

10 12.4. Withholding and Reporting Requirements. In connection with the Plan
11 and all instruments issued in connection therewith and distributions thereon, Debtor and
12 Reorganized Debtor shall comply with all withholding, reporting, certification and
13 information requirements imposed by any federal, state, local or foreign taxing
14 authorities and all distributions hereunder shall, to the extent applicable, be subject to any
15 such withholding, reporting, certification and information requirements. Entities entitled
16 to receive distributions hereunder shall, as a condition to receiving such distributions,
17 provide such information and take such steps as Reorganized Debtor may reasonably
18 require to ensure compliance with such withholding and reporting requirements, and to
19 enable Reorganized Debtor to obtain the certifications and information as may be
20 necessary or appropriate to satisfy the provisions of any tax law.

21 12.5. Time. Unless otherwise specified herein, in computing any period of time
22 prescribed or allowed by the Plan, the day of the act or event from which the designated
23 period begins to run shall not be included. The last day of the period so computed shall
24 be included, unless it is not a Business Day, in which event the period runs until the end
25 of the next succeeding day which is a Business Day.

26 * * *

1 12.6. Section 1146(c) Exemption. Pursuant to Section 1146(c) of the
2 Bankruptcy Code, the issuance, transfer or exchange of any security under the Plan, or
3 the execution, delivery or recording of an instrument of transfer pursuant to, in
4 implementation of or as contemplated by the Plan, or the revesting, transfer or sale of any
5 real property of Debtor or Reorganized Debtor pursuant to, in implementation of or as
6 contemplated by the Plan, shall not be taxed under any state or local law imposing a
7 stamp tax, transfer tax, or similar tax or fee. Consistent with the foregoing, each recorder
8 of deeds or similar official for any city, county or governmental unit in which any
9 instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be
10 ordered and directed to accept such instrument without requiring the payment of any
11 documentary stamp tax, deed stamps, transfer tax, intangible tax or similar tax.

12 12.7. Severability. In the event that any provision of the Plan is determined to
13 be unenforceable, such determination shall not limit or affect the enforceability and
14 operative effect of any other provisions of the Plan. To the extent that any provision of
15 the Plan would, by its inclusion in the Plan, prevent or preclude the Bankruptcy Court
16 from entering the Confirmation Order, the Bankruptcy Court, on the request of Debtor,
17 may modify or amend such provision, in whole or in part, as necessary to cure any defect
18 or remove any impediment to the confirmation of the Plan existing by reason of such
19 provision.

20 12.8. Binding Effect. The provisions of the Plan shall bind Debtor,
21 Reorganized Debtor and all holders of Claims and Interests, and their respective
22 successors, heirs and assigns.

23 12.9. Recordable Order. The Confirmation Order shall be deemed to be in
24 recordable form, and shall be accepted by any recording officer for filing and recording
25 purposes without further or additional orders, certifications or other supporting
26 documents.

1 12.10. Plan Controls. In the event and to the extent that any provision of the Plan
2 is inconsistent with the provisions of the Disclosure Statement, or any other instrument or
3 agreement contemplated to be executed pursuant to the Plan, the provisions of the Plan
4 shall control and take precedence.

5 12.11. Effectuating Documents and Further Transactions. Debtor and
6 Reorganized Debtor shall execute, deliver, file or record such contracts, instruments,
7 assignments, and other agreements or documents, and take or direct such actions, as may
8 be necessary or appropriate to effectuate and further evidence the terms and conditions of
9 this Plan.

10 DATED this 27th day of November, 2012.

11 General Auto Building, LLC

12
13 By: North Park Development, LLC, a
14 Washington limited liability company, Its
Manager

15 By: /s/Robert C. Brewster, Jr.
16 Robert C. Brewster, Jr., Manager

17 Presented by:

18 TONKON TORP LLP

19
20 By: /s/Ava L. Schoen
21 Albert N. Kennedy, OSB No. 821429
Ava L. Schoen, OSB No. 044072
22 Of Attorneys for Debtor

EXHIBIT 1
TO THE SECOND
AMENDED PLAN OF
REORGANIZATION

**GENERAL AUTO BUILDING, LLC,
an Oregon limited liability company**

SUBSCRIPTION AGREEMENT

This Subscription Agreement To Acquire _ % of capital Ownership Interests (this "Agreement"), is effective on the Effective Date as defined in Section ____ of the Plan of Reorganization filed by General Auto Building, LLC or any modifications thereto (the "Plan") and is between General Auto Building, LLC, an Oregon limited liability company ("Company"), and _____ ("New Member"). Unless otherwise stated, each initially-capitalized term will have the definition ascribed to it in the Limited Liability Operating Agreement, dated April 23, 2007, and the Amendments thereto (the "Operating Agreement"), copies of which are attached hereto, without schedules and exhibits.

This Agreement is expressly conditioned upon confirmation of the Plan and will have no legal effect if the Plan is not confirmed.

Company and New Member agree as follows:

1. Prior to the Effective Date, New Member may assign this Agreement to an Affiliated Entity controlled by New Member provided Affiliated Entity is an accredited investor as provided in rule 501 and Affiliated Entity executes this same form of agreement. An Affiliated Entity is any entity in which the New Member has an interest, if the relationship of the New Member and the entity would be as described in Section 267(b) or 707(b) of the Internal Revenue Code of 1986 as amended, except that 90% shall be substituted for 50% wherever 50% is used in those sections.

2. On the Effective Date:

(a) Company will issue and New Member will purchase _____% of the Company's Ownership Interests ("Ownership Interest");

(b) New Member will contribute \$_____ to Company.

(c) The subscription evidenced by this Agreement is hereby declared irrevocable. The New Member will have no right or power to amend, cancel or revoke all or part of the subscription or this Agreement without the consent of the Company, which consent may be withheld in the Company's discretion.

3. New Member represents and warrants to Company that:

(a) it has the authority required to execute, deliver and perform this Agreement, and to acquire the Ownership Interest.

(b) if and only if the New Member is an individual, the New Member is at least 18 years of age, is a bona fide resident of the state set forth next to the New Member's signature and maintains the New Member's principal residence there.

(c) if and only if the New Member is a corporation, partnership, trust or other entity, the New Member is validly organized under the laws of the state set forth next to the name of the New Member on the signature page, is currently operating and is in good standing in that state. The New Member has not been organized for the specific purpose of acquiring the Ownership Interest, but the New Member is duly authorized and otherwise qualified to acquire the Ownership Interest, has all requisite legal or other power to enter into this Agreement, to purchase the Ownership Interest hereunder and to perform its obligations under the terms of this Agreement. The New Member and person signing on behalf of the New Member represent and warrant that the person signing has been duly authorized to execute this Agreement and all other instruments in connection with the subscription, that such person's signature is binding on the New Member, and this Agreement when executed and delivered by the New Member will constitute a valid and legally binding obligation of the New Member, enforceable in accordance with its terms.

(d) is acquiring the Ownership Interest based on its own investigation.

(e) has received all information about the Company that New Member considers appropriate to decide whether to purchase the Ownership Interest. New Member has had an opportunity to ask questions and receive satisfactory answers from Company regarding the terms and conditions of the offering of the Ownership Interest and the Company's business, properties, prospects and financial condition. New Member has also had access to all other materials, books, records, documents and information relating to the Company that New Member desires, and has been able to verify the accuracy of the information contained in those materials. New Member understands that the Company has been the subject of a Plan of Reorganization filed by General Auto Building, LLC. New Member has had the opportunity to review the Operating Agreement and has been informed that New Member should have the same reviewed by counsel for the New Member.

(f) is acquiring the Ownership Interest for its own account for investment, and not with a view to sell or otherwise distribute any Ownership Interest in violation of applicable securities laws.

(g) is experienced in evaluating and investing in private placement transactions of securities or ownership interests of companies in an early stage of development such as the Company. New Member is able to bear the economic risk of a complete loss of the its investment in the Company. New Member has the knowledge and experience in financial and business matters such that it is capable of evaluating the merits and risks of purchasing the Ownership Interest.

(h) understands that: (i) there is no public market for the Ownership Interest and none is expected to develop; (ii) it may sell or otherwise transfer the Ownership Interest only in compliance with the terms of the Operating Agreement; and (iii) it may not sell

or otherwise transfer the Ownership Interest without registration under the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state securities laws, or an exemption therefrom; and (iv) in the absence of an effective registration statement covering the Ownership Interest or an available exemption from registration under the Securities Act and applicable state securities laws, the Ownership Interest must be held indefinitely.

(i) the New Member acknowledges that this subscription has not been reviewed by the SEC or by any state securities agency or similar regulatory authority and that none of such agencies have passed upon or made any recommendation or endorsement of the Company, this transaction or the offering of the Ownership Interest.

(j) the New Member acknowledges that the New Member has had the opportunity to review this Agreement and the transactions contemplated by this Agreement with the New Member's own legal counsel. The New Member is relying solely on such counsel and not on any statements or representations of the Company or any of its agents for legal advice with respect to this investment or the transactions contemplated by this Agreement.

(k) the New Member acknowledges that neither the Company nor any person acting on behalf of the Company offered to sell the Ownership Interest to the New Member by means of any form of general advertising.

(l) is ___ is not ___ an "accredited investor" as defined in Rule 501 promulgated under the Securities Act of 1933, as amended, as noted below (**Please initial all that apply**):

_____ An individual whose individual net worth, or joint net worth with that person's spouse, at the time of the purchase exceeds \$1,000,000;

_____ An individual who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and who reasonably expects to reach the same income level in the current year;

_____ A corporation or partnership, not formed for the specific purpose of acquiring the securities or ownership interests, with total assets in excess of \$5 million; or

_____ An entity in which all of the equity owners are accredited investors as set forth above.

As used in this Section 2(l), the term:

(i) "net worth" means the excess of total assets over total liabilities. For purposes of this Agreement, the value of your primary residence must be excluded as an asset in all cases. You may exclude any liabilities secured by your primary residence, up to the value of the primary residence, unless those liabilities were incurred (a) in the 60 days preceding this subscription and (b) for reasons other than to acquire the residence. However, indebtedness

secured by your residence that exceeds the fair market value of the residence must be considered a liability when calculating your net worth.

(ii) "income" means actual economic income, which may differ from adjusted gross income for income tax purposes. Accordingly, New Member should consider whether it should add any or all of the following items to its adjusted gross income for income tax purposes in order to reflect more accurately his actual economic income: any amounts attributable to tax-exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depletion, contributions to an IRA or Keogh retirement plan, and alimony payments.

4. This Agreement will be construed and enforced in accordance with the laws of the State of Oregon, to the extent not governed or preempted by federal laws.

5. If the New Member is a resident of a community property state, the New Member's spouse hereby consents to this Agreement and hereby appoints the New Member the spouse's true and lawful attorney-in-fact, for the spouse and the spouse's name, place and stead, and for the spouse's use and benefit, to agree to any amendment or modification of this Agreement and to execute such further instruments and take such further actions as may reasonably be necessary to carry out the intent of this Agreement. The New Member's spouse further gives and grants to the New Member as the spouse's attorney-in-fact full power and authority to do and perform every act necessary and proper to be done in the exercise of any of the foregoing powers as fully as the spouse could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that the New Member will lawfully do and cause to be done by virtue of this power of attorney.

6. The Ownership Interest will not be certificated.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Company and New Member have executed this Agreement as of the Effective Date.

GENERAL AUTO BUILDING, LLC

By North Park Development, LLC, Manager

By: _____
Robert C. Brewster, Jr., Manager

Individual New Member
(to be completed by all individuals with interests in the subscription):

Corporation, Partnership, Trust or Other Entity:

Print Name of New Member

Print Name of New Member

Signature of New Member

State of Organization

Street Address

Signature

City State Zip Code

Print Name of Person Signing

Print Name of **Joint New Member, if any**

Title

Signature of Joint New Member, if any

Address of New Member:

Street Address

Street Address

City State Zip Code

City State Zip Code

Spouse's Signature, if New Member is a Resident of a Community Property State

New Member's Employer Identification Number

Print Name of Spouse

EXHIBIT 1
TO THE SUBSCRIPTION
AGREEMENT

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

General Auto Building, LLC

This Operating Agreement ("*this Agreement*") is made as of April 23, 2007 between North Park Development, LLC a Washington limited liability company ("*NPD*"), and the persons listed on the attached Schedule A. NPD and the persons listed on Schedule A may each be referred to as a "*Member*" and collectively as "*the Members*".

RECITAL:

The Members, who are all the members of General Auto Building, LLC ("*the Company*"), a Delaware limited liability company for which articles of organization were filed on or about April 23, 2007, want to establish and agree upon the terms and conditions for regulating and managing the Company's affairs and the conduct of the Company's business.

THE MEMBERS AGREE:

1. Place of Business, Perpetual Term, Title to Property, Assumed Business Name, and Nature of Business of Company.

(a) Principal Place of Business. The principal place of business of the Company will be at the office of NPD, which is currently at 9 South Washington, Suite 515, Spokane, WA 99201. The business of the Company may also be conducted at any other or additional place or places as the Manager may designate from time to time.

(b) Term of Company. The Company will be perpetual, as provided in its articles of organization which were filed with the Delaware Corporation Commissioner, unless the Company is earlier dissolved in accordance with Section 8 of this Agreement.

(c) Title. Title to the property and assets of the Company shall be held in the name of the Company.

(d) Assumed Business Name. The Company may register "General Auto Building" or variants thereof as assumed business names and transact business under those names.

(e) Nature of Business. The sole purpose and business of the Company is to own, develop and operate commercial real estate ("*the Project*") located at 809 NW Flanders, Portland, OR commonly known as the General Auto Building, legally described at **Exhibit A** attached hereto ("*the Property*"). The Company may also engage in any lawful business permitted by the Delaware Limited Liability Company Act ("*the Act*") or the laws of any jurisdiction in which the Company may do business that is related to the Project and the

Property, but may not engage in any business unrelated to the Project or the Property. Subject to this restriction, the Company shall have the authority to do all things necessary or convenient to accomplish its purposes and operate its business.

2. Management of Business.

(a) Manager; Financing. The Manager is NPD.

(b) Manager's Specific Business Responsibilities. The Manager has the full and complete authority, power and discretion to take any and all actions which the Manager deems necessary or desirable to manage and operate the day-to-day affairs of the Project and the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Business of the Company. Without limiting the generality of the foregoing, the Manager shall have power and authority, on behalf of the Company:

(i) To acquire property and services from any Person, and the fact that a Manager or a Member is an Affiliate of such Person shall not prohibit the Manager from dealing with that Person;

(ii) To borrow money from financial institutions, the Manager, Members, or Affiliates of the Manager or Members on such terms as the Manager deems appropriate, and in connection therewith, to grant security interests in the assets of the Company (including for purposes of distributing funds to Members);

(iii) To purchase liability and other insurance to protect the Company's property and business;

(iv) To acquire, improve, manage, charter, operate, sell, transfer, exchange, encumber, pledge or dispose of the Property, the Project and any other real or personal property of the Company;

(v) To invest Company funds temporarily in time deposits, short-term governmental obligations, commercial paper or other short-term investments;

(vi) To execute instruments, documents and contracts, including without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, construction contracts, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, operating agreements of other limited liability companies, and any other instruments or documents necessary, in the opinion of the Manager, to the business of the Company;

(vii) To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to reasonably compensate them from Company funds, including but not limited to Conover Bond Development or any other affiliate of Manager;

(viii) To enter into any and all other agreements with any other Person for any purpose, in such form as the Manager may approve;

(ix) To admit new Members pursuant to Section 12;

(x) From time to time open bank accounts in the name of the Company;

(xi) To enter into any agreements, encumbrances or conveyances as Manager reasonably determines are beneficial or necessary for the Company in connection with any tax credit utilization by the Company or in connection with the Project, including but not limited to New Markets Tax Credits utilization; and

(xii) To do and perform all other acts as may be necessary or appropriate to the conduct of the Business of the Company.

Unless authorized to do so by the Manager, no Member, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose.

(c) Limitation on Manager Authority. The Manager shall not without the prior written consent of all Members, except as provided in Section 15(n), amend this Agreement.

(d) Manager Services and Compensation.

(i) Project Development and Management. Manager (or a separate entity contracted by Manager) shall act as project manager for the Property and the Project on behalf of the Company and shall manage the entitlement, design and construction process, and negotiate construction and financing for the Project. In such capacity, Manager or its contractor shall engage such architects, engineers, project managers and other providers of goods and services as are reasonably necessary for the Project and the Business of the Company. If the project manager is a separate entity, such entity may be an affiliate of Manager or of a member of Manager, including but not limited to Conover Bond Development or an affiliate of same. The Company shall pay Manager a "Development Fee" as described below in Section 3(c) as compensation for the services described in this Section.

(ii) Property Management. Manager (or a separate entity contracted by Manager) shall act as property manager for the Property and the Project on behalf of the Company ("Property Manager"). If the Property Manager is a separate entity, such entity may be an affiliate of Manager or of a member of Manager, including but not limited to Conover Bond Development or an affiliate of same. In such capacity, Property Manager may collect rents, communicate with tenants, pay expenses, purchase and maintain insurance, represent the Company in any discussions with governmental entities or adjacent landowners, and pay taxes.

(iii) Reimbursement of Manager's Expenses. The Manager shall be reimbursed by the Company for reasonable out-of-pocket expenses and liabilities incurred by the Manager in connection with the Business of the Company, including without limitation expenses incurred in the organization of the Company. In no event, however, shall the Manager be entitled to reimbursement of its own employee salary or office overhead.

(iv) Limitation on Liability; Indemnification. Neither the Manager nor any Affiliate of the Manager shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person, except for matters constituting gross negligence, intentional misconduct or knowing violation of the law. The

Company shall indemnify and hold harmless the Manager, and each director, officer, partner, employee or agent thereof, against any liability, loss, damage, cost or expense incurred by them on behalf of the Company or in furtherance of the Company's interests without relieving any such Person of liability for gross negligence, intentional misconduct or knowing violation of the law. No member shall have any personal liability with respect to the satisfaction of any required indemnification of the above-mentioned Persons. Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court, settlement, contract or otherwise. In addition, the Company may advance funds to a Person claiming indemnification under this Section for legal expenses and other costs incurred as a result of a legal action brought against such Person only if (i) the legal action relates to the performance of duties or services by the Person on behalf of the Company, (ii) the legal action is initiated by a party other than a Member, and (iii) such Person undertakes to repay the advanced funds to the Company if it is determined that such Person is not entitled to indemnification pursuant to the terms of this Agreement.

(v) Right to Rely on the Manager. No lender or purchaser or other Person, including any purchaser of property from the Company or any other Person dealing with the Company, shall be required to look to the application of proceeds hereunder or to verify any representation by the Manager as to the extent of the interest in the assets of the Company that the Manager is entitled to encumber, sell, or otherwise use, unless a Member has placed such Person on notice of a legal duty to so inquire. In no event shall any Person dealing with the Manager or the Manager's representative with respect to the business or property of the Company be obligated to ascertain that the terms of this Agreement have been complied with, and each such Person shall be entitled to rely on the assumptions that the Company has been duly formed and is validly in existence, that the Members have given any necessary approval incident to execution and delivery of any document or instrument of any nature whatsoever. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by any Manager as to the identity and authority of any Manager or other Person to act on behalf of the Company or any Member.

(c) Removal of Manager from Responsibilities. The Members, by the act of those Members holding at least 75% of the Ownership Interests not held by the Manager, shall have the right, which they may exercise in their reasonable judgment, to remove the Manager from any one or more of the Manager's responsibilities only if:

(i) The Manager materially fails to fulfill or perform any duty, obligation, or responsibility under this Agreement and only after written notice of such failure is actually delivered to Manager (via certified mail, with return receipt) and Manager has not reasonably cured such failure to perform within 60 days after actual delivery of such written notice to Manager;

(ii) The Manager assigns any interest in or under this Agreement without the Company's prior written consent.

(iii) The Manager submits to the Company any false or fraudulent report or statement, including but not limited to any claims for any fee, reimbursement, or other payment by the Company (except as otherwise agreed to under this Agreement or otherwise); or

(iv) The Manager files or is the subject of any proceedings under bankruptcy law

3. Administration of Company Business.

(a) Management. The Manager shall control and direct the management and conduct of the business of the Company. Except as otherwise provided in this Agreement, any matters related to the conduct of the business of the Company or the administration of the internal affairs of the Company shall be decided by the Manager.

(b) Devotion of Time; Outside Activities. The Manager is or will be engaged in other business and activities occupying a portion of its time. Accordingly, the Manager is required to devote to the business of the Company only so much of the Manager's time and attention as the Manager reasonably deems necessary or advisable. The Manager and each Member may, during the continuance of the Company, engage in any activity for the Manager's or Member's own profit or advantage without the consent of the other Members, and neither the Company nor any Member shall have any right to any income or profit derived from the activity.

(c) Development Fee. No Member shall be entitled to any salary for services rendered to the Company other than as a regular employee of the Company. The Manager shall be entitled to take a development fee ("Development Fee") of \$250,000. The fee will be divided by the number of months projected for construction, and paid to Manager on a monthly basis starting in the month that the Company acquires the Project.

(d) Expense Account. Each of the Members, including the Manager, shall be entitled to reimbursement monthly, upon submission of an itemized account, for all items expended for the benefit of the business from the Member's separate assets.

(e) Affiliation. The Company shall maintain accounts at any banks and other financial institutions as the Manager shall determine. All funds of the Company shall be deposited in the Company's name and shall be withdrawn upon the signature of the Manager or the Manager's designees.

(f) Indemnification. Each Member shall indemnify and hold harmless the Company and each other Member from any and all expense and liability resulting from or arising out of any negligence or misconduct on the Member's part to the extent that the amount exceeds the applicable insurance carried by the Company.

(g) Advisors. The Company may select and engage the services of any advisors, consultants, contractors, accountants, attorneys, agents, and brokers as the Manager may deem to be necessary or advisable in connection with the Company's business and affairs.

(h) Rights and Obligations of Members.

(i) Limitation of Liability; Indemnification. Each Member's liability shall be limited as set forth in this Agreement and the Act. No Member shall be liable, responsible or accountable in damages or otherwise to the Company or the other Member for any act or omission by any such Person performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided that such act or omission did not constitute fraud, misconduct, bad faith or gross negligence. Members shall not be personally liable for any debts, obligations or liabilities of the Company. Members shall be liable to each other and the Company, but not to any of the Company's creditors, for fulfillment of any Capital Contribution obligations hereunder, and for any breach of the specific duties contained in this Agreement.

(ii) Liability for Company Obligations. Members shall not be personally liable for any debts, obligations or liabilities of the Company beyond their respective Capital Contributions and any obligation of the Members under Section 5 to make Capital Contributions.

(iii) Inspection of Records. Upon reasonable request, each Member shall have the right to inspect and copy at such Member's expense, during ordinary business hours the records required to be maintained by the Company pursuant to Section 4(a).

(iv) Events of Dissociation. The sole events of dissociation pursuant to which a Member will cease to be a Member of the Company shall be (1) if a Member dies, in which case the Member's heir, beneficiary, or personal representative (as appropriate) shall replace such Member, and (2) if the Member complies with the procedure described in Section 10 below. In no event shall any other event or circumstance constitute an event of dissociation for purposes of the Act.

(v) Competing Business of Members. The Members agree that any Members and the Manager may from time to time engage in real estate projects and investments, and may own, operate, or develop real estate for their own account that competes with real estate owned by the Company. Because the business of the Company is limited to the Property and the Project, no Member or Manager has a duty to offer to the Company any business or real estate opportunity. Any Manager and Member shall have the absolute right to engage in or possess an interest in other business ventures of every nature and description, independently or with others, including but not limited to, the ownership, financing, management, employment by, lending to or otherwise participating in businesses which are similar to and competitive with the business of the Company, and neither the Company nor any of the Members shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits therefrom, or to prevent such independent ventures.

(vi) Personal Guarantees. If the Members approve a personally guaranteed borrowing on the part of the Company, each Member shall be liable to each other Member to reimburse such other Member for any amount paid by such other Member on account of any personally guaranteed debt of the Company which is in excess of such Member's Ownership

Interest of such personally guaranteed debt. Such obligation may not be enforced by any of the Company's creditors and is a direct personal obligation between each of the Members which shall survive dissolution of the Company. If the holder of the debt makes a demand on any Member with respect to any such personally guaranteed debt, such Member shall be entitled to pay all or any portion thereof and all other Members hereby waive any defense which they might have to their obligation to reimburse the paying Member which might arise out of the invalidity of the guaranteed debt, the fact that there may have been defenses to the enforcement of the guaranteed debt, or any action or omission on the part of the paying Member with respect to the lender, excluding only fraud and breach of fiduciary duty.

4. Accounting.

(a) Records and Books of Account. The Company shall keep adequate records and books of account and shall maintain them in accordance with generally accepted accounting principles. The Manager shall cause annual financial statements of the Company to be prepared, including a balance sheet, a profit and loss statement, and all supporting statements as the Manager may deem relevant from time to time. Each Member shall have access to the Company's records and books of account at all times.

(b) Method of Accounting. The Company's books of account shall be kept on a cash basis.

(c) Accounting Year. The Company's books of account shall be kept on a calendar year basis. The Company's taxable year shall be the calendar year.

(d) Income Tax Information. The Company shall furnish each Member with information pertaining to the Company's taxable income or loss, including but not limited to the Company's informational tax returns and Schedule K-1, applicable to the Member. The information shall show each Member's distributive share of each class of income, gain, loss, deduction, or credit of the Company. The information shall be furnished to the Members as soon as is practicable after the close of the Company's taxable year.

(e) Tax Matters Partner. The Manager, or if the Manager is ineligible to serve then the Member with the largest interest in Company profits, shall be the "tax matters partner" of the Company for purposes of Code Section 6221, *et seq.*, and corresponding provisions of any state or local tax law. The Company shall indemnify and reimburse the tax matters partner for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members attributable to the Company. The payment of all such expenses shall be made before any distributions are made to Members (and such expenses shall be taken into consideration for purposes of determining Distributable Cash) or any discretionary Reserves are set aside by the Manager. Neither the tax matters partner nor any Member shall have any obligation to provide funds for such purpose. The provisions for exculpation and indemnification of the Manager set forth in Section 2(d)(iv) of this Agreement shall be fully applicable to the Member acting as tax matters partner for the Company.

5. Capital.

(a) Initial Contributions. NPD has previously invested time and effort in obtaining for the Company the opportunity to acquire the Project and its associated real estate, all of which it will contribute to the Company as a non-cash capital contribution without any value stated in terms of dollars. The Members initially shall contribute to the Company's capital cash in the respective amount ("*Initial Contribution*") set opposite the Member's name on Schedule A. The total Initial Contributions from all Members other than the Manager is expected to be \$1,000,000. The Manager or its principals may contribute capital to bring the total capital contributions up to \$1,150,000 if required by the lender on the Project, and those capital contributions, when made in cash, will be considered Initial Contributions entitled to the Preferred Return (defined later in this Agreement) on the same terms as the Initial Contributions made by the other Members. Each Initial Contribution is due and payable within 5 days after the Member executes a counterpart of this Agreement. Any further money advanced by the Members for the acquisition of the Project may be treated as an advance and not a capital contribution at the election of the Company.

(b) Additional Contributions. If the Manager determines additional capital is necessary to improve the Property or pay the Company's obligations, then this additional capital amount will be contributed by each Member in accordance with the ownership interest percentages of each Member. If one Member cannot meet its obligation, then the other(s) may (at their sole discretion) loan the Company the capital to meet the non-paying Member's obligation. The Company shall repay Member Loans prior to any distributions of Distributable Cash, as and when Distributable Cash is available, meaning that all cash which would otherwise be Distributable Cash under the definitions used in this Agreement shall be immediately paid on account of the Member Loans (in proportion to the relative principal balances of each of them), until all Member Loans are paid in full. All such payments shall be credited first to interest and then to principal.

(c) Interest Paid. Except for the preferred returns described in this Agreement, no interest shall be paid on Initial Contributions or on any subsequent contributions to the Company's capital.

(d) Return of Contributions; No Right to Withdraw Capital. Each Member shall look solely to the Company's assets for the return of the Member's capital contributions. If the Company's assets are insufficient to return the capital contributions, no Member shall have recourse against any other Member for that purpose. Except as specifically provided in this Agreement, a Member may not withdraw capital from the Company. To the extent any amount that any Member is entitled to receive from the Company pursuant to any provision of this Agreement constitutes a return of capital, each Member consents to the withdrawal of the capital. A Member shall not have the right to demand and receive property other than cash in return for the Member's capital contribution.

(e) Interest. The Ownership Interest of each Member in the Company shall be as follows:

NAME	OWNERSHIP INTEREST
North Park Development, LLC	50%
Other Members	as identified on Schedule A

(f) Capital Accounts. The Company shall maintain a separate capital account (a "*Capital Account*") for each Member in accordance with Treasury Regulation § 1.704-1. Each Member's Capital Account shall be equal to:

(i) The amount of cash and the fair market value of the property contributed to the capital of the Company by the Member in accordance with this paragraph 5 (for which purpose no separate allowance will be made for NPD's time and effort); plus

(ii) The Member's allocable share of any profits of the Company pursuant to paragraph 6 below; less

(iii) The Member's allocable share of any losses of the Company pursuant to paragraph 6 below; and less

(iv) The amount of cash and the fair market value of property distributed to the Member.

Upon a sale, exchange, transfer, assignment, gift, or other disposition of an interest in the Company (subject to the restrictions in this Agreement on assignment and transfer), the Capital Account associated with the interest so transferred, whether the Capital Account has a positive or negative balance, shall be transferred to the transferee of the interest.

6. Allocation of Net Profits and Losses.

(a) Operating profits (profits from the general operation of the Project and interest on retained funds, after depreciation, interest expense, and other costs of operations) will be allocated as follows:

i. First to the Members, in proportion to their Initial Contributions, until they have received a 9% per annum internal rate of return (the "**Preferred Return**") on their Initial Contributions; and

ii. The remainder in proportion to the Members' Ownership Interests.

(b) Losses will be allocated in accordance with the Ownership Interests, subject to the limitation that if the allocation of losses reduces a Member's capital account to zero while the capital accounts of other Members are positive, then further losses will be specially allocated to those members with positive capital accounts in proportion to their positive capital accounts until those accounts are reduced to zero. If the capital accounts of all Members

are reduced to zero, then further losses will be allocated in accordance with the Ownership Interests until later allocations of profits increase all capital accounts above zero.

7. Distributions.

(a) Distribution of Net Cash Flow from Operations.

After any reserves deemed appropriate by the Manager or required by the Company's lenders are set aside, the net cash flow from operations (excluding cash flow from the sale or refinancing of the Project) for any particular period will be distributed to the Members in the following order of priority:

(1) first, to the Members in proportion to any capital contributions, other than the Initial Contributions, made after July 1, 2007 to the Company in response to cash shortfalls of the Company (the "Additional Capital Contributions") until the contributing Members have received an internal rate of return of nine percent (9%) on the Additional Capital Contributions;

(2) next to the Members in proportion to and in return of their Additional Capital Contributions until their Additional Capital Contribution balances have been reduced to zero;

(3) next, to the Members, in proportion to their Initial Contributions (which for this purpose will be reduced by any previous distributions made pursuant to Section 7(b)(4) below), in payment of the Preferred Return until the Preferred Return balance has been reduced to zero for all members (that is, until they have received the Preferred Return on the Initial Contributions);

(4) next, to the Members in accordance with their Ownership Interests.

(b) Distribution of Capital Proceeds.

If the Project is sold or refinanced, the resulting capital proceeds will be distributed to the Members in the following order:

(1) first, to the Members in proportion to their Additional Capital Contributions (if any) until the contributing Members have received an internal rate of return of nine percent (9%) on the Additional Capital Contributions;

(2) next, to the Members in proportion to and in return of their Additional Capital Contributions until their Additional Capital Contribution balances have been reduced to zero;

(3) next, to the Members, in proportion to their Initial Contributions (which for this purpose will be reduced by any previous distributions made pursuant to Section 7(b)(4) below), in an amount sufficient to provide them with a nine percent (9%) internal rate of return on their Initial Contributions, taking into account any payments received by them on their Preferred Return, including payments previously received by them that exceed the Preferred Return of nine percent;

(4) next, to the Members, in proportion to their Initial Contributions, in return of the Initial Contributions until their Initial Contributions have been reduced to zero, and any distributions made pursuant to this Section 7(b)(4) will be deemed to reduce the Initial Contributions of the Members to whom they are made, but not below zero, for purposes of calculating future distributions under Sections 7(a)(3) and 7(b)(3) above;

(5) next, to any Members in proportion to any positive balance in their positive capital accounts until their capital accounts have been reduced to zero; and

(6) next, to the Members in accordance with their Ownership Interests.

(c) Transfer of Company Interest. If a Member transfers all or part of the Member's interest in the Company, then the net profit or net loss of the Company allocable to the interest will be prorated between the transferor and the transferee for the fiscal year in which the transfer or adjustment occurs in proportion to the number of days in the fiscal year that each owned the interest. However, the gain or loss from any sale of the principal asset of the Company will be allocated to the persons or entities who were Members on the day that the gain or loss is realized.

8. Dissolution of Company.

(a) Events Causing Dissolution. The Company shall be dissolved only upon the Manager's decision to dissolve the Company. The Manager may not dissolve the Company if dissolution would breach any loan agreement (however titled) that then binds the Company.

9. Winding Up, Liquidation and Distribution of Assets. Upon dissolution, the Manager shall immediately proceed to wind up the affairs of the Company. The Manager shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Manager may determine to distribute any assets to the Members in kind) and shall apply the net proceeds of such sale and the remaining Company assets in the following order of priority:

(a) Payment of creditors, including Members and Managers who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company, other than liabilities for distributions to Members;

(b) To establish any Reserves that the Manager deems reasonably necessary for contingent or unforeseen obligations of the Company and, at the expiration of such period as

the Manager shall deem advisable, the balance then remaining in the manner provided in Paragraph (c) below;

(c) By the end of the taxable year in which the liquidation occurs (or, if later, within 90 days after the date of such liquidation), to the Members as provided in Section 7.

(d) No Obligation to Restore Negative Capital Account Balance on Liquidation. Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g), if any Member has a negative Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

(e) Termination. The Manager shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(f) Certificate of Cancellation. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, the Manager shall file a certificate of cancellation as required by Section 25.15.080 of the Act. Upon filing the certificate of cancellation, the existence of the Company shall cease, except as otherwise provided in the Act.

(g) Return of Contribution Nonrecourse to Other Members. Upon dissolution each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the property remaining after the payment or discharge of liabilities of the Company is insufficient to return the contributions of members, no Member shall have recourse against any other Member.

10. Buy/Sell; Member's Right to Dissociate from the Company

(a) Right to Dissociate: Electing to Invoke Dissociation and the Buy-Sell Provisions. On and after July 1, 2012, any Member except the Manager may notify the other Members that the Member wishes to dissociate from the Company, and the Members and the Company will then follow the procedure described in this Section 10 unless the consummation of the procedure would breach any loan agreement (however titled) to which the Company is then a party. A Member electing to invoke this procedure is referred to herein as the "Initiator" and the other Members, including the Manager, are the "Respondents." The Initiator may trigger the Buy-Sell procedures set forth herein by delivering written notice (the "Election Notice") to the Respondents. In no event shall any Member have a right to deliver an Election Notice if such Member is materially in breach of its obligations hereunder, or has been disassociated from the Company.

(b) Contents of Election Notice. The Election Notice, to be valid, shall state an amount (the "Assumed Amount") which the Initiator believes (in its sole opinion) would be available for distribution to the Members under Section 7 and otherwise under this Agreement after sale of all of the assets of the Company and payment of all liabilities of the Company. The price to be paid for the Ownership Interest of the Initiator (the "Buy-Sell Price") shall equal the amount that the Initiator would receive if the Assumed Amount was allocated among the Members in accordance with Section 7 of this Agreement.

(c) Effect of Election Notice. An Election Notice shall constitute an irrevocable offer by the Initiator to sell all, but not less than all, of the Initiator's Ownership Interest to the Company or to the Respondents (in that case, to each Respondent in proportion to its Ownership Interest) for an amount equal to the Buy-Sell Price calculated for the Initiator's Interest. The terms of the Election Notice shall be irrevocable for a ninety (90) day period.

(d) Response to Election Notice. The Company and the Respondents shall respond in writing (the "Response") to the Election Notice within the ninety (90) day period by either (1) accepting the offer and indicating whether the Company or the Respondents will be the purchase of the Ownership Interest, or (2) declining the offer, in which case the Manager will forthwith organize the affairs of the Company, offer the Property for sale, and proceed to liquidate and dissolve the Company. If the Response is to purchase the Ownership Interest of the Initiator, then closing of the transfer of the Interest ("Closing") in accordance with Respondents' election shall take place no earlier than thirty (30) days and no later than ninety (90) days after receipt by the Initiator of the Response. The amount to be paid for the Ownership Interest of the Initiator shall be established as of the date of the Election Notice.

(e) Failure to Respond. If the Company and the Respondents fail to issue the Response within said ninety (90) day period, the Company and the Respondents shall be deemed to have given the Response on the last day of such period electing to sell the Property and then liquidate and dissolve the Company.

(f) Closing. The closing of the purchase and sale of the Initiator's Ownership Interest shall occur on a date and at a time mutually agreeable to the Initiator, the Company, and the Respondents, but not later than the ninetieth (90th) day following the date of the Response. Unless all parties agree on a different place for Closing, Closing will occur at the principal office of the Company. At the closing, the Company or the Respondents (as appropriate) shall pay to the Initiator, by cash, or other immediately available funds, the Buy-Sell Price as calculated for the Initiator's Ownership Interests. If there is more than one purchasing Member, the purchasing Members may acquire the selling Members' Ownership Interests in such proportion as they may separately agree or, in the absence of such agreement, in proportion to the relative Ownership Interest of each purchasing Member immediately prior to the commencement of this procedure. The Initiator shall deliver to the purchasing Members good title, free and clear of any liens, claims, encumbrances, security interests, or options (other than those created by this Agreement), to the Initiator's Ownership Interest thus purchased. In the event the purchasing Members fail to perform their obligation to purchase hereunder, the Initiator will not be obligated to sell any portion of its Ownership Interest to the purchasing Members. At the closing the Members shall execute such documents and instruments of conveyance as may be necessary or appropriate to effect the transactions contemplated hereby, including, without limitation, the transfer of the Ownership Interest of the Initiator to the purchasing Members and the assumption by each

purchasing Member of each Initiator's obligations with respect to the Initiator's Ownership Interests transferred to the purchasing Members. The reasonable costs of such Transfer and closing incurred on behalf of the Company, including, without limitation, costs to obtain any third-party consents required as a result of obligations of the Company, shall be divided equally between the Initiator (on one hand) and the purchasing Members (on the other hand). Each Member shall be responsible for its own costs in connection with such transfer and closing including, without limitation, its attorneys' and advisors' fees and costs to obtain any third-party consents required as a result of obligations of such Member (as opposed to the Company) or its Affiliates. Any real estate excise tax owing on such Transfer shall be divided equally between the Initiator and the purchasing Members.

(g) Failure to Perform. Failure of an Initiator or Respondent to perform on either side according to the provisions of this Section will result in a twenty-five percent (25%) forfeiture of the defaulting party's Ownership Interest to the non-defaulting party.

(h) Right of First Refusal. As an alternative to the Buy-Sell provisions described in this Section, if a Member desires to sell its Ownership Interest to an outside party, then the other Members are given a first right of refusal to purchase the other party's Ownership Interests. The selling party shall notify the non-selling party by written notice, certified mail, return receipt requested, and the non-selling party shall have thirty (30) days from receipt of notice to exercise his/her first right of refusal by delivering notice to the other party within such time period by written notice, certified mail, return receipt requested. In the event the right is exercised, the closing shall occur within ninety (90) days after delivery of such notice of exercise. In the event the right is not exercised, then the selling party may not sell to a third party unless agreed to by all of the non-selling Member(s). If the selling Member still wishes to sell its Ownership Interests, the selling member could do so only by commencing the Buy-Sell procedures described in this Section 10.

(i) Manager's Right to Purchase. On and after July 1, 2014, the Manager may elect to purchase, or may cause the Company to purchase, the entire Ownership Interest of any Member who is neither a tenant in the Project nor an affiliate (owner, principal, shareholder, and so forth) of a tenant in the Project, on the following terms and conditions: (1) The selling Member has received the full Preferred Return attributable to that Member's Initial Contribution; (2) the purchase price is that amount which the selling Member would receive if the Project were sold for its fair market value, the expenses of sale and the debts of the Company were paid, and the profits from the sale of the Project and remaining capital of the Company were fully distributed to the Members and the Company were liquidated. The "fair market value" is the most likely cash price that the Company would receive from a willing buyer after the Project is exposed to the market for a reasonable time, with neither the seller nor the buyer being under compulsion to sell or buy, as determined by an appraiser who is a Member of the Appraisal Institute and who has at least ten years' experience in appraising commercial property in Portland, Oregon. The Manager will pay the expense of the appraisal. If the Member disagrees with the Manager's appraisal, then the Member may commission an appraisal from a similarly qualified appraiser of the Member's choosing. If the higher appraisal is less than ten percent (10%) higher than the lower appraisal, then the average of the two appraisals shall be the deemed sale price of the Project. If the higher appraisal is ten percent or more above the lower appraisal, then the two appraisers shall select a third similarly qualified appraiser, and the third appraiser

shall appraise the Project. The middle of the three appraisals will be the deemed sale price. The selling Member will pay the cost of the appraiser selected by the selling Member. The Company will pay the cost of the third appraisal.

11. Assignment of Member's Interest.

(a) Restriction on Assignment. Except as expressly permitted under paragraph 10 above or this paragraph 11, no Member shall assign, transfer, sell, exchange, pledge, give, or otherwise dispose of or encumber in any manner or by any means whatsoever, to one who is not a Member, and whether by operation of law or otherwise, all or any part of the Member's interest in the Company, without obtaining the prior written consent of a majority in interest of the other Members, which consent must in any event include the consent of the Manager.

(b) Rights of Assignee. In accordance with ORS 63.255, no person to whom a Member's interest is transferred or assigned (other than as permitted under paragraph 10 above or this paragraph 11) shall be a Member or otherwise be entitled, during the continuance of the Company, to participate in the management or administration of the business or internal affairs of the Company, to require any information or account of Company's transactions, or to inspect the Company's books and records. The assignee shall merely be entitled to receive, in accordance with the terms of the assignment or other transfer, the profits, losses, and distributions to which the assigning or transferring Member would otherwise be entitled.

12. Admission of Additional Members. After the initial Members are admitted (which may be done by the Manager acting without the consent of the Members), then except as permitted by this paragraph 12, no person may be admitted as a Member without the execution by all Members, and by such new Member, of an amendment to this Agreement, as this Agreement may be amended, pursuant to which the existing Members agree to the admission of such new Member and the new Member agrees to be bound by all provisions of this Agreement, as amended. The Manager may, however, amend this Agreement and admit new Members without the consent of the other Members if the Manager deems it necessary to qualify the Company or the Project for the federal program commonly known as New Markets Tax Credits or other income tax credit-related financing programs. Also, Manager, or any entity controlled by Manager may transfer its interests to any new Member as manager deems necessary.

13. Meetings of Members

(a) Authority for Call; Location; Meetings. Meetings of the Members, for any purpose or purposes, may be called either by the Manager or by the Members holding at least 40% of the total Units held by all Members. The place of meeting shall be the principal office of the Company. Any Member may participate in person or by telephone.

(b) Notice of Meetings. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than 7 nor more than 50 days before the date of the

meeting, either personally or by mail, by or at the direction of the Manager or the Members calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered five calendar days after being deposited in the United States Mail, addressed to the Member as specified on Schedule A (or to a replacement address of which the Member has given notice to the other Members), with postage thereon prepaid.

(c) Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 15, such determination shall apply to any adjournment thereof.

(d) Quorum. A Majority of the Ownership Interest represented in person or by proxy shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Ownership Interest held by Members so represented may adjourn the meeting from time to time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Units whose absence would cause less than a quorum.

(e) Manner of Acting. If a quorum is present, the affirmative vote of Members holding more than 50% of the Ownership Interests is represented at the meeting in person or by proxy shall be the act of the Members, unless the vote of a greater or lesser percentage is required by this Agreement or the Act.

(f) Proxies. At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member. Such proxy shall be filed with the Manager before or at the time of the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

(g) Action by Members without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, executed by Members entitled to vote thereon and delivered to the Manager for inclusion in the Company's minutes. Action taken under this Section 15 is effective when all Members entitled to vote thereon have signed such consents, unless such consents specify a different effective date.

(h) Waiver of Notice. When any notice is required to be given a Member, a waiver thereof in writing signed by the Member entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

14. Investment Representations. The Member Ownership Interests have not been registered under the Securities Act of 1933, the Securities Act of Oregon, the Securities Act of Delaware, or any other state securities laws (collectively, the "Securities Acts") because the Company is issuing the ownership interests in reliance upon the exemptions from the registration requirements of the Securities Acts, and the Company is relying upon the fact that the ownership interest are to be held by each Member as an experienced real estate investor for investment purposes. Accordingly, each Member hereby confirms the ownership interests have been acquired for such Member's own account, for investment and not with a view to the resale or distribution thereof and may not be offered or sold to anyone unless there is an effective registration or other qualification relating thereto under all applicable Securities Acts or unless such Member delivers to the Company an opinion of counsel, satisfactory to the Company, that such registration or other qualification is not required. The Members understand that the Company is under no obligation to register the ownership interests or to assist any Member in complying with any exemption from registration under the Securities Acts.

15. Miscellaneous.

(a) Waiver of Right of Dissolution by Court Decree. Each Member accepts the provisions of this Agreement as the sole and exclusive basis for dissolution of the Company and for determination of Members' relative rights and obligations from and after dissolution. Each Member waives and renounces the right to seek a decree of dissolution by a court or appointment by a court of a liquidator for the Company.

(b) Application of Oregon and Delaware Law. This Agreement, and the application and interpretation of it, shall be governed by its terms and by the substantive laws of Delaware. However, any action involving this Agreement will be brought only in the state courts of Multnomah County, Oregon, where the Project is located, and will be subject to the procedural rules of those courts.

(c) Construction. Whenever the singular number is used in this Agreement and when required by the context, it shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa. The word "including" means including without limitation or exclusion.

(d) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

(e) Execution of Additional Documents. Each Member shall execute all other and further statements of interest and holdings, designations, powers of attorney, and other instruments necessary to comply with any laws, rules, or regulations.

(f) Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision of this Agreement.

(g) Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the Party or to an executive officer or partner of the Party to whom it is directed or, if sent by mail, postage prepaid, addressed to the addresses shown on Schedule A, or to any other address the Manager or a Member may designate by notice to the other parties. Except as otherwise provided in this Agreement, any such notice shall be deemed to be given three Business Days after the date on which it was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent in accordance with this paragraph.

(h) Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

(i) Severability. If any provision of this Agreement or its application to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement and its application shall not be affected and shall be enforceable to the fullest extent permitted by law.

(j) Waivers. A provision of this Agreement may be waived only by a written instrument executed by the party waiving the provision. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of that provision or of any other provision.

(k) Arbitration. If any controversy or claim arising out of this Agreement or the membership relationship cannot be settled, the controversy or claim shall be settled by arbitration before a single arbitrator in accordance with the rules of the American Arbitration Association then in effect, and judgment on the award may be entered in any court having jurisdiction. Nothing in this Agreement, however, shall prevent a party from resort to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

(l) Attorney Fees. If arbitration or injunctive relief is instituted to enforce or determine the Parties' rights or duties arising out of the terms of this Agreement, the prevailing party shall recover from the losing party reasonable attorney fees incurred in the proceeding to the extent permitted by the arbitrator or judge.

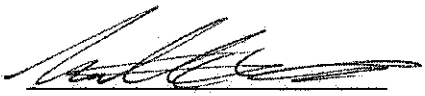
(m) Effectiveness; Heirs, Successors, and Assigns. This Agreement shall be effective as of the Effective Date, after it has been signed by the Manager and the Initial Members. Each and all of the covenants, terms, provisions, and agreements contained in this Agreement bind and benefit the parties and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors, and assigns.

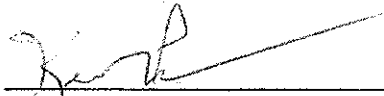
(n) Amendment. Except for amendments entered into at or near the commencement of the Company's operations for the sole purpose of admitting the initial members (which amendments may be executed by the Manager without the consent of the Members), this Agreement may be amended, restated, or modified from time to time only by a written instrument adopted by the all the Members. The Members agree and acknowledge that the Project may involve tax credit utilization that could require that the Company and/or members agree to property transfers, leases or other transactions that could require an amendment or restatement of this Agreement or the execution of other related agreements or documents by the Company and/or Members, and the Members agree to reasonably cooperate in executing such amendments or documents. No Member shall have any vested rights in this Agreement that may not be modified through an amendment to this Agreement.

(o) Entire Agreement. This Agreement is the entire agreement between the parties with respect to its subject matter, and it supersedes and terminates any and all prior agreements between them about those matters.

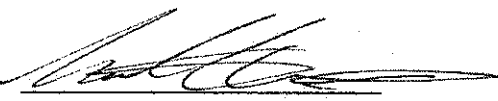
MEMBERS:

:

By: 
Manager


President, KTP Development, LLC

MANAGER:
NPD MANAGEMENT, LLC:
By North Park Development, LLC, its manager:

By: 
Bill Nootenboom, Manager


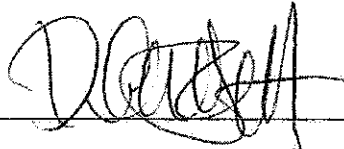
Agreement bind and benefit the parties and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors, and assigns.

(n) Amendment. Except for amendments entered into at or near the commencement of the Company's operations for the sole purpose of admitting the initial members (which amendments may be executed by the Manager without the consent of the Members), this Agreement may be amended, restated, or modified from time to time only by a written instrument adopted by the all the Members. The Members agree and acknowledge that the Project may involve tax credit utilization that could require that the Company and/or members agree to property transfers, leases or other transactions that could require an amendment or restatement of this Agreement or the execution of other related agreements or documents by the Company and/or Members, and the Members agree to reasonably cooperate in executing such amendments or documents. No Member shall have any vested rights in this Agreement that may not be modified through an amendment to this Agreement.

(o) Entire Agreement. This Agreement is the entire agreement between the parties with respect to its subject matter, and it supersedes and terminates any and all prior agreements between them about those matters.

MEMBERS:

:

By:  
Manager

MANAGER:
NPD MANAGEMENT, LLC:
By North Park Development, LLC, its manager:

By: 
Bill Nootenboom, Manager

(n) Amendment. Except for amendments entered into at or near the commencement of the Company's operations for the sole purpose of admitting the initial members (which amendments may be executed by the Manager without the consent of the Members), this Agreement may be amended, restated, or modified from time to time only by a written instrument adopted by the all the Members. The Members agree and acknowledge that the Project may involve tax credit utilization that could require that the Company and/or members agree to property transfers, leases or other transactions that could require an amendment or restatement of this Agreement or the execution of other related agreements or documents by the Company and/or Members, and the Members agree to reasonably cooperate in executing such amendments or documents. No Member shall have any vested rights in this Agreement that may not be modified through an amendment to this Agreement.

(o) Entire Agreement. This Agreement is the entire agreement between the parties with respect to its subject matter, and it supersedes and terminates any and all prior agreements between them about those matters.

MEMBERS:

: DAVID SNIDERMAN

By: [Signature]
Manager

[Signature] 4/26/07

MANAGER:

NPD MANAGEMENT, LLC:

By North Park Development, LLC, its manager:

By: Bill Nootenboom, Manager

**AMENDMENT NO. 1
TO LIMITED LIABILITY COMPANY OPERATING AGREEMENT**

OF

GENERAL AUTO BUILDING, LLC

This Amendment No. 1 to Limited Liability Company Operating Agreement (this "Amendment No. 1") is made as of September 20, 2007 between North Park Development, LLC a Washington limited liability company ("NPD"), David Howitt, ("Howitt"), KTP Development, L.L.C., an Oregon limited liability company ("KTP") and David Sniderman ("Sniderman"). Each may be referred to herein as a "Member" and collectively as "the Members".

The Members are all of the members of General Auto Building, LLC (the "Company"), a Delaware limited liability company for which articles of organization were filed under the name "General Automotive Building, LLC" in Delaware on April 25, 2007. The Members are all parties to that certain "Limited Liability Company Operating Agreement" of the Company, dated April 23, 2007 (the "LLC Operating Agreement").

The Members hereby agree to amend the LLC Operating Agreement as follows:

1. State of Organization. The State of organization and filing for the Company shall be changed from the State of Delaware to the State of Oregon, effective immediately upon filing of the Company articles of organization with the Secretary of State of Oregon and the termination of the Company's filing with the State of Delaware. The Members hereby authorize NPD or its agents to execute and file any documents required in connection with these Oregon and Delaware filings and hereby ratify any such actions previously completed. Any references to the State of Delaware in the LLC Operating Agreement shall be deemed to be changed to the State of Oregon. The LLC Operating Agreement and the application and interpretation of it shall be governed by the laws of the State of Oregon. The Company has not and shall not enter into any agreements or transactions prior to the termination of the Delaware company and the effective date of the Company's filing of articles of organization in Oregon.

2. Place of Business; Registered Agent. The address of the principal place of business and the address of the registered agent for the Company in Oregon shall both be changed to 5100 SW Macadam Avenue, Suite 500, Portland, Oregon 97239 in connection with the Company filing in Oregon. The registered agent in Oregon shall be NPD.

3. Name of the Company. The name of the Company is General Auto Building, LLC, notwithstanding any variations on this name set forth in the LLC Operating Agreement, in the Delaware filing or elsewhere.


4. LLC Operating Agreement Affirmed; No Other Amendments. Except as modified by this Amendment No. 1, the LLC Operating Agreement remains in full force and

effect and has not been modified or amended.

Agreed by the Members as of the date first written above.

NPD:

NORTH PARK DEVELOPMENT, LLC,
a Washington limited liability company

By: 
Robert C. Brewster, Jr., Member

By: _____
William A. Nootenboom, Member


KTP DEVELOPMENT, L.L.C.,
an Oregon limited liability company

By: _____
Its: _____

HOWITT:

DAVID HOWITT

SNIDERMAN:



DAVID SNIDERMAN

effect and has not been modified or amended.

Agreed by the Members as of the date first written above.


NPD:

NORTH PARK DEVELOPMENT, LLC,
a Washington limited liability company

By: _____
Robert C. Brewster, Jr., Member

By: _____
William A. Nootenboom, Member

KTP DEVELOPMENT, L.L.C.,
an Oregon limited liability company

By:  _____
Its: _____

HOWITT:

DAVID HOWITT

SNIDERMAN:

DAVID SNIDERMAN

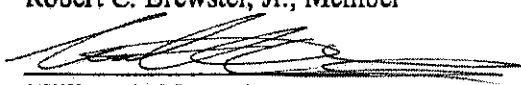
effect and has not been modified or amended.

Agreed by the Members as of the date first written above.

NPD:


NORTH PARK DEVELOPMENT, LLC,
a Washington limited liability company

By: _____
Robert C. Brewster, Jr., Member

By: 
William A. Nootenboom, Member

KTP DEVELOPMENT, L.L.C.,
an Oregon limited liability company

By: _____
Its: _____

HOWITT


DAVID HOWITT

SNIDERMAN:

DAVID SNIDERMAN

**AMENDMENT NO. 2
TO LIMITED LIABILITY COMPANY OPERATING AGREEMENT**

OF

GENERAL AUTO BUILDING, LLC

This Amendment No. 2 to Limited Liability Company Operating Agreement (this "Amendment No. 2") is made as of June 5, 2008 between North Park Development, LLC a Washington limited liability company ("NPD"), David Howitt, ("Howitt"), KTP Development, L.L.C., an Oregon limited liability company ("KTP"), David Sniderman ("Sniderman") (each of which may be referred to herein as a "Member" and collectively as "the Members") and Robert C. Brewster, Jr. ("Brewster").

The Members are all of the members of General Auto Building, LLC (the "Company"), an Oregon limited liability company for which Articles of Organization were filed in Oregon effective September 20, 2007. Articles of organization were filed under the name "General Automotive Building, LLC" in Delaware on April 25, 2007 and for which a Certificate of Cancellation was filed in Delaware effective September 28, 2007. The Members are all parties to that certain "Limited Liability Company Operating Agreement" of the Company, dated April 23, 2007, as amended by that certain "Amendment No. 1 to Limited Liability Operating Agreement" dated September 20, 2007 (collectively, the "LLC Operating Agreement"). All capitalized terms shall have the meanings set forth in the LLC Operating Agreement unless otherwise defined herein.

The Members and Brewster hereby agree to amend the LLC Operating Agreement as follows:

1. New Member. The Members acknowledge and agree that Robert C. Brewster, Jr. ("Brewster") is hereby admitted to the Company as a Member. Accordingly, the "Exhibit A" (List of Members, Addresses, Contributions, and Ownership) attached to the LLC Operating Agreement is hereby deleted in its entirety and replaced with the "**Exhibit A**" List of Members, Addresses, Contributions, and Ownership attached hereto. Brewster hereby agrees to be bound by all of the provisions of the LLC Operating Agreement. The Members also acknowledge and agree that the entity identified in the deleted Exhibit A to LLC Operating Agreement as "RCB Development LLC" is not an actual entity and is not (and never was) a Member of the Company but was instead inserted as a placeholder entity name in anticipation of the admission of Brewster to the Company.

2. Development Fee. The Members agree that the \$250,000 in development fees described in the LLC Operating Agreement at Section 3(c) shall be paid as follows: (i) \$100,000 shall be paid to NPD from the HomeStreet Bank construction loan draws; and (b) the remaining \$150,000 of these development fees shall be paid to NPD as a Company operations expense prior to any distributions to other Members. These Section 3(c) development fees are separate from the "Development Fees" described in the "Development Agreement" that is to be entered into by

and between the Company and NPD in connection with the tax credit closing and Project development.

3. Representations with Respect to Legal Counsel. The parties executing this Amendment No. 2 acknowledge that Real Property Law Group PLLC has represented exclusively Robert C. Brewster, Jr. individually and in his capacity as Member of NPD in connection with this Agreement and has prepared or commented on certain other documents in connection with the Project as an accommodation to the parties and the Company. Each of the other parties acknowledges that the rights created by the LLC Operating Agreement and related transaction documents are complex and may well require the assistance of counsel to understand the full implications. Each of the Members further acknowledges and agrees that the interests created under the LLC Operating Agreement are not freely transferable and may have limited market value. Notwithstanding such fact, the interests created hereby have important legal consequences, and may well subject Members to federal income tax consequences, and each Member has been advised to seek his or her independent counsel with respect thereto. In the event of any litigation arising out of or in connection with this Agreement or the Company, Real Property Law Group PLLC may in its discretion represent only Robert C. Brewster, Jr. and each of the other Members hereby consents to such representation.

4. Counterparts. This Amendment No. 2 may be executed in any number of counterparts and transmitted electronically or by facsimile and all counterparts shall be deemed to constitute a single agreement. The execution and delivery of one counterpart by any party shall have the same force and effect as if that party had signed all other counterparts. The signatures to this Amendment No. 2 may be executed on separate pages and when attached to this Amendment No. 2 shall constitute one complete document.


5. LLC Operating Agreement Affirmed; No Other Amendments. Except as modified by this Amendment No. 2, the LLC Operating Agreement remains in full force and effect and has not been modified or amended.

**SIGNATURES APPEAR ON FOLLOWING PAGE
REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

Agreed by the Members as of the date first written above.

NPD:

NORTH PARK DEVELOPMENT, LLC,
a Washington limited liability company

By: 
Robert C. Brewster, Jr., Manager

KTP:

KTP DEVELOPMENT, L.L.C.,
an Oregon limited liability company

By: _____
Its: _____

HOWITT:

DAVID HOWITT

SNIDERMAN:

DAVID SNIDERMAN

BREWSTER:



ROBERT C. BREWSTER, JR.

Agreed by the Members as of the date first written above.

NPD:

NORTH PARK DEVELOPMENT, LLC,
a Washington limited liability company

By: _____
Robert C. Brewster, Jr., Manager

KTP:

KTP DEVELOPMENT, L.L.C.,
an Oregon limited liability company

By: *Math Schwartz*
Its: *Managing Member*

HOWITT:

DAVID HOWITT

SNIDERMAN:

DAVID SNIDERMAN

BREWSTER:

ROBERT C. BREWSTER, JR.

Agreed by the Members as of the date first written above.

NPD:

NORTH PARK DEVELOPMENT, LLC,
a Washington limited liability company

By: _____
Robert C. Brewster, Jr., Manager

KTP:

KTP DEVELOPMENT, L.L.C.,
an Oregon limited liability company

By: _____
Its: _____

HOWITT:



DAVID HOWITT

SNIDERMAN:

DAVID SNIDERMAN

BREWSTER:

ROBERT C. BREWSTER, JR.

Agreed by the Members as of the date first written above.

NPD:

NORTH PARK DEVELOPMENT, LLC,
a Washington limited liability company

By: _____
Robert C. Brewster, Jr., Manager

KTP:

KTP DEVELOPMENT, L.L.C.,
an Oregon limited liability company

By: _____
Its: _____

HOWITT:

DAVID HOWITT

SNIDERMAN:



DAVID SNIDERMAN

BREWSTER:

ROBERT C. BREWSTER, JR.

EXHIBIT 2
TO THE SECOND
AMENDED DISCLOSURE
STATEMENT

	SF	BK DATE							
		Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
RACC	8,450	-						11,838	11,838
Suite 100	900							-	-
First and Last Month's Deposit								-	-
Lapchi	2,801							-	4,668
Parilli Renison LLC	2,875							5,738	5,738
Mombo Media	1,565							-	3,456
First and Last Month's Deposit								6,240	
ENTP	964							-	-
ShopIgniter	7,809							11,844	11,844
Iron Horse	2,094							4,014	4,363
Aginsky	1,265							2,635	2,635
First and Last Month's Deposit								5,270	
Swellpath	2,265							4,666	4,805
Pixel Pool	5,299							11,478	11,478
Puppet Early Termination Fee								60,000	
Puppet Labs/Under Armour	9,300							20,000	20,000
Rental Income		42,535	57,353	85,669	69,242	69,577	79,471	143,723	80,825
Reimbursed Expenses			200	2,532	2,532	2,532	2,532	2,859	2,859
Other						(1,565)			
Vacancy and Credit Loss									
Effective Gross Income		42,535	57,553	88,201	71,774	70,544	82,003	146,582	83,683
Janitorial								4,555	4,555
Electrical Repair and Maint								200	200
HVAC Repair								200	200
HVAC Contract								1,200	-
Plumbing Repair								750	-
Elevator Contract								265	265
Elevator Other								200	750
General Building Supplies								75	75
Pest Control									
Painting									
Interior Repairs								275	275
Roof Repairs									500
Other Building R&M									
Electricity								7,709	7,709
Gas								350	350
Water/Sewer									1,400
Sweeping/Blowing								350	350
Snow Removal									
Landscape									
Grounds Repair									50
Supplies/Materials								100	100
Alarm Systems								150	150
Life Safety								-	-
Security Systems								500	500
General & Administrative									
Office Supplies									
Management Fee								3,593	2,021
Accounting Fee									
Asset Management								2,000	2,000
Postage/Shipping								25	25
Photocopies								25	25
Travel Expense								500	500
Taxes & Insurance									
Property Taxes								74,696	
City Tax									
Building Insurance								9,900	
TOTAL OPERATING EXPENSES		4,430	24,831.00	25,201	36,335	19,792	24,340	107,618	22,000
NON-OPERATING EXPENSES									
Lease Commissions								19,829	97,650
TIs									
TOTAL ALL OPERATING EXPENSES		4,430	24,831	25,201	36,335	19,792	24,340	127,447	119,650
NOI		38,105	32,722	63,000	35,439	50,752	57,663	19,135	(35,966)
Park & Flanders / HSB		-	-	-	-	-	-	-	-
Debt Cover		-	-	-	-	-	-	-	-
Net Cash Flow		38,105	32,722	63,000	35,439	50,752	57,663	19,135	(35,966)
Amount to Reserves		38,105	32,722	63,000	35,439	50,752	57,663	19,135	(35,966)
Reserve Balance		38,105	70,827	133,827	169,266	220,018	277,681	296,816	260,850
Payment to Unsecured Creditors		-	-	-	-	-	-	-	-

	CONFIRMATION							
	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
RACC	11,838	11,838	11,838	11,838	11,838	11,838	11,838	-
Suite 100	-	-	1,800	1,800	1,800	1,800	1,800	1,854
First and Last Month's Deposit			3,600					
Lapchi	4,668	4,668	4,668	4,668	4,668	4,668	4,668	4,668
Parilli Renison LLC	5,738	5,738	5,738	5,738	5,738	5,738	5,738	5,961
Mombo Media	3,456	3,456	3,456	3,456	3,456	3,456	3,456	3,456
First and Last Month's Deposit								
ENTP	2,129	2,129	2,129	2,129	2,129	2,129	2,129	2,129
ShopIgniter	11,844	11,844	11,844	11,844	11,844	11,844	11,844	11,844
Iron Horse			4,711.50	4,712	4,712	4,712	4,712	4,712
Aginsky	2,635	2,635	2,714	2,714	2,714	2,714	2,714	2,701
First and Last Month's Deposit								
Swellpath	4,805	4,805	4,805	4,805	4,805	4,805	4,805	4,805
Pixel Pool	11,478	11,478	11,478	11,478	11,478	11,478	11,478	11,478
Puppet Early Termination Fee								
Puppet Labs/Under Armour	20,600	20,600	-	-	21,700	21,700	21,700	21,700
Rental Income	79,191	79,191	68,781	65,182	86,882	86,882	86,882	75,308
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other								
Vacancy and Credit Loss								
Effective Gross Income	82,049	82,049	71,640	68,040	89,740	89,740	89,740	78,167
Janitorial	4,555	4,555	4,555	4,555	4,555	4,555	4,555	4,563
Electrical Repair and Maint	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200
HVAC Contract	-	1,200	-	-	1,200	-	-	1,200
Plumbing Repair	90	750	-	-	750	-	-	750
Elevator Contract	265	265	265	265	265	265	265	265
Elevator Other	-	750	-	-	-	-	-	-
General Building Supplies	75	75	75	75	75	75	75	75
Pest Control								
Painting								
Interior Repairs	275	275	275	275	275	275	275	275
Roof Repairs	500	500	-	-	-	-	-	-
Other Building R&M								
Electricity	7,709	7,709	7,709	7,709	7,709	7,709	7,709	7,722
Gas	350	350	350	350	350	350	350	350
Water/Sewer			1,400	-	-	1,400	-	-
Sweeping/Blowing	350	350	350	350	350	350	350	350
Snow Removal		150						
Landscape								
Grounds Repair			50	-	-	50	-	-
Supplies/Materials	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150
Life Safety	-	-	-	-	-	-	2,500	-
Security Systems	500	500	500	500	500	500	500	500
General & Administrative								
Office Supplies								
Management Fee	1,980	1,980	1,720	1,630	2,172	2,172	2,172	1,883
Accounting Fee								
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500
Taxes & Insurance								
Property Taxes	65,000							
City Tax								
Building Insurance								
TOTAL OPERATING EXPENSES	84,849	22,609	20,449	18,909	21,401	20,901	21,951	21,132
NON-OPERATING EXPENSES								
Lease Commissions	7,664							
TIs	4,820		46,500					
TOTAL ALL OPERATING EXPENSES	97,333	22,609	66,949	18,909	21,401	20,901	21,951	21,132
NOI	(15,283)	59,441	4,691	49,132	68,339	68,839	67,789	57,034
Park & Flanders / HSB	-	-	-	(39,938)	(39,938)	(39,938)	(39,938)	(39,938)
Debt Cover	-	-	-	1.23	1.71	1.72	1.70	1.43
Net Cash Flow	(15,283)	59,441	4,691	9,194	28,402	28,902	27,852	17,097
Amount to Reserves	(15,283)	59,441	4,691	9,194	28,402	28,902	27,852	17,097
Reserve Balance	245,566	305,007	206,024	215,218	243,620	272,522	300,374	317,471
Payment to Unsecured and Admin on Effective Date								
Lapchi			\$ (33,850.33)	estimate				
R&H Construction			\$ (178,000.00)					
Legal and Accounting			\$ (275,000.00)	estimate				
\$6k or Under @ 60%			(16,824.13)	estimate				
TOTAL PAID AT CONFIRMATION			(503,674.46)					
New Capital			400,000.00					
Payment to Unsecured Creditors	-	-	-	-	-	-	-	-

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
RACC	-	9,881	12,331	12,331	12,331	12,331	12,331	12,331	12,331	12,331
Suite 100	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854
First and Last Month's Deposit										
Lapchi	4,668	4,668	4,668	4,668	4,668	4,668	4,902	4,902	4,902	4,902
Parilli Renison LLC	5,961	5,961	5,961	5,961	5,961	5,961	5,961	5,961	5,961	5,961
Mombo Media	3,456	3,456	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560
First and Last Month's Deposit										
ENTP	2,129	2,129	2,129	2,129	2,129	2,169	2,169	2,169	2,169	2,169
Shopigniter	11,844	11,844	12,069	12,069	17,570	17,570	17,570	17,570	17,570	17,570
Iron Horse	4,712	4,712	4,712	4,853	4,853	4,853	4,853	4,853	4,853	4,853
Aginsky	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701
First and Last Month's Deposit										
Swellpath	4,805	4,805	4,805	4,805	5,152	5,152	5,152	5,152	5,152	5,152
Pixel Pool	11,822	11,822	11,822	11,822	12,053	12,053	12,053	12,053	12,053	12,053
Puppet Early Termination Fee										
Puppet Labs/Under Armour	21,700	21,700	21,700	21,700	21,700	21,700	22,351	22,351	22,351	22,351
Rental Income	75,652	85,533	88,312	88,453	94,532	94,572	95,457	95,457	95,457	95,457
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other										
Vacancy and Credit Loss	(3,783)	(4,277)	(4,416)	(4,423)	(4,727)	(4,729)	(4,773)	(4,773)	(4,773)	(4,773)
Effective Gross Income	74,728	84,115	86,755	86,889	92,664	92,702	93,543	93,543	93,543	93,543
Janitorial	4,570	4,578	4,585	4,593	4,601	4,608	4,616	4,623	4,631	4,638
Electrical Repair and Maint	200	200	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200	200	200
HVAC Contract	-	-	1,200	-	-	1,200	-	-	1,200	-
Plumbing Repair	-	-	750	-	-	750	-	-	750	-
Elevator Contract	265	265	265	265	265	265	265	265	265	265
Elevator Other										
General Building Supplies	75	75	75	75	75	75	75	75	75	75
Pest Control										
Painting										
Interior Repairs	275	275	275	275	275	275	275	275	275	275
Roof Repairs	-	-	-	-	-	-	-	-	-	-
Other Building R&M										
Electricity	7,735	7,748	7,760	7,773	7,786	7,799	7,812	7,825	7,838	7,850
Gas	350	350	350	350	350	350	350	350	350	350
Water/Sewer	1,400	-	-	1,400	-	-	1,400	-	-	1,400
Sweeping/Blowing	350	350	350	350	350	350	350	350	350	350
Snow Removal						150				
Landscape										
Grounds Repair	50	-	-	50	-	-	50	-	0	50
Supplies/Materials	100	100	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150	150	150
Life Safety										
Security Systems	500	500	500	500	500	500	500	500	500	500
General & Administrative										
Office Supplies										
Management Fee	1,891	2,138	2,208	2,211	2,363	2,364	2,386	2,386	2,386	2,386
Accounting Fee										
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500	500	500
Taxes & Insurance										
Property Taxes					68,250					
City Tax										
Building Insurance		9,900								
TOTAL OPERATING EXPENSES	20,661	29,379	21,519	21,043	88,015	21,886	21,279	19,849	21,820	21,340
NON-OPERATING EXPENSES										
Lease Commissions				18,007	63,253					
Tls				22,650	78,090					
TOTAL ALL OPERATING EXPENSES	20,661	29,379	21,519	61,699	229,358	21,886	21,279	19,849	21,820	21,340
NOI	54,067	54,737	65,237	25,190	(136,694)	70,816	72,264	73,694	71,723	72,203
Park & Flanders / HSB	(39,938)	(39,938)	(39,938)	(39,938)	(39,938)	(39,938)	(39,938)	(53,962)	(53,962)	(53,962)
Debt Cover	1.35	1.37	1.63	0.63	(3.42)	1.77	1.81	1.37	1.33	1.34
Net Cash Flow	14,130	14,799	25,299	(14,747)	(176,631)	30,879	32,326	19,732	17,761	18,241
Amount to Reserves	14,130	14,799	25,299	(14,747)	(176,631)	30,879	32,326	19,732	17,761	18,241
Reserve Balance	331,600	314,799	340,098	325,351	123,369	154,248	186,574	206,306	224,067	242,307
Payment to Unsecured Creditors	31,600.35	-	-	25,350.77	-	-	-	-	-	-

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
RACC	12,331	12,859	12,859	12,859	12,859	12,859	12,859	12,859	12,859	12,859
Suite 100	1,854	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910
First and Last Month's Deposit										
Lapchi	4,902	4,902	4,902	4,902	4,902	4,902	4,902	4,902	5,370	5,370
Parilli Renison LLC	5,961	6,183	6,183	6,183	6,183	6,183	6,183	6,183	6,183	6,183
Mombo Media	3,560	3,560	3,560	3,560	3,667	3,667	3,667	3,667	3,667	3,667
First and Last Month's Deposit										
ENTP	2,169	2,169	2,169	2,169	2,169	2,169	2,169	2,234	2,234	2,234
ShopIgniter	17,570	17,570	17,570	17,570	17,570	17,570	18,097	18,097	18,097	18,097
Iron Horse	4,853	4,853	4,853	4,853	4,853	4,998	4,998	4,998	4,998	4,998
Aginsky	2,701	2,701	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769
First and Last Month's Deposit										
Swellpath	5,152	5,152	5,152	5,152	5,152	5,152	5,306	5,306	5,306	5,306
Pixel Pool	12,053	12,053	12,053	12,053	12,053	12,053	12,415	12,415	12,415	12,415
Puppet Early Termination Fee										
Puppet Labs/Under Armour	22,351	22,351	22,351	22,351	22,351	22,351	22,351	22,351	23,022	23,022
Rental Income	95,457	96,263	96,331	96,331	96,438	96,583	97,627	97,692	98,830	98,830
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other										
Vacancy and Credit Loss	(4,773)	(4,813)	(4,817)	(4,817)	(4,822)	(4,829)	(4,881)	(4,885)	(4,942)	(4,942)
Effective Gross Income	93,543	94,308	94,373	94,373	94,474	94,613	95,604	95,666	96,747	96,747
Janitorial	4,646	4,654	4,661	4,669	4,676	4,684	4,692	4,699	4,707	4,714
Electrical Repair and Maint	200	200	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200	200	200
HVAC Contract	-	1,200	-	-	1,200	-	-	1,200	-	-
Plumbing Repair	-	750	-	-	750	-	-	750	750	750
Elevator Contract	265	265	265	265	265	265	265	265	265	265
Elevator Other										
General Building Supplies	75	75	75	75	75	75	75	75	75	75
Pest Control										
Painting										
Interior Repairs	275	275	275	275	275	275	275	275	275	275
Roof Repairs	-	-	-	-	-	-	-	-	-	-
Other Building R&M										
Electricity	7,863	7,876	7,889	7,902	7,915	7,927	7,940	7,953	7,966	7,979
Gas	350	350	350	350	350	350	350	350	350	350
Water/Sewer	-	-	1,400	-	-	1,400	-	-	1,400	-
Sweeping/Blowing	350	350	350	350	350	350	350	350	350	350
Snow Removal								150	150	150
Landscape										
Grounds Repair	0	-	50	-	0	50	0	50	50	50
Supplies/Materials	100	100	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150	150	150
Life Safety	2500									
Security Systems	500	500	500	500	500	500	500	500	500	500
General & Administrative										
Office Supplies										
Management Fee	2,386	2,407	2,408	2,408	2,411	2,415	2,441	2,442	2,471	2,471
Accounting Fee										
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500	500	500
Taxes & Insurance										
Property Taxes							71,662.50			
City Tax										
Building Insurance				10,197.00						
TOTAL OPERATING EXPENSES	22,411	21,901	21,423	30,191	21,967	21,491	91,750	22,260	22,509	21,129
NON-OPERATING EXPENSES										
Lease Commissions										
TIs										
TOTAL ALL OPERATING EXPENSES	22,411	21,901	21,423	30,191	21,967	21,491	91,750	22,260	22,509	21,129
NOI	71,132	72,407	72,949	64,182	72,507	73,122	3,854	73,406	74,239	75,618
Park & Flanders / HSB	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)
Debt Cover	1.32	1.34	1.35	1.19	1.34	1.36	0.07	1.36	1.38	1.40
Net Cash Flow	17,170	18,445	18,987	10,220	18,545	19,160	(50,108)	19,444	20,277	21,656
Amount to Reserves	17,170	18,445	18,987	10,220	18,545	19,160	(50,108)	19,444	20,277	21,656
Reserve Balance	259,478	277,923	296,910	307,130	325,675	344,835	249,892	269,336	289,612	311,269
Payment to Unsecured Creditors	-	-	-	-	-	-	44,835.00	-	-	-

	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
RACC	12,859	12,859	12,859	13,373	13,373	13,373	13,373	13,373	13,373	13,373
Suite 100	1,910	1,910	1,910	1,967	1,967	1,967	1,967	1,967	1,967	1,967
First and Last Month's Deposit										
Lapchi	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370
Parilli Renison LLC	6,183	6,183	6,183	6,183	6,828	6,828	6,828	6,828	6,828	6,828
Mombo Media	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,777	3,777	3,777
First and Last Month's Deposit										
ENTP	2,234	2,234	2,234	2,234	2,234	2,234	2,234	2,234	2,234	2,301
Shopigniter	18,097	18,097	18,097	18,097	18,097	18,097	18,097	18,097	18,640	18,640
Iron Horse	4,998	4,998	4,998	4,998	4,998	4,998	4,998	5,148	5,148	5,148
Aginsky	2,769	2,769	2,769	2,769	2,769	2,907	2,907	2,907	2,907	2,907
First and Last Month's Deposit										
Swellpath	5,306	5,306	5,306	5,306	5,306	5,306	5,306	5,306	5,466	5,466
Pixel Pool	12,415	12,415	12,415	12,415	12,415	12,415	12,415	12,415	12,787	12,787
Puppet Early Termination Fee										
Puppet Labs/Under Armour	23,022	23,022	23,022	23,022	23,022	23,022	23,022	23,022	23,022	23,022
Rental Income	98,830	98,830	98,830	99,401	100,047	100,185	100,185	100,445	101,519	101,587
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other										
Vacancy and Credit Loss	(4,942)	(4,942)	(4,942)	(4,970)	(5,002)	(5,009)	(5,009)	(5,022)	(5,076)	(5,079)
Effective Gross Income	96,747	96,747	96,747	97,290	97,903	98,034	98,034	98,281	99,302	99,366
Janitorial	4,722	4,730	4,737	4,745	4,752	4,760	4,768	4,775	4,783	4,790
Electrical Repair and Maint	200	200	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200	200	200
HVAC Contract	1,200	-	-	1,200	-	-	1,200	-	-	1,200
Plumbing Repair	750	750	750	750	750	750	750	750	750	750
Elevator Contract	265	265	265	265	265	265	265	265	265	265
Elevator Other										
General Building Supplies	75	75	75	75	75	75	75	75	75	75
Pest Control										
Painting										
Interior Repairs	275	275	275	275	275	275	275	275	275	275
Roof Repairs	-	-	-	-	-	-	-	-	-	-
Other Building R&M										
Electricity	7,992	8,005	8,017	8,030	8,043	8,056	8,069	8,082	8,095	8,107
Gas	350	350	350	350	350	350	350	350	350	350
Water/Sewer	-	1,400	-	-	1,400	-	-	1,400	-	-
Sweeping/Blowing	350	350	350	350	350	350	350	350	350	350
Snow Removal	150	150	150	150	150	150	150	150	150	150
Landscape										
Grounds Repair	50	50	50	50	50	50	50	50	50	50
Supplies/Materials	100	100	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150	150	150
Life Safety			2,500							
Security Systems	500	500	500	500	500	500	500	500	500	500
General & Administrative										
Office Supplies										
Management Fee	2,471	2,471	2,471	2,485	2,501	2,505	2,505	2,511	2,538	2,540
Accounting Fee										
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500	500	500
Taxes & Insurance										
Property Taxes									73,812.38	
City Tax										
Building Insurance						10,502.91				
TOTAL OPERATING EXPENSES	22,349	22,570	23,690	22,425	22,662	31,788	22,506	22,733	95,193	22,602
NON-OPERATING EXPENSES										
Lease Commissions					23,288	10,057		12,442		
TIs					28,750	6,325		15,650		
TOTAL ALL OPERATING EXPENSES	22,349	22,570	23,690	22,425	74,699	48,170	22,506	50,825	95,193	22,602
NOI	74,398	74,177	73,057	74,865	23,204	49,864	75,528	47,457	4,110	76,764
Park & Flanders / HSB	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)
Debt Cover	1.38	1.37	1.35	1.39	0.43	0.92	1.40	0.88	0.08	1.42
Net Cash Flow	20,436	20,215	19,095	20,903	(30,758)	(4,098)	21,566	(6,505)	(49,852)	22,802
Amount to Reserves	20,436	20,215	19,095	20,903	(30,758)	(4,098)	21,566	(6,505)	(49,852)	22,802
Reserve Balance	331,705	351,920	319,095	339,998	309,240	295,902	317,469	310,963	250,148	272,949
Payment to Unsecured Creditors	-	51,919.92	-	-	-	9,239.63	-	-	10,963.35	-

	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
RACC	14,514	14,514	14,514	14,514	14,514	14,514	14,514	14,514	14,514	15,063
Suite 100	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,149
First and Last Month's Deposit										
Lapchi	6,536	6,536	6,536	6,536	6,536	6,536	6,536	6,536	6,536	6,536
Parilli Renison LLC	7,244	7,244	7,244	7,244	7,244	7,244	7,244	7,244	7,244	7,244
Mombo Media	3,890	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007
First and Last Month's Deposit										
ENTP	2,370	2,370	2,370	2,441	2,441	2,441	2,441	2,441	2,441	2,441
Shopigniter	19,199	19,199	19,775	19,775	19,775	19,775	19,775	19,775	19,775	19,775
Iron Horse	5,303	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462	5,462
Aginsky	3,085	3,085	3,085	3,085	3,085	3,085	3,085	3,085	3,085	3,085
First and Last Month's Deposit										
Swellpath	5,630	5,630	5,799	5,799	5,799	5,799	5,799	5,799	5,799	5,799
Pixel Pool	13,171	13,171	13,566	13,566	13,566	13,566	13,566	13,566	13,566	13,566
Puppet Early Termination Fee										
Puppet Labs/Under Armour	24,898	24,898	24,898	24,898	24,898	25,645	25,645	25,645	25,645	25,645
Rental Income	107,926	108,201	109,341	109,413	109,413	110,160	110,160	110,160	110,160	110,771
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other										
Vacancy and Credit Loss	(5,396)	(5,410)	(5,467)	(5,471)	(5,471)	(5,508)	(5,508)	(5,508)	(5,508)	(5,539)
Effective Gross Income	105,388	105,650	106,733	106,801	106,801	107,510	107,510	107,510	107,510	108,091
Janitorial	4,950	4,957	4,965	4,972	4,980	4,988	4,995	5,003	5,010	5,018
Electrical Repair and Maint	200	200	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200	200	200
HVAC Contract	1,200	-	-	1,200	-	-	1,200	-	-	1,200
Plumbing Repair	750	750	750	750	750	750	750	750	750	750
Elevator Contract	265	265	265	265	265	265	265	265	265	265
Elevator Other										
General Building Supplies	75	75	75	75	75	75	75	75	75	75
Pest Control										
Painting										
Interior Repairs	275	275	275	275	275	275	275	275	275	275
Roof Repairs	-	-	-	-	-	-	-	-	-	-
Other Building R&M										
Electricity	8,377	8,390	8,403	8,416	8,429	8,441	8,454	8,467	8,480	8,493
Gas	350	350	350	350	350	350	350	350	350	350
Water/Sewer	-	-	1,400	-	-	1,400	-	-	1,400	-
Sweeping/Blowing	350	350	350	350	350	350	350	350	350	350
Snow Removal	150	150	150	150	150	150	150	150	150	150
Landscape										
Grounds Repair	50	50	50	50	50	50	50	50	50	50
Supplies/Materials	100	100	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150	150	150
Life Safety									2,500	
Security Systems	500	500	500	500	500	500	500	500	500	500
General & Administrative										
Office Supplies										
Management Fee	2,698	2,705	2,734	2,735	2,735	2,754	2,754	2,754	2,754	2,769
Accounting Fee										
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500	500	500
Taxes & Insurance										
Property Taxes			78,307.55							
City Tax										
Building Insurance										
TOTAL OPERATING EXPENSES	23,190	22,017	101,774	23,289	22,109	23,548	23,369	22,189	26,109	23,445
NON-OPERATING EXPENSES										
Lease Commissions	25,000					62,496				
TIs	25,000					46,500				
TOTAL ALL OPERATING EXPENSES	73,190	22,017	101,774	23,289	22,109	132,544	23,369	22,189	26,109	23,445
NOI	32,198	83,633	4,959	83,512	84,692	(25,034)	84,142	85,321	81,401	84,646
Park & Flanders / HSB	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)
Debt Cover	0.60	1.55	0.09	1.55	1.57	(0.46)	1.56	1.58	1.51	1.57
Net Cash Flow	(21,764)	29,671	(49,003)	29,550	30,730	(78,996)	30,180	31,359	27,439	30,684
Amount to Reserves	(21,764)	29,671	(49,003)	29,550	30,730	(78,996)	30,180	31,359	27,439	30,684
Reserve Balance	295,150	324,821	250,997	280,547	311,277	221,004	251,184	282,543	309,982	340,666
Payment to Unsecured Creditors	-	24,820.70	-	-	11,276.97	-	-	-	-	-

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
RACC	15,063	15,063	15,063	15,063	15,063	15,063	15,063	15,063	15,063	15,063
Suite 100	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149	2,149
First and Last Month's Deposit										
Lapchi	6,536	6,732	6,732	6,732	6,732	6,732	6,732	6,732	6,732	6,732
Parilli Renison LLC	7,461	7,461	7,461	7,461	7,461	7,461	7,461	7,461	7,461	7,461
Mombo Media	4,007	4,007	4,007	4,127	4,127	4,127	4,127	4,127	4,127	4,127
First and Last Month's Deposit										
ENTP	2,441	2,441	2,441	2,441	2,441	2,514	2,514	2,514	2,514	2,514
Shopigniter	19,775	19,775	19,775	19,775	20,369	20,369	20,369	20,369	20,369	20,369
Iron Horse	5,462	5,462	5,462	5,626	5,626	5,626	5,626	5,626	5,626	5,626
Aginsky	3,085	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177
First and Last Month's Deposit										
Swellpath	5,799	5,799	5,799	5,799	5,973	5,973	5,973	5,973	5,973	5,973
Pixel Pool	13,566	13,566	13,566	13,566	13,973	13,973	13,973	13,973	13,973	13,973
Puppet Early Termination Fee										
Puppet Labs/Under Armour	25,645	25,645	25,645	25,645	25,645	25,645	25,645	26,414	26,414	26,414
Rental Income	110,988	111,277	111,277	111,561	112,735	112,809	112,809	113,578	113,578	113,578
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other										
Vacancy and Credit Loss	(5,549)	(5,564)	(5,564)	(5,578)	(5,637)	(5,640)	(5,640)	(5,679)	(5,679)	(5,679)
Effective Gross Income	108,298	108,572	108,572	108,842	109,957	110,027	110,027	110,758	110,758	110,758
Janitorial	5,026	5,033	5,041	5,048	5,056	5,064	5,071	5,079	5,086	5,094
Electrical Repair and Maint	200	200	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200	200	200
HVAC Contract	-	-	1,200	-	-	1,200	-	-	1,200	-
Plumbing Repair	750	750	750	750	750	750	750	750	750	750
Elevator Contract	265	265	265	265	265	265	265	265	265	265
Elevator Other										
General Building Supplies	75	75	75	75	75	75	75	75	75	75
Pest Control										
Painting										
Interior Repairs	275	275	275	275	275	275	275	275	275	275
Roof Repairs	-	-	-	-	-	-	-	-	-	-
Other Building R&M										
Electricity	8,506	8,519	8,531	8,544	8,557	8,570	8,583	8,596	8,609	8,621
Gas	350	350	350	350	350	350	350	350	350	350
Water/Sewer	-	1,400	-	-	1,400	-	-	1,400	-	-
Sweeping/Blowing	350	350	350	350	350	350	350	350	350	350
Snow Removal	150	150	150	150	150	150	150	150	150	150
Landscape										
Grounds Repair	50	50	50	50	50	50	50	50	50	50
Supplies/Materials	100	100	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150	150	150
Life Safety										
Security Systems	500	500	500	500	500	500	500	500	500	500
General & Administrative										
Office Supplies										
Management Fee	2,775	2,782	2,782	2,789	2,818	2,820	2,820	2,839	2,839	2,839
Accounting Fee										
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500	500	500
Taxes & Insurance										
Property Taxes					80,656.78					
City Tax										
Building Insurance		11,476.81								
TOTAL OPERATING EXPENSES	22,271	35,175	23,519	22,347	104,453	23,619	22,439	23,879	23,699	22,520
NON-OPERATING EXPENSES										
Lease Commissions					15,000					
TIs					15,000					
TOTAL ALL OPERATING EXPENSES	22,271	35,175	23,519	22,347	134,453	23,619	22,439	23,879	23,699	22,520
NOI	86,027	73,396	85,053	86,495	(24,496)	86,408	87,588	86,879	87,058	88,238
Park & Flanders / HSB	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)
Debt Cover	1.59	1.36	1.58	1.60	(0.45)	1.60	1.62	1.61	1.61	1.64
Net Cash Flow	32,065	19,434	31,091	32,533	(78,458)	32,446	33,626	32,917	33,096	34,276
Amount to Reserves	32,065	19,434	31,091	32,533	(78,458)	32,446	33,626	32,917	33,096	34,276
Reserve Balance	372,731	319,434	350,525	383,058	221,542	253,988	287,614	320,531	353,627	387,903
Payment to Unsecured Creditors	72,730.67	-	-	83,058.23	-	-	-	-	-	87,902.91

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
RACC	15,063	15,515	15,515	15,515	15,515	15,515	15,515	15,515	15,515	15,515
Suite 100	2,149	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214
First and Last Month's Deposit										
Lapchi	6,732	6,732	6,732	6,934	6,934	6,934	6,934	6,934	6,934	6,934
Parilli Renison LLC	7,461	7,461	7,685	7,685	7,685	7,685	7,685	7,685	7,685	7,685
Mombo Media	4,127	4,127	4,127	4,127	4,127	4,251	4,251	4,251	4,251	4,251
First and Last Month's Deposit										
ENTP	2,514	2,514	2,514	2,514	2,514	2,514	2,514	2,590	2,590	2,590
ShopIgniter	20,369	20,369	20,369	20,369	20,369	20,369	20,980	20,980	20,980	20,980
Iron Horse	5,626	5,626	5,626	5,626	5,626	5,795	5,795	5,795	5,795	5,795
Aginsky	3,177	3,177	3,177	3,272	3,272	3,272	3,272	3,272	3,272	3,272
First and Last Month's Deposit										
Swellpath	5,973	5,973	5,973	5,973	5,973	5,973	6,152	6,152	6,152	6,152
Pixel Pool	13,973	13,973	13,973	13,973	13,973	13,973	14,392	14,392	14,392	14,392
Puppet Early Termination Fee										
Puppet Labs/Under Armour	26,414	26,414	26,414	26,414	26,414	26,414	26,414	26,414	26,414	27,206
Rental Income	113,578	114,094	114,318	114,615	114,615	114,908	116,117	116,193	116,193	116,985
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other										
Vacancy and Credit Loss	(5,679)	(5,705)	(5,716)	(5,731)	(5,731)	(5,745)	(5,806)	(5,810)	(5,810)	(5,849)
Effective Gross Income	110,758	111,248	111,461	111,743	111,743	112,021	113,170	113,242	113,242	113,995
Janitorial	5,101	5,109	5,117	5,124	5,132	5,139	5,147	5,155	5,162	5,170
Electrical Repair and Maint	200	200	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200	200	200
HVAC Contract	-	1,200	-	-	1,200	-	-	1,200	-	-
Plumbing Repair	750	750	750	750	750	750	750	750	750	750
Elevator Contract	265	265	265	265	265	265	265	265	265	265
Elevator Other										
General Building Supplies	75	75	75	75	75	75	75	75	75	75
Pest Control										
Painting										
Interior Repairs	275	275	275	275	275	275	275	275	275	275
Roof Repairs	-	-	-	-	-	-	-	-	-	-
Other Building R&M										
Electricity	8,634	8,647	8,660	8,673	8,686	8,698	8,711	8,724	8,737	8,750
Gas	350	350	350	350	350	350	350	350	350	350
Water/Sewer	1,400	-	-	1,400	-	-	1,400	-	-	1,400
Sweeping/Blowing	350	350	350	350	350	350	350	350	350	350
Snow Removal	150	150	150	150	150	150	150	150	150	150
Landscape										
Grounds Repair	50	50	50	50	50	50	50	50	50	50
Supplies/Materials	100	100	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150	150	150
Life Safety	2,500									
Security Systems	500	500	500	500	500	500	500	500	500	500
General & Administrative										
Office Supplies										
Management Fee	2,839	2,852	2,858	2,865	2,865	2,873	2,903	2,905	2,905	2,925
Accounting Fee										
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500	500	500
Taxes & Insurance										
Property Taxes							83,076.48			
City Tax										
Building Insurance				11,821.12						
TOTAL OPERATING EXPENSES	26,440	23,773	22,600	35,849	23,848	22,676	107,203	23,949	22,769	24,209
NON-OPERATING EXPENSES										
Lease Commissions		72,540								
Tls		93,000								
TOTAL ALL OPERATING EXPENSES	26,440	189,313	22,600	35,849	23,848	22,676	107,203	23,949	22,769	24,209
NOI	84,318	(78,065)	88,861	75,895	87,895	89,346	5,967	89,293	90,473	89,785
Park & Flanders / HSB	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)
Debt Cover	1.56	(1.45)	1.65	1.41	1.63	1.66	0.11	1.65	1.68	1.66
Net Cash Flow	30,356	(132,027)	34,899	21,933	33,933	35,384	(47,995)	35,331	36,511	35,823
Amount to Reserves	30,356	(132,027)	34,899	21,933	33,933	35,384	(47,995)	35,331	36,511	35,823
Reserve Balance	330,356	198,328	233,228	255,160	289,094	324,477	252,005	287,337	323,847	335,823
Payment to Unsecured Creditors	-	-	-	-	-	24,477.36	-	-	23,847.45	-

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
RACC	15,515	15,515	15,515	15,980	15,980	15,980	15,980	15,980	15,980	15,980
Suite 100	2,214	2,214	2,214	2,280	2,280	2,280	2,280	2,280	2,280	2,280
First and Last Month's Deposit										
Lapchi	6,934	6,934	6,934	6,934	6,934	7,142	7,142	7,142	7,142	7,142
Parilli Renison LLC	7,685	7,685	7,685	7,685	7,916	7,916	7,916	7,916	7,916	7,916
Mombo Media	4,251	4,251	4,251	4,251	4,251	4,251	4,251	4,379	4,379	4,379
First and Last Month's Deposit										
ENTP	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,668
Shopigniter	20,980	20,980	20,980	20,980	20,980	20,980	20,980	20,980	21,609	21,609
Iron Horse	5,795	5,795	5,795	5,795	5,795	5,795	5,795	5,968	5,968	5,968
Aginsky	3,272	3,272	3,272	3,272	3,272	3,371	3,371	3,371	3,371	3,371
First and Last Month's Deposit										
Swellpath	6,152	6,152	6,152	6,152	6,152	6,152	6,152	6,152	6,336	6,336
Pixel Pool	14,392	14,392	14,392	14,392	14,392	14,392	14,392	14,392	14,824	14,824
Puppet Early Termination Fee										
Puppet Labs/Under Armour	27,206	27,206	27,206	27,206	27,206	27,206	27,206	27,206	27,206	27,206
Rental Income	116,985	116,985	116,985	117,517	117,748	118,054	118,054	118,355	119,601	119,679
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other										
Vacancy and Credit Loss	(5,849)	(5,849)	(5,849)	(5,876)	(5,887)	(5,903)	(5,903)	(5,918)	(5,980)	(5,984)
Effective Gross Income	113,995	113,995	113,995	114,500	114,719	115,010	115,010	115,296	116,479	116,553
Janitorial	5,177	5,185	5,193	5,200	5,208	5,215	5,223	5,231	5,238	5,246
Electrical Repair and Maint	200	200	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200	200	200
HVAC Contract	1,200	-	-	1,200	-	-	1,200	-	-	1,200
Plumbing Repair	750	750	750	750	750	750	750	750	750	750
Elevator Contract	265	265	265	265	265	265	265	265	265	265
Elevator Other										
General Building Supplies	75	75	75	75	75	75	75	75	75	75
Pest Control										
Painting										
Interior Repairs	275	275	275	275	275	275	275	275	275	275
Roof Repairs	-	-	-	-	-	-	-	-	-	-
Other Building R&M										
Electricity	8,763	8,776	8,788	8,801	8,814	8,827	8,840	8,853	8,866	8,878
Gas	350	350	350	350	350	350	350	350	350	350
Water/Sewer	-	-	1,400	-	-	1,400	-	-	1,400	-
Sweeping/Blowing	350	350	350	350	350	350	350	350	350	350
Snow Removal	150	150	150	150	150	150	150	150	150	150
Landscape										
Grounds Repair	50	50	50	50	50	50	50	50	50	50
Supplies/Materials	100	100	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150	150	150
Life Safety			2,500							
Security Systems	500	500	500	500	500	500	500	500	500	500
General & Administrative										
Office Supplies										
Management Fee	2,925	2,925	2,925	2,938	2,944	2,951	2,951	2,959	2,990	2,992
Accounting Fee										
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500	500	500
Taxes & Insurance										
Property Taxes									85,568.77	
City Tax										
Building Insurance						12,175.75				
TOTAL OPERATING EXPENSES	24,030	22,850	26,771	24,104	22,931	36,534	24,179	23,007	110,027	24,281
NON-OPERATING EXPENSES										
Lease Commissions									45,000	
Tls									35,000	
TOTAL ALL OPERATING EXPENSES	24,030	22,850	26,771	24,104	22,931	36,534	24,179	23,007	190,027	24,281
NOI	89,965	91,144	87,224	90,396	91,788	78,475	90,831	92,289	(73,548)	92,272
Park & Flanders / HSB	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)
Debt Cover	1.67	1.69	1.62	1.68	1.70	1.45	1.68	1.71	(1.36)	1.71
Net Cash Flow	36,003	37,182	33,262	36,434	37,826	24,513	36,869	38,327	(127,510)	38,310
Amount to Reserves	36,003	37,182	33,262	36,434	37,826	24,513	36,869	38,327	(127,510)	38,310
Reserve Balance	371,826	409,009	333,262	369,696	407,522	324,513	361,382	399,709	172,490	210,800
Payment to Unsecured Creditors	-	109,008.72	-	-	107,521.96	-	-	99,709.16	-	-

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
RACC	15,980	15,980	15,980	15,980	15,980	16,460	16,460	16,460	16,460	16,460
Suite 100	2,280	2,280	2,280	2,280	2,280	2,349	2,349	2,349	2,349	2,349
First and Last Month's Deposit										
Lapchi	7,142	7,142	7,142	7,142	7,142	7,142	7,142	7,356	7,356	7,356
Parilli Renison LLC	7,916	7,916	7,916	7,916	7,916	7,916	8,153	8,153	8,153	8,153
Mombo Media	4,379	4,379	4,379	4,379	4,379	4,379	4,379	4,379	4,379	4,510
First and Last Month's Deposit										
ENTP	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668
ShopIgniter	21,609	21,609	21,609	21,609	21,609	21,609	21,609	21,609	21,609	21,609
Iron Horse	5,968	5,968	5,968	5,968	5,968	5,968	5,968	5,968	5,968	6,147
Aginsky	3,371	3,371	3,371	3,371	3,371	3,371	3,371	3,472	3,472	3,472
First and Last Month's Deposit										
Swellpath	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336	6,336
Pixel Pool	14,824	14,824	14,824	14,824	14,824	14,824	14,824	14,824	14,824	14,824
Puppet Early Termination Fee										
Puppet Labs/Under Armour	27,206	28,023	28,023	28,023	28,023	28,023	28,023	28,023	28,023	28,023
Rental Income	119,679	120,495	120,495	120,495	120,495	121,043	121,280	121,595	121,595	121,906
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other										
Vacancy and Credit Loss	(5,984)	(6,025)	(6,025)	(6,025)	(6,025)	(6,052)	(6,064)	(6,080)	(6,080)	(6,095)
Effective Gross Income	116,553	117,329	117,329	117,329	117,329	117,849	118,075	118,374	118,374	118,669
Janitorial	5,253	5,261	5,268	5,276	5,284	5,291	5,299	5,306	5,314	5,322
Electrical Repair and Maint	200	200	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200	200	200
HVAC Contract	-	-	1,200	-	-	1,200	-	-	1,200	-
Plumbing Repair	750	750	750	750	750	750	750	750	750	750
Elevator Contract	265	265	265	265	265	265	265	265	265	265
Elevator Other										
General Building Supplies	75	75	75	75	75	75	75	75	75	75
Pest Control										
Painting										
Interior Repairs	275	275	275	275	275	275	275	275	275	275
Roof Repairs	-	-	-	-	-	-	-	-	-	-
Other Building R&M										
Electricity	8,891	8,904	8,917	8,930	8,943	8,955	8,968	8,981	8,994	9,007
Gas	350	350	350	350	350	350	350	350	350	350
Water/Sewer	-	1,400	-	-	1,400	-	-	1,400	-	-
Sweeping/Blowing	350	350	350	350	350	350	350	350	350	350
Snow Removal	150	150	150	150	150	150	150	150	150	150
Landscape										
Grounds Repair	50	50	50	50	50	50	50	50	50	50
Supplies/Materials	100	100	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150	150	150
Life Safety					2,500					
Security Systems	500	500	500	500	500	500	500	500	500	500
General & Administrative										
Office Supplies										
Management Fee	2,992	3,012	3,012	3,012	3,012	3,026	3,032	3,040	3,040	3,048
Accounting Fee										
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500	500	500
Taxes & Insurance										
Property Taxes										
City Tax										
Building Insurance							12,541.02			
TOTAL OPERATING EXPENSES	23,101	24,542	24,363	23,183	27,104	24,438	23,264	37,233	24,513	23,341
NON-OPERATING EXPENSES										
Lease Commissions										25,000
Tls										25,000
TOTAL ALL OPERATING EXPENSES	23,101	24,542	24,363	23,183	27,104	24,438	23,264	37,233	24,513	73,341
NOI	93,452	92,786	92,966	94,146	90,225	93,411	94,811	81,141	93,861	45,328
Park & Flanders / HSB	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)
Debt Cover	1.73	1.72	1.72	1.74	1.67	1.73	1.76	1.50	1.74	0.84
Net Cash Flow	39,490	38,824	39,004	40,184	36,263	39,449	40,849	27,179	39,899	(8,634)
Amount to Reserves	39,490	38,824	39,004	40,184	36,263	39,449	40,849	27,179	39,899	(8,634)
Reserve Balance	250,290	289,115	328,119	368,302	336,263	375,712	416,561	327,179	367,078	358,444
Payment to Unsecured Creditors	-	-	-	68,302.17	-	-	116,561.05	-	-	58,444.39

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
RACC	16,460	16,460	16,460	16,460	16,460	16,460	16,460	16,954	16,954	16,954
Suite 100	2,349	2,349	2,349	2,349	2,349	2,349	2,349	2,419	2,419	2,419
First and Last Month's Deposit										
Lapchi	7,356	7,356	7,356	7,356	7,356	7,356	7,356	7,356	7,356	7,577
Parilli Renison LLC	8,153	8,153	8,153	8,153	8,153	8,153	8,153	8,153	8,398	8,398
Mombo Media	4,510	4,510	4,510	4,510	4,510	4,510	4,510	4,510	4,510	4,510
First and Last Month's Deposit										
ENTP	2,668	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748
Shopigniter	22,257	22,257	22,257	22,257	22,257	22,257	22,257	22,257	22,257	22,257
Iron Horse	6,147	6,147	6,147	6,147	6,147	6,147	6,147	6,147	6,147	6,147
Aginsky	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,576
First and Last Month's Deposit										
Swellpath	6,526	6,526	6,526	6,526	6,526	6,526	6,526	6,526	6,526	6,526
Pixel Pool	15,268	15,268	15,268	15,268	15,268	15,268	15,268	15,268	15,268	15,268
Puppet Early Termination Fee										
Puppet Labs/Under Armour	28,023	28,023	28,023	28,863	28,863	28,863	28,863	28,863	28,863	28,863
Rental Income	123,189	123,269	123,269	124,110	124,110	124,110	124,110	124,674	124,918	125,243
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
Other										
Vacancy and Credit Loss	(6,159)	(6,163)	(6,163)	(6,205)	(6,205)	(6,205)	(6,205)	(6,234)	(6,246)	(6,262)
Effective Gross Income	119,888	119,964	119,964	120,763	120,763	120,763	120,763	121,299	121,531	121,840
Janitorial	5,329	5,337	5,344	5,352	5,360	5,367	5,375	5,382	5,390	5,397
Electrical Repair and Maint	200	200	200	200	200	200	200	200	200	200
HVAC Repair	200	200	200	200	200	200	200	200	200	200
HVAC Contract	-	1,200	-	-	1,200	-	-	-	1,200	-
Plumbing Repair	750	750	750	750	750	750	750	750	750	750
Elevator Contract	265	265	265	265	265	265	265	265	265	265
Elevator Other										
General Building Supplies	75	75	75	75	75	75	75	75	75	75
Pest Control										
Painting										
Interior Repairs	275	275	275	275	275	275	275	275	275	275
Roof Repairs	-	-	-	-	-	-	-	-	-	-
Other Building R&M										
Electricity	9,020	9,033	9,045	9,058	9,071	9,084	9,097	9,110	9,123	9,135
Gas	350	350	350	350	350	350	350	350	350	350
Water/Sewer	1,400	-	-	1,400	-	-	1,400	-	-	1,400
Sweeping/Blowing	350	350	350	350	350	350	350	350	350	350
Snow Removal	150	150	150	150	150	150	150	150	150	150
Landscape										
Grounds Repair	50	50	50	50	50	50	50	50	50	50
Supplies/Materials	100	100	100	100	100	100	100	100	100	100
Alarm Systems	150	150	150	150	150	150	150	150	150	150
Life Safety							2,500			
Security Systems	500	500	500	500	500	500	500	500	500	500
General & Administrative										
Office Supplies										
Management Fee	3,080	3,082	3,082	3,103	3,103	3,103	3,103	3,117	3,123	3,131
Accounting Fee										
Asset Management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Postage/Shipping	25	25	25	25	25	25	25	25	25	25
Photocopies	25	25	25	25	25	25	25	25	25	25
Travel Expense	500	500	500	500	500	500	500	500	500	500
Taxes & Insurance										
Property Taxes	88,135.84									
City Tax										
Building Insurance										12,917.25
TOTAL OPERATING EXPENSES	112,929	24,616	23,436	24,878	24,698	23,519	27,439	23,574	24,800	37,946
NON-OPERATING EXPENSES										
Lease Commissions										
TIs										
TOTAL ALL OPERATING EXPENSES	112,929	24,616	23,436	24,878	24,698	23,519	27,439	23,574	24,800	37,946
NOI	6,959	95,348	96,528	95,885	96,064	97,244	93,324	97,725	96,731	83,894
Park & Flanders / HSB	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)
Debt Cover	0.13	1.77	1.79	1.78	1.78	1.80	1.73	1.81	1.79	1.55
Net Cash Flow	(47,003)	41,386	42,566	41,923	42,102	43,282	39,362	43,763	42,769	29,932
Amount to Reserves	(47,003)	41,386	42,566	41,923	42,102	43,282	39,362	43,763	42,769	29,932
Reserve Balance	252,997	294,383	336,948	341,923	384,025	427,307	339,362	383,125	425,893	329,932
Payment to Unsecured Creditors	-	-	36,948.46	-	-	127,307.25	-	-	125,893.40	-

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23		
RACC	16,954	16,954	16,954	16,954	16,954		
Suite 100	2,419	2,419	2,419	2,419	2,419		
First and Last Month's Deposit							
Lapchi	7,577	7,577	7,577	7,577	7,577		
Parilli Renison LLC	8,398	8,398	8,398	8,398	8,398		
Mombo Media	4,510	4,645	4,645	4,645	4,645		
First and Last Month's Deposit							
ENTP	2,748	2,748	2,748	2,830	2,830		
ShopIgniter	22,257	22,257	22,925	22,925	22,925		
Iron Horse	6,147	6,332	6,332	6,332	6,332		
Aginsky	3,576	3,576	3,576	3,576	3,576		
First and Last Month's Deposit							
Swellpath	6,526	6,526	6,722	6,722	6,722		
Pixel Pool	15,268	15,268	15,726	15,726	15,726		
Puppet Early Termination Fee							
Puppet Labs/Under Armour	28,863	28,863	28,863	28,863	28,863		
Rental Income	125,243	125,563	126,885	126,967	126,967		
Reimbursed Expenses	2,859	2,859	2,859	2,859	2,859		
Other							
Vacancy and Credit Loss	(6,262)	(6,278)	(6,344)	(6,348)	(6,348)		
Effective Gross Income	121,840	122,144	123,399	123,477	123,477		
Janitorial	5,405	5,413	5,420	5,428	5,435		
Electrical Repair and Maint	200	200	200	200	200		
HVAC Repair	200	200	200	200	200		
HVAC Contract	-	-	-	-	-		
Plumbing Repair	750	750	750	750	750		
Elevator Contract	265	265	265	265	265		
Elevator Other							
General Building Supplies	75	75	75	75	75		
Pest Control							
Painting							
Interior Repairs	275	275	275	275	275		
Roof Repairs	-	-	-	-	-		
Other Building R&M							
Electricity	9,148	9,161	9,174	9,187	9,200		
Gas	350	350	350	350	350		
Water/Sewer	1,400	1,400	1,400	1,400	1,400		
Sweeping/Blowing	350	350	350	350	350		
Snow Removal	150	150	150	150	150		
Landscape							
Grounds Repair	50	50	50	50	50		
Supplies/Materials	100	100	100	100	100		
Alarm Systems	150	150	150	150	150		
Life Safety							
Security Systems	500	500	500	500	500		
General & Administrative							
Office Supplies							
Management Fee	3,131	3,139	3,172	3,174	3,174		
Accounting Fee							
Asset Management	2,000	2,000	2,000	2,000	2,000		
Postage/Shipping	25	25	25	25	25		
Photocopies	25	25	25	25	25		
Travel Expense	500	500	500	500	500		
Taxes & Insurance							
Property Taxes							
City Tax							
Building Insurance							
TOTAL OPERATING EXPENSES	25,049	25,078	25,131	25,154	25,174		
NON-OPERATING EXPENSES							
Lease Commissions		25,000					
Tls		25,000					
TOTAL ALL OPERATING EXPENSES	25,049	75,078	25,131	25,154	25,174		
NOI	96,790	47,066	98,268	98,324	98,303		
Park & Flanders / HSB	(53,962)	(53,962)	(53,962)	(53,962)	(53,962)	← \$8,551,418.97 balloon	
Debt Cover	1.79	0.87	1.82	1.82	1.82		
Net Cash Flow	42,828	(6,896)	44,306	44,362	44,341		
Amount to Reserves	42,828	(6,896)	44,306	44,362	44,341		
Reserve Balance	372,760	365,864	344,306	388,667	433,008		
Payment to Unsecured Creditors	-	65,863.75	-	-	133,008.37		

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CERTIFICATE of SERVICE

I hereby certify that I served the foregoing **DEBTOR'S SECOND AMENDED DISCLOSURE STATEMENT (November 27, 2012)** on the parties indicated as "ECF" on the attached List of Interested Parties by electronic means through the Court's Case Management/Electronic Case File system on the date set forth below.

In addition, I served the foregoing on the parties indicated as "Non-ECF" on the attached List of Interested Parties by mailing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to each party's last-known address and depositing in the U.S. mail at Portland, Oregon on the date set forth below.

DATED this 27th day of November, 2012.

TONKON TORP LLP

By /s/ Ava L. Schoen
Albert N. Kennedy, OSB No. 821429
Ava L. Schoen, OSB No. 044072
Attorneys for Debtor

LIST OF INTERESTED PARTIES

In re General Auto Building, LLC
U.S. Bankruptcy Court Case No. 12-31450-elp11

ECF PARTICIPANTS

- DAVID W CRISWELL dcriswell@balljanik.com, swylen@balljanik.com
- TODD L FRIEDMAN tfriedman@stoel.com
- DAVID W HERCHER dave.hercher@millernash.com, nancy.stoll@millernash.com;d.hercher@comcast.net
- ALBERT N KENNEDY al.kennedy@tonkon.com, leslie.hurd@tonkon.com;andy.haro@tonkon.com
- CHRISTINE A KOSYDAR cakosydar@stoel.com, cmwallentine@stoel.com;docketclerk@stoel.com;lchopkins@stoel.com
- AVA L SCHOEN ava.schoen@tonkon.com, larissa.stec@tonkon.com
- ANNA SORTUN anna.sortun@tonkon.com, judy.alexander@tonkon.com
- THOMAS W STILLEY tom@sussmanshank.com, janine@sussmanshank.com, ecf.thomas.stilley@sussmanshank.com
- THORKILD G TINGEY ttingey@balljanik.com, swylen@balljanik.com
- US Trustee, Portland USTPRegion18.PL.ECF@usdoj.gov
- JOSEPH M VANLEUVEN joevanleuven@dwt.com, marciebutler@dwt.com;pdxdocket@dwt.com
- STEVEN M WILKER steven.wilker@tonkon.com, nancy.kennedy@tonkon.com

NON-ECF PARTICIPANTS

SECURED CREDITORS

Multnomah County
Assessment & Taxation
POB 2716
Portland, OR 97208

Greene & Markley
1515 SW Fifth Ave #600
Portland, OR 97201

Raindrop Supply
18249 SW 100th Ct
Tualatin, OR 97061

Interface Engineering, Inc
Dept LA 23753
Pasadena CA 91185

Real Property Law Group
1326 Fifth Ave #654
Seattle, WA 98101

TOP 20 UNSECURED CREDITORS

BEA Consulting
2574 NW Thurman #100
Portland, OR 97210

Lapchi
327 SE Yamhill St
Portland, OR 97214

Reeves, Kahn,
Hennessy & Elkins
POB 86100
4035 SE 52nd Ave
Portland, OR 97286

Cash's Drapery Inc.
2366 SE Ochoco St
Milwaukie, OR 97222

Mike Patterson Plumbing, Inc
c/o Michael Hess
POB 41
Coram, NY 11727

Scarborough, McNeese,
O'Brien & Kilkenny
Five CenterPointe Dr #240
Lake Oswego, OR 97035

Century Link
POB 91155
Seattle, WA 98111

City of Portland
Office of Management & Finance
111 SW Columbia St #600
Portland, OR 97201

North Rim Development Group LLC
819 SE Morrison St #110
Portland, OR 97214

Siemens
15201A NW Greenbriar
Parkway #A4
Beaverton, OR 97006

Espresso Building Services, LLC
18249 SW 100th Ct
Tualatin, OR 97061

PGE
POB 4438
Portland, OR 97208

OTHERS

Michael S. Greger
1900 Main St Fl 5
Irvine, CA 92614

Farkas Group
2335 NW Raleigh St. #423
Portland, OR 97210

Portland Water Bureau
1120 SW Fifth Ave 6th Fl
Portland, OR 97204

William W. Huckins
Three Embarcadero Center 12th Fl
San Francisco, CA 94102