

1 **Matlock Law Group, P.C.**
Anne-Leith Matlock, State Bar No. 244351
2 1485 Treat Blvd., Suite 200
Walnut Creek, CA 94597
3 Tel.: (925) 944-7131
Fax: (925) 944-7138
4 E-mail: anne-leith@matlocklawgroup.com

5 Attorneys for Debtor
Pacific Thomas Corporation

6
7 UNITED STATES BANKRUPTCY COURT
8 NORTHERN DISTRICT OF CALIFORNIA – OAKLAND DIVISION

9 In re:
10 Pacific Thomas Corporation
11 Debtor.

Case No. 12-46534

Chapter 11

Date: July 18, 2013

Time: 10:30 a.m.

Place: **Courtroom 215**

Judge: Hon. M. Elaine Hammond

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16 **DEBTOR'S DISCLOSURE STATEMENT IN SUPPORT OF PLAN OF
REORGANIZATION, DATED JUNE 12, 2013**

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18 **The Debtor is a corporation, tax id # xxx-xx-5859 The Debtor's address is 1818 Mt.
Diablo Blvd., Suite D, Walnut Creek, CA**

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Debtor's Disclosure Statement - 1 -

TABLE OF CONTENTS

1

2 **ARTICLE I. INTRODUCTION** 4

3 1.01 Purpose of this Document..... 7

4 1.02 Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing ... 8

5 1.02.1 Time and Place of the Confirmation Hearing 8

6 1.02.2 Deadline for Voting to Accept or Reject the Plan..... 8

7 1.02.3 Deadline for Objecting to the Confirmation of the Plan 9

8 1.02.4 Identity of Person to Contact for More Information Regarding the Plan 10

9 1.03 Disclaimer..... 10

10 1.04 Definitions, Interpretations and Rules of Construction 13

11 1.04.1 Definitions..... 13

12 1.04.2 Undefined Terms..... 24

13 1.05 Interpretations, Computation of Time and Governing Law 24

14 1.05.1 Rules of Interpretation..... 24

15 1.05.2 Computing Time Periods 26

16 1.05.3 Section Numbers 26

17 1.05.4 Notices and Delivery of Documents 26

18 **ARTICLE II. BACKGROUND**..... 26

19 2.01 Description and History of the Debtor’s Business 26

20 2.02 Insiders of Debtor’s Business 28

21 2.03 Management of the Debtor Before and After the Bankruptcy 28

22 2.04 Events Leading to Chapter 11 Filing..... 28

23 Significant Events During the Bankruptcy 29

24 1. Bankruptcy Proceedings..... 29

25 2. Other Legal Proceedings 30

26 3. Procedures Implemented to Resolve Financial Problems 30

27 2.05 Actual and Projected Recovery of Avoidable Transfers 31

 2.06 Claims Objections..... 31

 2.07 Current and Historical Financial Conditions 31

ARTICLE III. SUMMARY OF THE PLAN OF REORGANIZATION 33

 3.01 What Creditors and Interest Holders Will Receive Under The Proposed Plan
 33

 3.02 Unclassified Claims..... 33

 3.02.1 Administrative Expenses..... 34

 3.02.2 Priority Tax Claims 35

 3.03 Classified Claims and Interests..... 36

 3.03.1 Classes of Secured Claims 36

 3.03.2 Classes of Priority Unsecured Claims 51

 3.03.3 Classes of General Unsecured Claims 51

 3.03.4 Classes of Interest Holders..... 55

 3.03.5 Other of State Court Actions 55

 3.04 Means of Effectuating Plan 56

 3.04.1 Funding for the Plan..... 56

1	Post-Confirmation Management.....	56
2	3.04.2 Disbursing Agent	56
3	3.05 <u>Risk Factors</u>	57
4	3.06 <u>Other Provisions of the Plan</u>	57
5	3.06.1 Executory Contracts and Unexpired Leases	57
6	3.06.2 Changes in Rates Subject to Regulatory Commission.....	59
7	3.06.3 Retention of Jurisdiction	59
8	3.07 <u>Tax Consequences of Plan</u>	59
9	 	
10	<u>ARTICLE IV. CONFIRMATION REQUIREMENTS AND PROCEDURES</u>	61
11	4.01 <u>Who May Vote or Object</u>	61
12	4.01.1 Who May Object to Confirmation of the Plan	61
13	4.01.2 Who May Vote to Accept/Reject the Plan	61
14	4.01.3 Who Is Not Entitled to Vote.....	63
15	4.01.4 Who Can Vote in More Than One Class	63
16	4.01.5 Votes Necessary to Confirm the Plan	63
17	4.01.6 Votes Necessary for a Class to Accept the Plan	63
18	4.01.7 Treatment of Nonaccepting Classes.....	64
19	4.02 <u>Liquidation Analysis</u>	64
20	4.03 <u>Feasibility</u>	71
21	 	
22	<u>ARTICLE V. EFFECT OF CONFIRMATION OF PLAN</u>	74
23	5.01 <u>Discharge</u>	74
24	5.02 <u>Injunction and Stay</u>	74
25	The entry of the Confirmation Order shall constitute an injunction applicable to all	
26	persons, staying and enjoining the enforcement or attempted enforcement, by any means,	
27	against the Debtor, or property of the Estate, of all liens, Claims and debts to be treated	
	under the Plan or discharged as set forth below and in Section 3.13.3.10 of the Plan.	74
	5.03 <u>Revesting of Property in the Debtor</u>	74
	5.04 <u>Modification of Plan</u>	74
	5.05 <u>Post-Confirmation Status Report</u>	75
	5.06 <u>Post-Confirmation Conversion/Dismissal</u>	75
	5.07 <u>Final Decree</u>	75

ARTICLE I.
INTRODUCTION

Pacific Thomas Corporation the Debtor (hereinafter referred to as “Debtor” in this Case¹), provides this Disclosure Statement to all of its Creditors, Equity Security Holders, and to other parties in interest in the Case.

The Debtor commenced its Bankruptcy case by filing a voluntary Chapter 11 petition under the United States Bankruptcy Code, (“Code”) Sections 101-1330, on August 6, 2012 (the “Petition Date”). The Debtor was continuing in the operation and management of its business pursuant to Bankruptcy Code Sections 1107 and 1108 until a Chapter 11 trustee was appointed on January 8, 2013.

Section 1125 of the Bankruptcy Code requires that, at the time when the Plan is delivered to Creditors, the Plan be accompanied by this Disclosure Statement². The purpose of this Disclosure Statement is to provide information of a kind, and in sufficient detail, so far as is reasonably practicable, in light of the nature and history of the Debtor and the condition of the Debtor’s books and records, to enable a typical Creditor or Equity Security Holder to make an informed judgment about the Plan and to enable such Creditor or Equity Security Holder to determine whether it is in his best interest to vote for (accept) or against (reject) the Plan.

Chapter 11 of the Bankruptcy Code allows Debtor, and under some circumstances, creditors and other parties in interest, to propose a plan of reorganization. The plan may provide for Debtor to reorganize by continuing to operate, to liquidate by selling assets of the estate, or a combination of both. The Debtor is the party proposing the Plan sent to you in the same envelope as this document. **THE DOCUMENT YOU ARE READING IS THE**

¹ The definitions of the capitalized terms used in this Disclosure Statement are contained in Section II. of this Disclosure Statement.

² Section 1125(b) provides, in pertinent part, as follows: An acceptance or rejection of a plan may not be solicited after the commencement of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information. . . . 11 U.S.C. § 1125(b).

1 DISCLOSURE STATEMENT FOR THE ENCLOSED PLAN. This Disclosure Statement
2 contains a description of the Plan and other information relevant to the decision whether to
3 vote to accept or to reject the Plan. The Debtor urges you to read this Disclosure Statement
4 because it contains important information concerning the Debtor's history, business, assets,
5 and liabilities and sets forth a summary of the Plan.

6 The Debtor's Plan is a reorganizing plan accomplished through the continuation of
7 Debtor's primary business, the ownership, management, leasing, and or sale/refinance of
8 commercial real estate. In other words, the Plan Proponent (i.e., the Debtor) seeks to
9 accomplish payment under the Plan primarily from the net proceeds and revenues generated
10 through the sale or refinance of the Pacific Thomas Properties. The Plan may provide for the
11 Debtor to reorganize by continuing to operate, to liquidate by selling assets of the estate,
12 refinancing assets of the estate or a combination of all of the above. The Debtor, Pacific
13 Thomas Corporation is the party proposing the Plan sent to you in the same envelope as this
14 document. THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT
15 FOR THE ENCLOSED PLAN.

16 This is a restructuring plan with a refinance or sale within sixty months . In other
17 words, the Proponent seeks to accomplish payments under the Plan by restructuring notes
18 secured by real property of the estate held by Summit Bank, Bank of the West, Jacol LLC, and
19 Private Mortgage Fund LLC, by restructuring notes secured by personal property and real
20 property of the estate, by restructuring liens levied by the real estate taxing authorities, and by
21 a full payoff off all secured and general unsecured creditors within sixty months. The secured
22 creditors as well as the general unsecured creditors of the estate shall be paid the present value
23 of their claim at a market interest rate over a sixty month period through net income generated
24 from the Pacific Thomas Properties and/or through a refinance or sale of the Pacific Thomas
25 Properties. The Effective Date of the proposed Plan is projected to be September 16, 2013.
26 The first payment due under the plan based upon the projected Effective Date is October 15,
27 2013.

1 The Plan will be implemented through the following means:

- 2 • Randall Whitney will provide oversight and assistance in the operation
3 of the Debtor's business and day-to-day management decisions. The Debtor will
4 work to /refinance/sell, and develop the Pacific Thomas Properties providing
5 funds for the payment of creditors
- 6 • The proceeds from net income resultant from the leasing, and or the
7 refinance/sale of the Pacific Thomas Properties will be used to fund the
8 payments to both Secured and Unsecured Creditors provided for under the Plan.
9 It is anticipated that there will be sufficient funds from the above referenced
10 sources to pay all Allowed Secured and Allowed Unsecured Claims as follows:
 - 11 • The Alameda County Treasurer will be paid in full on or before the
12 earlier of the sixtieth (60th) month following the Effective Date or the closing of
13 a refinance loan.
 - 14 • The secured claim of Summit Bank, will be paid in full on or before
15 the ealier of the sixtieth (60th) month following the Effective Date or the closing
16 of a refinance loan.
 - 17 • Secured Creditor Bank of the West shall be paid in full on or before
18 the earlier of the sixtieth (60th) month following the Effective Date or the
19 closing of a refinance loan.
 - 20 • Secured creditor Private Mortgage Fund LLC shall be paid in full on
21 or before the earlier of the sixtieth (60th) month following the Effective Date, or
22 the closing of a refinance loan.
 - 23 • Allowed Class 6A General Unsecured Claims will receive 100% of
24 their allowed claim on or before the earlier of the sixtieth (60th) month
25 following the Effective Date or the closing of a refinance loan.

- Allowed Class 6B Unsecured Claims of Insiders will receive 100% of their allowed claim whereby Class 6B shall receive no funds until Class 6A has been paid in full in accordance with the absolute priority rule.

A MORE COMPLETE DESCRIPTION OF THE PROVISIONS OF THE PLAN AND THE MEANS OF EFFECTUATING THE PLAN ARE LOCATED AT SECTION III. BELOW.

1.01 Purpose of this Document.

This Disclosure Statement summarizes what is in the Plan and tells you certain information relating to the Plan and the process the Court follows in determining whether or not to confirm the Plan. This Disclosure Statement does not purport to be a complete description of the Plan, the financial data pertaining to the Debtor's business operations, the applicable provisions of the Bankruptcy Code, or any other matter which may be deemed significant by Creditors or Interest Holders. Out of practical necessity, this Disclosure Statement represents an attempt to summarize extensive overall data, legal documents and legal principles, including provisions of the Bankruptcy Code, and to set them forth in understandable, readable form. Creditors are cautioned that the dividend analysis of this Disclosure Statement is an **estimated projection only**, and the actual dividend amount will likely change when claims become allowed or disallowed and the total amount of all allowed claims is known.

READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW ABOUT:

- 1. WHO CAN VOTE OR OBJECT;**
- 2. WHAT THE TREATMENT OF YOUR CLAIM IS, (i.e., what your claim will receive if the Plan is confirmed) AND HOW THIS TREATMENT COMPARES TO WHAT YOUR CLAIM WOULD RECEIVE IN LIQUIDATION;**
- 3. THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY;**

1 4. **WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER**
2 **OR NOT TO CONFIRM THE PLAN;**

3 5. **WHAT IS THE EFFECT OF CONFIRMATION; AND**

4 6. **WHETHER THE PLAN IS FEASIBLE.**

5 This Disclosure Statement cannot tell you everything about your rights. You should
6 consider consulting your own lawyer to obtain more specific advice on how the Plan will affect
7 you and what is the best course of action for you. Be sure to read the Plan as well as all of this
8 Disclosure Statement.

9 The Code requires a Disclosure Statement to contain "adequate information"
10 concerning the Plan. The Bankruptcy Court has conditionally approved this document as an
11 adequate Disclosure Statement, containing enough information to enable parties affected by the
12 Plan to make an informed judgment about the Plan. Any party can now solicit votes for or
13 against the Plan. However, the statements and conclusions set forth in this document are,
14 unless otherwise noted, those of the Proponent of the Plan. The accuracy has not yet been
15 determined by the Court, and the Court may determine such accuracy at the hearing regarding
16 whether or not to confirm the Plan.

17 **1.02 Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing.**

18 **THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS**
19 **DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN**
20 **ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE COURT LATER**
21 **CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON ALL**
22 **CREDITORS AND INTEREST HOLDERS IN THE CASE.**

23 **1.02.1 Time and Place of the Confirmation Hearing**

24 The hearing where the Court will determine whether or not to confirm the Plan will
25 take place on _____, 2013, at _____ A.M., in the Courtroom of the
26 Honorable M. Elaine Hammond, Courtroom 215, 1300 Clay Street, Oakland, California.

27 **1.02.2 Deadline for Voting to Accept or Reject the Plan**

1 If you are entitled to vote to accept or reject the Plan, vote on the enclosed ballot and
2 return the ballot in the enclosed envelope to **Matlock Law Group, P.C.**, to the attention of
3 Anne-Leith Matlock, 1485 Treat Blvd., Suite 200, Walnut Creek, CA 94597 Telephone: (925)
4 944-7131, by _____, 2013, at 5:00 P.M. California time. See Article IV for a
5 discussion of voting eligibility requirements.

6 Your ballot must be received and served upon **Matlock Law Group, P.C.**, to the
7 attention of Anne-Leith Matlock, 1485 Treat Blvd., Suite 200, Walnut Creek, CA 94597
8 Telephone: (925) 944-7131, by _____, 2013, at 5:00 P.M. California time (the
9 “Voting Deadline”).

10 **IMPORTANT NOTICE; IF YOU ARE ELIGIBLE TO VOTE AND YOUR**
11 **COMPLETED BALLOT IS NOT RECEIVED AND SERVED UPON MATLOCK**
12 **LAW GROUP, P.C., TO ATTENTION OF ANNE-LEITH MATLOCK, 1485 TREAT**
13 **BLVD., SUITE 200, WALNUT CREEK, CA 94597 ON OR BEFORE THE VOTING**
14 **DEADLINE, YOU WILL BE DEEMED TO HAVE VOTED TO ACCEPT THE PLAN.**

15 **1.02.3 Deadline for Objecting to the Confirmation of the Plan**

16 Objections to the confirmation of the Plan must be filed with the Court and served upon
17 **Matlock Law Group, P.C.** to the attention of Anne-Leith Matlock, 1485 Treat Blvd., Suite
18 200, Walnut Creek, CA 94597 Telephone: (925) 944-7131, by _____, 2013, at 5:00
19 P.M. California time.

20 At the Confirmation Hearing, the Bankruptcy Court will determine, pursuant to
21 Section 1129 of the Bankruptcy Code, whether the Plan has been accepted by the necessary
22 Classes of Claims and Interests created under the Plan, and if not, whether the Bankruptcy
23 Court should nevertheless confirm the Plan. If at the Confirmation Hearing the Bankruptcy
24 Court determines that the Plan meets all of the requirements for confirmation prescribed by the
25 Bankruptcy Code, the Bankruptcy Court will enter a Confirmation Order. Pursuant to Section
26 1141 of the Bankruptcy Code, the effect of the Confirmation Order will be to make the
27

1 provisions of the Plan binding upon the Debtor and each of its Creditors and Interest Holders,
2 regardless of whether each Creditor or Interest Holder voted to accept the Plan.

3 **1.02.4 Identity of Person to Contact for More Information Regarding the**
4 **Plan**

5 Any interested party desiring further information about the Plan may contact Anne-
6 Leith Matlock at **Matlock Law Group, P.C.**, 1485 Treat Blvd., Suite 200, Walnut Creek, CA
7 94597, Telephone: (925) 944-7131

8 **1.03 Disclaimer**

9 The Plan involves the payment of Claims from available Cash, from the Net Sale
10 Proceeds from the sale of the Pacific Thomas Properties. The Debtor projects that there will be
11 sufficient funds available to make the payments called for under the Plan. The Debtor's
12 financial projections filed in support of the Plan (included in **Exhibit C** attached hereto) were
13 prepared by the Debtor.

14 THE PROJECTIONS SET FORTH IN THIS DISCLOSURE STATEMENT
15 REPRESENT A PREDICTION OF FUTURE EVENTS BASED UPON CERTAIN
16 ASSUMPTIONS SET FORTH WITH SUCH PROJECTIONS. THESE FUTURE EVENTS
17 MAY OR MAY NOT OCCUR, AND THE PROJECTIONS MAY NOT BE RELIED UPON
18 AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS WHICH
19 WILL OCCUR. BECAUSE OF THE UNCERTAINTIES INHERENT IN PREDICTIONS OF
20 FUTURE EVENTS, THE DEBTOR'S ACTUAL CASH FLOW MAY WELL BE
21 DIFFERENT FROM THAT PREDICTED, AND SUCH DIFFERENCE MAY BE
22 MATERIAL AND ADVERSE TO THE INTERESTS OF THE CREDITORS.

23 The projections are intended to assess the future cash flow available to the
24 Debtor for making the distributions required by the Plan. Significant assumptions underlying
25 the financial projections include the following:

- 26 1. Effective Date of the Plan
27

1 For the purpose of the Projections, the Debtor estimates that the Confirmation
2 Date will occur in or about August 15, 2013 and hence, that the Effective Date will occur in or
3 about September 16, 2013.

4 2. Earnings Generated by Pacific Thomas Properties.

5 The Debtor's projection of the future earnings which will be generated by the
6 Pacific Thomas Properties through rental revenues and or the refinance or sale of Pacific
7 Thomas Properties is derived from Debtor's estimate of the revenue which the Pacific Thomas
8 Properties will generate after the Confirmation Date.

9 3. Expenses of the Debtor

10 The Debtor has assumed, for the purpose of the Projections, that its expenses will not
11 increase by any significant amount, except as specifically set forth in the Projections, during
12 the term of the Plan.

13 The information contained in this Disclosure Statement is provided by the Debtor. The
14 Plan Proponent represents that everything stated in the Disclosure Statement is true to the
15 Proponent's best knowledge. The Court has not yet determined whether or not the Plan is
16 confirmable and makes no recommendation as to whether or not you should support or oppose
17 the Plan.

18 The financial data relied upon in formulating the Plan is based on the Debtor's post-
19 petition financial projections, the Debtor's Bankruptcy Schedules, and the financial
20 information contained in pleadings filed with the Bankruptcy Court. This information was not
21 audited or reviewed by an independent accountant and the Debtor is unable to warrant or
22 represent that such financial information is without any inaccuracies, although Debtor believes
23 it has made reasonable efforts under the circumstances to present such financial information
24 fairly and accurately. The Debtor represents that everything stated in the Disclosure Statement
25 is true to the best of Debtor's knowledge. The Court has not yet determined whether or not the
26 Plan is confirmable and makes no recommendation as to whether or not you should support or
27 oppose the Plan.

1 **THIS IS A SOLICITATION BY THE DEBTOR. THE REPRESENTATIONS**
2 **HEREIN ARE THOSE OF THE DEBTOR AND NOT OF ITS ATTORNEYS OR**
3 **CONSULTANTS. NO REPRESENTATIONS CONCERNING THE DEBTOR OR**
4 **POST-CONFIRMATION DEBTOR, INCLUDING, BUT NOT LIMITED TO,**
5 **REPRESENTATIONS AS TO THE POST-CONFIRMATION DEBTOR'S FUTURE**
6 **ACTIVITIES, THE VALUE OF ITS PROPERTY, THE AMOUNT OF CLAIMS**
7 **AGAINST THE DEBTOR'S ESTATE, OR ANY TAX EFFECT OF THE**
8 **TRANSACTIONS PROPOSED UNDER THE PLAN, ARE AUTHORIZED BY THE**
9 **DEBTOR, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.**
10 **ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE**
11 **ACCEPTANCE OF THE PLAN THAT ARE IN ADDITION TO OR DIFFERENT**
12 **FROM THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT**
13 **SHOULD NOT BE RELIED UPON BY ANY PARTY IN INTEREST. ANY SUCH**
14 **ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED**
15 **TO THE DEBTOR'S ATTORNEYS WHO, IN TURN, WILL DELIVER THE**
16 **INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS THE**
17 **BANKRUPTCY COURT MAY DEEM TO BE APPROPRIATE.**

18 **UNLESS SPECIFICALLY SET FORTH HEREIN TO THE CONTRARY, THE**
19 **INFORMATION CONTAINED OR REFERRED TO IN THIS DISCLOSURE**
20 **STATEMENT REGARDING THE DEBTOR HAS NOT BEEN SUBJECT TO**
21 **CERTIFIED AUDIT. RECORDS KEPT BY THE DEBTOR RELY FOR THEIR**
22 **ACCURACY ON BOOKKEEPING PERFORMED INTERNALLY BY THE DEBTOR.**
23 **THE DEBTOR BELIEVES THAT EVERY REASONABLE EFFORT HAS BEEN**
24 **MADE TO PRESENT FINANCIAL INFORMATION AS ACCURATELY AS IS**
25 **REASONABLY PRACTICABLE GIVEN THE NATURE AND HISTORY OF THE**
26 **DEBTOR'S BUSINESS AND THE CONDITION OF THE DEBTOR'S BOOKS AND**
27 **RECORDS. HOWEVER, THE FINANCIAL INFORMATION CONTAINED HEREIN**

1 REGARDS THE DEBTOR IS NEITHER WARRANTED NOR REPRESENTED TO
2 BE FREE OF INACCURACY. COUNSEL FOR THE DEBTOR HAS NOT
3 INDEPENDENTLY VERIFIED THE INFORMATION CONTAINED HEREIN AND
4 MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE
5 ACCURACY THEREOF.

6 ALL PARTIES ENTITLED TO VOTE ON THE PLAN ARE URGED TO
7 REVIEW CAREFULLY THE PLAN AND THIS DISCLOSURE STATEMENT PRIOR
8 TO VOTING ON THE PLAN. THE CONTENTS OF THIS DISCLOSURE
9 STATEMENT SHOULD NOT BE CONSTRUED IN ANY MANNER TO BE LEGAL,
10 BUSINESS, OR TAX ADVICE. EACH CREDITOR AND OTHER PARTY IN
11 INTEREST SHOULD CONSULT WITH HIS OWN LEGAL COUNSEL, BUSINESS
12 ADVISOR, CONSULTANT, AND/OR ACCOUNTANT PRIOR TO VOTING TO
13 ENSURE A COMPLETE UNDERSTANDING OF THE TERMS OF THE PLAN. THIS
14 DISCLOSURE STATEMENT IS INTENDED FOR THE SOLE USE OF THE
15 CREDITORS AND INTEREST HOLDERS OF THE DEBTOR TO ENABLE THEM
16 TO MAKE AN INFORMED DECISION REGARDING THE PLAN.

17 THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT
18 INDICATES ONLY THAT THE DISCLOSURE STATEMENT CONTAINS
19 ADEQUATE INFORMATION FOR THE PURPOSE OF SOLICITATION OF
20 ACCEPTANCES TO THE PLAN BY THE DEBTOR, ASSUMING IT IS ACCURATE.
21 HOWEVER, THE BANKRUPTCY COURT HAS NOT YET DETERMINED THE
22 ACCURACY OF SUCH INFORMATION. IT MAY DO SO AT THE
23 CONFIRMATION HEARING.

24 **1.04 Definitions, Interpretations and Rules of Construction**

25 **1.04.1 Definitions**

26 1. "**Administrative Claim**" means a Claim for costs and expenses of the
27 administration of the Case under Sections 503(b) or 507(b) of the Bankruptcy Code, including,

1 without limitation: (a) the actual and necessary costs and expenses incurred after the Petition
2 Date of preserving the Estate and operating the business of the Debtor (such as wages, salaries,
3 or commissions for services); (b) all Claims of professionals employed at the expense of the
4 Estate; and (c) any fees or charges assessed against the Estate under 28 U.S.C. § 1930.

5 2. **“Allowed Administrative Claim”** means an Administrative Claim allowed
6 pursuant to Sections 503(b) or 507(b) of the Bankruptcy Code.

7 3. **“Allowed Amount”** means the amount of any Claim against the Debtor
8 determined in accordance with Sections 502 and 506(a) of the Bankruptcy Code and any other
9 applicable Section of the Bankruptcy Code, and recognized by the Debtor as value or allowed
10 by Final Order of the Court, except to the extent described or defined otherwise herein.

11 4. **“Allowed Claim”** means a Claim: (a) with respect to which a Proof of Claim
12 has not been filed but the Claim has been listed in the Schedules filed with the Bankruptcy
13 Court by the Debtor and not listed as disputed, contingent, or unliquidated as to amount and as
14 to which no objection is filed within the time period fixed by the Bankruptcy Court, or as to
15 which any such objection has been determined by a Final Order; or (b) with respect to which a
16 Proof of Claim has been filed within the time period fixed by the Bankruptcy Court, and as to
17 which no objection is filed within the time period fixed by the Bankruptcy Court, or as to
18 which any such objection has been determined by a Final Order. **Class ___ Claim** means an
19 Allowed Claim in the particular Class described.

20 5. **“Allowed Class ___ Claim”** means an Allowed Claim in the particular Class
21 described.

22 6. **“Allowed Class Interest”** means an Allowed Interest in the particular Class
23 described

24 7. **“Allowed General Unsecured Claim”** means an unsecured Allowed Claim
25 against the Debtor, however arising, not entitled to priority under Section 507(a) of the
26 Bankruptcy Code, including, without limitation, an Allowed Claim based on the rejection of an
27 executory contract or unexpired lease.

1 8. “**Allowed Priority Claim**” means an Allowed Administrative Claim, Allowed
2 Priority Tax Claim, or Allowed Priority Unsecured Claim.

3 9. “**Allowed Priority Tax Claim**” means an Allowed Claim entitled to priority
4 pursuant to Section 507(a)(8) of the Bankruptcy Code.

5 10. “**Allowed Priority Unsecured Claim**” means an Allowed Claim entitled to
6 priority pursuant to Sections 507(a)(3), 507(a)(4), or 507(a)(6) of the Bankruptcy Code.

7 11. “**Allowed Secured Claim**” means an Allowed Claim secured by a lien, security
8 interest or other charge against property in which the Estate has an interest, or which is subject
9 to setoff under Section 553 of the Bankruptcy Code, to the extent of the value, determined in
10 accordance with Section 506(a) of the Bankruptcy Code, of the interest of the holder of such
11 Allowed Secured Claim in the Estate’s interest in such property, or to the extent of the amount
12 subject to any setoff, as the case may be.

13 12. “**Amended Bank of the West Note 1 Security Documents**” means the Bank
14 of the West Note_1 Security Documents as they relate to the collateral securing the Bank of the
15 West Note 1, as amended pursuant to the Plan.

16 13. “**Amended Jacol LLC Note 1 Security Documents**” means the Private
17 Mortgage Fund Note 1 Security Documents as they relate to the collateral securing the Private
18 Mortgage Fund Note 1, as amended pursuant to the Plan.

19 14. “**Amended Private Mortgage Fund LLC Security Documents**” means the
20 Private Mortgage Fund LLC Note 1 Security Documents as they relate to the collateral
21 securing the Private Mortgage Fund LLC Note 1, as amended pursuant to the Plan.

22 15. “**Amended Summit Bank Note 1 Security Documents**” means Summit Bank
23 Note 1 Security Documents as they relate to the collateral securing the Summit Bank Note 1,
24 as amended pursuant to the Plan.

25 16. “**Approved Date**” means the date on which an Order approving the Disclosure
26 Statement, or an amended version thereof, is entered by the clerk on the Court's docket.

27

1 17. “**Avoidance Action**” means any action which is filed or which may be filed
2 pursuant to the provisions of Sections 510, 542, 543, 544, 545, 547, 548, 549, or 550 of the
3 Bankruptcy Code, any actions based on applicable non Bankruptcy law that may be
4 incorporated or brought under the foregoing sections of the Bankruptcy Code, or any other
5 similar action or proceeding filed to recover property for or on behalf of the Estate or to avoid
6 a lien or transfer.

7 18. “**Ballot**” means the form distributed to holders of claims and interests on which
8 is to be stated an acceptance or rejection of the Plan.

9 19. “**Bankruptcy Code**” means Title 11 of the United States Code, as now in
10 effect or hereafter amended. All citations in the Plan to section numbers are to the Bankruptcy
11 Code unless otherwise expressly indicated.

12 20. “**Bankruptcy Court**” means the United States Bankruptcy Court for the
13 Northern District of California, Oakland Division which has jurisdiction over the Case and the
14 Estate of the Debtor, or such successor court or tribunal as may hereafter be confirmed or
15 created by lawful authority with power to confirm reorganization plans under Chapter 11 of the
16 Bankruptcy Code and all applicable statutes, rules, and regulations pertaining thereto.

17 21. “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure and the
18 Local Bankruptcy Rules for use in the Bankruptcy Court, as now in effect or hereafter
19 amended.

20 22. “**Bank of the West**” means Bank of the West, the holder of the beneficial interest
21 in the 1st Mortgage encumbering the Bank of the West Note 1 Collateral.

22 23. “**Bank of the West Note 1**” means that certain Promissory Note secured by a ^{1st}
23 trust deed encumbering the Bank of the West Note 1 Collateral

24 24. “**Bank of the West Note 1 Collateral**” means the ^{1ST} deed of trust encumbering
25 the property located at 2615 East 12th Oakland, CA on APNs 25-693-8, 19-102-4, 25-701-11,
26 25-697-7-15, 2
27

1 25. **“Bank of the West First Note 1”** means that certain Promissory Note to be
2 executed by the Reorganized Debtor as maker in favor of the current holder of the Bank of the
3 West Note 1 pursuant to the Plan in an amount equal to the amount of the Bank of the West
4 Note 1 on the Effective Date secured by an first deed of trust encumbering the Bank of the
5 West Note 1 collateral as of the Effective Date.

6 26. **“Bar Date”** means the last date for filing Proofs of Claim other than
7 Administrative Claims or Claims based upon the rejection of any executory contracts or
8 unexpired leases. The Bar Date for filing Proofs of Claim for all creditors except a
9 governmental unit was set by the Bankruptcy Court as December 10, 2012.

10 27. **“Business Day”** means any day other than a Saturday, Sunday, or “legal
11 holiday” (as defined in Bankruptcy Rule 9006(a)).

12 28. **“Case”** means the Debtor’s Chapter 11 case which was filed in the Bankruptcy
13 Court, as 12-46534

14 29. **“Cash”** means cash and cash equivalents, including, but not limited to, checks
15 or similar forms of payment or exchange.

16 30. **“Claim”** means: (a) a right to payment from the Debtor, whether or not such
17 right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,
18 disputed, undisputed, legal, equitable, secured, or unsecured, or (b) a right to an equitable
19 remedy for breach of performance if such breach gives rise to a right to payment from the
20 Debtor, whether or not such right to an equitable remedy is reduced to judgment, liquidated,
21 unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or
22 unsecured.

23 31. **“Claimant”** means the holder of a Claim.

24 32. **“Class”** means a grouping into which Claims or Interests which are
25 substantially similar to other Claims or Interests have been classified pursuant to Article IV of
26 the Plan.

27

1 33. “**Confirmation**” means the entry of the Confirmation Order by the Bankruptcy
2 Court.

3 34. “**Confirmation Date**” means the date on which the Confirmation Order is
4 entered by the Bankruptcy Court.

5 35. “**Confirmation Hearing**” means the hearing, including any continued or
6 postponed session thereof, at which time the Bankruptcy Court will consider and determine
7 whether to confirm the Plan.

8 36. “**Confirmation Order**” means the order, as entered, of the Bankruptcy Court
9 confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

10 37. “**Creditor**” means the holder of an Allowed Claim.

11 38. “**Debtor**” means Pacific Thomas Corporation, the debtor in the Case.

12 39. “**Disallowed Claim**” means a Claim against the Debtor, which Claim is
13 disallowed pursuant to an order of the Bankruptcy Court as to which eleven (11) calendar days
14 have passed following entry of such order and no stay pending an appeal of such order is
15 obtained during such period

16 40. “**Disbursing Agent**” means the person or entity charged with making
17 Distributions pursuant to the terms of the Plan. Pursuant to the Plan, the Court shall appoint a
18 neutral person or entity to serve as the Disbursing Agent under the Plan.

19 41. “**Disclosure Statement**” means the Disclosure Statement (and all exhibits or
20 schedules annexed thereto or referenced therein) which accompanies the Plan, as the
21 Disclosure Statement may be amended, modified, or supplemented from time to time in
22 accordance with the Bankruptcy Code and Bankruptcy Rules.

23 42. “**Disputed Claim**” means any Claim: (a) listed on the Debtor’s Schedules as
24 unliquidated, disputed, or contingent; or (b) as to which the Debtor, or any other party in
25 interest, has interposed a timely objection or request for estimation or subordination in
26 accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request
27 for estimation or subordination has not been withdrawn or determined by a Final Order. A

1 Claim will be considered a Disputed Claim in its entirety if an objection is timely filed to any
2 portion of such Claim.

3 43. **“Disputed Claims Reserve Account”** means the segregated account to be
4 created for holding the pro-rata share of any Disputed Claims pending final resolution of the
5 Disputed Claim.

6 44. **“Distribution”** means the Cash which is required to be distributed under the
7 Plan to the holders of Allowed Claims.

8 45. **“Effective Date”** means the date not later than ninety (90) days following the
9 date upon which the Confirmation Order becomes a Final Order; provided, however, that, if an
10 appeal of the Confirmation Order is timely filed, the Debtor may elect to cause the Plan to
11 become effective, notwithstanding the pendency of such appeal, so long as no stay of the
12 Confirmation Order is in effect, by filing with the Bankruptcy Court a notice of such election,
13 in which event the Plan will become effective as provided herein.

14 46. **“Equity Security Holder”** means the holder of an Interest in the Debtor.

15 47. **“Estate”** means the estate created under Section 541 of the Bankruptcy Code in
16 the Case.

17 48. **“Exhibits”** means those exhibits annexed to the Plan or Disclosure Statement or
18 incorporated by reference in the Plan or Disclosure Statement.

19 49. **“File,” “Filed,” or “Filing”** means filed with the Bankruptcy Court having
20 jurisdiction over the Case.

21 50. **“Final Distribution”** means, for each Class, the last Distribution to be made to
22 holders of Allowed Claims in that Class

23 51. **“Final Order”** means an order or judgment of the Bankruptcy Court, or of any
24 court of competent jurisdiction where there is pending an action in which the Debtor is a party,
25 which has not been reversed, stayed, modified, or amended, and as to which: (a) the time to
26 appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which
27 no appeal, petition for certiorari, or other proceeding for reargument or rehearing shall then be

1 pending; or (b) any right to appeal, petition for certiorari, reargument, or rehearing shall have
2 been waived in writing in form and substance satisfactory to the Debtor; or (c) any appeal,
3 petition for certiorari, reargument or rehearing has been resolved by the highest court to which
4 the order or judgment was appealed timely or from which certiorari, reargument, or rehearing
5 was sought.

6 52. **“Financial Projections”** means the financial statements prepared by the
7 Debtor which sets forth, among other things, the Debtor's cash flow projections, and which is
8 attached as Exhibit "C" hereto.

9 53. **“General Unsecured Claim”** means an unsecured Claim against the Debtor
10 that is not entitled to priority under Section 507(a) of the Bankruptcy Code, including, without
11 limitation, a Claim based on the rejection of an executory contract or unexpired lease.

12 54. **“Interest”** means a membership interest in the Debtor.

13 55. **“Jacol”** means Jacol LLC, the holder of the beneficial interest in the 1st deed of
14 trust encumbering the Jacol Note 1 Collateral

15 56. **“Jacol Note 1”** means that certain Promissory Note secured by a first deed of
16 trust encumbering Jacol Note 1 Collateral

17 57. **“Jacol First Note 1”** means that certain Promissory Note to be executed by the
18 Reorganized Debtor as maker in favor of the current holder of the Jacol Note 1 pursuant to the
19 Plan in an amount equal to the amount of the Jacol Note 1 on the Effective Date secured by a
20 first trust deed encumbering the Jacol Note 1 collateral as of the Effective Date.

21 58. **“Jacol Note 1 Collateral”** means the 1st Deed of trust encumbering the
22 Property located in Oakland, CA on APNs 25-697-2-4, 25-697-3-6, 25-697-7-14.

23 59. **“Net Sales Proceeds”** means all of the Cash proceeds from the sale of the assets
24 of the Estate minus all costs of sale and administrative expenses of the Estate including, but not
25 limited to, the fees and expenses of the Disbursing Agent and Professionals employed by the
26 Estate, income taxes and payments pursuant to the Plan to creditors holding Allowed
27 Administrative Claims, Allowed Priority Claims and/or Allowed Secured Claims.

1 60. **“Order”** means an order or judgment of the Bankruptcy Court as entered on
2 the Court's docket.

3 61. **“Pacific Thomas Properties”** means the Properties located on APNs 25-697-2-4,
4 25-697-3-6, 25-697-7-14, APNs 25-697-2-4, 25-697-3-6, 25-697-7-14, APNs 25-693-8, 19-
5 102-4, 25-701-11, 25-697-7-15, 2, and APNs 25-693-8, 19-102-4, 25-701-11, 25-697-7-15, 2

6 62. **“Person”** means any individual, corporation, general partnership, limited
7 partnership, association, joint stock company, joint venture, estate, trust, government or any
8 political subdivision, governmental unit (as defined in the Bankruptcy Code) or official
9 committee appointed by the United States Trustee.

10 63. **“Petition Date”** means August 6, 2012, the date on which the Debtor filed its
11 voluntary petition under Chapter 11 of the Bankruptcy Code, commencing the Case.

12 64. **“Plan”** means the Debtor’s Chapter 11 Plan of Reorganization, as the Plan may
13 be amended, modified, or supplemented from time to time in accordance with the Bankruptcy
14 Code and Bankruptcy Rules.

15 65. **“Post-Confirmation Estate Claims”** means any and all claims and causes of
16 action which constitute property of the Estate including, but not limited to, any Avoidance
17 Actions, whether or not such claims or causes of action are the subject of litigation pending as
18 of the Effective Date.

19 66. **“Post-Petition Earnings”** means any funds received by Debtor since the
20 Petition Date.

21 67. **“Priority Claim”** means an Administrative Claim, Priority Tax Claim, or
22 Priority Unsecured Claim.

23 68. **“Priority Tax Claim”** means a Claim asserted to have priority under Section
24 507(a)(8) of the Bankruptcy Code.

25 69. **“Priority Unsecured Claim”** means a Claim asserted to have priority under
26 Sections 507(a)(3), 507(a)(4), or 507(a)(6) of the Bankruptcy Code.

27

1 70. **“Private Mortgage Fund”** means Private Mortgage Fund, LLC, the holder of
2 the beneficial interest in the 1st deed of trust encumbering the Private Mortgage Fund Note 1
3 Collateral

4 71. **“Private Mortgage Fund Note 1”** means that certain Promissory Note secured
5 by a first deed of trust encumbering the Private Mortgage Fund Note 1 Collateral.

6 72. **“Private Mortgage Fund First Note 1”** means that certain Promissory Note to
7 be executed by the Reorganized Debtor as maker in favor of the current holder of the Private
8 Mortgage Fund Note 1 pursuant to the Plan in an amount equal to the amount of the Private
9 Mortgage Fund Note 1 on the Effective Date secured by a first trust deed encumbering the
10 Private Mortgage Fund Note 1 collateral as of the Effective Date.

11 73. **“Private Mortgage Fund Note 1 Collateral”** means the 1st Deed of trust
12 encumbering the Property located at 1111 29th Ave, 2783 East 12th Avenue and the, 2801 East
13 12th Street parking lot in Oakland, CA on APNs 25-697-2-4, 25-697-3-6, 25-697-7-14.

14 74. **“Professionals”** means professionals, such as attorneys, consultants or
15 accountants employed by the Debtor in this case after the confirmation of the Plan, including
16 but not limited to, Anne-Leith Matlock.

17 75. **“Pro Rata”** means the proportional amount of any one Claim or Equity Interest
18 in a Class or a group of Claims to the aggregate amount of all Claims or Equity Interests in the
19 same Class or group, including Disputed Claims until disallowed.

20 76. **“Proof of Claim”** means a statement under oath filed in the Case by a Claimant
21 in which the Claimant sets forth the amount claimed to be owed to it and sufficient detail to
22 identify the basis for the Claim, in accordance with Federal Rule of Bankruptcy Procedure
23 3001.

24 77. **“PTC”** means Pacific Thomas Corporation.

25 78. **“Reorganized Debtor”** means the Debtor, Pacific Thomas Corporation, on and
26 after the Effective Date, who shall assume all of the rights and obligations of the Debtor
27

1 together with title to and control of the Debtor's assets and liabilities upon Confirmation of the
2 Plan, as such rights, obligations, assets and liabilities are modified in the Plan

3 79. "**Schedules**" means the Schedules of Assets and Liabilities and Statement of
4 Financial Affairs filed by the Debtor in the Case, as amended, modified, or supplemented from
5 time to time.

6 80. "**Secured Claim**" means a Claim secured by a lien, security interest or other
7 charge against property in which the Estate has an interest, or which is subject to setoff under
8 Section 553 of the Bankruptcy Code, to the extent of the value, determined in accordance with
9 Section 506(a) of the Bankruptcy Code, of the interest of the holder of such Secured Claim in
10 the Estate's interest in such property, or to the extent of the amount subject to any setoff, as the
11 case may be.

12 81. "**Secured Creditor**" shall mean the holder of an Allowed Secured Claim.

13 82. "**Summit Bank**" means Summit Bank, the holder of the beneficial interest in
14 the 1st deed of trust encumbering the Summit Bank Note 1 Collateral.

15 83. "**Summit Bank Note 1**" means that certain Promissory Note secured by a 1st
16 trust deed encumbering the Summit Bank Note 1 Collateral.

17 84. "**Summit Bank Note 1 Collateral**" means the Building located at 1113-1115
18 29th Ave, the 23rd Ave Cul de sac parking area, and the 2901 East 12th Street Parking Lot(s)
19 located in Oakland, CA on APNs 25-693-8, 19-102-4, 25-701-11, 25-697-7-15, 2.

20 85. "**Summit Bank First Note 1**" means that certain Promissory Note to be
21 executed by the Reorganized Debtor as maker in favor of the current holder of the Summit
22 Bank Note 1 pursuant to the Plan in an amount equal to the amount of the Summit Bank Note
23 1 on the Effective Date secured by a first deed of trust encumbering the Summit Bank Note 1
24 collateral as of the Effective Date.

25 86. "**Tax Collector**" means the County Treasurer/Tax Collector or its successors-
26 in-interest

27

1 87. **“Unclaimed Distribution”** means any Distribution which is unclaimed as a
2 result of any of the following: (a) checks which have been returned as undeliverable without a
3 proper forwarding address; (b) checks which were not mailed or delivered because of the
4 absence of a proper address to which to mail or deliver the same; (c) checks which remain un-
5 negotiated for a period of ninety (90) days after the date of issuance.

6 88. **“Unclassified Claims”** means the Allowed Amount of all Administrative
7 Claims of the Debtor's Case, allowed pursuant to Section 503(b) of the Bankruptcy Code; and
8 (ii) all Priority Tax Claims entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy
9 Code.

10 89. **“Unsecured Creditors”** means Creditors holding Allowed Unsecured Claims
11 against the Debtor for which there are no assets of the Debtor serving as a security, but not
12 including Priority Claims.

13 90. **“Wage Claimant”** means a Claimant asserting a Claim pursuant to Section
14 507(a)(3) or (a)(4) of the Bankruptcy Code.

15 **1.04.2 Undefined Terms**

16 Any term used in the Disclosure Statement that is not defined in the Disclosure
17 Statement, either in Section 1.03.1 (Definitions) or elsewhere, but that is used in the
18 Bankruptcy Code or the Bankruptcy Rules has the meaning assigned to that term in the
19 Bankruptcy Code or the Bankruptcy Rules.

20 **1.05 Interpretations, Computation of Time and Governing Law**

21 **1.05.1 Rules of Interpretation**

22 For the purposes of the Disclosure Statement:

23 1. Whenever, from the context, it is appropriate, each term, whether stated in the
24 singular or the plural, shall include both the singular and the plural.

25 2. Any reference in the Plan to a contract, instrument, release or other agreement
26 or document being in a particular form or on particular terms and conditions means that such
27 document shall be substantially in such form or substantially on such terms and conditions.

1 3. Any reference in the Plan to an existing document or Exhibit Filed or to be
2 Filed means such document or Exhibit, as it may have been or may be amended, modified, or
3 supplemented as of the Confirmation Date.

4 4. Unless otherwise specified in a particular reference in the Plan, all references in
5 the Plan to Sections, Articles or Exhibits are references to Sections, Articles and Exhibits of or
6 to the Plan.

7 5. Unless otherwise specified in a particular reference in the Plan, the words
8 "herein," "hereof," "hereto," "hereunder," and others of similar import refer to the Plan in its
9 entirety rather than only to a particular paragraph, subparagraph, or clause contained in the
10 Plan.

11 6. Captions and headings to Articles and Sections are inserted for convenience of
12 reference only and are not intended to be a part of or to affect the interpretation of the Plan.

13 7. The rules of construction set forth in Bankruptcy Code Section 102 shall apply.

14 8. The provisions of the Plan will control over any description thereof contained in
15 the Disclosure Statement.

16 9. Any term used in the Plan that is not defined in the Plan, but that is used in the
17 Bankruptcy Code or in the Bankruptcy Rules shall have the meaning assigned to that term in
18 (and shall be construed in accordance with the rules of construction under) the Bankruptcy
19 Code or the Bankruptcy Rules. Without limiting the foregoing, the rules of construction set
20 forth in Section 102 of the Bankruptcy Code shall apply hereto. The definitions and rules of
21 construction contained herein do not apply to the Disclosure Statement or to the exhibits to the
22 Plan except to the extent expressly so stated in the Disclosure Statement or in each exhibit to
23 the Plan.

24 10. Except to the extent that federal law, including the Bankruptcy Code or the
25 Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be
26 governed by, and construed and enforced for all purposes in accordance with, the laws of the
27 state of California, without giving effect to any principles of conflict of laws thereof.

1 All exhibits to the Plan are incorporated into the Plan and will be deemed to be included in the
2 Plan, regardless of when they are filed.

3 **1.05.2 Computing Time Periods**

4 In computing any period of time prescribed or allowed by the Plan, the provisions of
5 Bankruptcy Rule 9006(a) shall apply.

6 **1.05.3 Section Numbers**

7 References in the Plan and Disclosure Statement to a Code section are references to the
8 United States Bankruptcy Code (Title 11 of the United States Code) except as otherwise
9 indicated.

10 **1.05.4 Notices and Delivery of Documents**

11 All notices, correspondence, and other deliveries under this Disclosure Statement must
12 be directed as follows:

13 To the Debtor or 14 Reorganized Debtor:	Pacific Thomas Corporation Attn: Randall Whitney 1818 Mt. Diablo Blvd., Suite D, Walnut Creek, CA
15 With a Copy to:	Matlock Law Group, P.C. Anne-Leith Matlock 1485 Treat Blvd., Suite 200, Walnut Creek, CA 94597 Telephone: 16 (925) 944-7131

17
18 **ARTICLE II.**

19 **BACKGROUND**

20 **2.01 Description and History of the Debtor's Business**

21 The Debtor Pacific Thomas Corporation (PTC) is a real estate investment and
22 development company doing business since 1951 in both California and Hawaii. PTC controls
23 an approximate ten(10) acre site next door to Fruitvale BART station in Oakland California,
24 that is assembled with eight(8) legal and contiguous parcels. The portfolio is anchored by the
25 company-owned and operated self-storage facility dba **Safe Storage**.
26
27

1 PTC property portfolio comprises a total of 10 acres of transit-oriented site area in
2 Oakland California adjacent to the Fruitvale BART station. The properties are situated within
3 Oakland's Coliseum/Airport redevelopment project area.

4 Most of PTC's Oakland portfolio property is master leased by the Pacific Trading
5 Ventures, the Safe Storage Management Company business. The Safe Storage/Safe Parking
6 business operation occupies approximately 210,000 SF site area, and consists of approximately
7 100,000 SF of net rentable square feet spanning 11 self storage buildings and 80 parking stalls
8 for RV & Boat storage.

9 Next to the Safe Storage self storage operation are two commercial buildings, primarily
10 consisting of (1) 7200 SF commercial building on a 25,000 SF lot and (2) a 10,000 commercial
11 building on a 12,500 SF lot. Both buildings have adjacent parking, as well, both share a corner
12 lot(approx 13,500 SF) which provides parking to either building. These buildings and corner
13 parking lot comprise entire corner property at busy intersection of East 12th Street and 29th
14 Avenue, Oakland Ca. This intersection is one of three primary entries into the entire
15 community from the major 880 Interstate highway.

16 The first building is located at 1111 29th Avenue, Oakland CA 94601 (APN#: 25-697-
17 3-6) also referred to as the "Tuffy Building". The subject property houses a commercial, retail-
18 grade building, which sits immediately adjacent to the Safe Storage facility. The building has
19 approximately 7,200 square feet of lease space and a total land size of 24,882 square feet. This
20 building will need tenant improvements as required by the current lease agreement with
21 PPM group.

22 The second building is located at 2783 East 12th Street, Oakland, CA(APN #: 25- 697-
23 02-04), also referred to as the "Morse Building". This subject property is currently the main
24 offices for the Safe Storage Management Company(using approximately 1450 SF for offices
25 and retail lobby space). The building has approximately 10,000 SF of gross leasable area and
26 total land size of 12,669 SF. The building will need additional tenant improvements as
27 required by the lease agreement. Currently, the building has tenants in both Safe Storage

1 Management Co and a group called MUA Group which utilizes approximately 2000 SF of the
2 mezzanine floor.

3 The remainder of the property consists of the parking lot area next to the Fruitvale
4 BART station – this site is comprised of approximately 60,000 SF of gross leasable square
5 feet. This subject site has adjacent proximity to existing BART parking facilities and is best
6 suited for parking support to the congested BART station. As of October 2010, BART sold off
7 the last 600 stall parking lot to private development for future housing/mixed use, which will
8 continue to provide a high demand for parking availability within the neighborhood.

9 Another 18,646 SF exists on the opposite side of the Safe Storage site and is currently
10 being utilized to support the SAFE PARKING and BUDGET Truck Rental operations.

11 **2.02 Insiders of Debtor's Business**

12 The Debtor Pacific Thomas Corporation consists of 5 shareholders, Randall Whitney, Jill
13 Worsley, Edwin Thomas Revocable Living Trust, Roger W. Worsley, Stephen T. Worsley.
14 Other family members and related entities are listed as creditors including, Richard Douglas
15 Worsely, Thomas Koolaupoko Inv. c/o Darow/Whitney, Buhla R. Darrow Trust, Thomas
16 Capital Investments, and Darrow Family Partners.

17 **2.03 Management of the Debtor Before and After the Bankruptcy**

18 Management of the Debtor both before and after the filing of the Bankruptcy is by the
19 Debtor with management of all Pacific Thomas Properties but the Self Storage Property, both
20 before and after the filing of the Bankruptcy, by Pacific Thomas Ventures.

21 **2.04 Events Leading to Chapter 11 Filing**

22 Here is a brief summary of the circumstances that led to the filing of this Chapter 11
23 case:

24 The Debtor's loan with Summit Bank matured in March 2011, and its loans with the
25 remaining secured creditors were set to mature in December, 2012 (Private Mortgage Fund)
26 and December 2013 (Bank of the West.) The Debtor commenced discussions and negotiations
27 with Summit Bank to pay off its loan. Summit Bank consistently refused to provide the Debtor

1 with an actual payoff amount resulting in the Debtor losing various refinance opportunities as
2 Summit Bank never provided its payoff amount. Unable to refinance due to the Summit Bank
3 intransigence and with the Summit Bank loan due, on August 6, 2012, the Debtor filed for
4 protection under Chapter 11 of the federal bankruptcy code.

5 **Significant Events During the Bankruptcy**

6 **1. Bankruptcy Proceedings**

7 The following is a chronological list of significant events which have occurred during
8 this case:³

9 This case was commenced by Debtor's filing of a voluntary petition for relief under
10 Chapter 11 on August 6, 2012. Subsequent to the filing of the case, Matlock Law Group, P.C.
11 filed its application for employment on August 15, 2012. See Court Docket No. 16-18. On
12 September 10, 2012, the First Meeting of Creditors under section 341 of the Bankruptcy Code
13 was held and concluded. On October 4, 2012, the Court issued an order approving the
14 employment of Matlock Law Group, P.C. as Debtor and Debtor-In-Possession's general
15 insolvency counsel. Court Docket No. 106. On November 21, 2012, Matlock Law Group, P.C.
16 filed an interim fee application, Court Docket No. 152 and 153, and the Court granted an
17 interim fee award on December 18, 2012. Court Docket No 180. On September 20, 2013, the
18 Court approved on an interim basis the cash collateral stipulations Debtor had negotiated and
19 entered into with Private Mortgage Fund, Private Capital Investments, and Summit Bank,
20 respectively, on an interim basis, pending final hearing. Court Docket No. 90, 91, 92. After a
21 final hearing, the Court approved the afore-mentioned stipulations. Court Docket No. 122, 127,
22 127⁴. On November 2, 2012, the Court approved the cash collateral stipulation by and between
23 Debtor and Bank of the West Court Docket No. 137.

24
25
26 ³ This is only a summary of the docket and the Orders described above. The docket and the Orders
27 should be consulted for an exact description of their contents and terms. In the event of any discrepancy
between this summary and the docket or the Orders, the terms of the docket and the Orders shall control.

⁴ An amended order after final hearing was entered by the Court on October 23, 2012. Court Docket No.
131.

1 On January 8, 2013, an order approving the appointment of Chapter 11 Trustee was
2 entered, Pacific Thomas Corporation was no longer the debtor-in-possession and was ordered
3 to not make any disbursements. On April 26, 2013, the Court approved the cash collateral
4 stipulations entered into by the Chapter 11 trustee and Bank of the West, Summit Bank, Private
5 Mortgage Fund and Private Capital Investments, respectively. On April 11, 2013 an
6 Emergency Motion for Issuance of Temporary Restraining Order was filed by the Chapter 11
7 Trustee. Also on April 11, 2013, the Chapter 11 Trustee filed a complaint against Randall
8 Whitney, Pacific Trading Ventures, Pacific Trading Ventures, Ltd., and Jill Worsley, Adv.
9 Case No. 13-04079.

10 See Court's Docket for a detailed list of orders and proceedings in Debtor's Chapter 11
11 case.

12 2. Other Legal Proceedings

13 In addition to the proceedings discussed above, the Debtor is currently involved in the
14 following non-Bankruptcy legal proceedings:

- 15 a) State of California Superior Court - Alameda County
- 16 b) Summit Bank vs Pacific Thomas (RG11) Case # RG11574626
- 17 c) Pacific Thomas vs Summit Bank (RG12) Case # RG12624629

18 3. Procedures Implemented to Resolve Financial Problems

19 To attempt to fix the problems that led to the Bankruptcy filing, Debtor has
20 implemented the following procedures:

21 The Debtor has obtained (i) a Conditional Loan Commitment and (ii) a Term Sheet
22 proposing financing from third party lenders / funding sources for the funding of a loan to
23 refinance all debt encumbering the Pacific Thomas Properties. Debtor will work to close a
24 refinance loan, either as currently offered through the Conditional Loan Commitment from a
25 third party lender / funding source, as currently proposed in a Term Sheet from a third party
26 lender / funding source, or a loan with like terms through a third party lender / funding source.
27 The third party funding source conditional loan commitment makes provision for an interest

1 reserve so that on any given month as revenues fluctuate, the mortgage payment and payments
2 to the unsecured creditors under the plan continue to be made. Although the ultimate funding
3 source may end up being this lender or another third party, a provision for an interest reserve
4 will most likely be a part of any funding plan used to cash out the sixty month restructuring
5 notes. As described in Section 3.03.1 below, Classes 1-6a shall be paid in full within sixty
6 months from the refinance loan funds once the refinance loan closes and funds. Creditors will
7 be paid on or before the 60th month following the Effective Date from net income resultant
8 from the leasing, and or the sale/refinance of the Pacific Thomas Properties.

9 **2.05 Actual and Projected Recovery of Avoidable Transfers**

10 The Debtor believes there are no voidable preferential transfers, fraudulent
11 conveyances, or other avoidance actions to pursue.

12 **2.06 Claims Objections**

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

19 The deadline for filing objections to claims is 90 days after the Confirmation Date, or 90 days
20 after the applicable claims deadline, whichever is later.

21 **2.07 Current and Historical Financial Conditions**

22 PTC is in the midst of converting two commercial buildings into a newly modernized,
23 medical corner plaza to better serve the surrounding community. PTC will be converting this
24 historical industrial corner into a new dual purpose medical clinic base. PTC expects to sign
25 leases with the following groups within the next 90 days (each of the below has signed a Letter
26 of Intent to lease space):

- 27
- Planned Parenthood -- 7200 SF (www.plannedparenthood.org)

- NorCal Imaging aka Norcal Imaging – 3000 SF (www.radnet.com)
- APMC Highland Hospital – offsite parking and logistics(www.acmedctr.org)

Planned Parenthood is most likely to be completed and executed and moving forward with tenant improvement construction. PTC has a commitment to deliver approximately \$42 PSF tenant improvements, or approximately \$300,000, for a 10 year contract worth approximately \$150,000 per year lease income.

RADNET aka NorCal Imaging (www.radnet.com) is currently considering 3600 SF, with monthly rental income targeted at approximately \$7,000 NNN. NorCal Imaging is the dominant service provider of medical diagnostic imaging services, such as XRay, CatScan, MRI and Mammography. NorCal Imaging would draw customers from Oakland's Fruitvale and Chinatown/East Lake Merritt districts, as well as, Alameda medical community.

Norcal Imaging (www.radnet.com) would provide the diagnostic imaging component that would create a more comprehensive specialized clinic. The expansion to our market is the result of the increasing demands for health care services in the Fruitvale neighborhood.

The Debtor currently meets its' debt service obligations for the Pacific Thomas Properties and is making adequate protection payments to the secured creditors pursuant to the cash collateral budget approved by the court.

The Debtor estimates as of the writing of this disclosure Statement that it will meet its debt service obligations on the Pacific Thomas Properties on the Effective Date and through the term of the plan through cash flow generated by the net rental proceeds, and or the sale or refinance of the Pacific Thomas Properties.

The identity and fair market value of the estate's assets are listed in Exhibit A. A summary of Debtor's projected monthly income and expenses is also attached hereto at Exhibit C.

A summary of the Debtor's projected monthly income and expenses is attached hereto as Exhibit G. A summary of the Debtors' periodic operating reports filed since the commencement of the Debtors' bankruptcy case is set forth in the following table:

	Gross Income	Expenses	Net Income	Ct. Docket #
August 2012	\$45,649	\$45,100	\$7,686	125
September 2012	\$71,800	\$49,366	\$22,434	132
October 2012	\$58,000	\$55,249	\$2,751	160
November 2012	\$114,113	\$148,558	(\$3,445)	201
December 2012	\$78,728	\$155,055	(\$76,328)	244
January 2013	\$156,325	\$331	\$155,994	245
February 2013	\$46,501	\$375	\$46,126	246
March 2013	\$72,425	\$17,402	\$55,023	273
April 2013	\$54,408	\$73,102	(\$18,694)	285
TOTAL	\$697,949	\$544,538	\$191,547	

ARTICLE III.

SUMMARY OF THE PLAN OF REORGANIZATION

3.01 What Creditors and Interest Holders Will Receive Under The Proposed Plan

As required by the Bankruptcy Code, the Plan classifies claims and equity interests in various classes and describes the treatment each class will receive. The Plan 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. The Plan provides for a five year structured payout per the treatment below with a balloon payment upon refinancing, prior to the sixtieth (60th) month after the Effective Date, at which time the real property secured claims shall be paid in full. All other claims shall be treated as outlined below.

3.02 Unclassified Claims

Certain types of claims are not placed into voting classes; instead they are unclassified. They are not considered impaired and they do not vote on the Plan because they are

1 automatically entitled to specific treatment provided for them in the Bankruptcy Code. As
2 such, the Proponent has not placed the following claims in a class.

3 **3.02.1 Administrative Expenses**

4 Administrative expenses are claims for costs or expenses of administering the Debtor's
5 Chapter 11 case which are allowed under Code section 507(a)(2). The Code requires that all
6 administrative claims be paid on the Effective Date of the Plan, unless a particular claimant
7 agrees to a different treatment.

8 The following chart lists all of the Debtor's § 507(a)(2) administrative claims and their
9 treatment under the Plan.

<u>Name</u>	<u>Amount Owed</u>	<u>Treatment</u>
Matlock Law Group, P.C., Debtor's Counsel	\$100,000(est.)	Paid on the Effective Date of the Plan.
Chapter 11 Trustee	\$50,000 (est.)	Paid on the Effective Date of the Plan.
Chapter 11 Trustee Counsel	\$100,000 (est.)	Paid on the Effective Date of the Plan.
Chapter 11 Trustee Accountant	\$5,000 (est.)	Paid on Effective Date
Clerk's Office Fees	\$0.00 (est.)	Paid on Effective Date
Office of the U.S. Trustee Fees	\$650 (2nd qtr '013)	Paid on Effective Date
	TOTAL \$255,650.00	

20
21 **3.02.1.1 Court Approval of Fees Required**

22 The Court must rule on all professional fees listed in the above-stated chart before the
23 fees will be owed. For all fees except Clerk's Office fees and U.S. Trustee's fees, the
24 professional in question must file and serve a properly noticed professional fee application and
25 the Court must rule on the application. Only the amount of fees allowed by the Court will be
26 owed and required to be paid under this Plan.

1 As indicated above, the Debtor will need to pay approximately \$255,650 worth of
2 administrative claims on the Effective Date of the Plan unless the claimant has agreed to be
3 paid later or the Court has not yet ruled on the claim. As indicated elsewhere in this Disclosure
4 Statement, Debtor will have approximately \$550,000.00 in cash on hand on the Effective Date
5 of the Plan. The source of this cash will be cash in Debtor's DIP bank accounts and cash from
6 third party funding sources (new value) in an estimated amount of \$400,000. This cash will be
7 utilized to pay administrative claims.

8 **3.02.2 Priority Tax Claims**

9 Priority tax claims are certain unsecured income, employment and other taxes described
10 by Code Section 507(a)(8). Except to the extent that the holder of a particular Allowed Priority
11 Tax Claim agrees to a different treatment thereof, the Code requires that each holder of an
12 Allowed Priority Tax Claim receive the present value of such Allowed Priority Tax Claim in
13 deferred Cash payments over a period not exceeding six years from the date of assessment of
14 such tax.

15 **3.02.2.1 Treatment of Allowed Priority Tax Claims**

16 Priority tax claims are certain unsecured income, employment and other taxes described
17 by Code Section 507(a)(8). Except to the extent that the holder of a particular Allowed Priority
18 Tax Claim agrees to a different treatment thereof, the Code requires that each holder of
19 an Allowed Priority Tax Claim receive on account of such Claim regular installment payments:
20 1) of a total value, as of the Effective Date of the Plan, equal to the allowed amount of such
21 Claim; 2) over a period ending not later than five years after the Petition Date under Section
22 301, 302 or 303; and 3) in a manner not less favorable than the most favored nonpriority
23 Unsecured Claim provided for by the Plan (other than Cash payments made to a class of
24 creditors under Section 1122(b)).

25 The Debtor has no Section 507(a)(8) Priority Tax Claims. If it is determined that there
26 are allowed Section 507(a)(8) Priority Tax Claims, such Allowed Priority Tax Claims will be
27 paid in monthly installment payments such that they are paid in full within five years of the

Petition Date, with payments to commence within thirty days of the Effective Date, will include annual interest at the January 31, 2012 published rate for one-year Treasury constant maturities of (.26%), and will be fully amortized in 48 equal payments. Alternatively, the Allowed Claim amount may be paid in full on the Effective Date.

The following chart lists all of the Debtor's Section 507(a)(8) priority tax claims and their treatment under the Plan: **The Debtor has no Section 507(a)(8) priority tax claims.**⁵

<u>Description</u>	<u>Amount Owed</u>	<u>Treatment</u>
· Name = Not Applicable · Type of tax = None · Date tax assessed = Not Applicable	0.00	· Pymt interval = · Est. pymt amt/interval = · Begin date = · End date = · Interest rate % = · Total payout amount% = \$

3.03 Classified Claims and Interests

3.03.1 Classes of Secured Claims

Secured claims are claims secured by liens on property of the estate. Allowed Secured Claims are claims secured by the property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under §506 of the Bankruptcy Code. 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. The following chart lists all classes containing Debtor's secured pre-petition claims and their treatment under the Plan.

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⁵ In the event any taxing agencies filed Priority Tax Claims, the Debtor reserves the right to file an objection to such Claims on any appropriate grounds.

3.03.1.1 Class 1

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> <u>(Y/N)</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
1	Secured claim of: · Name = Summit Bank · Collateral description = First Trust Deed · Priority of security int. = 1st · Principal owed = \$7,693,122.98 · Post-pet. arrearage amount = 0 (est) · Total claim amount = \$7,693,122.98	N	Impaired, Claims in this class are entitled to vote on the Plan.	Pymt interval = Monthly · Est. pymt amt/interval = \$32,054months 1-30 and \$41,704 months 31-60 · Balloon pymt = \$7,114,160 Begin date = 10/15/2013· End date = 10/14/2018 Interest rate % = 5.0% fixed interest only months 1-30 and amortized over 30 years in months 31-60. · Total payout % = 100% \$9,616,404 will be paid over on 100% of a principal balance of \$7,693,122.98. · Treatment of lien = Lien is retained and in full force and effect.

Comments:

Class 1 consists of the Allowed Claims of Summit Bank or the holder of the Summit Bank Note 1. Class 1 is impaired under the Plan. As of the confirmation date, the Summit Bank Note 1 shall be deemed satisfied and paid in full. Within five (5) business days after the Confirmation Date (but coterminous with the execution and delivery of the Summit Bank First Note 1 as described below), Summit Bank or the holder of the Summit Bank Note 1 shall return to the Reorganized Debtor the Summit Bank Note 1 marked "Paid in Full." Summit Bank or the holder of the Summit Bank Note 1 Security Documents shall also return to the Reorganized Debtor the Summit Bank Note 1 Security Documents marked "Canceled" and "Superseded." In full and complete satisfaction of the Allowed Class 1 Claim, Summit Bank or the holder of the Allowed Class 1 Claim shall receive the following:

1 (1) Within five (5) business days after the Confirmation Date (but coterminous
2 with the cancellation and return of the Summit Bank Note 1 as described
3 above), the Reorganized Debtor shall execute the Summit Bank First Note 1 and
4 the Amended Summit Bank Note 1 Security Documents.

5 (a) The Summit Bank First Note 1. The Summit Bank First Note 1 and
6 Amended Summit Bank Note 1 Security Documents shall be in the same
7 form as the Summit Bank First Note 1 and Summit Bank Note 1 Security
8 Documents, respectively.

9 In the event there is any provision of the Summit Bank First Note 1 which is
10 inconsistent with the terms of the Plan, the terms of the Plan shall control.

11 The Amended Summit Bank Note 1 Security Documents shall secure a lien on the
12 Summit Bank Note 1 Collateral with the same priority and validity that existed prior to the
13 Debtor's alleged pre-petition default(s). The Amended Summit Bank Note 1 Security
14 Documents shall secure repayment of the Summit Bank First Note 1. Since the Summit Bank
15 Note 1 has been paid in full pursuant to the Plan, any event of default that may have existed
16 pre-petition with respect to the Summit Bank Note 1 and/or the Summit Bank Note 1 Security
17 Documents shall be deemed cured and any notice of default which may have been recorded pre
18 or post-petition with respect to the Summit Bank Note 1 and the Summit Bank Note 1 Security
19 Documents shall be deemed null and void and of no further force or effect, and Summit Bank
20 or the holder of the Summit Bank Note 1 shall execute any documents or instruments
21 necessary to reflect the same, including the execution and recordation of a release of notice of
22 default.

23 Payments on the Summit Bank First Note 1 shall be shall be made in monthly
24 installments of interest only calculated at a fixed interest rate of five percent (5.0%) for the first
25 30 months, and then amortized over 360 months for the final 30 months, calculated at a fixed
26 interest rate of five percent (5.0%). Interest shall begin to accrue on the Summit Bank First
27 Note 1 as of the Effective Date. The first (1st) payment shall be due on the fifteenth (15th) day

1 of the first (1st) full month following the Effective Date, and shall be in an amount equal to a
2 percentage of a full monthly installment payment derived from the number of days remaining
3 in the month in which the Effective Date occurs (the numerator) divided by the number of days
4 in the month in which the Effective Date occurs (the denominator). Thereafter, payments shall
5 be due on the fifteenth (15th) day of each and every month until the sixtieth (60th) month after
6 the Effective Date at which time the entire outstanding balance of the Summit Bank First Note
7 1 shall be all due and payable excepting that when Debtor finalizes and closes a refinance loan
8 with a third party lender prior to the sixtieth (60th) month after the Effective Date, the Class 1
9 Claimant shall be paid in full upon the funding of Debtor's refinance loan. See Section 2.04(3)
10 above. There shall be no prepayment penalty.

11 Upon payment in full of the Summit Bank First Note 1, the lien evidenced by the
12 Amended Summit Bank Note 1 Security Documents shall be deemed satisfied and shall be
13 deemed canceled. Summit Bank shall execute and record a reconveyance of its Deed of Trust
14 and shall cancel and terminate any and all of its security interests.

15 In the event that the Reorganized Debtor defaults in its obligation to pay each payment
16 due and payable under the Summit Bank First Note 1 and the Amended Summit Bank Note 1
17 Security Documents, the holder of the Summit Bank First Note 1 shall be entitled to record a
18 notice of default and accelerate the entire unpaid indebtedness and/or exercise such other
19 remedies as provided under the guarantee, the Summit Bank First Note 1 and the Amended
20 Summit Bank Note 1 Security Documents or under applicable California law. The
21 Reorganized Debtor shall be entitled to cure and reinstate any such default under applicable
22 California law.

23 Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the
24 Class 1 claim to seek recovery on its claim as against any party other than the Reorganized
25 Debtor.

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3.03.1.2 Class 2

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> <u>(Y/N)</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
2	Secured claim of: · Name =Bank of the West · Collateral description = (see Definitions: Bank of the West Note 1 Collateral) Collateral value = Fully secured Priority of security int. = (see Definitions: Bank of the West Note 1 collateral) · Principal owed = \$3,150,064.00 · Pre-pet. arrearage amount = \$ (included above) · Post-pet. arrearage amount = \$0(est) · Total claim amount = \$3,150,064.00	N	Impaired, Claims in this class are entitled to vote on the Plan.	· Pymt interval = Monthly · Est. pymt amt/interval = \$13,125.27 months 1-30 and \$17,076 months 31-60 · Balloon pymt = \$222,049 Begin date = 4/15/2013· End date = 4/14/2018 Interest rate % = 5.0% fixed interest only months 1-30 and amortized over 30 years in months 31-60. · Total payout % = 100% \$3,937,580 will be paid over on 100% of a principal balance of \$3,150,064.00. · Treatment of lien = Lien is retained and in full force and effect.

Comments:

Class 2 consists of the Allowed Claims of Bank of the West or the holder of the Bank of the West Note 1. Class 2 is impaired under the Plan. As of the confirmation date, the Bank of the West Note 1 shall be deemed satisfied and paid in full. Within five (5) business days after the Confirmation Date (but coterminous with the execution and delivery of the Bank of the West First Note 1 as described below), Bank of the West or the holder of the Bank of the West Note 1 shall return to the Reorganized Debtor the Bank of the West Note 1 marked "Paid in Full." Bank of the West or the holder of the Bank of the West Note 1 Security Documents shall also return to the Reorganized Debtor the Bank of the West Note 1 Security Documents marked "Canceled" and "Superseded." In full and complete satisfaction of the Allowed Class 2 Claim, Bank of the West or the holder of the Allowed Class 2 Claim shall receive the following:

1 (1) Within five (5) business days after the Confirmation Date (but coterminous
2 with the cancellation and return of the Bank of the West Note 1 as described
3 above), the Reorganized Debtor shall execute the Bank of the West First Note 1
4 and the Amended Bank of the West Note 1 Security Documents.

5 (a) The Bank of the West First Note 1. The Bank of the West First Note 1 and
6 Amended Bank of the West Note 1 Security Documents shall be in the same
7 form as the Bank of the West First Note 1 and Bank of the West Note 1
8 Security Documents, respectively.

9 In the event there is any provision of the Bank of the West First Note 1 which is
10 inconsistent with the terms of the Plan, the terms of the Plan shall control.

11 The Amended Bank of the West Note 1 Security Documents shall secure a lien on the
12 Bank of the West Note 1 Collateral with the same priority and validity that existed prior to the
13 Debtor's alleged pre-petition default(s). The Amended Bank of the West Note 1 Security
14 Documents shall secure repayment of the Bank of the West First Note 1. Since the Bank of the
15 West Note 1 has been paid in full pursuant to the Plan, any event of default that may have
16 existed pre-petition with respect to the Bank of the West Note 1 and/or the Bank of the West
17 Note 1 Security Documents shall be deemed cured and any notice of default which may have
18 been recorded pre or post-petition with respect to the Bank of the West Note 1 and the Bank of
19 the West Note 1 Security Documents shall be deemed null and void and of no further force or
20 effect, and Bank of the West or the holder of the Bank of the West Note 1 shall execute any
21 documents or instruments necessary to reflect the same, including the execution and
22 recordation of a release of notice of default.

23 Payments on the Bank of the West First Note 1 shall be shall be made in monthly
24 installments of interest only calculated at a fixed interest rate of five percent (5.0%) for the first
25 30 months, and then amortized over 360 months for the final 30 months, calculated at a fixed
26 interest rate of five percent (5.0%). Interest shall begin to accrue on the Bank of the West First
27 Note 1 as of the Effective Date. The first (1st) payment shall be due on the fifteenth (15th) day

1 of the first (1st) full month following the Effective Date, and shall be in an amount equal to a
2 percentage of a full monthly installment payment derived from the number of days remaining
3 in the month in which the Effective Date occurs (the numerator) divided by the number of days
4 in the month in which the Effective Date occurs (the denominator). Thereafter, payments shall
5 be due on the fifteenth (15th) day of each and every month until the sixtieth (60th) month after
6 the Effective Date at which time the entire outstanding balance of the Bank of the West First
7 Note 1 shall be all due and payable excepting that when Debtor finalizes and closes a refinance
8 loan with a third party lender prior to the sixtieth (60th) month after the Effective Date, the
9 Class 2 Claimant shall be paid in full upon the funding of Debtor's refinance loan. See Section
10 2.04(3) above. There shall be no prepayment penalty.

11 Upon payment in full of the Bank of the West First Note 1, the lien evidenced by the
12 Amended Bank of the West Note 1 Security Documents shall be deemed satisfied and shall be
13 deemed canceled. Bank of the West shall execute and record a reconveyance of its Deed of
14 Trust and shall cancel and terminate any and all of its security interests.

15 In the event that the Reorganized Debtor defaults in its obligation to pay each payment
16 due and payable under the Bank of the West First Note 1 and the Amended Bank of the West
17 Note 1 Security Documents , the holder of the Bank of the West First Note 1 shall be entitled
18 to record a notice of default and accelerate the entire unpaid indebtedness and/or exercise such
19 other remedies as provided under the guarantee, the Bank of the West First Note 1 and the
20 Amended Bank of the West Note 1 Security Documents or under applicable California law.
21 The Reorganized Debtor shall be entitled to cure and reinstate any such default under
22 applicable California law.

23 Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the
24 Class 2 claim to seek recovery on its claim as against any party other than the Reorganized
25 Debtor.

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3.03.1.3 Class 3

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> <u>(Y/N)</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
3	Secured claim of: · Name =Private Mortgage Fund LLC · Collateral description = (see Definitions: Private Mortgage Fund LLC Note 1 Collateral) · Collateral value = Fully secured Priority of security int. = (see Definitions: Private Mortgage Fund LLC Note 1 Collateral) · Principal owed = \$1,725,000.00 · Pre-pet. arrearage amount = \$ (included above) · Post-pet. arrearage amount = \$0 (est) · Total claim amount = \$1,725,000.00	N	Impaired, Claims in this class are entitled to vote on the Plan.	· Pymt interval = Monthly · Est. pymt amt/interval = \$7,187.50 months 1-30 and \$9,351months 31-60 · Balloon pymt = \$1,595,181 Begin date = 4/15/2013 · End date = 4/14/2018 Interest rate % = 5.0% fixed interest only months 1-30 and amortized over 20,years in months 31-60 · Total payout % = 100% \$2,156,250 will be paid over sixty months on 100% of a principal balance of \$1,725,000.00. · Treatment of lien = Lien is retained and in full force and effect.

Comments:

Class 3 consists of the Allowed Claims of Private Mortgage Fund or the holder of the Private Mortgage Fund LLC Note 1. Class 3 is impaired under the Plan. As of the confirmation date, the Private Mortgage Fund LLC Note 1 shall be deemed satisfied and paid in full. Within five (5) business days after the Confirmation Date (but coterminous with the execution and delivery of the Private Mortgage Fund LLC First Note 1 as described below), Private Mortgage Fund LLC or the holder of the Private Mortgage Fund LLC Note 1 shall return to the Reorganized Debtor the Private Mortgage Fund LLC Note 1 marked "Paid in Full." Private Mortgage Fund LLC or the holder of the Private Mortgage Fund LLC Note 1 Security Documents shall also return to the Reorganized Debtor the Private Mortgage Fund

1 LLC Note 1 Security Documents marked "Canceled" and "Superseded." In full and complete
2 satisfaction of the Allowed Class 3 Claim, Private Mortgage Fund LLC or the holder of the
3 Allowed Class 3 Claim shall receive the following:

4 (1) Within five (5) business days after the Confirmation Date (but coterminous
5 with the cancellation and return of the Private Mortgage Fund LLC Note 1 as
6 described above), the Reorganized Debtor shall execute the Private Mortgage
7 Fund LLC First Note 1 and the Amended Private Mortgage Fund LLC Note 1
8 Security Documents.

9 (a) The Private Mortgage Fund LLC First Note 1. The Private Mortgage Fund
10 LLC First Note 1 and Amended Private Mortgage Fund LLC Note 1
11 Security Documents shall be in the same form as the Private Mortgage Fund
12 LLC First Note 1 and Private Mortgage Fund LLC Note 1 Security
13 Documents, respectively.

14 In the event there is any provision of the Private Mortgage Fund LLC First Note 1
15 which is inconsistent with the terms of the Plan, the terms of the Plan shall control.

16 The Amended Private Mortgage Fund LLC Note 1 Security Documents shall secure a
17 lien on the Private Mortgage Fund LLC Note 1 Collateral with the same priority and validity
18 that existed prior to the Debtor's alleged pre-petition default(s). The Amended Private
19 Mortgage Fund LLC Note 1 Security Documents shall secure repayment of the Private
20 Mortgage Fund LLC First Note 1. Since the Private Mortgage Fund LLC Note 1 has been paid
21 in full pursuant to the Plan, any event of default that may have existed pre-petition with respect
22 to the Private Mortgage Fund LLC Note 1 and/or the Private Mortgage Fund LLC Note 1
23 Security Documents shall be deemed cured and any notice of default which may have been
24 recorded pre or post-petition with respect to the Private Mortgage Fund LLC Note 1 and the
25 Private Mortgage Fund LLC Note 1 Security Documents shall be deemed null and void and of
26 no further force or effect, and Private Mortgage Fund LLC or the holder of the Private
27

1 Mortgage Fund LLC Note 1 shall execute any documents or instruments necessary to reflect
2 the same, including the execution and recordation of a release of notice of default.

3 Payments on the Private Mortgage Fund LLC First Note 1 shall be shall be made in
4 monthly installments of interest only calculated at a fixed interest rate of five percent (5.0%)for
5 the first 30 months, and then amortized over 360 months for the final 30 months, calculated at
6 a fixed interest rate of five percent (5.0%). Interest shall begin to accrue on the Private
7 Mortgage Fund LLC First Note 1 as of the Effective Date. The first (1st) payment shall be due
8 on the fifteenth (15th) day of the first (1st) full month following the Effective Date, and shall
9 be in an amount equal to a percentage of a full monthly installment payment derived from the
10 number of days remaining in the month in which the Effective Date occurs (the numerator)
11 divided by the number of days in the month in which the Effective Date occurs (the
12 denominator). Thereafter, payments shall be due on the fifteenth (15th) day of each and every
13 month until the sixtieth (60th) month after the Effective Date at which time the entire
14 outstanding balance of the Private Mortgage Fund LLC First Note 1 shall be all due and
15 payable excepting that when Debtor finalizes and closes a refinance loan with a third party
16 lender prior to the sixtieth (60th) month after the Effective Date, the Class 3 Claimant shall be
17 paid in full upon the funding of Debtor's refinance loan. See Section 2.04(3) above. There shall
18 be no prepayment penalty.

19 Upon payment in full of the Private Mortgage Fund LLC First Note 1, the lien
20 evidenced by the Amended Private Mortgage Fund LLC Note 1 Security Documents shall be
21 deemed satisfied and shall be deemed canceled. Private Mortgage Fund LLC shall execute and
22 record a reconveyance of its Deed of Trust and shall cancel and terminate any and all of its
23 security interests.

24 In the event that the Reorganized Debtor defaults in its obligation to pay each payment
25 due and payable under the Private Mortgage Fund LLC First Note 1 and the Amended Private
26 Mortgage Fund LLC Note 1 Security Documents , the holder of the Private Mortgage Fund
27 LLC First Note 1 shall be entitled to record a notice of default and accelerate the entire unpaid

indebtedness and/or exercise such other remedies as provided under the guarantee, the Private Mortgage Fund LLC First Note 1 and the Amended Private Mortgage Fund LLC Note 1 Security Documents or under applicable California law. The Reorganized Debtor shall be entitled to cure and reinstate any such default under applicable California law.

Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the Class 3 claim to seek recovery on its claim as against any party other than the Reorganized Debtor.

3.03.1.4 Class 4

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> <u>Y/N</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
3	Secured claim of: · Name =Jacol LLC · Collateral description = (see Definitions: Jacol LLC Note 1 Collateral) · Collateral value = Fully secured Priority of security int. = (see Definitions: Jacol LLC Note 1 Collateral) · Principal owed = \$700,000 · Pre-pet. arrearage amount = \$ (included above) · Post-pet. arrearage amount = \$0 (est) · Total claim amount = \$700,000.00	N	Impaired, Claims in this class are entitled to vote on the Plan.	· Pymt interval = Monthly · Est. pymt amt/interval = \$2,916 months 1-30 and \$3,795 months 31-60 · Balloon pymt = \$647,319 Begin date = 4/15/2013 · End date = 4/14/2018 Interest rate % = 5.0% fixed interest only months 1-30 and amortized over 30,years in months 31-60 · Total payout % = 100% \$875,000 will be paid over sixty months on 100% of a principal balance of \$700,000.00. · Treatment of lien = Lien is retained and in full force and effect.

Comments:

Class 4 consists of the Allowed Claims of JACOL LLC or the holder of the Jacol LLC Note 1. Class 4 is impaired under the Plan. As of the confirmation date, the Jacol LLC Note 1 shall be deemed satisfied and paid in full. Within five (5) business days after the Confirmation Date (but coterminous with the execution and delivery of the Jacol LLC First Note 1 as

1 described below), Jacol LLC or the holder of the Jacol LLC Note 1 shall return to the
2 Reorganized Debtor the Jacol LLC Note 1 marked "Paid in Full." Jacol LLC or the holder of
3 the Jacol LLC Note 1 Security Documents shall also return to the Reorganized Debtor the
4 Jacol LLC Note 1 Security Documents marked "Canceled" and "Superseded." In full and
5 complete satisfaction of the Allowed Class 4 Claim, Jacol LLC or the holder of the Allowed
6 Class 4 Claim shall receive the following:

7 (1) Within five (5) business days after the Confirmation Date (but coterminous
8 with the cancellation and return of the Jacol LLC Note 1 as described above),
9 the Reorganized Debtor shall execute the Jacol LLC First Note 1 and the
10 Amended Jacol LLC Note 1 Security Documents.

11 (a) The Jacol LLC First Note 1. The Jacol LLC First Note 1 and Amended
12 Jacol LLC Note 1 Security Documents shall be in the same form as the Jacol
13 LLC First Note 1 and Jacol LLC Note 1 Security Documents, respectively.

14 In the event there is any provision of the Jacol LLC First Note 1 which is inconsistent
15 with the terms of the Plan, the terms of the Plan shall control.

16 The Amended Jacol LLC Note 1 Security Documents shall secure a lien on the Jacol
17 LLC Note 1 Collateral with the same priority and validity that existed prior to the Debtor's
18 alleged pre-petition default(s). The Amended Jacol LLC Note 1 Security Documents shall
19 secure repayment of the Jacol LLC First Note 1. Since the Jacol LLC Note 1 has been paid in
20 full pursuant to the Plan, any event of default that may have existed pre-petition with respect to
21 the Jacol LLC Note 1 and/or the Jacol LLC Note 1 Security Documents shall be deemed cured
22 and any notice of default which may have been recorded pre or post-petition with respect to the
23 Jacol LLC Note 1 and the Jacol LLC Note 1 Security Documents shall be deemed null and
24 void and of no further force or effect, and Jacol LLC or the holder of the Jacol LLC Note 1
25 shall execute any documents or instruments necessary to reflect the same, including the
26 execution and recordation of a release of notice of default.

27

1 Payments on the Jacol LLC First Note 1 shall be shall be made in monthly installments
2 of interest only calculated at a fixed interest rate of five percent (5.0%)for the first 30 months,
3 and then amortized over 360 months for the final 30 months, calculated at a fixed interest rate
4 of five percent (5.0%). Interest shall begin to accrue on the Jacol LLC First Note 1 as of the
5 Effective Date. The first (1st) payment shall be due on the fifteenth (15th) day of the first (1st)
6 full month following the Effective Date, and shall be in an amount equal to a percentage of a
7 full monthly installment payment derived from the number of days remaining in the month in
8 which the Effective Date occurs (the numerator) divided by the number of days in the month in
9 which the Effective Date occurs (the denominator). Thereafter, payments shall be due on the
10 fifteenth (15th) day of each and every month until the sixtieth (60th) month after the Effective
11 Date at which time the entire outstanding balance of the Jacol LLC First Note 1 shall be all due
12 and payable excepting that when Debtor finalizes and closes a refinance loan with a third party
13 lender prior to the sixtieth (60th) month after the Effective Date, the Class 4 Claimant shall be
14 paid in full upon the funding of Debtor’s refinance loan. See Section 2.04(3) above. There shall
15 be no prepayment penalty.

16 Upon payment in full of the Jacol LLC First Note 1, the lien evidenced by the
17 Amended Jacol LLC Note 1 Security Documents shall be deemed satisfied and shall be
18 deemed canceled. Jacol LLC shall execute and record a reconveyance of its Deed of Trust and
19 shall cancel and terminate any and all of its security interests.

20 In the event that the Reorganized Debtor defaults in its obligation to pay each payment
21 due and payable under the Jacol LLC First Note 1 and the Amended Jacol LLC Note 1
22 Security Documents , the holder of the Jacol LLC First Note 1 shall be entitled to record a
23 notice of default and accelerate the entire unpaid indebtedness and/or exercise such other
24 remedies as provided under the guarantee, the Jacol LLC First Note 1 and the Amended Jacol
25 LLC Note 1 Security Documents or under applicable California law. The Reorganized Debtor
26 shall be entitled to cure and reinstate any such default under applicable California law.

27 Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the

1 Class 4 claim to seek recovery on its claim as against any party other than the Reorganized
 2 Debtor.

3 3.03.1.5 Class 5

CLASS#	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	TREATMENT
5a	Secured claim of: · Name = Alameda County Treasurer · Collateral description = Real Property Tax Lien APN 25-693-8 · Priority of security int. = 1st Principal owed = \$4,631.64 · Post-pet. Arrearage amount = \$0 (est) Total claim amount = \$4,631.64	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	Pymt interval = Monthly · Est. pymt amt/interval = \$97 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 \$5,800 will be paid over 60 months at \$97 per month on 100% of a principal balance of \$4,631.64 unless the Pacific Thomas Property or Properties securing the lien is sold at which time the Class 5a Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect.
5b	Secured claim of: · Name = Alameda County Treasurer · Collateral description = Real Prop Tax Lien APN 25-701-6-4 · Priority of security int. = 1st Principal owed = \$ 69,514.31 · Post-pet. Arrearage amount = \$0 (est) Total claim amount = \$69,514.31	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	Pymt interval = Monthly · Est. pymt amt/interval = \$1,451 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 \$87,052 will be paid over 60 months at \$1,451 per month on 100% of a principal balance of \$69,514.31 unless the Pacific Thomas Property or Properties securing the lien is sold at which time the Class 5b Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect.
5c	Secured claim of: · Name = Alameda County Treasurer · Collateral description = Real Prop Tax Lien APN 25-697-2-4 · Priority of security int. = 1st Principal owed = \$ 13,841.33 · Post-pet. Arrearage amount = \$0 (est) Total claim amount = \$13,841.33	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	Pymt interval = Monthly · Est. pymt amt/interval = \$289 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 \$17,333 will be paid over 60 months at \$289 per month on 100% of a principal balance of \$13,841.33 unless the Pacific Thomas Property or Properties securing the lien is sold at which time the Class 5c Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect.
5d	Secured claim of: · Name = Alameda County Treasurer · Collateral description = Real Prop Tax Lien APN 25-697-3-6 · Priority of security int. = 1st Principal owed = \$ 13,924.28 · Post-pet. Arrearage amount = \$0 (est) Total claim amount =	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	Pymt interval = Monthly · Est. pymt amt/interval = \$291 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 \$17,437 will be paid over 60 months at \$291 per month on 100% of a principal balance of \$13,924.28 unless the Pacific Thomas Property or

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	\$13,924.28			Properties securing the lien is sold at which time the Class 5d Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect
5e	<p>Secured claim of:</p> <ul style="list-style-type: none"> · Name = Alameda County Treasurer · Collateral description = Real Property Tax Lien APN 19-102-4 · Priority of security int. = 1st Principal owed = \$2,321.68 · Post-pet. Arrearage amount = \$0 (est) Total claim amount = \$2,321.68 	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	<p>Pymt interval = Monthly</p> <ul style="list-style-type: none"> · Est. pymt amt/interval = \$48 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 <p>\$2,907 will be paid over 60 months at \$48 per month on 100% of a principal balance of \$2,321.68 unless the Pacific Thomas Property or Properties securing the lien is sold at which time the Class 5e Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect.</p>
5f	<p>Secured claim of:</p> <ul style="list-style-type: none"> · Name = Alameda County Treasurer · Collateral description = Real Prop Tax Lien APN 25-701-11 · Priority of security int. = 1st Principal owed = \$ 26,095.34 · Post-pet. Arrearage amount = \$0 (est) Total claim amount = \$26,095.34 	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	<p>Pymt interval = Monthly</p> <ul style="list-style-type: none"> · Est. pymt amt/interval = \$545 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 <p>\$32,679 will be paid over 60 months at \$545 per month on 100% of a principal balance of \$26,095.34 unless the Pacific Thomas Property or Properties securing the lien is sold at which time the Class 5f Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect.</p>
5g	<p>Secured claim of:</p> <ul style="list-style-type: none"> · Name = Alameda County Treasurer · Collateral description = Real Prop Tax Lien APN 25-697-7-15 · Priority of security int. = 1st Principal owed = \$ 16,158.74 · Post-pet. Arrearage amount = \$0 (est) Total claim amount = \$16,158.74 	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	<p>Pymt interval = Monthly</p> <ul style="list-style-type: none"> · Est. pymt amt/interval = \$337 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 <p>\$20,325 will be paid over 60 months at \$337 per month on 100% of a principal balance of \$16,158.74 unless the Pacific Thomas Property or Properties securing the lien is sold at which time the Class 5g Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect.</p>
5h	<p>Secured claim of:</p> <ul style="list-style-type: none"> · Name = Alameda County Treasurer · Collateral description = Real Prop Tax Lien APN 25-697-7-14 · Priority of security int. = 1st Principal owed = \$ 4,643.35 · Post-pet. Arrearage amount = \$0 (est) Total claim amount = \$4,643.35 	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	<p>Pymt interval = Monthly</p> <ul style="list-style-type: none"> · Est. pymt amt/interval = \$97 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 <p>\$5,815 will be paid over 60 months at \$97 per month on 100% of a principal balance of \$ 4,643.35 unless the Pacific Thomas Property or Properties securing the lien is sold at which time the Class 5h Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect.</p>

1 Comments:

2 Classes 5a through 5h consists of any and all secured claims for Real Property
3 Taxes pertaining to the Pacific Thomas Properties. Classes 5a through 5h are unimpaired
4 under the Debtor's Plan.

5 The Debtor shall satisfy the Allowed Secured Claims of the 5a through 5h Claimants by
6 paying the Class 5a through 5h Claimants their post petition interest and penalties on the
7 Effective Date, after which deferred cash payments equal to the value of their Allowed Secured
8 Claims as of the Effective Date will be paid as follows: Commencing on the tenth (10th) day
9 of the first full month after the Effective Date, such deferred cash payments will be made in
10 equal monthly installments of principal and interest in an amount sufficient to amortize the
11 Allowed Secured Claim over a period of five (5) years, all due in five (5) years from the
12 Effective Date. The outstanding and unpaid amount of the Allowed Secured Claim will bear
13 interest, commencing on the Effective Date and continuing until such Allowed Secured Claim
14 is paid in full. Interest on the tax claim will be paid in accordance with applicable non-
15 bankruptcy law at the rate of 8.0% per annum. If Debtor finalizes and closes a refinance loan
16 with a third party lender prior to the sixtieth (60th) month after the Effective Date, the Class
17 5a-5h Claimant shall be paid in full upon the funding of Debtor's refinance loan and there shall
18 be no prepayment penalty.

19 **3.03.2 Classes of Priority Unsecured Claims**

20 Certain priority claims that are referred to in Code Sections 507(a)(3), (4), (5), (6), and
21 (7) are required to be placed in classes. These types of claims are entitled to priority treatment
22 as follows: the Code requires that each holder of such a Claim receive cash on the Effective
23 Date equal to the allowed amount of such Claim. However, a Class of unsecured priority claim
24 holders may vote to accept deferred cash payments of a value, as of the Effective Date, equal
25 to the allowed amount of such Claim. **The Debtor has no Claims of the type identified in**
26 **Code Sections 507(a)(3), (4), (5), (6), and (7).**

27 **3.03.3 Classes of General Unsecured Claims**

1 General unsecured claims are unsecured claims not entitled to priority under Code
 2 Section 507(a). The following chart identifies the Plan's treatment of the classes containing all
 3 of Debtor's General Unsecured Claims:⁶

4 3.03.3.1 **Class 6A**

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
6A	General non-insider unsecured claims · Total amt of claims = \$268,196.91	Y Impaired claims in this class are entitled to vote on the plan	Pymt interval = Monthly · Est. pymt amt/interval = \$2,589.73 · Balloon pymt = \$117,000.62 · Begin date = 10/15/2013 · End date = 10/14/2018 · Interest rate % = 3% · Total payout = \$303,461.18 Claim will be paid over sixty months on 100% of a principal balance of \$268,196.91 · Treatment of lien = Lien is converted to a promissory note.

18 **Comments:**

19 Class 6A consists of the Allowed Claims of the General Unsecured Creditors. Class
 20 6A is impaired under the Plan. In full and complete satisfaction of the Class 6A Claim, the
 21 Class 6A Claimant shall be treated as follows: On or before the Effective Date, the Debtor
 22 shall execute a promissory note with each holder of a Class 6A Claim. Interest shall accrue on
 23 the promissory Note at an interest rate of three percent (3%) interest-only beginning on the
 24 Effective Date. The first (1st) payment shall be due on the fifteenth (15th) day of the first (1st)
 25 full month following the Effective Date, and shall be in an amount equal to a percentage of a

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27 ⁶ The Debtor reserves its right to object to any of the Claims filed by the following Creditors on any reasonable grounds.

1 full monthly installment payment derived from the number of days remaining in the month in
 2 which the Effective Date occurs (the numerator) divided by the number of days in the month in
 3 which the Effective Date occurs (the denominator). Commencing on the fifteenth (15th) day of
 4 each month thereafter through the sixtieth (60th) month following the Effective Date, the
 5 Reorganized Debtor shall make equal monthly payments of interest to the Class 6A Claimant.
 6 The Promissory Note shall be due and payable sixty (60) months following the Effective Date.
 7 In the event of a sale all or a portion of the Pacific Thomas Properties the Class 6A Claimants
 8 Claims shall be payable at close of escrow only after payment to all secured creditors in classes
 9 1 through 10. In the event funds are not sufficient to pay the Class 6A Claimants upon sale of
 10 all or a portion of the Pacific Thomas Properties, the Class 6A Claimants shall receive a pro-
 11 rata share of the funds available by dividing the total amount of money each Class 6A
 12 Claimant is owed by the sum of the Class 6A Claimants claims and multiplying that percentage
 13 by the amount of money available to pay the Class 6A Claimants after sale of the Pacific
 14 Thomas Properties.

15 Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the
 16 Class 6A claim to seek recovery on its claim as against any party other than the Reorganized
 17 Debtor.

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21 **3.03.3.2 Class 6B**

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>

1 2 3 4 5 6 7	6B General unsecured claims of insiders · Total amt of claim = \$2,819,646.31	Y Impaired claims in this class are NOT entitled to vote on the plan	Pymt interval = Monthly · Est. pymt amt/interval = Interest Accrues · Balloon pymt = \$2,819,646.31 · Begin date = 10/15/2013 · End date = 10/14/2018 · Interest rate % = 3% · Total payout = \$2,819,646.31 Claim will be paid only after payment in full to classes 1 through 5h and Class 6A · Treatment of lien = Lien is converted to a promissory note.
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Comments:

Class 6B consists of the Allowed unsecured Claims of insiders. Class 6B is impaired under the Plan.

In full and complete satisfaction of the Class 6B Claim, the Class 6B Claimants shall be treated as follows: On or before the Effective Date, the Debtor shall execute a promissory note with each holder of a Class 6B Claim. Interest shall accrue on the promissory Note at an interest rate of three percent (3%) interest-only beginning on the Effective Date and continue to accrue for up to 60 months. Class 6B Claimants shall be paid only after payment in full of Classes 1 through 6A. In the event of a sale all or a portion of the Pacific Thomas Properties and only after payment in full of Classes 1 through 6A the Class 6B Claimants Claims shall be payable at close of escrow. In the event funds are not sufficient to pay the Class 6B Claimants upon sale of the Pacific Thomas Properties, the Class 6B Claimants shall receive a pro-rata share of the funds available by dividing the total amount of money each Class 6B Claimant is owed by the sum of the Class 6B Claimants claims and multiplying that percentage by the amount of money available to pay the Class 6B Claimants after sale of the Pacific Thomas Properties.

Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the Class 6B claim to seek recovery on its claim as against any party other than the Reorganized Debtor.

1 **3.03.4 Classes of Interest Holders**

2 Interest holders are the party who hold ownership interest (i.e., equity interest) in the
3 debtor. If the debtor is a corporation, entities holding preferred or common stock in the debtor
4 are the interest holders. If the debtor is a partnership, the interest holders include both general
5 and limited partners. If the debtor is an individual, the debtor is the interest holder. The
6 following chart identifies the Plan's treatment of the class of interest holders.

7 **3.03.4.1 Class 7**

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
7	Interest holders Randall Whitney Shareholder and President 2% Jill Worsley Shareholder, Secretary and 2% Edwin Thomas Revocable Living Trust Shareholder 92% Roger W. Worsley Shareholder 2% Stephen T. Worsley Shareholder 2%	Insider; claims in this class are not entitled to vote on the Plan	Class 7 is unimpaired under the Plan and will receive the pro-rata share of monies available after payment to classes 1 through 6A and Class 6B. Class 7 equity holders will retain their equity in the reorganized Debtor.

17 **Notwithstanding any other provision of the Plan, no payments or Distributions**
18 **shall be made on account of any Disputed Claim or Disputed Interest until such Claim or**
19 **Interest becomes an Allowed Claim or Allowed Interest, and then only to the extent it**
20 **becomes an Allowed Claim or Allowed Interest. Any Proof of Claim or Proof of Interest**
21 **filed which differs from the Scheduled amount is deemed to be a Disputed Claim or**
22 **Disputed Interest.**

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25 **3.03.5 Other of State Court Actions**

26 The Debtor believed the following state court action will be resolved prior to or shortly
27 after the Effective Date:

1 None

2 **3.04 Means of Effectuating Plan**

3 **3.04.1 Funding for the Plan**

4 The Plan will be funded by the following: The Reorganized Debtor shall make all
5 payments due under the Plan out of the funds on hand in the Debtor's Estate as of the Effective
6 Date, and through the income generated through the leasing of the Pacific Thomas Properties
7 and or through the eventual sale or refinance of the Pacific Thomas Properties and through
8 contributions that may be made from Debtor Insiders.*/
9

9 **Post-Confirmation Management**

10 Pacific Trading Ventures will be retained as post-confirmation management company
11 for the Debtor. Pacific Trading Ventures' duties will include supervision of the on-site
12 manager, contracting with contractors for construction, and maintaining books and records for
13 the Pacific Thomas Corporation.

14 **3.04.2 Disbursing Agent**

15 A neutral person or entity shall be appointed by the Court to act as the Disbursing
16 Agent for the purpose of making all distributions provided for under the Plan. The Disbursing
17 Agent shall serve without bond and shall receive no fee. The Disbursing Agent shall be
18 responsible for the Distribution of the Debtor's Cash or any recoveries to Creditors pursuant to
19 the provisions of the Bankruptcy Code and the Plan. The duties of the Disbursing Agent shall
20 include preparing and filing the Post-Confirmation Status Reports with the Office of the United
21 States Trustee and paying all post-confirmation quarterly fees of the Office of the United States
22 Trustee until the bankruptcy case is dismissed or a final decree has been entered, whichever
23 occurs first. The Debtor, not the Disbursing Agent, shall be responsible for operating the
24 Debtor's business, maximizing the Debtor's business affairs, preserving the assets of the
25 Debtor's bankruptcy state, and pursuing any claims held by the Debtor's bankruptcy estate,
26 including any Avoidance Actions and Post-Confirmation Estate Claims. Any recovery from
27 Avoidance Actions will be utilized to pay the Class 1, 2, 3, 4, 5a - 5h, and 6 A creditors in full.

1 **3.05 Risk Factors**

2 The proposed Plan has the following risks which could adversely impact the Debtor's
3 ability to make Plan payments: (1) there is a possibility of default, i.e., possibility of inability
4 to pay Plan payments, (2) the financial projections provided by the Plan Proponent may not be
5 realized, (3) the business environment and real estate sale market may decline from its present
6 level, (4) competition with the Debtor in the real estate market and car wash market may
7 increase, (5) the legal environment in terms of laws and regulations could change and have a
8 negative impact upon the Debtor, (6) the reorganized Debtor could be sued and the costs and
9 expenses of litigation could impact the Debtor's financial circumstances.

10 **3.06 Other Provisions of the Plan**

11 **3.06.1 Executory Contracts and Unexpired Leases**

12 **3.06.1.1 Assumptions**

13 The following are the unexpired leases to be assumed as obligations of the reorganized
14 Debtor under this Plan:

- 15 a) Planned Parenthood Mar Monte Inc.
16 Commercial Lease.
- 17 b) Pacific Trading Ventures
18 Commercial Lease
- 19 c) Mujeres Unidas Y Activas
20 Commercial Lease
- 21 d) Avila Trucking
22 Commercial Lease
- 23 e) Performance Contracting, Inc.
24 Commercial Lease
- 25 f) Clark Construction
26 Commercial Lease
- 27 g) Budget Parking
 Commercial Lease
- h) Safe Parking

Commercial Lease

See Exhibit D for unexpired leases and executory contracts being assumed.

On the Effective Date, the unexpired leases listed above if any shall be assumed as obligations of the reorganized Debtor. The Order of the Court confirming the Plan shall constitute an Order approving the assumption of the lease listed above. If you are a party to a lease or contract to be assumed and you object to the assumption of your lease or contract, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan. See Section {I.B.3.} of this document for the specific date.

The following are the executor contracts to be assumed as obligations of the reorganized Debtor under this Plan:

Pacific Trading Ventures
Management Contract

Sprint
Wireless Services Contract

AT&T Advertising Solutions

East Bay Municipal Utility District
4 Contracts

Pacific Gas & Electric Co.,
5 accounts.

3.06.1.2 Rejections

On the Effective Date, the following executory contracts and unexpired leases will be rejected: None

The Order Confirming the Plan shall constitute an Order approving the rejection of the lease or contract. If you are a party to a contract or lease to be rejected and you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the

1 deadline for objecting to the confirmation of the Plan. See Section {I.B.3.} of this document
2 for the specific date.

3 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM
4 ARISING FROM THE REJECTION OF A LEASE OR CONTRACT IS not applicable. Any
5 claim based on the rejection of a contract or lease will be barred if the proof of claim is not
6 timely filed, unless the Court later orders otherwise.

7 3.06.2 Changes in Rates Subject to Regulatory Commission

8 This Debtor is not subject to governmental regulatory commission approval of its rates.

9 3.06.3 Retention of Jurisdiction

10 The Court will retain jurisdiction to the extent provided by law.

11 3.07 Tax Consequences of Plan

12 The following are the anticipated tax consequences of the Plan:

13 The following disclosure of possible tax consequences is intended solely for the
14 purpose of alerting readers about possible tax issues the Plan may present to the Debtor. The
15 Debtor CANNOT and DO NOT represent that the tax consequences contained below are the
16 only tax consequences of the Plan because the Tax Code embodies many complicated rules
17 which make it difficult to state completely and accurately all the tax implications of any action
18 on Debtor' tax liability.

19 The following are the tax consequences which the Plan will have on the Debtor' tax
20 liability:

21 DUE TO THE UNSETTLED AND COMPLEX NATURE OF SOME OF THE TAX
22 ISSUES, AS WELL AS THE POSSIBILITY THAT DEVELOPMENTS SUBSEQUENT TO

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25 THE DATE HEREOF COULD AFFECT THE TAX CONSEQUENCES OF THE PLAN,
26 THE FOLLOWING DISCUSSION SHOULD NOT BE REGARDED AS DEFINITIVE OR
27 AS COVERING ALL POSSIBLE TAX CONSEQUENCES. ADDITIONALLY, THIS

1 SUMMARY DOES NOT DISCUSS ALL ASPECTS OF FEDERAL INCOME TAXATION
2 THAT MAY BE RELEVANT TO A PARTICULAR CREDITOR OR HOLDER OF AN
3 EQUITY INTEREST IN LIGHT OF ITS INDIVIDUAL CIRCUMSTANCES OR TO
4 CERTAIN CREDITORS AND HOLDERS OF EQUITY INTERESTS SUBJECT TO
5 SPECIAL TREATMENT UNDER THE FEDERAL INCOME TAX LAWS (FOR
6 EXAMPLE, LIFE INSURANCE COMPANIES, TAX-EXEMPT ORGANIZATIONS,
7 FOREIGN CORPORATIONS AND INDIVIDUALS WHO ARE NOT CITIZENS OR
8 RESIDENTS OF THE UNITED STATES). THIS SUMMARY DOES NOT DISCUSS ANY
9 ASPECT OF STATE, LOCAL OR FOREIGN TAXATION. HOLDERS OF CLAIMS ARE
10 STRONGLY URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE
11 SPECIFIC TAX CONSEQUENCES (FEDERAL, STATE, LOCAL, AND FOREIGN) TO
12 THEM OF THE PLAN.

13 This summary is based upon the laws, regulations, rulings, and decisions in effect on
14 the date hereof and upon certain proposed and temporary regulations, all of which are subject
15 to change (possibly with retroactive effect) by legislation, administrative action or judicial
16 decision. Moreover, due to a lack of definitive judicial or administrative authority and
17 interpretation, substantial uncertainties exist with respect to various tax consequences of the
18 Plan as discussed herein. No rulings have been or are expected to be requested from the IRS or
19 any state tax agency concerning any of the tax matters described herein. There can be no
20 assurance that the IRS or any state tax agency will not challenge the positions taken by the
21 Debtor with respect to any of the issues addressed herein or that a court of competent
22 jurisdiction would not sustain such a challenge. The amount of tax liabilities, if any, will be
23 affected by any deductions the Debtor will be entitled to during the year. Thus, at this time, the
24 Debtor cannot estimate the amount of tax liabilities that will be incurred.

25 General tax consequences on creditors of any discharge, and the general tax consequences of
26 receipt of plan consideration after confirmation cannot be quantified by the Debtor and
27

1 creditors and interest holders are advised to consult with their own tax advisors respecting the
2 tax consequences, if any, of the Plan, including state and local tax consequences.

3 **ARTICLE IV.**

4 **CONFIRMATION REQUIREMENTS AND PROCEDURES**

5 PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THIS PLAN
6 SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON
7 CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following
8 discussion is intended solely for the purpose of alerting readers about basic confirmation
9 issues, which they may wish to consider, as well as certain deadlines for filing claims. The
10 Proponent CANNOT and DOES NOT represent that the discussion contained below is a
11 complete summary of the law on this topic.

12 Many requirements must be met before the Court can confirm a Plan. Some of the
13 requirements include that the Plan must be proposed in good faith, acceptance of the Plan,
14 whether the Plan pays creditors at least as much as creditors would receive in a Chapter 7
15 liquidation, and whether the Plan is feasible. These requirements are not the only requirements
16 for confirmation. For a plan to be confirmable, the Plan must meet the requirements of
17 Bankruptcy Code §1129(a) or §1129(b). If confirmation is sought under §1129(b), the Plan
18 proponent must specifically request that this is the basis for the confirmation and proponent's
19 Plan must meet all requirements of §1129(a) except §1129(a)(8).

20 **4.01 Who May Vote or Object**

21 **4.01.1 Who May Object to Confirmation of the Plan**

22 Any party in interest may object to the confirmation of the Plan, but as explained below
23 not everyone is entitled to vote to accept or reject the Plan.

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26 **4.01.2 Who May Vote to Accept/Reject the Plan**

27

1 A creditor or interest holder has a right to vote for or against the Plan if that creditor or
2 interest holder has a claim which is both (1) allowed or allowed for voting purposes and (2)
3 classified in an impaired class.

4 4.01.2.1 What Is an Allowed Claim/Interest

5 As noted above, a creditor or interest holder must first have an allowed claim or interest
6 to have the right to vote. Generally, any proof of claim or interest will be allowed, unless a
7 party in interest brings a motion objecting to the claim. When an objection to a claim or
8 interest is filed, the creditor or interest holder holding the claim or interest cannot vote unless
9 the Court, after notice and hearing, either overrules the objection or allows the claim or interest
10 for voting purposes.

11 THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE IS[DATE].

12 A creditor or interest holder may have an allowed claim or interest even if a proof of
13 claim or interest was not timely filed. A claim is deemed allowed if (1) it is scheduled on the
14 Debtor's schedules and such claim is not scheduled as disputed, contingent, or unliquidated,
15 and (2) no party in interest has objected to the claim. An interest is deemed allowed if it is
16 scheduled and no party in interest has objected to the interest.

17 4.01.2.2 What Is an Impaired Claim/Interest

18 As noted above, an allowed claim or interest only has the right to vote if it is in a class
19 that is impaired under the Plan. As provided in §1124 of the Bankruptcy Code, a class is
20 impaired if the Plan alters the legal, equitable, or contractual rights of the members of that
21 class. For example, a class comprised of general unsecured claims is impaired if the Plan fails
22 to pay the members of that Class 100% of what they are owed.

23 In this case, the Proponent believes that classes 1 through 4, and Class 6A are impaired
24 and that holders of claims in each of these classes are therefore entitled to vote to accept or
25 reject the Plan. The Proponent believes that classes 5a through 5h are unimpaired. Holders of
26 claims in unimpaired classes do not have the right to vote to accept or reject the Plan. Parties
27 who dispute the Proponent's characterization of their claim or interest as being impaired or

1 unimpaired may file an objection to the Plan contending that the Proponent has incorrectly
2 characterized the class.

3 **4.01.3 Who Is Not Entitled to Vote**

4 The following four types of claims are not entitled to vote: (1) claims that have been
5 disallowed; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to Code
6 sections 507(a)(1), (a)(2), and (a)(8); and (4) claims in classes that do not receive or retain any
7 value under the Plan. Claims in unimpaired classes are not entitled to vote because such
8 classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to Code
9 sections 507(a)(1), (a)(2), and (a)(7) are not entitled to vote because such claims are not placed
10 in classes and they are required to receive certain treatment specified by the Code. Claims in
11 classes that do not receive or retain any value under the Plan do not vote because such classes
12 are deemed to have rejected the Plan. **EVEN IF YOUR CLAIM IS OF THE TYPE**
13 **DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE**
14 **CONFIRMATION OF THE PLAN.**

15 **4.01.4 Who Can Vote in More Than One Class**

16 A creditor whose claim has been allowed in part as a secured claim and in part as an
17 unsecured claim is entitled to accept or reject a Plan in both capacities by casting one ballot for
18 the secured part of the claim and another ballot for the unsecured claim.

19 **4.01.5 Votes Necessary to Confirm the Plan**

20 If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one
21 impaired class has accepted the Plan without counting the votes of any insiders within that
22 class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be
23 confirmed by "cramdown" on non-accepting classes, as discussed later in Section 4.01.7.

24 **4.01.6 Votes Necessary for a Class to Accept the Plan**

25 A class of claims is considered to have accepted the Plan when more than one-half
26 (1/2) in number and at least two-thirds (2/3) in dollar amount of the claims which actually
27 voted, voted in favor of the Plan. A class of interests is considered to have "accepted" the Plan

1 when at least two-thirds (2/3) in amount of the interest-holders of such class which actually
2 voted, voted to accept the Plan.

3 **IMPORTANT NOTICE; IF YOU ARE ELIGIBLE TO VOTE AND YOUR**
4 **COMPLETED BALLOT IS NOT RECEIVED BY MATLOCK LAW GROUP, P.C.,**
5 **OFFICE ON OR BEFORE THE VOTING DEADLINE (SEE SECTION**

6 **4.01.7 Treatment of Nonaccepting Classes**

7 As noted above, even if all impaired classes do not accept the proposed Plan, the Court
8 may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner
9 required by the Code. The process by which nonaccepting classes are forced to be bound by
10 the terms of a Plan is commonly referred to as "cramdown." The Code allows the Plan to be
11 "crammed down" on nonaccepting classes of claims or interests if it meets all consensual
12 requirements except the voting requirements of 1129(a)(8) and if the Plan does not
13 "discriminate unfairly" and is "fair and equitable" toward each impaired class that has not
14 voted to accept the Plan as referred to in 11 U.S.C. § 1129(b) and applicable case law.

15 **4.02 Liquidation Analysis**

16 Another confirmation requirement is the "Best Interest Test", which requires a
17 liquidation analysis. Under the Best Interest Test, if a claimant or interest holder is in an
18 impaired class and that claimant or interest holder does not vote to accept the Plan, then that
19 claimant or interest holder must receive or retain under the Plan property of a value not less
20 than the amount that such holder would receive or retain if the Debtor were liquidated under
21 Chapter 7 of the Bankruptcy Code.

22 In a Chapter 7 case, the Debtor's assets are usually sold by a Chapter 7 trustee. Secured
23 creditors are paid first from the sales proceeds of properties on which the secured creditor has a
24 lien. Administrative claims are paid next. Next, unsecured creditors are paid from any
25 remaining sales proceeds, according to their rights to priority. Unsecured creditors with the
26 same priority share in proportion to the amount of their allowed claim in relationship to the
27 amount of total allowed unsecured claims. Finally, interest holders receive the balance that

1 remains after all creditors are paid, if any. For the Court to be able to confirm this Plan, the
2 Court must find that all creditors and interest holders who do not accept the Plan will receive at
3 least as much under the Plan as such holders would receive under a Chapter 7 liquidation. The
4 Plan Proponent maintains that this requirement is met here for the following reasons: The
5 Debtor's primary asset is the Pacific Thomas Properties. The Pacific Thomas Properties are
6 encumbered by deeds of trust in favor of Jacol LLC, Bank of the West, Private Mortgage Fund,
7 and Summit Bank. The balance of the notes securing the Pacific Thomas Properties as of the
8 Petition Date was approximately \$13,420,000.

9 Based upon the Debtor's estimate, the liquidated value of the Pacific Thomas Properties
10 is \$12,000,000. Assuming that in a Chapter 7 proceeding, the liquidation value could be
11 obtained, and further assuming that there would be normal costs of sale and other costs of
12 administration attendant to the Chapter 7 proceeding, there would not be sufficient proceeds
13 generated by a sale of the Pacific Thomas Properties to pay all of the secured creditors in full.
14 The conclusion that necessarily follows is that Unsecured Creditors of the Debtor's Estate
15 would not receive any distribution were this Chapter 11 proceeding converted to one under
16 Chapter 7 of the Code. The plan, which provides for a distribution to Unsecured Creditors,
17 clearly provides a greater return to Unsecured Creditors than that which would be achieved in a
18 Chapter 7. Consequently, the Debtor believe that the Plan, as proposed, provides to Unsecured
19 Creditors more than they would receive were the Debtor's Case converted to one under chapter
20 7 of the Code. The Plan proposes to pay general unsecured creditors approximately 100% of
21 their total claims while a liquidation of the Debtor's estate would result in a 0% dividend. In a
22 Chapter 7 case, a trustee is appointed and entitled to compensation from the Bankruptcy estate
23 in an amount not to exceed 25% on the first \$5,000 of moneys disbursed, 10% on any amount
24 over \$5,000 but less than \$50,000, 5% on any amount over \$50,000 but not in excess of \$1
25 million and 3% on all amounts over \$1 million. In this case, the trustee's compensation is
26 estimated to equal \$617,464.95 based upon a liquidated value of the Pacific Thomas Properties
27 of \$12,000,000, which is equal to 68% of the debtor's estimate of the fair market value of

Pacific Thomas Properties per the values listed in Debtor's Schedule A, and a liquidation value of Debtor's personal properties of \$284,299.00. Through the Plan however, no Chapter 7 trustee's compensation will be incurred.

Below is a demonstration, in balance sheet format, that all creditors and interest holders will receive at least as much under the Plan as such creditor or interest holder would receive under a Chapter 7 liquidation. (See Exhibit A for a detailed explanation of how the following assets are valued. This information is provided by the Debtor.)

ASSETS VALUED AT LIQUIDATION VALUE

Description	Liquidation Value	Secured Claim	Net Proceeds
2619 E 12th Street, Oakland, CA 94601 (APN 025-701-6-4) "Safe Storage"	\$4,080,000.00 Less \$98,872.30 tax liens equals: \$3,981,127.70	\$3,237,847.57 Bank of the West	\$743,280.13
29th Avenue, Oakland, CA 94601 (APN 25-693-8; industrial-vacant land) "Derby"	\$1,295,400.00 Less \$22,470.00 tax liens equals: \$1,071,230.00	\$7,579,194.07 Summit Bank	\$0.00
23 rd Avenue, Oakland, CA 94601 (APN 019-102-004)	\$306,000.00 Less \$9,747.92 tax liens equals: \$296,252.08		\$0.00

1	26 th Avenue in Oakland, CA 94601 (APN 25-701-11) "Safe Storage Annex"	\$1,496,000.00 Less \$116,654.28 tax liens equals: \$1,379,345.72		\$0.00
2				
3				
4				
5	2783 E 12th Street, Oakland, CA 94601 (APN 25-697-7-15) "Safe Storage Annex"	\$782,000.00 Less \$71,579.39 tax liens equals: \$710,420.61		\$0.00
6				
7				
8				
9				
10	25 th Avenue Oakland, CA 94601 (partial APN 25-707-14) "Safe Storage Annex"	\$680,000.00 Less \$3,870.10 tax liens equals: \$676,129.90		\$0.00
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	2783 E. 12th Street, Oakland, CA 94601 (APN 025-697-02-04) "Morse"	\$1,659,200.00 Less \$20,755.53 tax liens equals: \$1,638,444.47	\$1,761,449.79 Private Mortgage Fund LLC \$700,000.00 Jacol LLC	\$0.00
21				
22				
23				
24				
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26				
27				

Debtor's Disclosure Statement - 67

1	29 th Avenue, Oakland, CA 94601 (APN 25- 697-3-6) "Tuffy"	\$1,312,400.00		\$468,814.66
2		Less \$20,580.02		
3		tax liens		
4		equals:		
5		\$1,291,819.98		
6	2483 E 12th Street, Oakland, CA 94601 (APN 25-697-7-14)	\$428,400.00		\$421,532.58
7		Less \$6,867.42		
8		tax liens		
9		equals:		
10		\$421,532.58		
11	Petty cash.	\$300.00	\$0.00	\$300.00
12	Pre-Petition Bank Acct. Balances	\$7,366.65	\$0.00	\$7,366.65
13	1091 Calcot	\$1,000.00	\$0.00	\$1,000.00
14	Regulars	\$53,847.01	\$0.00	\$53,847.01
15	Leon & Leon OHA Trust	\$354.01	\$0.00	\$354.01
16	Security	\$2,141.33	\$0.00	\$2,141.33
17	Other	\$13,000.00	\$0.00	\$13,000.00
18	Loans to Shareholders	\$206,290.00	\$0.00	\$206,290.00
19	Note receivable from China Sci-Tech	\$0.00	\$0.00	\$0.00
20	Note receivable from Pacific Trading Ventures, approx. \$312,000 as of January 2012.	\$0.00	\$0.00	\$0.00
21				
22				
23	Note receivable Edwin Nova Thomas RLT	\$0.00	\$0.00	\$0.00
24				
25	Note receivable Nova Group	\$0.00	\$0.00	\$0.00
26				
27	Note receivable Terry Hepler	\$0.00	\$0.00	\$0.00

Debtor's Disclosure Statement - 68

1	Note receivable Thomas California Investments	\$0.00	\$0.00	\$0.00
2				
3	Note receivable Thomas Capital Investments	\$0.00	\$0.00	\$0.00
4				
5	Note receivable Jose Coronado	\$0.00	\$0.00	\$0.00
6	Note receivable Ken Blunt	\$0.00	\$0.00	\$0.00
7	Note receivable Buhla R. Darrow	\$0.00	\$0.00	\$0.00
8	Accounts Receivable	\$41,985.00	\$0.00	\$41,985.00
9	Prepaid Insurance	\$9,972.00	\$0.00	\$9,972.00
10	TOTAL:			\$2,215,894.01

11 **Liquidation Analysis**

12	Personal Property at Liquidation Value	336,256.00	
13			
14	Pacific Thomas Properties at Liquidation Value Less Tax Liens	\$11,466,303.04	
15	Total Assets At Liquidation Value:	\$11,802,559.04	
16	LESS LIABILITIES IN CHAPTER 7 CASE		
17	Less Secured Creditor Recovery ⁷	\$13,268,186.98	
18	Less: Chapter 7 trustee's fees and expenses	\$394,519.68	
19	Matlock Law Group, P.C., Debtor Counsel	\$80,000.00(est.)	
20			
21	Chapter 11 Trustee	\$80,000.00 (est.)	
22			

23 _____
24 7

Classes 1 through 4	13,268,186.98
Summit Bank	\$7,693,122.98
Bank of the West	\$3,150,064.00
Private Mortgage Fund LLC	\$1,725,000.00
Jacol LLC	\$700,000.00

Chapter 11 Trustee Counsel	\$100,000 (est.)	
Chapter 11 Trustee Accountant	\$5,000 (est.)	
Clerk's Office Fees	\$0.00	
Office of the U.S. Trustee Fees	\$650 (2nd qtr 2013)	
% OF THEIR CLAIMS WHICH UNSECURED CREDITORS WILL RECEIVE OR RETAIN UNDER THIS PLAN: 100% 3		

Below is a demonstration, in tabular format, that all Creditors and interest holders will receive at least as much under the Plan as such Creditor or holder would receive under a Chapter 7 liquidation.

<u>CLAIMS AND CLASSES</u>	<u>PAYOUT PERCENTAGE UNDER THE PLAN</u>	<u>PAYOUT PERCENTAGE IN CHAPTER 7 LIQUIDATION</u>
Administrative Claims	100.00%	Estimated funds available for Administrative Claims would be \$758,350 (Chapter 7 Administrative Fees and Costs are estimated at \$397,700 and Chapter 11 Administrative Fees and Costs are estimated at \$1,750.00)
Classes 1 – 4	100.00%	77.00% on average
Class 6A–6B General Unsecured Creditors	100.00%	0%
Class 6– Interest Holders	To receive pro-rata distribution of remaining Net Sale Proceeds after payment of all Allowed Administrative Claims, all Allowed Secured Claims, all Allowed Priority Claims and all Allowed Unsecured Claims	0%

Debtor's Disclosure Statement - 70

1 **4.03 Feasibility**

2 Another requirement for confirmation involves the feasibility of the Plan, which means
3 that confirmation of the Plan is not likely to be followed by the liquidation, or the need for
4 further financial reorganization, of the Debtor or any successor to the Debtor under the Plan,
5 unless such liquidation or reorganization is proposed in the Plan.

6 There are at least two important aspects of a feasibility analysis. The first aspect
7 considers whether the Debtor will have enough cash on hand on the Effective Date of the Plan
8 to pay all the claims and expenses which are entitled to be paid on such date. The Plan
9 Proponent maintains that this aspect of feasibility is satisfied as illustrated here:

10 Estimated Cash Debtor will have on hand	
11 by Effective Date	<u>\$550,000.00</u>
12 To Pay: Administrative claims	<u>\$265,650.00</u>
13 To Pay: Statutory costs & charges	<u> \$00.00</u>
14 Balance after paying these amounts.....	<u>\$284,350.00</u>

15 The sources of the cash Debtor will have on hand by the Effective Date, as shown
16 above are:

17 \$150,000.00	Cash in DIP Account,
18 \$100,000.00	Third party funding (new value) (est.)
19	
20 <u>\$250,000.00</u>	Total

21 The second aspect considers whether the Proponent will have enough cash over the life
22 of the Plan to make the required Plan payments.

23 The Proponent has provided financial projections. Please refer to Exhibit C for the
24 relevant financial projections. **YOU ARE ADVISED TO CONSULT WITH YOUR**
25 **ACCOUNTANT OR FINANCIAL ADVISOR IF YOU HAVE ANY QUESTIONS**
26 **PERTAINING TO THESE FINANCIAL PROJECTIONS.**

27

1 In summary, the Plan proposes to pay the Class 1 through 6A creditors through revenue
2 generated by the rent proceeds and or the sale or refinance of the Pacific Thomas Properties
3 and 6B creditors only after creditors in Classes 1-6A have been paid in full.

4
5 Debtor Pacific Thomas Corporation (“Debtor”) holds a unique relationship with the
6 several properties located on East 12th Street and 29th Avenue. In addition to the Self Storage
7 asset under the brand name SAFE STORAGE, the property consists of two(2) commercial
8 buildings and hosts three(3) parking lots located next door to the Fruitvale BART station.

9
10 Revenues have been increasing at the Pacific Thomas Properties for past 10 years on a
11 year over year basis. The revenue increases are primarily due to the expansion of the Safe
12 Storage self-storage operation, being increased from 56,000 leasable square feet to over
13 100,000 square feet as currently situated. As of June 2013, the Safe Storage operation is
14 operating at 76% occupancy and has a composite lease rate of approximately \$1.56 per square
15 foot.
16

17
18 Safe Storage business is operated by Safe Storage Management Company which leases
19 the self storage property for \$70,000 per month. Additionally, the Safe Storage Management
20 Company leases parking areas and commercial spaces for the operation of their business of
21 Budget Truck Rental and Safe Parking program.

22 Projections for the Pacific Thomas properties from July 2013 going forward for next 5
23 years shows very positive potential due to both internal and external factors. Most significant
24 internal factor is the expiration of the 2005/2010 lease with Safe Storage Management
25 Company. By either a takeover of the leased space or through a newly negotiated lease,
26 Pacific Thomas should be able to recognize a robust 15-20% increase in net profit. In a
27

1 takeover scenario, Pacific Thomas would assume the approximate \$115,000 gross revenues
2 currently projected as of July 2013. Rents for the self storage operations should see a year
3 over year increase in rental rates by approximately 6-8 % consistent with the rental rate
4 increases showing throughout the Oakland metro multi family rental market. As of last year,
5 Oakland achieved a 12% increase in rental rates, and was ranked #2 nationwide fastest
6 growing rental market. Additionally, Safe Storage operations have been improving and
7 occupancy continues to gain approximately 1% per month.
8

9 By January 2015, Pacific Thomas would be able to demonstrate the approximate 15 -
10 18 % occupancy increase coupled with the rental rate increases to bring a gross revenue per
11 month closer to \$145,000.

12 Additional to the self storage asset increasing over time, the commercial property
13 activities continue to thrive and improve. Most important, the impacts felt from the local
14 APMC Highland Hospital \$1.0Billion renovation and new Acute Tower being built has been a
15 positive result for Pacific Thomas. Primarily, the general contractor, Clark Construction, has
16 been a primary tenant for Pacific Thomas properties by utilizing parking spaces for employees,
17 employing shuttle buses for transportation, and using the commercial space for both logistical
18 offsites but also as a showroom for their “mock” hospital rooms being built at the Highland
19 campus. Clark now occupies the commercial space and pays an additional \$3700 per month
20 for space, along with their parking use.
21
22

23 Pacific Thomas’ 1111 29th Ave building continues to work with Planned Parenthood on
24 their expected \$1.4MM renovation and investment to create a new family planning clinic.
25 Their lease is anticipated to commence prior to year end 2013 and would bring a triple
26 net(NNN) lease rent of \$12,250 per month to the Pacific Thomas financials.
27

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

3 The Proponent of the Plan may also seek to modify the Plan at any time after
4 confirmation only if (1) the Plan has not been substantially consummated and (2) the Court
5 authorizes the proposed modifications after notice and a hearing.

6 **5.05 Post-Confirmation Status Report**

7 Within 120 days of the entry of the order confirming the Plan, Plan Proponent shall file
8 a status report with the Court explaining what progress has been made toward consummation
9 of the confirmed Plan. The status report shall be served on the United States Trustee, the
10 twenty largest unsecured creditors, and those parties who have requested special notice.
11 Further status reports shall be filed every 120 days and served on the same entities.

12 **5.06 Post-Confirmation Conversion/Dismissal**

13 A creditor or party in interest may bring a motion to convert or dismiss the case under §
14 1112(b), after the Plan is confirmed, if there is a default in performing the Plan. If the Court
15 orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had
16 been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan,
17 will revert in the Chapter 7, estate. The automatic stay will be reimposed upon the reverted
18 property, but only to the extent that relief from stay was not previously authorized by the Court
19 during this case.

20 The order confirming the Plan may also be revoked under very limited circumstances.
21 The Court may revoke the order if the order of confirmation was procured by fraud and if a
22 party in interest brings an adversary proceeding to revoke confirmation within 180 days after
23 the entry of the order of confirmation.

24 **5.07 Final Decree**

25 Upon substantial consummation of the Plan and once the estate has been fully
26 administered as referred to in Bankruptcy Rule 3022, the Plan Proponent, or such other party
27 as the Court shall designate in the Plan Confirmation Order, shall file a motion and final

1 account with the Court to obtain a final decree to close the case. The Debtor shall have the
2 continuing obligation to pay the quarterly fees required by 28 U.S.C. §1930 until the case is
3 closed, converted or dismissed.

4
5 Dated: June 12, 2013

6 Respectfully submitted,

7 By Plan Proponent,

8 /s/ Randall Whitney
9 Pacific Thomas Corporation, Debtor
10 Randall Whitney

11
12 Matlock Law Group, P.C.

13 By: /s/Anne-Leith Matlock
14 Anne-Leith Matlock, Esq.
15 Attorneys for Debtor

EXHIBIT A – LIST OF ALL ASSETS AND VALUES

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Total real property Collateral Value:	\$17,705,000
Total Personal Property Collateral	\$2,255,679

EXHIBIT B – LIST OF LITIGATION

State of California Superior Court - Alameda County:
Summit Bank v. Pacific Thomas (RG11) - Case # RG11574626
Pacific Thomas v. Summit Bank (RG12) - Case # RG12624629

U.S. Bankruptcy Court Northern District of California:
Kyle Everett v. Randall Whitney, et al. – Adv. Case No.: 13-04079

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EXHIBIT C - FINANCIAL PROJECTIONS

This information is supplied by the Debtor and is based on Debtor development experience.

(To be provided on or before 7 days prior to Disclosure Statement hearing)

EXHIBIT D - UNEXPIRED LEASES TO BE ASSUMED:

<u>LEASES</u>	<u>ARREARS/DMGS</u>	<u>METHODS OF CURE</u>
Planned Parenthood Mar Monte Inc. Commercial Lease.	·Default amt = 0 ·Actual pecuniary loss = 0	·Method of curing default & loss = Not Applicable
Pacific Trading Ventures Commercial Lease	-Default amt = 0 ·Actual pecuniary loss = 0	
Mujeres Unidas Y Activas Commercial Lease	-Default amt = 0 ·Actual pecuniary loss = 0	
Avila Trucking Commercial Lease	·Default amt = 0 ·Actual pecuniary loss = 0	
Performance Contracting, Inc. Commercial Lease	·Default amt = 0 ·Actual pecuniary loss = 0	
Clark Construction Commercial Lease	·Default amt = 0 ·Actual pecuniary loss = 0	
Budget Parking Commercial Lease	·Default amt = 0 ·Actual pecuniary loss = 0	
Safe Parking Commercial Lease	·Default amt = 0 ·Actual pecuniary loss = 0	

1 **EXHIBIT E– LIST OF GENERAL UNSECURED CREDITORS**

2 See Schedule F on file with the Bankruptcy Court Clerk.

3
4 Class 6A Non-Insiders

5 \$206,100.00 Summit Bank
6 \$11,135.00 BKD, LLP
7 \$9,400.00 Environmental Science Associates, Inc.
8 \$12,635.90 Wendel, Rosen, Black & Dean, LLP
9 \$28,926.01 KCA Engineers, Inc.

10
11 Class 6A TOTAL: \$268,196.91

12
13 Class 6B Insiders

14 \$4,240.00 Jill Worsley
15 \$571,534.90 Thomas Capital Investments
16 \$1,350,908.00 Darrow Family Partners
17 \$60,525.42 A.M. Tarbell Trust
18 \$75,000.00 Richard Douglas Worsley
19 \$368,574.00 Thomas Koolaupoko Inv. c/o Darrow/Whitney
20 \$388,863.99 Buhla R. Darrow Trust

21
22
23 Class 6B TOTAL: \$2,819,646.31

24
25 TOTAL Class 6A and 6B: \$3,087,843.22

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EXHIBIT "F"
CONDITIONAL COMMITMENT LETTER

Debtor's Disclosure Statement - 82

THOROFARE CAPITAL

Revised May 31, 2013

March 6, 2013

PERSONAL AND CONFIDENTIAL

Pacific Thomas Corporation
c/o Brian Robbins, Pathfinder Mortgage Corporation
12011 San Vicente Blvd. Suite 505
Los Angeles, CA 90049

Conditional Commitment Letter

We are pleased to submit the following Conditional Commitment Letter ("CCL"). Outlined below are the general terms and conditions under which Thorofare Capital Inc. ("Thorofare") is prepared to further underwrite and consider funding of the broker arranged loan ("Loan") described below. This Loan is subject to, among other things, Thorofare's continuing due diligence and underwriting requirements (property site inspection, third party valuations, execution of negotiated leases, etc.) for financing certain real properties (the "Properties") located at 1113-1115 29th Avenue and 2615 East 12th Street (collectively known as "Safe Self Storage"); 23rd Ave Parking and 2901 East 12th Street Parking (collectively known as "Parking Lots"); 1111 29th Avenue (known as "Tuffy Building"), 2783 E. 12th Street (known as "Morse Building") all in Oakland, CA. Please note that this CCL is not a binding commitment. Any commitment, offer, obligation or agreement of Thorofare will only arise upon the signing of a negotiated binding commitment letter or formal loan documents signed by an authorized signatory of Thorofare or its affiliate(s). This CCL expires at 5:00pm PDT on June 12, 2013 unless it is accepted and countersigned. We acknowledge receipt of a non-refundable \$9,500 deposit to cover the cost of Thorofare's physical site inspection, credit underwriting, and background checks. This deposit excludes third party reports. Any unused portion shall be credited back to Borrower through escrow. In the event Thorofare decides not to fund this loan, the non-refundable deposit will be returned minus any actual expenses incurred, if any. Additionally, if Thorofare is prepared to fund this loan and the borrower decides to not proceed, then the deposit will be non-refundable.

SUMMARY OF LOAN TERMS

Loan Amount:	Lesser of (i) \$13,700,000 (ii) 65% LTV "As Is"
Borrower:	Pacific Thomas Corporation, Inc. or NEWCO
Lender:	Thorofare Asset Based Lending Fund II, L.P., ISAOA
Purpose of Loan:	Refinance
Initial Loan Term:	18 Months from the Closing Date
Interest Rate:	10.75% Fixed, Interest-Only
Origination Fees:	2.45% at Closing

601 South Figueroa Street, Suite 2050 - Los Angeles, CA 90017

www.ThorofareCapital.com

THOROFARE CAPITAL

Interest Guaranty: 8 Months from the Closing Date

Exit Fee: 1.50% at Payoff

Extension Option: Two Extension Options of 6 Months, at a 1.25% Cost

Interest Reserve: Not Applicable if DSCR Exceeds 1.15:1.0

Anticipated Closing: On or before June 28, 2013

Third Party Fees: Borrower Pays All Third Party Fees (including Appraisal/Background Checks/Title/Legal/Escrow)

Additional Fees: \$17,500 Estimated Legal Fee - \$2,995 Processing Fee at Closing

Guarantor(s): Randall Whitney, Virginia Jill Worsley and any additional Member with 10%+ Interest in the Borrower LLC

Security: Senior Priority Deed of Trust Mortgage, Loan Agreement, Promissory Note, Environmental Indemnity, Guaranty Agreement, UCC-1

Cash-Flow Sweep: See Exhibit A

Exclusivity: Lender will have the exclusive right to the Loan for a period of thirty (30) days. Borrower and its affiliates may not discuss with any other investors or Lenders the Loan discussed herein.

Broker Fees: Through a separate agreement Brian Robbins from Pathfinder Mortgage Corporation is to be paid. Borrower (and any affiliate of Borrower) shall indemnify, defend and hold Lender (and any affiliate of Lender) harmless from any and all claims, losses, demands, actions or liabilities arising from or relating to any claim by any party for any fee or commission in connection with the making of the Loan, other than any claims by Thorofare

Best regards,



Brendan W. Miller
Managing Member

601 South Figueroa Street, Suite 2050 - Los Angeles, CA 90017
www.ThorofareCapital.com

THOROFARE CAPITAL

BORROWER SIGNATURE PAGE TO FOLLOW

AGREED AND ACCEPTED ON:

THIS DAY OF _____, 2013

_____(Full Name of ownership Entity)

_____(State of formation Entity Type)

By: _____

_____(Printed Name)

Its: _____(Title)

THIS DAY OF _____, 2013

_____(Full Name of ownership Entity)

_____(State of formation Entity Type)

By: _____

_____(Printed Name)

Its: _____(Title)

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Exhibit A

1. Lender will allow for partial releases and re-conveyances tied to a reasonable LTV based on market stability and reasonable debt service coverage. To be spelled out clearly per collateral piece in the Lender's Commitment and loan documents
2. Loan proceeds will be allocated accordingly:
 - a. To pay off current lenders (balances plus fees)
 - i. \$12,380,000
 - b. Approximate amount necessary for CapEx (all buildings):
 - i. \$739,000- placed in an escrow account and released by lender and borrower mutual agreement to facilitate tenant improvements and capital expenditures
 - c. Closing costs:
 - i. Thorofare Capital Fees:
 1. Origination Fees of 2.45% of the loan amount
 2. \$17,500 (Estimated Lender Legal)
 3. \$2,995 (Processing)
 - ii. Pathfinder Mortgage Corp.:
 1. Origination Fee of 1.00% of the loan amount
 2. \$2,000 loan admin. Fee
 - iii. All other third parties plus title and escrow:
 1. Estimated \$50,000
 - d. Interest reserves:
 - i. Structure to be in a variety of ways as long as the total amount fits borrower and Lender goals and does not over burden the borrower with respect to paying off their current lenders nor on a monthly basis to service the new debt
 - ii. Some ideas based on the following assumptions:
 1. Monthly in-place NOI (for all Oakland properties) is about \$101,667
 2. Monthly pro forma (stabilized) NOI is about \$126,000
 3. Monthly debt service based on a loan amount of \$14,000,000 at 10.75% simple interest is \$125,167/mo.
 4. Debt service coverage gap based on in-place income is about \$30,000 (building in a 5% contingency)
 5. Lender would advance 4 months of full interest payments which would be held in an interest reserve account and would be used to pay the first 4 months debt service
 6. Lender would additionally advance 7 months of the debt service coverage delta based on the difference between in-place NOI and monthly debt service- mentioned above- approximately \$30,000/month to be based on the 3rd party appraiser's conclusion of actual in-place NOI

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3. If necessary the Lender will facilitate a "B Piece" funding secured by additional collateral owned by the sponsors
 - a. Such as:
 - i. Condominiums in Hawaii
 - ii. Condominiums in Incline Village
 - iii. Land in Santa Maria, CA (County o Santa Barbara)
 - iv. Pacific Thomas Group Real Estate Schedule under financials
4. A detailed plan addressing the above mentioned items will be outlined in loan documents
5. Lender may entertain using some of the Borrower's recent third party reports to help expedite their due diligence, but lender is to act on its own discretion with respect to third party reports
6. Lender is aware and concurs that time is of the essence and borrower needs to close in approximately 30 days.
7. Lender will play an active role in consulting and interacting with the borrower and mortgage banker to help maximize the value-add objectives with respect to the subject properties, as well as creatively structuring the said debt in a way which helps the borrower expedite the stabilization of the subject property and execute institutional long term debt which will help increase cash flow thus enhancing the value of the subject property
8. Pacific Thomas Corp. to sign master lease for all self-storage, thereafter, open lockbox for self-storage to track deficiencies

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Exhibit "G"

Summary of Debtor's Projected Income and Expenses

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Preliminary Schedule - NOT Approved by Management

Pacific Thomas Capital
Consolidated Projected Income Statement

[See Notes following the Statement]

Description	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Income																	
Safe Storage Rental Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,740,000	\$1,953,819	\$2,193,913
Property Rental Income	80,375	80,375	80,375	83,375	83,375	83,375	89,325	90,325	91,325	106,065	106,065	106,065	1,080,420	1,360,654	517,194	531,630	546,499
Safe Parking Income	2,000	2,000	2,000	2,000	2,000	2,000	4,500	4,500	4,500	4,500	4,500	4,500	39,000	55,620	57,289	59,007	60,777
Budget Truck Rental	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000	43,260	63,654	65,564	67,530
Merchandise Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19,096	19,669	20,259
Other Operating Income (Contra Income)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income	\$85,875	\$85,875	\$85,875	\$88,875	\$88,875	\$88,875	\$97,325	\$98,325	\$99,325	\$114,065	\$114,065	\$114,065	\$1,161,420	\$1,459,534	\$2,397,233	\$2,629,689	\$2,888,979
Cost of Goods Sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	\$85,875	\$85,875	\$85,875	\$88,875	\$88,875	\$88,875	\$97,325	\$98,325	\$99,325	\$114,065	\$114,065	\$114,065	\$1,161,420	\$1,459,534	\$2,397,233	\$2,629,689	\$2,888,979
Expense																	
Office & Administration	\$302	\$276	\$3,710	\$218	\$256	\$285	\$245	\$208	\$265	\$355	\$208	\$208	\$6,538	\$6,625	\$6,783	\$6,945	\$7,112
Professional Services	2,745	450	833	450	450	2,633	1,980	450	450	4,860	613	450	16,363	15,314	15,676	16,047	16,427
Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Management Fees	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	24,480	18,727	19,102	19,484	19,873
Marketing	100	100	100	100	100	100	100	100	100	100	100	100	1,200	1,236	1,273	1,311	1,351
Repairs & Maintenance	633	955	500	500	500	500	500	500	941	500	1,275	512	7,815	8,031	8,254	8,482	8,718
Utilities	1,140	1,611	1,269	1,450	1,204	1,772	1,402	1,478	1,551	1,416	1,701	1,339	17,333	17,763	18,205	18,658	19,123
Insurance	2,189	2,391	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	26,475	25,841	26,494	27,163	27,850
Taxes	11,818	11,977	11,977	11,977	11,977	11,977	11,977	11,977	11,977	12,356	12,356	12,356	144,702	146,513	150,580	154,762	159,063
Total Expense	\$20,967	\$19,799	\$22,618	\$18,925	\$18,717	\$21,496	\$20,434	\$18,942	\$19,514	\$23,817	\$20,483	\$19,195	\$244,906	\$240,051	\$246,366	\$252,853	\$259,516
Net Operating Income (NOI)	\$64,908	\$66,076	\$63,257	\$69,950	\$70,158	\$67,379	\$76,891	\$79,383	\$79,811	\$90,248	\$93,582	\$94,870	\$916,514	\$1,219,482	\$2,150,867	\$2,376,836	\$2,629,463
Other Income/Expense																	
Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinancing Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expense																	
Secured Creditors																	
Summit Bank	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,055	\$32,055	\$32,055	\$96,164	\$384,656	\$384,656	\$383,256	\$377,751
Bank of the West	0	0	0	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	118,127	157,503	157,456	155,864	153,457
Private Mortgage Fund, LLC	0	0	0	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	64,688	86,250	86,224	85,353	84,034
Jacot, LLC	0	0	0	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	26,250	35,000	34,990	34,636	34,101
Alameda County Treasurer	0	0	0	0	0	0	0	0	0	1,006	1,006	1,006	3,017	12,069	12,069	12,069	12,069
Sub Total Secured Creditors	\$0	\$0	\$0	\$23,229	\$23,229	\$23,229	\$23,229	\$23,229	\$23,229	\$68,290	\$68,290	\$68,290	\$308,246	\$675,478	\$675,394	\$671,178	\$661,411
Unsecured Creditors																	
General Non-Insider Unsecured	0	0	0	0	0	0	0	0	0	2,690	2,690	2,690	8,070	32,278	32,278	32,278	32,278
Sub Total Unsecured Creditors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,690	\$2,690	\$2,690	\$8,070	\$32,278	\$32,278	\$32,278	\$32,278
Total Interest Expense	\$0	\$0	\$0	\$23,229	\$23,229	\$23,229	\$23,229	\$23,229	\$23,229	\$68,980	\$68,980	\$68,980	\$316,316	\$707,757	\$707,673	\$703,456	\$693,690
Non Recurring Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Income/Expense	\$0	\$0	\$0	\$23,229	\$23,229	\$23,229	\$23,229	\$23,229	\$23,229	\$58,980	\$58,980	\$58,980	\$316,316	\$707,757	\$707,673	\$703,456	\$693,690
Net Income	\$64,908	\$66,076	\$63,257	\$46,721	\$46,929	\$44,150	\$53,662	\$56,153	\$56,582	\$31,269	\$34,602	\$35,890	\$600,198	\$511,726	\$1,443,194	\$1,673,380	\$1,935,773

Note 1: The financial information that is not purely historical is forward looking with the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's expectations, plans, intentions, and strategies for the future. Forward-looking statements involve risks and uncertainties that may affect the company's business prospects and performance. The company's actual results could differ materially from those in such forward-looking statements. Forward-looking statements include: the projected revenue to be received and expenses to be incurred by the company, and the projected value of the company as a business entity. Other risk factors include general economic, competitive, governmental, and technological factors.

Debt Service - Principal Payments

Secured Creditors	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Summit Bank	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$84,593	\$117,830
Bank of the West	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,402	47,058	49,466
Private Mortgage Fund, LLC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,244	25,770	27,088
Jacot, LLC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,534	10,457	10,992
Alameda County Treasurer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Total Secured Creditors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,180	\$167,878	\$205,376
Unsecured Creditors																	
General Non-Insider Unsecured	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Total Unsecured Creditors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,180	\$167,878	\$205,376

Cash Flow after Debt Service - Surplus

(Deficit) [Net Income less Principal Payments]	\$64,908	\$66,076	\$63,257	\$46,721	\$46,929	\$44,150	\$53,662	\$56,153	\$56,582	\$31,269	\$34,602	\$35,890	\$600,198	\$511,726	\$1,443,014	\$1,505,502	\$1,730,398
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Thorofare Refinance Option

Net Operating Income	\$64,908	\$66,076	\$63,257	\$69,950	\$70,158	\$67,379	\$76,891	\$79,383	\$79,811	\$90,248	\$93,582	\$94,870	\$916,514	\$1,219,482	\$2,150,867	\$2,376,836	\$2,629,463
Thorofare Option - Refinance Expense	0	0	0	0	0	0	0	0	100,000	0	0	0	100,000	0	0	0	0
NOI After Thorofare Refinance	\$64,908	\$66,076	\$63,257	\$69,950	\$70,158	\$67,379	\$76,891	\$79,383	(\$20,189)	\$90,248	\$93,582	\$94,870	\$816,514	\$1,219,482	\$2,150,867	\$2,376,836	\$2,629,463
Expense																	
Interest Expense - Thorofare Option	0	0	0	0	0	0	0	0	0	122,729	122,729	122,729	368,188	1,472,750	1,472,750	1,472,750	1,472,750
Interest - General Non-Insider Unsecured	0	0	0	0	0	0	0	0	0	2,690	2,690	2,690	8,070	32,278	32,278	32,278	32,278
Net Income	\$64,908	\$66,076	\$63,257	\$69,950	\$70,158	\$67,379	\$76,891	\$79,383	(\$20,189)	(\$35,171)	(\$31,837)	(\$30,549)	\$440,257	(\$285,546)	\$645,838	\$871,808	\$1,124,434
Principal Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow after Thorofare Refinance - Surplus (Deficit)	\$64,908	\$66,076	\$63,257	\$69,950	\$70,158	\$67,379	\$76,891	\$79,383	(\$20,189)	(\$35,171)	(\$31,837)	(\$30,549)	\$440,257	(\$285,546)	\$645,838	\$871,808	\$1,124,434
Interest Reserve Draw	0	0	0	0	0	0	0	0	20,189	35,171	31,837	30,549	117,746	285,546	0	0	0

Preliminary Schedule - NOT Approved by Management

Pacific Thomas Capital
Projected Income Statement
Property Name: Safe Storage
Address: 2615 E. 12th St. and 1113-1115 29th Ave., Oakland, CA 94601
[See Notes following the Statement]

Description	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Income																	
Safe Storage Rental Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	1,740,000	1,953,819	2,193,913
Property Rental Income	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	840,000	865,200	0	0	0
Safe Parking Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57,289	59,007	60,777
Budget Truck Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63,654	65,564	67,530
Merchandise Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19,096	19,669	20,259
Total Income	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$840,000	\$865,200	\$1,880,039	\$2,098,059	\$2,342,480
Cost of Goods Sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$840,000	\$865,200	\$1,880,039	\$2,098,059	\$2,342,480
Expense																	
Office & Administration	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814
Professional Services	450	450	450	450	450	450	450	450	450	450	450	450	5,400	5,562	5,729	5,901	6,078
Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Management Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	100	100	100	100	100	100	100	100	100	100	100	100	1,200	1,236	1,273	1,311	1,351
Repairs & Maintenance	500	500	500	500	500	500	500	500	500	500	500	500	6,000	6,180	6,365	6,556	6,753
Utilities	700	700	700	700	700	700	700	700	700	700	700	700	8,400	8,652	8,912	9,179	9,454
Insurance	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	13,148	13,542	13,949	14,367	14,798
Taxes	9,195	9,195	9,195	9,195	9,195	9,195	9,195	9,195	9,195	9,195	9,195	9,195	110,340	113,650	117,060	120,571	124,189
Total Expense	\$12,249	\$12,249	\$12,249	\$12,249	\$12,249	\$12,249	\$12,249	\$12,249	\$12,249	\$12,249	\$12,249	\$12,249	\$146,988	\$151,398	\$155,940	\$160,618	\$165,436
Net Operating Income (NOI)	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$693,012	\$713,802	\$1,724,099	\$1,937,441	\$2,177,044
Other Income/Expense																	
Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinancing Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Expense - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Recurring Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Income/Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$57,751	\$693,012	\$713,802	\$1,724,099	\$1,937,441	\$2,177,044

Note 1: The financial information that is not purely historical is forward looking within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's expectations, plans, intentions, and strategies for the future. Forward-looking statements involve risks and uncertainties that may affect the company's business prospects and performance. The company's actual results could differ materially from those in such forward-looking statements. Forward-looking statements include: the projected revenue to be received and expenses to be incurred by the company, and the projected value of the company as a business entity. Other risk factors include general economic, competitive, governmental, and technological factors.

Preliminary Schedule - NOT Approved by Management

Pacific Thomas Capital
 Projected Income Statement - Morse
 Property Name: Morse Building
 Address: 2783 E. 12th St., Oakland, CA 94601
 [See Notes following the Statement]

Description	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Income																	
Safe Storage Rental Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Property Rental Income	6,325	6,325	6,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	9,325	102,900	115,257	118,715	122,276	125,944
Safe Parking Income	2,000	2,000	2,000	2,000	2,000	2,000	4,500	4,500	4,500	4,500	4,500	4,500	39,000	55,620	0	0	0
Budget Truck Rental	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000	43,260	0	0	0
Merchandise Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Income (Contra Income)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income	\$11,825	\$11,825	\$11,825	\$14,825	\$14,825	\$14,825	\$17,325	\$17,325	\$17,325	\$17,325	\$17,325	\$17,325	\$183,900	\$214,137	\$118,715	\$122,276	\$125,944
Cost of Goods Sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	\$11,825	\$11,825	\$11,825	\$14,825	\$14,825	\$14,825	\$17,325	\$17,325	\$17,325	\$17,325	\$17,325	\$17,325	\$183,900	\$214,137	\$118,715	\$122,276	\$125,944
Expense																	
Office & Administration	\$86	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$57	\$147	\$0	\$0	\$290	\$295	\$301	\$307	\$314
Professional Services	0	0	0	0	0	1,091	765	0	0	4,410	163	0	6,429	6,558	6,689	6,823	6,959
Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Management Fees	510	510	510	510	510	510	510	510	510	510	510	510	6,120	6,242	6,367	6,495	6,624
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance	0	0	0	0	0	0	0	0	0	0	357	12	369	376	384	391	399
Utilities	431	725	559	611	495	934	693	772	842	678	991	629	8,363	8,530	8,701	8,875	9,052
Insurance	271	271	271	271	271	271	271	271	271	271	271	271	3,251	3,316	3,382	3,450	3,519
Taxes	1,044	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,499	1,499	1,499	14,499	14,789	15,064	15,386	15,694
Total Expense	\$2,342	\$2,626	\$2,460	\$2,512	\$2,396	\$3,926	\$3,359	\$2,672	\$2,800	\$7,515	\$3,792	\$2,921	\$39,320	\$40,107	\$40,909	\$41,727	\$42,562
Net Operating Income (NOI)	\$9,483	\$9,199	\$9,365	\$12,313	\$12,429	\$10,899	\$13,966	\$14,653	\$14,525	\$9,810	\$13,533	\$14,404	\$144,580	\$174,030	\$77,806	\$80,549	\$83,383
Other Income/Expense																	
Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinancing Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expense - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Recurring Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Income/Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Net Income	\$9,483	\$9,199	\$9,365	\$12,313	\$12,429	\$10,899	\$13,966	\$14,653	\$14,525	\$9,810	\$13,533	\$14,404	\$144,580	\$174,030	\$77,806	\$80,549	\$83,383

Note 1: The financial information that is not purely historical is forward looking within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's expectations, plans, intentions, and strategies for the future. Forward-looking statements involve risks and uncertainties that may affect the company's business prospects and performance. The company's actual results could differ materially from those in such forward-looking statements. Forward-looking statements include: the projected revenue to be received and expenses to be incurred by the company, and the projected value of the company as a business entity. Other risk factors include general economic, competitive, governmental, and technological factors.

Preliminary Schedule - NOT Approved by Management

Pacific Thomas Capital
Projected Income Statement - Tuffys
Property Name: Tuffys Building
Address: 1111 29th Ave, Oakland, CA 94601
[See Notes following the Statement]

Description	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Income																	
Safe Storage Rental Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Property Rental Income	0	0	0	0	0	0	0	0	0	12,240	12,240	12,240	36,720	147,982	152,421	156,994	161,704
Safe Parking Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Budget Truck Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Merchandise Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Income (Contra Income)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,240	\$12,240	\$12,240	\$36,720	\$147,982	\$152,421	\$156,994	\$161,704
Cost of Goods Sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,240	\$12,240	\$12,240	\$36,720	\$147,982	\$152,421	\$156,994	\$161,704
Expense																	
Office & Administration	\$0	\$0	\$228	\$10	\$48	\$77	\$37	\$0	\$0	\$0	\$0	\$0	\$399	\$407	\$415	\$423	\$432
Professional Services	0	0	0	0	0	1,091	765	0	0	0	0	0	1,856	1,894	1,931	1,970	2,009
Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Management Fees	510	510	510	510	510	510	510	510	510	510	510	510	6,120	6,242	6,367	6,495	6,624
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance	0	441	0	0	0	0	0	0	441	0	418	0	1,299	1,325	1,352	1,379	1,407
Utilities	9	185	9	139	9	138	9	6	9	37	10	10	570	581	593	605	617
Insurance	643	643	643	643	643	643	643	643	643	643	643	643	7,721	7,875	8,033	8,193	8,357
Taxes	1,044	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	13,434	13,703	13,977	14,256	14,542
Total Expense	\$2,206	\$2,906	\$2,517	\$2,429	\$2,337	\$3,585	\$3,090	\$2,286	\$2,729	\$2,317	\$2,708	\$2,290	\$31,399	\$32,027	\$32,668	\$33,321	\$33,988
Net Operating Income (NOI)	(\$2,206)	(\$2,906)	(\$2,517)	(\$2,429)	(\$2,337)	(\$3,585)	(\$3,090)	(\$2,286)	(\$2,729)	\$9,923	\$9,532	\$9,950	\$5,321	\$115,954	\$119,753	\$123,672	\$127,716
Other Income/Expense																	
Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinancing Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expense - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Recurring Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Income/Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Net Income	(\$2,206)	(\$2,906)	(\$2,517)	(\$2,429)	(\$2,337)	(\$3,585)	(\$3,090)	(\$2,286)	(\$2,729)	\$9,923	\$9,532	\$9,950	\$5,321	\$115,954	\$119,753	\$123,672	\$127,716

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Note 2: Property Rental Income of approximately \$12,240 per month is expected to be realized starting in October of 2013, inflated at an annual rate of 3.0% each 12 months thereafter.

Tenant Improvements													\$150,000	\$150,000	\$300,000	\$0	\$0	\$0	\$0
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Preliminary Schedule - NOT Approved by Management

Pacific Thomas Capital
Projected Income Statement - 29th - Derby Parking
Property Name: 29th at Derby Parking Lot
Address: 2901 E. 12th St., Oakland, CA 94601
 [See Notes following the Statement]

Description	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Income																	
Safe Storage Rental Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Property Rental Income	4,050	4,050	4,050	4,050	4,050	4,050	6,000	7,000	8,000	10,500	10,500	10,500	76,800	182,775	195,135	199,909	204,826
Safe Parking Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Budget Truck Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Merchandise Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Income (Contra Income)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$6,000	\$7,000	\$8,000	\$10,500	\$10,500	\$10,500	\$76,800	\$182,775	\$195,135	\$199,909	\$204,826
Cost of Goods Sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$6,000	\$7,000	\$8,000	\$10,500	\$10,500	\$10,500	\$76,800	\$182,775	\$195,135	\$199,909	\$204,826
Expense																	
Office & Administration	\$8	\$0	\$3,274	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,282	\$3,348	\$3,415	\$3,483	\$3,552
Professional Services	1,275	0	0	0	0	0	0	0	0	0	0	0	1,275	1,301	1,327	1,353	1,380
Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Management Fees	510	510	510	510	510	510	510	510	510	510	510	510	6,120	6,242	6,367	6,495	6,624
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance	133	14	0	0	0	0	0	0	0	0	0	0	147	150	153	156	159
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	90	99	90	90	90	90	90	90	90	90	90	90	1,086	1,108	1,130	1,153	1,176
Taxes	357	357	357	357	357	357	357	357	357	357	357	357	4,286	4,371	4,459	4,548	4,639
Total Expense	\$2,372	\$980	\$4,231	\$957	\$957	\$957	\$957	\$957	\$957	\$957	\$957	\$957	\$16,195	\$16,520	\$16,850	\$17,187	\$17,531
Net Operating Income (NOI)	\$1,678	\$3,070	(\$181)	\$3,093	\$3,093	\$3,093	\$5,043	\$6,043	\$7,043	\$9,543	\$9,543	\$9,543	\$60,605	\$166,255	\$178,285	\$182,722	\$187,296
Other Income/Expense																	
Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinancing Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expense - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Recurring Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Income/Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Net Income	\$1,678	\$3,070	(\$181)	\$3,093	\$3,093	\$3,093	\$5,043	\$6,043	\$7,043	\$9,543	\$9,543	\$9,543	\$60,605	\$166,255	\$178,285	\$182,722	\$187,296

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Preliminary Schedule - NOT Approved by Management

Pacific Thomas Capital
Projected Income Statement - 23rdPkg
Property Name: 23rd Ave Parking Lot
Address: 23rd Ave. Cul de Sac, Oakland, CA 94601
 [See Notes following the Statement]

Description	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017
Income																	
Safe Storage Rental Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Property Rental Income	0	0	0	0	0	0	4,000	4,000	4,000	4,000	4,000	4,000	24,000	49,440	50,923	52,451	54,024
Safe Parking Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Budget Truck Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Merchandise Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Income (Contra Income)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$24,000	\$49,440	\$50,923	\$52,451	\$54,024
Cost of Goods Sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$24,000	\$49,440	\$50,923	\$52,451	\$54,024
Expense																	
Office & Administration	\$0	\$68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68	\$0	\$0	\$0	\$0
Professional Services	1,020	0	383	0	0	0	0	0	0	0	0	0	1,403	0	0	0	0
Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Management Fees	510	510	510	510	510	510	510	510	510	510	510	510	6,120	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	90	282	90	90	90	90	90	90	90	90	90	90	1,269	0	0	0	0
Taxes	179	179	179	179	179	179	179	179	179	179	179	179	2,144	0	0	0	0
Total Expense	\$1,798	\$1,038	\$1,161	\$778	\$778	\$778	\$778	\$778	\$778	\$778	\$778	\$778	\$11,003	\$0	\$0	\$0	\$0
Net Operating Income (NOI)	(\$1,798)	(\$1,038)	(\$1,161)	(\$778)	(\$778)	(\$778)	\$3,222	\$3,222	\$3,222	\$3,222	\$3,222	\$3,222	\$12,997	\$49,440	\$50,923	\$52,451	\$54,024
Other Income/Expense																	
Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinancing Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expense - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Recurring Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Income/Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	0
Net Income	(\$1,798)	(\$1,038)	(\$1,161)	(\$778)	(\$778)	(\$778)	\$3,222	\$3,222	\$3,222	\$3,222	\$3,222	\$3,222	\$12,997	\$49,440	\$50,923	\$52,451	\$54,024

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