

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:)	CHAPTER 11
)	
Kahn Family, LLC)	CASE NO. 13-02354 HB
Debtor.)	
_____)	

**ADDENDUM TO AMENDED DISCLOSURE STATEMENT
FILED JUNE 27, 2014**

Filed by the Debtor-in-Possession on July 23, 2014

This is an Addendum to the Amended Plan of Reorganization in the Chapter 11 Case of Kahn Family, LLC (the “Debtor”) which was filed on June 27, 2014. This Addendum contains additional Disclosure Statement information and changes to the Amended Plan filed by the Debtor on June 27, 2014. This Addendum has been approved by the Bankruptcy Court and is to be considered as an integral part of the Debtor’s Amended Disclosure Statement and the Debtor’s Amended Plan.

Item 1.

The first sentence of the second paragraph of the “Plan Summary” (see page 1 of the Kahn Family, LLC Amended Plan of Reorganization.) [Doc. 128-1] is hereby changed to read: “This Plan provides for three (3) classes of secured claims; nine (9) classes of unsecured claims; and one (1) class of equity security holders.”

Item 2.

Two additional classes of secured claims have been identified, and are classified as follows:

- 2.11 Class 10
The secured claim of Regions Bank
- 2.11 Class 11
The secured claim of Standard Life

Classes 10 and 11 are both unimpaired and are Treated under Article IV of the Amended Plan as secured in full and will receive all Scheduled Payments under their respective contracts and shall retain their respective liens.

Item 3.

Section 6.01(b) of Article VI Provisions For Executory Contracts And Unexpired Leases shall be deemed changed to read as follows:

(b) The Debtor as the “Lessor” has 100 unexpired leases. The Debtor will “assume” all of the unexpired leases listed on Exhibit “A” on the Effective Date. To the best of the Debtor’s knowledge there are no pre-petition or post-petition defaults in the terms of the subject unexpired leases (Please see Exhibit “A” to this Addendum for a list of the Debtor’s unexpired leases.)

Item 4.

The first sentence of paragraph 8.02 (Effective Date of Plan) of Article VIII shall be deemed changed to read as follows: “The Effective Date of this Plan is October 15, 2014.”

Item 5.

The Bankruptcy Court approved the Debtor's use of Wells Fargo Bank's cash collateral by orders dated March 28, 2014 and July 3, 2014.

Item 6.

The payment of Kahn Family, LLC unsecured creditors in full will be funded in part from the sale proceeds of a non-estate asset belonging to Kahn Development East, LLC. The Debtor owns a 75% membership interest in Kahn Development East, LLC and thus will receive \$1,174,042.39 as its share of the sale proceeds of the subject non-estate asset. The Debtor will apply the \$1,174,042.39 (along with certain of its own cash and assets (as required) to fund the Plan).

Item 7.

In the last sentence of paragraph 10.01 (Releases) of Article X, the letters “KF” are deemed deleted and replaced with the word “Debtor.”

Please also see paragraph 10.01 Releases below where as required by the 4th Circuit Court of Appeals, the subject paragraph 10.01 Releases appears in bold type and in upper case letters.

10.01 **RELEASES.**

ON THE EFFECTIVE DATE, THE DEBTOR WILL RELEASE UNCONDITIONALLY, AND HEREBY IS DEEMED TO RELEASE UNCONDITIONALLY (I) EACH OF THE DEBTOR’S EMPLOYEES, CONSULTANTS, ATTORNEYS, ACCOUNTANTS, FINANCIAL COUNSELS, DIRECTORS, SHAREHOLDERS, EMPLOYEES,

CONSULTANTS AND ATTORNEYS, FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, RIGHTS, CAUSES OF ACTION AND LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING IN LAW, EQUITY OR OTHERWISE, BASED ON WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, EVENT OR OTHER OCCURRENCE TAKING PLACE ON OR PRIOR TO THE EFFECTIVE DATE IN ANY WAY RELATING TO "DEBTOR" OR THE PLAN.

ITEM 8.

MUTUAL RELEASES. UPON CONFIRMATION OF THIS PLAN:

A. **PREAMBLE TO RELEASE PROVISIONS.** HERETOFORE, ALAN B. KAHN ("ALAN KAHN") OBTAINED AND/OR ARRANGED CERTAIN LOANS FROM BRANCH BANKING AND TRUST COMPANY ("BB&T") FOR CERTAIN COMPANIES IN WHICH HE HELD AN INTEREST, INCLUDING KAHN FAMILY LLC AND KAHN PROPERTIES SOUTH, LLC, AND ALAN KAHN PERSONALLY GUARANTEED THE BORROWER'S OBLIGATIONS UNDER SUCH LOANS (THE "BB&T LOANS"). ON OR ABOUT DECEMBER 28, 2011, BB&T ASSIGNED ALL OF ITS RIGHTS AND INTEREST IN THE BB&T LOANS, AND ALL OF ITS RIGHTS AND INTEREST UNDER THE DOCUMENTS EVIDENCING, IMPLEMENTING AND RELATING TO THE BB&T LOANS (THE "BB&T LOAN DOCUMENTS"), TO GIBRALTAR BB4, LLC ("GIBRALTAR"), SUCH THAT GIBRALTAR IS THE CURRENT OWNER AND HOLDER OF THE LENDER'S RIGHTS UNDER THE BB&T LOANS AND THE BB&T LOAN DOCUMENTS. ON AUGUST 2, 2013, GIBRALTAR FILED CLAIMS (THE "GIBRALTAR CLAIMS") IN THE CHAPTER 11 BANKRUPTCY CASES OF ALAN KAHN (CASE NO. 13-02351-HB), KAHN FAMILY LLC (CASE NO. 13-02354-HB) AND KAHN PROPERTIES SOUTH, LLC (CASE NO. 13-02355-HB) (COLLECTIVELY, THE "CHAPTER 11 CASES") WHICH ARE PENDING IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF SOUTH CAROLINA.

ON DECEMBER 18, 2013, GIBRALTAR FILED A MOTION FOR THE APPOINTMENT OF A CHAPTER 11 TRUSTEE ("MOTION FOR APPOINTMENT OF TRUSTEE") IN THE ALAN KAHN CASE, TO WHICH ALAN KAHN AND OTHER CREDITORS OBJECTED. THE MOTION FOR APPOINTMENT OF TRUSTEE HAS BEEN SETTLED AND RESOLVED PURSUANT TO THE SETTLEMENT AGREEMENT (THE "SETTLEMENT AGREEMENT") BY AND BETWEEN GIBRALTAR, CHARLOTTE S. KAHN ("MRS. KAHN"), CHARLES B.

KAHN (“C. KAHN”), KEVIN A. KAHN (“K. KAHN”) AND MONIQUE B. KAHN (“M. KAHN”) (MRS. KAHN, C. KAHN, K. KAHN AND M. KAHN, COLLECTIVELY, THE “KAHN FAMILY MEMBERS”), WHICH IS ATTACHED AS EXHIBIT E TO THE AMENDED DISCLOSURE STATEMENT IN THIS CASE, SUBJECT TO CONFIRMATION OF AMENDED PLANS IN THE CHAPTER 11 CASES WHICH STATE PROVISIONS CONSISTENT WITH THE SETTLEMENT AGREEMENT. THESE RELEASE PROVISIONS ARE MADE AND INCORPORATED INTO THIS PLAN PURSUANT TO THE SETTLEMENT AGREEMENT.

B. GIBRALTAR RELEASE OF CLAIMS. THIS PLAN PROVIDES FOR ALL CLAIMS AND CAUSES OF ACTION HELD BY GIBRALTAR AGAINST ALAN KAHN, KAHN FAMILY, LLC AND KAHN PROPERTIES SOUTH LLC TO BE EITHER ASSIGNED TO THE KAHN FAMILY MEMBERS OR RESOLVED THROUGH THE CONFIRMED PLANS IN THE CHAPTER 11 CASES. TO THE EXTENT GIBRALTAR HAS ANY REMAINING CLAIM, CAUSE OF ACTION OR RIGHT TO PAYMENT AGAINST THE KAHN FAMILY MEMBERS, ALAN KAHN, KAHN FAMILY, LLC, KAHN PROPERTIES SOUTH, LLC AND PERSONS AND ENTITIES RELATED TO ALAN KAHN, THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, HEIRS, SUCCESSORS AND ASSIGNS, ARISING FROM OR IN CONNECTION WITH THE BB&T LOANS AND/OR THE GIBRALTAR CLAIMS (COLLECTIVELY, THE “KAHN FAMILY MEMBERS RELEASEES”) GIBRALTAR HEREBY RELEASES THE KAHN FAMILY MEMBER RELEASEES FROM ALL CLAIMS, DEMANDS, ACCOUNTS, DUTIES, DAMAGES, LOSSES, EXPENSES, COSTS, DEBTS, OBLIGATIONS, CAUSES OF ACTION AND REMEDIES THEREFOR, CHOOSES IN ACTION, RIGHTS OF INDEMNITY AND LIABILITY OF ANY KIND OR NATURE WHATSOEVER, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, WHICH GIBRALTAR MAY HAVE, MAY HAVE HAD OR MIGHT HAVE HAD AGAINST THE KAHN FAMILY MEMBER RELEASEES, AND WHICH IN ANY MANNER ARISE OUT OF, RELATE TO OR ARE BASED UPON THE BB&T LOANS, THE BB&T LOAN DOCUMENTS, THE GIBRALTAR CLAIMS, THE CHAPTER 11 CASES AND/OR THE ISSUES RAISED IN CONNECTION WITH THE MOTION FOR APPOINTMENT OF TRUSTEE, AND/OR WHICH COULD HAVE BEEN RAISED OR ADDRESSED IN CONNECTION WITH THE MOTION FOR APPOINTMENT OF TRUSTEE; PROVIDED, HOWEVER, THAT THIS RELEASE SHALL NOT APPLY TO, AND SPECIFICALLY EXCLUDES, (I) THE OBLIGATIONS OF THE KAHN FAMILY MEMBERS UNDER THE SETTLEMENT AGREEMENT AND (II) REMEDIES PROVIDED TO GIBRALTAR UNDER THE SETTLEMENT AGREEMENT IN THE EVENT OF A DEFAULT BY THE KAHN FAMILY MEMBERS UNDER THE SETTLEMENT AGREEMENT; AND FURTHER

PROVIDED THAT THIS RELEASE SHALL NOT BE EFFECTIVE AS TO ALAN KAHN, KAHN FAMILY LLC OR KAHN PROPERTIES SOUTH, LLC IF (X) GIBRALTAR DOES NOT RECEIVE THE PAYMENTS DUE TO IT UNDER PARAGRAPH 2 OF THE SETTLEMENT AGREEMENT, OR (Y) ALAN KAHN FAILS OR REFUSES TO REASONABLY COOPERATE WITH GIBRALTAR IN REGARD TO MATTERS INVOLVING PROPERTIES PREVIOUSLY OWNED OR OPERATED BY ALAN KAHN OR AN ENTITY IN WHICH HE HOLDS AN INTEREST; AND FURTHER PROVIDED THAT THIS RELEASE SHALL NOT INCLUDE, BUT SPECIFICALLY EXCLUDES, RIGHTS AND CLAIMS AGAINST WILLIAM S. MINTER, III, PARCONE DEVELOPMENT CORPORATION, JOSEPH P. TANNEBERGER AND ROBERT H. SPRATT, JR. AS GUARANTORS OF BB&T LOANS (THE “EXCEPTED GUARANTORS”), AND GIBRALTAR RETAINS ALL RIGHTS AND CLAIMS AGAINST THE EXCEPTED GUARANTORS, INCLUDING ANY JUDGMENTS IT MAY HOLD OR OBTAIN AGAINST THEM. THERE SHALL BE NO THIRD PARTY BENEFICIARIES OF THIS RELEASE PROVISION, INCLUDING BUT NOT LIMITED TO THE EXCEPTED GUARANTORS.

C. RELEASE OF CLAIMS BY THE DEBTORS, THEIR ESTATES AND THE KAHN FAMILY MEMBERS. EACH OF THE DEBTOR, THE BANKRUPTCY ESTATE IN THIS CASE, AND THE KAHN FAMILY MEMBERS DOES HEREBY RELEASE GIBRALTAR, ITS MEMBERS, OFFICERS, EMPLOYEES, AGENTS REPRESENTATIVES, PREDECESSORS, SUCCESSORS, ASSIGNS AND AFFILIATES (THE “GIBRALTAR RELEASEES”) FROM ALL CLAIMS, DEMANDS, ACCOUNTS, DUTIES, DAMAGES, LOSSES, EXPENSES, COSTS, DEBTS, OBLIGATIONS, CAUSES OF ACTION AND REMEDIES THEREFOR, CHOOSES IN ACTION, RIGHTS OF INDEMNITY AND LIABILITY OF ANY KIND OR NATURE WHATSOEVER, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, WHICH THE KAHN FAMILY MEMBERS, EITHER INDIVIDUALLY OR COLLECTIVELY, MAY HAVE, MAY HAVE HAD OR MIGHT HAVE HAD AGAINST THE GIBRALTAR RELEASEES, AND WHICH IN ANY MANNER ARISE OUT OF, RELATE TO OR ARE BASED UPON THE BB&T LOANS, THE BB&T LOAN DOCUMENTS, THE GIBRALTAR CLAIMS, THE CHAPTER 11 CASES OR THE ISSUES RAISED IN CONNECTION WITH THE MOTION FOR APPOINTMENT OF TRUSTEE, OR WHICH COULD HAVE BEEN RAISED OR ADDRESSED IN CONNECTION WITH THE MOTION FOR APPOINTMENT OF TRUSTEE; **PROVIDED**, HOWEVER, THAT THIS RELEASE SHALL NOT APPLY TO, AND SPECIFICALLY EXCLUDES, (I) THE OBLIGATIONS OF GIBRALTAR UNDER THE SETTLEMENT AGREEMENT AND (II) REMEDIES PROVIDED TO THE KAHN FAMILY MEMBERS UNDER THE SETTLEMENT AGREEMENT

IN THE EVENT OF A DEFAULT BY GIBRALTAR UNDER THE SETTLEMENT AGREEMENT.

Respectfully Submitted on this 23rd day of July, 2014 in Columbia, South Carolina.

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