

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF MISSOURI
CENTRAL DIVISION**

In re:) **In Proceedings Under Chapter 11**
)
Jenne Hill Townhomes, L.L.C.,) **Case No. 11-22129**
)
Debtor.)

**JENNE HILL TOWNHOMES L.L.C.'S DISCLOSURE STATEMENT
RELATING TO ITS PLAN**

DATED APRIL 19, 2012

/s/ Bryan C. Bacon

Bryan C. Bacon, MO Bar No.: 46229

Van Matre, Harrison, Hollis, Taylor, and Bacon, P.C.

1103 E. Broadway

P.O. Box 1017

Columbia, MO 65205

Telephone: (573) 874-7777

Telecopier: (573) 875-0017

bryan@vanmatre.com

Attorney for Debtor Jenne Hill Townhomes, L.L.C.

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I. INTRODUCTION

This is the Disclosure Statement in the Chapter 11 case of Jenne Hill Townhomes, L.L.C. (the "Debtor"). This Disclosure Statement is filed under Chapter 11 of the Bankruptcy Code (the "Code") and proposes to provide adequate information with respect to Debtor's Plan under §1125(a) of the Code. This Plan will provide for one class of secured claims; one class of unsecured claims; and one class of equity security holders. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has value at 100 cents on the dollar. This Plan also provides for the payment of administrative and priority claims in full.

All creditors and equity security holders should refer to Articles III through IV of the Plan for information regarding the precise treatment of their claims. The Plan also provides detailed information regarding the terms for payment of the Debtor's creditors and other information designed to assist creditors and equity security holders in determining whether to accept the Plan. Your rights may be affected. *You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one).*

A. Purpose of This Document

This Disclosure describes:

- The Debtor and significant events during the bankruptcy case.
- Historical information regarding the Debtor and the events leading to its bankruptcy filing.
- How the Plan proposes to treat claims or equity interests of the type you hold (i.e., what you will receive on your claim or equity interest if the Plan is confirmed).
- Who can vote on or object to the Plan.
- What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan.
- Why (the Proponent) believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation.
- The effect of confirmation of the Plan.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet set a hearing date on confirmation of the Plan. This section describes the procedures under which the Plan will or will not be confirmed.

1. Time and Place of the Hearing to Confirm the Plan/Approve Adequate of Disclosure Statement. The hearing at which the Court will consider confirmation of the Plan and determination of the adequacy of disclosure set forth in the Plan will take place on _____, 2012 at ____:____.m. at the US Courthouse, Courtroom 4B, 4th Floor, 80 Lafayette St., Jefferson City, MO 65101.

2. Deadline for Voting to Accept or Reject the Plan. If you are entitled to vote to accept or reject the Plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to: Bryan C. Bacon, Van Matre, Harrison, Hollis, Taylor, and Bacon, P.C., 1103 East Broadway, P.O. Box 1017, Columbia, MO 65201. See Section IX.B below for a discussion of voting eligibility requirements. Your ballot must be received by _____, 2012 or it will not be counted.

3. Deadline for Objecting to the Adequacy of Disclosure and Confirmation of the Plan. Objections to the adequacy of the disclosures stated in this Plan and to confirmation of the Plan must be filed with the Court and served upon counsel for the Debtor by _____, 2012.

4. Identity of Person to Contact for More Information.

Bryan C. Bacon
Casey E. Elliott
Van Matre, Harrison, Hollis, Taylor, and Bacon, P.C.
1103 East Broadway
P.O. Box 1017
Columbia, MO 65201
Telephone: (573) 874-7777
Telecopier: (573) 875-0017
bryan@vanmatre.com

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor is a Missouri limited liability company. Since 2007, the Debtor has been in the business of operating a complex of townhomes with 86 rental units (the "Townhome Complex") at 3101 Jenne Hill Drive, Columbia, Missouri 65202.

B. Insiders of the Debtor

Freddy Spencer, David Atkins, and Russ Anderson, the members of the Debtor, are insiders of the Debtor as that term is defined in Section 101(31) of the Code.

C. Management of the Debtor Before and During the Bankruptcy

The day to day operations of the Debtor is managed by its on site manager, Teresia Harding. Alexander Forrest Investments, LLC provides limited administrative support. Freddy Spencer provides overall management of Debtor's operation.

D. Events Leading to the Debtor's Chapter 11 Filing

The Debtor purchased the Townhome Complex in 2007. Debtor obtained the original financing from Premier Bank. Debtor refinanced the debt to Premier Bank by executing a note in favor of Regions Bank, N.A. on or about December 30, 2008 (the "2008 Note") in the amount of \$8,100,000.00. Debtor then obtained additional financing from Regions Bank in April 2009 to complete improvements to the Townhome Complex by executing a note in the amount of \$1,810,000.00 (the "2009 Note"). Both notes are secured by valid and perfected deeds of trust on the Townhome Complex.

Wells Fargo became the holder of both the 2008 Note and 2009 Note in September 2011. Both notes matured on December 31, 2011 and Wells Fargo, by its servicing agent, threatened to foreclose on its security interest contained in its deeds of trust. Debtor filed its petition for relief on December 22, 2011 to prevent the threatened foreclosure. As of the petition date, the amount due and owing on the 2008 Note was \$7,894,195 and the amount due and owing on the 2009 Note was \$1,788,206.50.

Further, as of the date of the Plan, Debtor has leased 84 of the 86 townhomes.

E. Significant Events During the Bankruptcy Case

- Bryan C. Bacon and the law firm of Van Matre, Harrison, Hollis, Taylor, and Bacon P.C. were approved as counsel for Debtor on January 13, 2012.
- On February 15, 2012, the Court permitted Debtor to utilize its rental income to finance its post-petition operations conditioned upon Debtor paying Wells Fargo \$48,000.00 per month as adequate protection for use of its cash collateral.

F. Projected Recovery of Avoidable Transfers

The Debtor does not anticipate pursuing preference, fraudulent conveyance, or other avoidance actions under Chapter 5 of the Code.

G. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are stated in Article IV of the Plan.

H. Current and Historical Financial Conditions

The Debtor's sole assets are the Townhome Complex and the rents it derives from leasing units in the Townhome Complex. The Debtor believes that given the current economic situation and the state of the residential rental market, the value of its real estate is approximately \$13,000,000.00. The Debtor obtained an appraisal of the Townhome Complex from Wright Appraisals in September 2011 that confirmed the value of the real estate at \$13,000,000.00. All but two of the rental units are currently leased. The Debtor has tenants who are obliged to pay approximately \$100,000.00 in combined monthly rent. A current list of tenants is set forth on Exhibit A. The Debtor's most recent financial statements for the years 2008, 2009, and 2010

issued before bankruptcy are set forth on Exhibit B. A summary of the Debtor's periodic operating reports filed since the commencement of the Debtor's bankruptcy case is set forth on Exhibit C.

III. **THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS**

A. **What is the Purpose of the Plan of Reorganization?**

As required by the Code, the Plan places claims and equity interest in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. **Explanation of Classes of Claims and Equity Interests**

1. Classes of Secured Claims. Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under 11 U.S.C. § 506(a)(1). If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

2. Classes of Priority Unsecured Claims. Certain priority claims that are referred to in Code §§ 507(a)(1), (4), (5), (6), and (7) are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

3. Classes of General Unsecured Claims. General unsecured claims are not secured by property of the estate and are not entitled to priority under Code § 507(a).

4. Class of Equity Interest Holders. Equity interest holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor. Given that the Debtor is a limited liability company, the equity interest holders are the members of the limited liability company, specifically, Freddy Spencer, David Atkins, and Russ Anderson.

C. **Overview – Treatment of Claims and Interests under Plan**

Claims and interests are treated as follows under this Plan:

1. Class 1 – Priority Claims – Unimpaired

Administrative Claims in this case, including all professional fees as approved by the Court will be paid within 30 days after plan confirmation or with the consent of the claimant, at a later time. The only administrative claims in Class 1 are those of the Debtor's attorney and accountant. The Debtor's attorneys and accountants shall, unless otherwise agreed, receive from the Debtor cash at a time and in an amount determined by

a Final Order entered pursuant to §§ 328, 330 or 331 of the Bankruptcy Code, or §§ 503(b)(2) through (6) of the Bankruptcy Code, allowing and authorizing payment of such fees and expenses. Administrative expenses incurred by the Debtor during the case and prior to the effective date that are payable in the ordinary course of business after the effective date shall be paid by the Debtor in the ordinary course of business after the effective date.

2. Class 2 – Secured Claim of Wells Fargo, N.A. (“Wells Fargo”) – Impaired

Wells Fargo holds a secured claim in the amount of \$9,682,401.00 as of the petition date. The parties entered into a stipulation concerning Debtor’s use of the rents as cash collateral and the provision of adequate protection to Wells Fargo (the “Adequate Protection Stipulation”). Pursuant to the Adequate Protection Stipulation, Debtor agreed to make adequate protection payments of \$48,000.00 per month to Wells Fargo. As of the filing of the Plan, Debtor has made four payments under the Adequate Protection Stipulation totaling \$192,000.00. Pursuant to Wells Fargo’s proof of claim, it is entitled to interest of 3.27% per annum on the 2008 Note and 5.25% on the 2009 Note. Accordingly, approximately \$116,824.18 in interest has accrued post-petition, which Wells Fargo is entitled to under 11 U.S.C. § 506(b). Thus, Wells Fargo’s total claim as of the date of the Plan is approximately equal to \$9,682,401 – (\$192,000 - \$116,842) = \$9,607,243.00. Wells Fargo’s secured claim of \$9,607,243.00 will be amortized over 25 years with interest at 5.5% per annum, which yields a monthly payment of \$58,996.87.

3. Class 3 – General Unsecured Claims – Impaired

Class 3 consists of the general unsecured claims in the aggregate amount of approximately \$23,205.00. Class 3 claims will be paid in full in cash within 30 days of the effective date of the confirmation of the Plan.

D. Treatment of Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. Accordingly, the Plan Proponent has not placed the following claims in any class:

1. Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtor’s Chapter 11 case which are allowed under Code § 507(a)(2). Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that each administrative expense claim be paid on the effective date of the Plan, unless the holder of the claim agrees to a different treatment. As reflected below, each holder of an administrative expense claim allowed under Code § 503 will be paid in full on the effective date of this Plan, except as provided in Section III.C.1 above, in cash, or

upon such other terms as may be agreed upon by the holder of the claim and the Debtor. The following chart lists the Debtor's estimated administrative expenses and their treatment under this Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	Less than \$2,000.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	\$0.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court	\$30,000.00	Paid in full within 30 days of the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	\$0.00	Paid in full on the effective date of the Plan
Other administrative expenses	\$0.00	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	Approximately \$4,250.00	Paid in full on the effective date of the Plan
TOTAL	\$36,250.00	

2. Priority Tax Claims

The Debtor owes no priority unsecured income, employment or other tax described by Code § 507(a)(8).

E. Treatment of Classified Claims and Interests.

1. Class 1 Priority Claims – Unimpaired

Administrative Claims in this case, including all professional fees as approved by the Court will be paid within 30 days after plan confirmation or with the consent of the claimant, at a later time. The only administrative claims in Class 1 are those of the Debtor's attorneys and accountant. The Debtor's attorney and accountant shall, unless otherwise agreed, received from the Debtor cash at a time and in an amount determined by a Final Order entered pursuant to §§ 328, 330 or 331 of the Bankruptcy Code, allowing and authorizing payment of such fees and expenses.

2. Class 2 – Wells Fargo, N.A. (“Wells Fargo”) – Impaired

Wells Fargo holds a secured claim as of the date this Plan was submitted in the amount of \$9,682,401.00. This obligation is fully secured by a first-priority lien in the Debtor’s Townhome Complex and by all the rents due the Debtor on account of leases of this real estate. This secured claim in the amount of \$9,682,401.00 will be amortized over 25 years with interest at 5.5% per year. The Debtor will make monthly payments toward this debt in the amount of \$58,996.87 on the 20th day of each month, commencing on the 20th day of the month in which the order confirming the Plan is effective, and commencing on the 20th day of the following month if the Plan is confirmed subsequent to the 20th day of the month. The Debtor shall make 60 such monthly payments. On the 20th day of the 61st month, the Debtor shall pay all then-outstanding principal and interest. Wells Fargo shall have a post-confirmation first-priority lien in the Townhome Complex and in all of the rents due the Debtor on account of leases of this real estate up to the amount outstanding on Wells Fargo’s claim.

If Wells Fargo does not receive the payment due and owing under the Plan within five days from the date due, Wells Fargo may give the Debtor notice that is in default under the provisions of the Plan. Such notice shall be sent via U.S. Mail to:

Bryan C. Bacon	Freddy Spencer
Van Matre, Harrison, Hollis, Taylor, and Bacon, P.C.	3101 Jenne Hill Drive
1103 East Broadway	Columbia, MO 65202
Columbia, MO 65201	

Five business days after such notice is mailed, if the default is not cured, Wells Fargo may accelerate the entire principal balance and enforce its security interest in the Townhome Complex and rents. Terms contained in the Class 2 creditor’s pre-petition loan documents not specifically provided in the Plan will not control after confirmation of the Plan and the Class 2 creditor will retain only the rights set forth in the Plan.

3. Class 3 – General Unsecured Claims – Impaired

Class 3 consists of the general unsecured claims of approximately \$23,205.00. Class 3 will be paid in full in cash within 30 days of the effective date of the confirmation of this Plan.

4. Class 4 – Equity Interests in the Debtor

Freddy Spencer, David Atkins, and Russ Anderson are members of Debtor and will receive their membership interests in the Debtor upon the confirmation of this Plan.

F. **Treatment of U.S. Trustee Fees**

All fees required to be paid by 28 U.S.C. § 1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

IV. **ALLOWANCE AND DISALLOWANCE OF CLAIMS**

A. **Disputed Claims**

A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or liquidated. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

B. **Settlement of Disputed Claims**

The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

V. **PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

A. **Assumed Executory Contracts and Unexpired Leases**

The Debtor assumes all of its executory contracts and unexpired leases effective upon the date of the entry of the order confirming this Plan. A list of all the leases to which the Debtor is a party is set forth in Exhibit A. The Debtor has not defaulted under any of these leases. Consequently, it need pay nothing to cure any defaults. Assumption means that the Debtor has elected to continue to perform the obligations under such executory contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

VI. **GENERAL PROVISIONS**

A. **Definitions and Rules of Construction**

The definitions and rules of construction stated in Code §§ 101 and 102 apply when terms defined or construed in the Code are used in this Plan.

B. **Effective Date of Plan**

The effective date of this Plan is the fifteenth business day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, unless the confirmation order has been vacated.

C. Severability

If any provision in this 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 this Plan.

D. Binding Effect

The rights and obligations of any entity named or referred to in this Plan will be binding upon and will inure to the benefit of the successors or assigns of such entity.

E. Captions

The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

VII. MEANS OF IMPLEMENTING THE PLAN

A. Source of Payments

Payments and distributions under the Plan will be funded by the Debtor’s rental income from the Townhome Complex.

B. Post-Confirmation Management

The Post-Confirmation Managers of the Debtor, and their compensation, will be as follows:

Name	Affiliations	Insider	Position	Compensation
Freddy Spencer	Mr. Spencer was the managing member of the Debtor prior to the commencement of this case.	Yes	Managing Member	None
Teresia Harding	Employee	Yes	Property Manager	\$4,000 per month
Alexander Forrest Investments, L.L.C.	Alexander Forrest Investments, L.L.C. is an entity in which David Atkins owns a controlling interest.	Yes	Management Company	Management fees of \$200 per month.

C. Risk Factors

The Debtor's projections and financial history demonstrate that confirmation of the Plan will not likely be followed by the need to further reorganize or liquidate the Debtor.

The assumptions used in preparing the projections are subject to business, economic, and competitive uncertainties and contingencies, many of which are beyond the Debtor's control. There generally will be a difference between projections of future performance and actual results because certain events and circumstances may not occur as expected. These differences could be material. While the Debtor believes that the projections are conservative and reasonable, there can be no assurance that the projections will be realized. Consequently, the projections should not be regarded as a representation by the Debtor. In considering the projections, holders of Claims and Interests should be mindful of the inherent risk in developing projections for the future.

D. Tax Consequences of Plan

Creditors and equity interest holders concerned with how the Plan may affect their tax liability should consult with their accountants, attorneys, or advisors. The Plan may modify or affect the timing of the federal income tax treatment of Claims. The Plan is not a plan that proposes to pay less than 100% of Allowed Claims to any claimant. Accordingly, it is not anticipated that the Debtor will have cancellation of debt issues with respect to Federal Income tax consequences, and to the best of the knowledge, information and belief of Debtor's representatives there are no known material Federal tax consequences of the Plan to the Debtor.

VIII. CONFIRMATION REQUIREMENTS AND PROCEDURES

A. Overview of Requirements

To be confirmable, the Plan must meet the requirements listed in Code §§ 1129(a) or (b). These include the requirements that: the Plan be proposed in good faith; at least one impaired class of claims must accept the Plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible.

Given that the Plan proposed to pay all creditors in full, the Plan distributes to each creditor and equity interest holder at least as much as each creditor or equity interest holder would receive in a Chapter 7 proceedings. These requirements are not the only requirements listed in Code § 1129, and they are not the only requirements for confirmation.

B. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met. Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both: (1) allowed or allowed for voting purposes; and (2) impaired. As stated above, Class 2 and Class 3 Claimants are impaired and entitled to vote.

C. What Is an Allowed Claim or an Allowed Equity Interest?

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either: (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated; or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court overrules the objection or allows the claim or equity interest for voting purposes under Rules 3018(a) of the Federal Rules of Bankruptcy Procedures.

D. What Is an Impaired Claim or Impaired Equity Interest?

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is impaired under the Plan. As provided in Code § 1124, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

E. Who is Not Entitled to Vote?

The following types of creditors and equity interest holder are not entitled to vote:

1. Holders of claims and equity interest that have been disallowed by an order of the Court.
2. Holders of other claims or equity interest that are not "allowed claims" or "allowed equity interests" (as discussed above), unless they have been "allowed" for voting purposes.
3. Holders of claims or equity interest in unimpaired classes.
4. Holders of claims entitled to priority pursuant to Code §§ 507(a)(2), (a)(3), and (a)(8).
5. Holders of claims or equity interests in classes that do not receive or retain any value under the Plan.
6. Holders of administrative expenses.

Even if you are not entitled to vote on the Plan, you have a right to object to the confirmation of the Plan.

F. Who Can Vote in More Than One Case?

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim or who otherwise hold claims in multiple cases, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

G. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless: (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class; and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes, as discussed below in Section G.2.

1. Votes Necessary for a Class to Accept the Plan. A class of claims accepts the Plan if both of the following occur: (i) the holders of more than one-half of the allowed claims in the class, who vote, cast their votes to accept the Plan; and (ii) the holders of at least two-thirds in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan. A class of equity interests accepts the Plan if the holders of at least two-thirds in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. Treatment of Non-accepting Classes. Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by Code § 1129(b). A Plan that binds non-accepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind non-accepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of Code § 1129(a)(8), does not “discriminate unfairly” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan. You should consult your own attorney if this is a “cram down” confirmation that will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

H. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claims and equity interest holders would receive in a Chapter 7 liquidation. Given that the Plan proposed to pay each creditor 100% of the value of its claim, the Plan distributes as much as each creditor or equity holder would receive in a Chapter 7 proceeding.

I. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial organization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

J. Ability to Initially Fund Plan

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Debtor has cash on hand in the amount of approximately \$_____ as of the date of this Plan.

K. Ability to Make Future Plan Payments and Operate Without Further Reorganization

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments. The Plan Proponent has provided projected financial information. Those projections are listed in Exhibit D. The Plan Proponent's financial projections show that the Debtor will have aggregate annual income of \$1,194,000.00 in 2012, which the Debtor estimates will increase by approximately 5% per year in future years as the Debtor enters new leases at slightly higher rents. The Debtor projects that its 2012 operating expenses will be approximately \$373,307.00 and anticipates that this expense will increase at approximately 4 % per year. The Debtor's payments under the Plan will be fixed at \$714,000.00 per year. Given these projections, the Debtor projects that it will generate a surplus, after all payments under the Plan, of approximately \$106,693.00 in 2012, which the Debtor projects will increase by approximately \$248,901.00 in 2013, \$324,375.00 in 2014, \$403,043.00 in 2015, and \$487,688.00 in 2016. The Debtor believes that these projections are reasonable and demonstrate that the Debtor is capable of making the payments provided for under the Plan. You should consult with your accountant or other financial advisor if you have any questions pertaining to these projections.

IX. EFFECT OF CONFIRMATION OF PLAN

A. Discharge

On the confirmation date of this Plan, the Debtor will be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in Code § 1141(d)(1)(A), except that the Debtor will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in Code §1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure; or (iii) of a kind specified in Code § 1141(d)(1)(A).

B. Modification of Plan

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

C. Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

Jenne Hill Townhomes, L.L.C.

By:



Freddy Spencer, Manager Member

Respectfully submitted,



Bryan C. Bacon, MO Bar No.: 46229

Van Matre, Harrison, Hollis, Taylor, and Bacon, P.C.
1103 E. Broadway
P.O. Box 1017
Columbia, MO 65205
Telephone: (573) 874-7777
Telecopier: (573) 875-0017
bryan@vanmatre.com
Attorney for Debtor Jenne Hill Townhomes, L.L.C.

EXHIBITS

Exhibit A – List of Tenants

Exhibit B – 3 Years of Financial Statements

Exhibit C – Summary of Operating Reports

Exhibit D – Financial Projections