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GROVE PLAZA PARTNERS, LLC

**United States Bankruptcy Court
Northern District of California**

In re: Case No. 16-30531-DM

GROVE PLAZA PARTNERS, LLC, Chapter 11

Debtor.

**COMBINED PLAN OF REORGANIZATION
AND DISCLOSURE STATEMENT
(Dated August 11, 2016)**

INTRODUCTION

This is Debtor's Combined Chapter 11 Plan of Reorganization and Disclosure Statement (the Plan). The Plan identifies each known creditor by name and describes how each claim will be treated if the Plan is confirmed.

Part 1 contains the treatment of creditors with secured claims; Part 2 contains the treatment of general unsecured creditors: 100% of their allowed claims in a lump-sum payment within thirty (30) days of the Effective Date. Taxes and other priority claims would be paid in full, as shown in Part 3.

Most creditors (those in impaired classes) are entitled to vote on confirmation of the Plan. Completed ballots must be received by Debtor's counsel, and objections to confirmation must be filed and served, no later than [date]. The court will hold a hearing on confirmation of the Plan on [date] at [time].

Attached to the Plan are exhibits containing financial information that may help you decide how to vote and whether to

object to confirmation. Exhibit 1 includes background information regarding Debtor and the events that led to the filing of the bankruptcy petition and describes significant events that have occurred during this Chapter 11 case. Exhibit 2 contains an analysis of how much creditors would likely receive in a Chapter 7 liquidation. Exhibit 3 describes how much Debtor is required to pay on the effective date of the plan.

Whether the Plan is confirmed is subject to complex legal rules that cannot be fully described here. You are strongly encouraged to read the Plan carefully and to consult an attorney to help you determine how to vote and whether to object to confirmation of the Plan.

If the Plan is confirmed, the payments promised in the Plan constitute new contractual obligations that replace the Debtor's pre-confirmation debts. Creditors may not seize their collateral or enforce their pre-confirmation debts so long as Debtor performs all obligations under the Plan. If Debtor defaults in performing Plan obligations, any creditor can file a motion to have the case dismissed or converted to a Chapter 7 liquidation, or enforce their non-bankruptcy rights. Enforcement of the Plan, discharge of the Debtor, and creditors' remedies if Debtor defaults are described in detail in Parts 5 and 6 of the Plan.

PART 1: TREATMENT OF SECURED CREDITORS

Property to be Sold.

Class	Name of Creditor	Collateral	Amount of Claim	Value of Collateral	Disputed? (Y/N)	Estimated Payment
1(a)	Cantor Group II, LLC	1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$11,414,456.63 (est. as of effective date)	\$16,500,000	Y	To creditor: \$10,624,224.16 To reserve: \$1,440,087.58

Debtor will sell the above collateral by the Effective Date, paying secured creditors from the proceeds of the sale. Debtor shall pay the aforesaid creditor from escrow all principal and interest at the non-default contract rate of interest (10.5% per annum) as of the date of sale. The difference between the claim as shown and the payment (est. \$1,440,087.58) shall be held in the disputed claims reserve pending resolution of any dispute.

The aforesaid payment (est. \$10,624,224.16) shall constitute cure of all defaults and avoidance of all consequences thereof,

including penalties and default interest. See *Great W. Bank & Trust v. Entz-White Lumber and Supply, Inc.* (In re Entz-White Lumber and Supply, Inc.), 850 F.2d 1338 (9th Cir. 1988); see also *In re Sylmar Plaza, L.P.*, 314 F.3d 1070, 1075 (9th Cir. 2002). See the cure analysis attached hereto as Exhibit 4.

Class	Name of Creditor	Collateral	Amount of Claim	Value of Collateral	Disputed? (Y/N)	Estimated Payment
1(b)	Amor Architectural Corporation	1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$16,896.94	\$16,500,000	Y	To reserve: \$16,896.94
1(c)	JG Construction	1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$88,603.43	\$16,500,000	Y	To reserve: \$88,603.43
1(d)	San Bernardino Tax Collector	1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$246,452.88	\$16,500,000	Y	To reserve: \$246,452.88
1(e)	Universal Site Services	1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$8,126.50	\$16,500,000	Y	To reserve: \$8,126.50
Total:			\$360,079.75			\$360,079.75

Debtor will sell the above collateral by the Effective Date, paying secured creditors from the proceeds of the sale. Debtor shall pay the aforesaid creditors the aforesaid amounts from escrow or to the disputed claims reserve, as indicated above.

Creditors in these classes may not repossess or dispose of their collateral so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **These secured claims are impaired and are entitled to vote on confirmation of the Plan.**

PART 2: Class 2. General Unsecured Claims.

Name of Creditor	Amount of Claim	Amount to be Paid	Disputed?
Ace Roofing & Waterproofing Systems	\$1,100.00	\$1,100.00	N
Andrew Taper	\$141,631.80	\$141,631.80	N
APM Property Maintenance, Inc.	\$8,115.00	\$8,115.00	N
Armanino	\$55.00	\$55.00	N
Bilak Holding Company, LLC	\$424,987.10	\$424,987.10	N
Bilak Holding Company, LLC	\$211,000.00	\$211,000.00	N
Brown Rudnick LLP	\$136,299.22	\$136,299.22	Y

Cameron Ricks	\$35,453.80	\$35,453.80	N
CBRE, Inc.	\$110,357.70	\$110,357.70	Y
Clark Pest Control	\$370.00	\$370.00	N
Coldwell Banker Commercial	\$67,256.47	\$67,256.47	Y
Commercial Maintenance Service	\$20,000.00	\$20,000.00	N
Corporate Alliance Strategies, Inc.	\$4,800.00	\$4,800.00	N
Dorian and Frances Bilak	\$35,453.80	\$35,453.80	N
Environmental Management Solutions, Inc.	\$806.43	\$806.43	N
Gil Ruiz Landscape Maintenance	\$5,100.00	\$5,100.00	N
Grabel Living Trust	\$141,723.50	\$141,723.50	N
Hamermesh O'Neil Family Trust	\$141,723.50	\$141,723.50	N
Joshua Warsaw	\$424,987.10	\$424,987.10	N
Marcia H. Scott	\$35,453.80	\$35,453.80	N
Nadel Architects, Inc.	\$3,113.10	\$3,113.10	N
Ontario Municipal Utilities Co.	\$9,193.16	\$9,193.16	N
PDM Development, Inc.	\$14,286.50	\$14,286.50	N
Penny Plumbing	\$2,800.00	\$2,800.00	N
Perry Roofing, Inc.	\$5,900.00	\$5,900.00	N
Phan Ontario, LLC	\$205,000.00	\$205,000.00	N
Quality Backflow Service	\$50.00	\$50.00	N
Rentschler / Tursi LLP	\$64,451.44	\$64,451.44	N
Scott and Jennifer Kramer	\$35,453.8	\$35,453.8	N
Southern California EDISON	\$3,846.13	\$3,846.13	N
Stanley Security Solutions	\$2,104.38	\$2,104.38	N
Terminix	\$165.00	\$165.00	N
Tyco Integrated Security LLC	\$1,211.94	\$1,211.94	N
Tyler Lighting Services, Inc.	\$3,526.63	\$3,526.63	N

Verizon California, Inc.	\$639.54	\$639.54	N
Wise Guys Signs & Wraps	\$500.00	\$500.00	N
TOTAL:	\$2,298,915.84	\$2,298,915.84	

Allowed claims of general unsecured creditors (including allowed claims of creditors whose executory contracts or unexpired leases are being rejected under this Plan) shall be paid as follows:

Percent Plan. Creditors will receive 100% percent of their allowed claim in a lump-sum paid from the Debtor's future earnings within thirty (30) days after the Effective Date.

Creditors in this class may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **This class is impaired and is entitled to vote on confirmation of the Plan.** Debtor has indicated above whether a particular claim is disputed.

PART 3: TREATMENT OF PRIORITY AND ADMINISTRATIVE CLAIMS

(a) Professional Fees.

Debtor will pay the following professional fees in full on the Effective Date, or upon approval by the court, whichever is later.

Name and Role of Professional	Estimated Amount
Macdonald Fernandez LLP (Attorneys for Debtor-in-Possession)	\$50,000.00 (net of retainer)

Professionals may not take collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Estate professionals are not entitled to vote on confirmation of the Plan.**

(b) Other Administrative Claims. Debtor will pay other allowed claims entitled to priority under section 503(b) in full on the Effective Date; except expenses incurred in the ordinary course of Debtor's business or financial affairs, which shall be paid when normally due and payable (these creditors are not listed below). All fees payable to the United States Trustee as of confirmation will be paid on the Effective Date; post-confirmation fees to the United States Trustee will be paid when due.

Administrative Creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Administrative claimants are not entitled to vote on confirmation of the Plan.**

Name of Administrative Creditor	Estimated Amount of Claim
United States Trustee	\$20,000.00

(c) Tax Claims. Debtor will pay allowed claims entitled to priority under section 507(a)(8) in full with interest within thirty (30) days after the Effective Date.

Priority tax creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Priority tax claimants are not entitled to vote on confirmation of the Plan.**

Name of Creditor	Estimated Amount of Claim	Statutory Interest Rate	Payment Amount	Number of Payments
Franchise Tax Board	\$3,739.37	3%	\$3,739.37	1

PART 4: EXECUTORY CONTRACTS AND UNEXPIRED LEASES

(a) Executory Contracts/Unexpired Leases Assumed. Debtor assumes the following executory contracts and/or unexpired leases upon confirmation of this Plan and will perform all pre-confirmation and post-confirmation obligations thereunder. Post-confirmation obligations will be paid as they come due. Pre-confirmation arrears will be paid in full on the Effective Date. All leases of real property are assumed whether or not listed.

Name of Counter-Party	Description of Contract/Lease	Estimated Total Cure Amount	Installment Amount	Number of Installments
99 Cent Only Stores, LLC	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
American Family Care, Inc.	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Arun C. and Rita Patel dba The Smoke Shop	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A

Baskin Robins	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Edward Ramos dba Karate Instruction	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Evelyn Schoenemann dba Lovely Nails	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Eyelash Masters, LLC	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Francisco Enverga, D.D.S. c/o Dr. Francisco Enverga	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Inland Empire Funding Corp. c/o Juan Mejia	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Mexicanita's Restaurant Corp.	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
National Statewide Aviation Incorporated dba Solutions Hair and Barber Studio	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Pam's Donuts (Vann Chau and Phal da Kheng)	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Soo Jae Chun and Sung Koo Chun dba 24k Cleaners	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
Subway Restaurants, Inc.	Lease of 1151-1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A

Yong Zeng Lin and Yu Li dba Lucky Wok	Lease of 1151- 1161 Walnut Ave. & 2402-2540 S. Grove Ave.	\$0.00	\$0.00	N/A
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(b) Executory Contracts/Unexpired Leases Rejected. Debtor rejects the following executory contracts and/or unexpired leases and surrenders any interest in the affected property, and allows the affected creditor to obtain possession and dispose of its property, without further order of the court. Claims arising from rejection of executory contracts have been included in Class 2 (general unsecured claims).

Name of Counter-Party	Description of Contract/Lease
N/A	

(c) Executory contracts and unexpired leases not specifically assumed or rejected above or previously assumed or rejected by order of the Court will be deemed rejected.

PART 5: DISCHARGE AND OTHER EFFECTS OF CONFIRMATION

(a) Discharge. Debtor shall receive a discharge of debts upon the Effective Date.

(b) Vesting of Property. On the Effective Date, all property of the estate and interests of the Debtor will vest in the reorganized Debtor pursuant to § 1141(b) of the Bankruptcy Code free and clear of all claims and interests except as provided in this Plan, subject to revesting upon conversion to Chapter 7 as provided in Part 6(f) below.

(c) Plan Creates New Obligations. Except as provided in Part 6(d) and (e), the obligations to creditors that Debtor undertakes in the confirmed Plan replace those obligations to creditors that existed prior to the Effective Date of the Plan. Debtor's obligations under the confirmed Plan constitute binding contractual promises that, if not satisfied through performance of the Plan, create a basis for an action for breach of contract under California law. To the extent a creditor retains a lien under the Plan, that creditor retains all rights provided by such lien under applicable non-Bankruptcy law.

PART 6: REMEDIES IF DEBTOR DEFAULTS IN PERFORMING THE PLAN

(a) Creditor Action Restrained. The confirmed Plan is binding on every creditor whose claims are provided for in the Plan. Therefore, even though the automatic stay terminates on the

Effective Date with respect to secured claims, no creditor may take any action to enforce either the pre-confirmation obligation or the obligation due under the Plan, so long as Debtor is not in material default under the Plan, except as provided in Part 6(e) below.

(b) Obligations to Each Class Separate. Debtor's obligations under the Plan are separate with respect to each class of creditors. Default in performance of an obligation due to members of one class shall not by itself constitute a default with respect to members of other classes. For purposes of this Part 6, the holders of all administrative claims shall be considered to be a single class, the holders of all priority claims shall be considered to be a single class, and each non-debtor party to an assumed executory contract or lease shall be considered to be a separate class.

(c) Material Default Defined. If Debtor fails to make any payment, or to perform any other obligation required under the Plan, for more than 10 days after the time specified in the Plan for such payment or other performance, any member of a class affected by the default may serve upon Debtor and Debtor's attorney (if any) a written notice of Debtor's default. If Debtor fails within 30 days after the date of service of the notice of default either: (i) to cure the default; (ii) to obtain from the court an extension of time to cure the default; or (iii) to obtain from the court a determination that no default occurred, then Debtor is in Material Default under the Plan to all the members of the affected class.

(d) Remedies Upon Material Default. Upon Material Default, any member of a class affected by the default: (i) may file and serve a motion to dismiss the case or to convert the case to Chapter 7; or (ii) without further order of the court has relief from stay to the extent necessary, and may pursue its lawful remedies to enforce and collect Debtor's pre-confirmation obligations.

(e) Claims not Affected by Plan. Upon confirmation of the Plan, and subject to Part 5(c), any creditor whose claims are left unimpaired under the Plan may, notwithstanding paragraphs (a), (b), (c), and (d) above, immediately exercise all of its contractual, legal, and equitable rights, except rights based on default of the type that need not be cured under section 1124(2)(A) and (D).

(f) Effect of Conversion to Chapter 7. If the case is at any time converted to one under Chapter 7, property of the Debtor shall vest in the Chapter 7 bankruptcy estate to the same extent provided for in section 348(f) of the Bankruptcy Code upon the

conversion of a case from Chapter 13 to Chapter 7.

(g) Retention of Jurisdiction. The bankruptcy court may exercise jurisdiction over proceedings concerning: (i) whether Debtor is in Material Default of any Plan obligation; (ii) whether the time for performing any Plan obligation should be extended; (iii) adversary proceedings and contested matters pending as of the Effective Date or specifically contemplated in this Plan to be filed in this court (see Part 7(f)); (iv) whether the case should be dismissed or converted to one under Chapter 7; (v) any objections to claims; (vi) compromises of controversies under Fed. R. Bankr. Pro. 9019; (vii) compensation of professionals; and (viii) other questions regarding the interpretation and enforcement of the Plan.

PART 7: GENERAL PROVISIONS

(a) Effective Date of Plan. The Effective Date of the Plan is the later of (a) November 4, 2016, or (b) the fifteenth day following the date of the entry of the order of confirmation, if no notice of appeal from that order has been filed. If a notice of appeal has been filed, Debtor may waive the finality requirement and put the Plan into effect, unless the order confirming the Plan has been stayed. If a stay of the confirmation order has been issued, the Effective Date will be the first day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

(b) Disputed Claim Reserve. Debtor will create a reserve for disputed claims. Each time Debtor makes a distribution to the holders of allowed claims, Debtor will place into a reserve the amount that would have been distributed to the holders of disputed claims if such claims had been allowed in the full amount claimed. If a disputed claim becomes an allowed claim, Debtor shall immediately distribute to the claimant from the reserve an amount equal to all distributions due to date under the plan calculated using the amount of the allowed claim. Any funds no longer needed in reserve shall be returned to Debtor.

(c) Cramdown. Pursuant to section 1129(b) of the Bankruptcy Code, Debtor reserves the right to seek confirmation of the Plan despite the rejection of the Plan by one or more classes of creditors.

(d) Severability. If any provision in the Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

(e) Governing Law. Except to the extent a federal rule of decision or procedure applies, the laws of the State of California govern the Plan.

(f) Lawsuits.

Debtor believes that causes of action for fraudulent transfers, voidable preferences, or other claims for relief exist against the following parties:

Party	Creditor Y/N	Nature of Claim	Amount of Claim	Will Debtor Prosecute Action? Y/N
Cantor Group II, LLC; CC3 Grove Plaza Holdings, LLC; and Calmwater Capital 3, LLC	Y	Fraudulent Transfers	\$100,000.00	Y
Cantor Group II, LLC; CC3 Grove Plaza Holdings, LLC; and Calmwater Capital 3, LLC	Y	Usury	Unknown	Y
Amor Architectural Corporation	Y	Breach of Contract	Unknown	Y
CBRE, Inc.	Y	Breach of Contract	Unknown	Y

(g) Notices. Any notice to the Debtor shall be in writing, and will be deemed to have been given three days after the date sent by first-class mail, postage prepaid and addressed as follows:

Grove Plaza Partners, LLC
c/o Macdonald Fernandez LLP
221 Sansome Street, Third Floor
San Francisco, CA 94104

(h) Post-Confirmation United States Trustee Fees. Following confirmation, Debtor shall continue to pay quarterly fees to the United States Trustee to the extent, and in the amounts, required by 28 U.S.C. § 1930(a)(6). So long as Debtor is required to make these payments, Debtor shall file with the court quarterly reports in the form specified by the United States Trustee for that purpose.

(i) Deadline for § 1111(b) Election. Creditors with an allowed secured claim can make a timely election under section 1111(b) no later than 14 days before the first date set for the hearing on

confirmation of the Plan.

(j) Means of Execution. Payments under this Plan will be funded from the proceeds of the sale of real property as described herein.

Dated: August 11, 2016

MACDONALD FERNANDEZ LLP

GROVE PLAZA PARTNERS, LLC

By: <u>/s/ Reno F.R. Fernandez III</u>	By: <u>/s/ George A. Arce, Jr.</u>
Reno F.R. Fernandez III	George A. Arce, Jr.
Attorneys for	Responsible Individual
Debtor-in-Possession	

Attorney Certification

I, Reno F.R. Fernandez III, am legal counsel for the Debtor(s) in the above-captioned case and hereby certify the following: (i) the foregoing plan is a true and correct copy of the Individual Chapter 11 Combined Plan and Disclosure Statement promulgated by the Northern District of California, San Francisco Division, on July 30, 2012 (the "Standard-Form Plan"); and (ii) except as specified below, there have been no alterations or modifications to any provision of the Standard-Form Plan.

The following provisions of the Standard-Form Plan have been altered or otherwise modified.

Location	Description
Introduction	Payment terms added; exhibit descriptions altered to match exhibits; discharge language altered viz. changes to Part 5(a).
Part 1	Treatment of secured creditors selected and terms altered.
Part 2	Treatment of general unsecured creditors added.
Part 3(a)	Treatment of professional fees added; extraneous language deleted.
Part 3(b)&(c)	Treatment of US Trustee fees and tax claims added; extraneous language deleted.
Part 4	Treatment of executory contracts and unexpired leases added; language altered to include all leases whether or not listed.
Part 4(c)	Language altered to prevent rejection of contracts previously assumed.
Part 5(a)	Language changed to discharge upon Effective Date.
Part 7(a)	Language changed to specify Effective Date.
Part 7(j)	Means of execution added.

I declare that the foregoing is true and correct. Executed this 11th day of August, 2016.

/s/ Reno F.R. Fernandez III
Attorney for Debtor

Exhibit 1 - Events that Led to Bankruptcy

1. The within case was commenced by filing a voluntary chapter 11 petition on May 13, 2016. A trustee has not been appointed and the Debtor is in possession of the estate.

2. The Debtor is the owner of seven of the thirteen parcels of real property comprising the "Gove Plaza" shopping center located at 1151-1161 Walnut Street and 2404-2540 S. Grove Avenue (2522 South Grove Avenue), Ontario, CA 91761. Grove Plaza comprises some 122,605 square feet adjacent to the 60 Freeway (serving 216,000 cars per day) and Grove Avenue (serving 20,399 cars per day), less than four miles from the Ontario International Airport (served more than 4 million passengers in 2015) and seven miles from both the Citizens Business Bank Arena and the Ontario Mills Fashion District.

3. Three distinct groupings of the Debtor Owned Portion of the shopping center are valued at a total "breakup value" of \$20,790,000.00. The Debtor Owned Portion is valued at \$16,500,000.00 if sold as a whole.

4. The within case has its origins in the partial collapse of the Albertson's chain of grocery stores. Specifically, an Albertson's store was one of a handful of anchor tenants of the shopping center, although the Debtor did not own the Albertson's parcel. The store closed in 2012, resulting in increased vacancies throughout the shopping center. In 2013, the Debtor acquired the Albertson's parcel through bridge financing from Calmwater Capital 3, LLC, with a plan to lease the remaining vacant portion of the former Albertson's space to a new anchor tenant and improve the attractiveness and value of the shopping center overall. Cantor Group II, LLC asserts that it is the successor in interest to Calmwater Capital.) Due to unanticipated delays, said financing went into default. After marketing, offers and due diligence, the Debtor entered into lease negotiations with Ross Dress For Less, Inc. for the remaining vacant portion of the former Albertson's space. The Court approved a lease with Ross lease on July 13, 2016.

5. The Debtor will market the real property for sale, either as a whole or in groups of parcels, and sell the property on or before the Effective Date for an amount sufficient to pay all allowed secured and unsecured claims in full. The Debtor estimates that the property will sell for a gross price of \$16,500,000.00 and that costs of sale will be approximately \$500,000.00.

6. The past and present financial condition of the Debtor along with estimates and projections made herein, are based upon projections prepared by the Debtor's responsible individual, namely George A. Arce, Jr. The sources of information for the disclosures and attachments herein are the books and records of the Debtor. The Debtor was not assisted by an accountant in the preparation of this Plan.

7. Results may vary from the Debtor's projections. The disclosures, estimates and projections made herein are based on the Debtor's best estimates in light of current conditions and past experience. Changes in these and other circumstances may cause the actual results to differ from those projected.

Exhibit 2 - What Creditors Would Receive if the Case Were Converted to a Chapter 7

Real Property:

Fair Market Value	Liens	Cost of Sale (7	Resulting Income Tax	Net Proceeds
\$16,500,000	\$11,774,536.38	\$500,000	N/A	\$4,225,463.62

Personal Property:

Description	Value
Cash	\$35,000.00
Accounts Receivable	\$44,606.48
Office Furniture	\$1,000.00
Total:	\$80,606.48

Net Proceeds of Real Property and Personal Property	\$4,225,463.62
Recovery from Preferences / Fraudulent Conveyances [ADD]	\$100,000.00
Chapter 7 Administrative Claims [SUBTRACT]	[Reserved]
Chapter 11 Administrative Claims [SUBTRACT]	\$50,000.00
Priority Claims [SUBTRACT]	\$3,739.37
Chapter 7 Trustee Fees (est.) [SUBTRACT]	\$390,900.07
Chapter 7 Trustee's Professionals [SUBTRACT]	\$50,000.00
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS	\$3,830,824.18

Estimated Amount of Unsecured Claims	
Percent Distribution to Unsecured Creditors Under Proposed Plan	100 %
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	100 %

Exhibit 3 - Effective Date Feasibility

Can the Debtor Make the Effective Day Payments?

	Amount	Amount
A. Projected Total Cash on Hand on Effective Date		\$16,500,000.00
Payments on Effective Date		
Costs of Sale	\$500,000.00	
Secured Claims	\$11,774,536.38	
Professional Fees	\$50,000.00	
Priority Claims	\$3,739.37	
U.S. Trustee Fees	\$20,000.00	
B. Total Payments on Effective Date		\$11,348,275.75
C. Net Cash on Effective Date (Line A - Line B) (Not feasible if less than zero)		\$4,151,724.25