

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

IN RE: )  
 )  
PARADIGM DEVELOPMENT, LLC ) CHAPTER 11  
 ) CASE NO. 18-66580-lrc  
Debtor. )

**NOTICE OF HEARING ON MOTION OF DEBTOR-IN-POSSESSION FOR ORDER 1) APPROVING SALE OF DEBTOR'S NON-RESIDENTIAL REAL PROPERTY FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES, 2) AUTHORIZING DEBTOR TO MAKE OTHER DISBURSEMENTS AT CLOSING, 3) APPROVING SETTLEMENT AGREEMENT, 4) TERMINATING ADEQUATE PROTECTION PAYMENTS AND CASH COLLATERAL RESTRICTIONS AND 5) AUTHORIZING ASSUMPTION AND ASSIGNMENT OF NON-RESIDENTIAL LEASES**

PLEASE TAKE NOTICE that Paradigm Development, LLC (“Debtor”), the debtor-in-possession in this Chapter 11 case, has filed a *Motion for Order*:

*1) Authorizing the Sale of Debtor’s Non-Residential Real Property Free and Clear of Liens, Claims, Interests and Encumbrances,*

*2) Authorizing the Debtor to Make Other Disbursements at Closing,*

*3) Approving Settlement Agreement,*

*4) Terminating Adequate Protection Payments and Cash Collateral Restrictions, and*

*5) Authorizing Assumption and Assignment of Non-Residential Leases.*

In the Motion, the Debtor is requesting authority to sell the bankruptcy estate's right, title and interest in non-residential real property located at Buildings

A & B, 60 Chamisa Drive, Covington, Newton County, Georgia 30016 to SD Covington, LLC, As Is Where Is, free and clear of all liens, claims, interests, and encumbrances, with all such valid liens, claims, interests, and encumbrances attaching to the proceeds of the sale in the same order of priority as they attached to the Property, for the purchase price of \$921,531.14, with SD Covington credit bidding the amount of \$796,531.14 and paying the remaining amount in cash at closing.

The Debtor further requests an order 1) authorizing Debtor to make certain disbursements at closing, 2) approving a Settlement Agreement between SD Covington and the Principals of Debtor, 3) Terminating Adequate Protection Payments and Cash Collateral Restrictions, and 4) Authorizing Assumption and Assignment of Non-Residential Leases. To understand all of the terms of the Agreement, attached to the Motion, the Agreement must be read in its entirety.

**THE MOTION AND ATTACHMENTS THERETO ALSO LIST THE EXECUTORY CONTRACTS AND LEASES PROPOSED TO BE ASSUMED AND ASSIGNED TO SD COVINGTON AND THE PROPOSED CURE AMOUNTS FOR EACH LEASE. PARTIES TO THE LEASES SHOULD REVIEW THE MOTION AND EXHIBITS.**

**PLEASE TAKE FURTHER NOTICE** that the Court will hold a hearing on the Motion in **Courtroom 1204**, United States Courthouse, 75 Ted Turner Drive, S.W., Atlanta, Georgia at **10:15 a.m. on February 7, 2019.**

**Your rights may be affected by the court's ruling on these pleadings.** You should read these pleadings carefully and discuss them with your attorney, if

you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.) If you do not want the court to grant the relief sought in these pleadings or if you want the court to consider your views, then you and/or your attorney must attend the hearing. You may also file a written response to the pleading with the Clerk at the address stated below, but you are not required to do so. If you file a written response, you must attach a certificate stating when, how and on whom (including addresses) you served the response. Mail or deliver your response so that it is received by the Clerk at least two business days before the hearing. The address of the Clerk's Office is Clerk, U.S. Bankruptcy Court, Suite 1340, 75 Ted Turner Drive, SW, Atlanta, Georgia 30303. You must also mail a copy of your response to the undersigned at the address stated below. Any person or party who objects to entry of an order granting the relief sought in the Motion must advocate the objection at a hearing. Any objection not advocated at the hearing set above, shall be deemed waived and the relief requested may be granted without further notice or hearing.

This 14<sup>th</sup> day of January 2019.

**Law Office of Scott B. Riddle, LLC**

/S/ \_\_\_\_\_

Scott B. Riddle, Esq.

GA Bar No. 604855

Suite 1800 Tower Place

3340 Peachtree Road, NE

Atlanta, Georgia 30326

Phone: 404-815-0164

Fax: 404-815-0165

[scott@scottriddlelaw.com](mailto:scott@scottriddlelaw.com)

***Counsel for Debtor in Possession***

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

IN RE: )  
 )  
PARADIGM DEVELOPMENT, LLC ) CHAPTER 11  
 ) CASE NO. 18-66580-lrc  
Debtor. )

**MOTION OF DEBTOR-IN-POSSESSION FOR ORDER 1) APPROVING SALE OF DEBTOR’S NON-RESIDENTIAL REAL PROPERTY FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES, 2) AUTHORIZING DEBTOR TO MAKE OTHER DISBURSEMENTS AT CLOSING, 3) APPROVING SETTLEMENT AGREEMENT, 4) TERMINATING ADEQUATE PROTECTION PAYMENTS AND CASH COLLATERAL RESTRICTIONS AND 5) AUTHORIZING ASSUMPTION AND ASSIGNMENT OF NON-RESIDENTIAL LEASES**

Paradigm Development, LLC (“Debtor”), the Debtor in Possession in this Chapter 11 case, files this *Motion for Order 1) Authorizing the Sale of Debtor’s Non-Residential Real Property Free and Clear of Liens, Claims, Interests and Encumbrances, 2) Authorizing the Debtor to Make Other Disbursements at Closing, 3) Approving Settlement Agreement, 4) Terminating Adequate Protection Payments and Cash Collateral Restrictions, and 5) Authorizing Assumption and Assignment of Non-Residential Leases*. In support thereof, Debtor shows the following:

- 1.

This Court has jurisdiction over this case pursuant to 28 U.S.C. § 1334. The

subject matter of this motion is a “core proceeding” pursuant to 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

### **BACKGROUND OF THE CASE**

2.

Debtor filed a Voluntary Petition for Relief under 11 U.S.C. Chapter 11 on October 1, 2018. In accordance with Sections 1107(a) and 1108 of the Bankruptcy Code, Debtor continues to oversee its financial affairs as debtor-in-possession.

3.

Debtor owns commercial real property located at 60 Chamisa Road, Covington, Newton County, Georgia, 30016 (the “Property”). The Property is the primary asset of the Bankruptcy Estate.

4.

The Debtor believes SD Covington, LLC has a first-priority security interest in the Property. SD Covington has filed a Motion for Relief from the Automatic Stay [Dkt No. 18]. SD Covington has also filed a Proof of Claim for the secured and unsecured loans. *See* POC No. 4. The Debtor believes there is equity in the Property, over and above the balance of SD Covington’s secured loans.

5.

SD Covington also takes the position that the owners and managers of the Debtor, Milton Hancock and Antonia Babb, are personally liable for the SD Covington debt and has filed a lawsuit against Hancock and Babb in the Superior Court of Newton County, Case Number SUC2018-002089. This lawsuit is currently pending.

6.

The primary asset of this Debtor is certain non-residential real property and improvements, commonly identified as: Buildings A and B, 60 Chamisa Road, Covington, Newton County, Georgia, 30016, consisting of two one-story commercial/industrial buildings with several individual suites leased to tenants.

7.

In its Schedule A, Debtor valued the property with a then-current value of \$1,500,000.00.

8.

In its Schedules, Debtor has listed general unsecured claims of \$1,775.00, not including SD Covington's unsecured claim. Although Debtor did not schedule any priority tax claims the Internal Revenue Service has filed a claim for \$6,000.00 (POC No. 3) and the Newton County Tax Commissioner has filed a claim for property taxes in the amount of \$8958.00 (POC No. 1). The Bar Date for filing

claims was December 14, 2018. *See* Dkt. No. 13. As of the date of this Motion only one general unsecured claim has been filed in the amount of \$1,125.00 (*See* POC No. 2, Central Fire Protection, Inc.).

9.

Debtor also owns an undeveloped residential lot in Rabun County, Georgia. Debtor believes the value of the lot is approximately \$100,000.00. The lot serves as collateral for a secured loan owed to United Bank with a balance of approximately \$51,000.00. Debtor's principals have been making the regular monthly payments on the United Bank loan and the payments remain current. United Bank was scheduled in the case and has received notice of the filing and Bar Date. United Bank has not yet filed a claim.

**I. CONTRACT TO SELL PROPERTY**

10.

The Debtor has negotiated with SD Covington in order to sell the Property, fully satisfy all claims SD Covington has or may have against the Debtor and the insiders of the Debtor, and leave sufficient funds to pay all other claims against the Debtor (other than the United Bank loan) and pay administrative claims.

11.

On January 9, 2019, the Debtor executed a contract to sell the Property to SD Covington. A copy of this contract (hereinafter the “Sale Contract”) is attached hereto as Exhibit A.

12.

Pursuant to the Sale Contract, the Property is being sold free and clear of all liens, claims and encumbrances, and “as is,” “where is,” and with no warranties of title or warranties of any kind by the Debtor. SD Covington, or an assignee, will pay \$921,531.14 for the Property. SD Covington will be allowed to “credit bid” the sum of \$796,531.14 which represents the agreed-upon balance (*for this Motion only*) of the Secured Indebtedness owed to SD Covington. The credit bid will offset the Secured Indebtedness against the Purchase Price pursuant to Section 363(k) of the Bankruptcy Code. The remaining balance of \$125,000.00, less any deductions discussed herein, shall be paid by SD Covington in cash at Closing.

13.

The Sale Contract is subject to the following contingencies, as described in more detail in the Sale Contract: 1) Approval of the Court, and 2) Entry of a Final Sale Order. *See* Sale Contract §(A). Other terms of the agreement can be found in the Sale Contract.



14.

In addition to the sale of the Property, upon closing SD Covington has agreed to fully release Debtor's principals, Milton Hancock and Antonia Babb, from all debts they currently owe to SD Covington, including personal guaranties for SD Covington's Secured and Unsecured Claims asserted against the Debtor in this case. *See* Sale Contract, Part II.

**Fair and Reasonable Value**

15.

The Debtor and SD Covington have negotiated the purchase and believe the Purchase Price is a fair and reasonable value *under the circumstance of the case*, as discussed herein. Debtor and SD have agreed, *for purposes of the Sale Contract and this Motion only*, that the balance of SD Covington's secured claim is \$796,531.14.

16.

*Should the sale not be approved or the Property not be sold pursuant to the Sale Contract for any reason, both Debtor and SD Covington expressly agree that neither party waives any rights they may have to dispute the market value of the Property or the terms or balances of the secured and unsecured debts Debtor owes to SD Covington. See Sale Contract p. 2 and §(C)(1). SD Covington shall*

*retain all rights to prosecute its Motion for Relief and Debtor retains all rights to contest the Motion.*

**Payment of Broker's Commission**

17.

The Debtor has retained Lee Staples Realty, Inc., as Debtor's Broker, by Order entered November 15, 2018 [Dkt. No. 46]. The Debtor's Broker has not represented the Debtor and has not otherwise participated in the negotiations with SD Covington or the drafting of the Sale Contract. Debtor's Broker has been informed of the Sale Contract and Motion and will be given notice of this Motion. Debtor is not proposing to pay any Broker's commission in the Sale Contract or this Motion and Debtor's Broker has expressly represented to Debtor that it will not seek any commission from Debtor or the Estate. However, the terms of this Sale Contract do not eliminate or restrict any right of Debtor's Broker to request compensation from the Bankruptcy Court. *See* Sale Contract § (K).

18.

The principal of Purchaser SD Covington, Mark A. Parker, is a licensed real estate broker in the State of Georgia, but the Debtor shall not be responsible for the payment of any brokerage or similar fee or commission to Parker. *See* Sale Contract § (K).

**Sale of the Property Is Proper Under Section 363(b)**

19.

Section 363(b)(1) of the Bankruptcy Code provides: “The trustee [Debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). The Debtor’s sale of the Property outside the ordinary course of business should be approved by the Court if the Debtor can demonstrate a sound business justification for the proposed transaction. See, e.g., Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070-71 (2d Cir. 1983); In re Ionosphere Clubs, Inc., 100 B.R. 670 (Bankr. S.D.N.Y. 1989); Fulton State Bank v. Schipper (In re Schipper), 933 F.2d 513, 515 (7<sup>th</sup> Cir. 1991). For the reasons set forth below, the Debtor has concluded that an immediate sale of the Property is warranted under Section 363(b).

**Consideration Offered by Purchaser Is Fair and Reasonable Under the Circumstances of this Case**

20.

The Debtor submits that the sale of the Property to SD Covington will provide the Estate with fair and reasonable consideration under the facts stated herein and under the particular circumstances of this case. The net proceeds of the

sale will be sufficient to pay all general and priority unsecured claims in the case and all administrative claims, including United States Trustee fees. In addition, SD Covington's secured and unsecured claims will be fully satisfied upon the closing of the sale. Debtor requests that the final sale order require that SD Covington withdraw its claims within ten days after the closing of the sale.

**Sale of the Property Should be Free and Clear of all Liens,  
Claims and Encumbrances Under Section 363(f)**

21.

Pursuant to Section 363(f) of the Bankruptcy Code, the Debtor seeks authority to sell and transfer the Property free and clear of all liens and encumbrances, with such encumbrances to attach to the proceeds of the sale of the Property. Debtor and SD Covington are aware of no other liens or interests in the Property other than SD Covington's secured indebtedness and the property taxes owed to Newton County. However, should there be any liens or interests asserted against the Property such liens or interests will attach to the proceeds of the sale.

**Relief Under Bankruptcy Rule 6004(g)**

22.

Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” The Debtor

requests that any order approving this Sale Motion be effective immediately by providing that the 14-day stay is inapplicable, so that that Debtor may proceed as expeditiously as possible with the closing of the sale following Court approval thereof.

**Higher and Better Offers**

23.

The Debtor believes that under the circumstances described herein it is not necessary and not beneficial to the Estate to further market the Property or submit bidding procedures. However, should a party wish to submit a higher and better offer *and cashier's or bank check for the full offer at or before the hearing on this Motion* Debtor requests that such cash offer 1) fully satisfy the secured and unsecured claims of SD Covington in the amounts stated above, plus any interest on the secured indebtedness that accrues after the date of execution of the Sale Contract, 2) be an amount that provides Debtor's estate with more than the net proceeds the Debtor would get under the sale proposed herein, and 3) include an additional amount of at least \$10,000.00 to compensate Debtor and the Estate for additional administrative expenses incurred in the sale process. The parties request that SD Covington be allowed, but not required, to match any higher and better offer.

II. **RESUEST FOR AUTHORIZATION TO PAY OTHER EXPENSES AT CLOSING**

24.

Debtor requests authority to pay at closing the outstanding Newton County property taxes and the transfer tax to the State of Georgia pursuant to the terms of the Sale Agreement.

25.

Debtor requests authority to pay to SD Covington, by a reduction in the Purchase Price at closing, the tenant Security Deposits paid by the tenants pursuant to the tenant leases and currently credited to the tenants' accounts. The parties agree that the total of the Security Deposits is \$8,700.00.

26.

The Sale Contract also provides that certain rents and expenses will be pro-rated as of the closing date and such pro-rations could result in a credit due from Debtor to SD Covington. *See* Sale Contract §(E). To the extent that any such proration requires a credit or payment to SD Covington through direct payment or a reduction in the purchase price, Debtor requests authority for such disbursement.

### III. APPROVAL OF SETTLEMENT AGREEMENT

27.

In addition to the sale of the Property, the parties have also entered into a Settlement Agreement between SD Covington and the Debtor's Principals, Milton Hancock and Antonia Babb. *See* Sale Contract, Part II, pp. 16-17.

28.

Although the Debtor is a nominal party to the Settlement Agreement between SD Covington and Debtor's Principals, and the Principals are third-party beneficiaries to the Sale Agreement, the Settlement proposed therein is dependent on the approval of the Sale Contract and the closing of the sale and the satisfaction of SD Covington's claims. Simply stated, as SD Covington's secured and unsecured claims will be fully satisfied with the sale of the Property they will not have any further claims against Debtor's Principals based upon personal guaranties. Therefore, SD Covington and Debtor's Principals will mutually release each other and SD Covington will dismiss the pending lawsuit.

29.

In addition, the Sale Contract provides that SD Covington may assign its rights as purchaser in the Sale Contract. The Settlement Agreement will survive any assignment by SD Covington.

30.

Debtor's counsel does not represent Debtor's Principals and Debtor's Principals have been advised of their right to seek advice from their own counsel. The Sale Contract and Settlement Agreement do not contemplate that Debtor will pay any funds or otherwise transfer any property whatsoever to pay claims any party may have against Debtor's Principals, other than the debts owed to SD Covington by the Debtor which are personally guaranteed by the Principals.

**IV. REQUEST FOR TERMINATION OF ADEQUATE PROTECTION PAYMENTS AND CASH COLLATERAL RESTRICTIONS**

31.

Pursuant to this Court's Second Interim Cash Collateral Order entered on November 29, 2018 [Dkt. No. 55] Debtor is required to pay to SD Covington monthly adequate protection payments of \$6,000.00 per month, due on the 5<sup>th</sup> day of each month. Based upon the facts stated herein, including the proposed sale of the Property to SD Covington and the release of the Debtor from all secured and unsecured claims owed to SD Covington, Debtor requests that the Court enter an order providing that all adequate protection payments will terminate as of the closing of the proposed sale and such payments shall be prorated for the month in which the closing takes place.



32.

Debtor is aware of no parties other than SD Covington that claim a lien or interest in Debtor's cash and accounts and no parties have appeared in the case to claim such an interest. In addition to the termination of the adequate protection payments to SD Covington, Debtor requests that the Court enter an order terminating all cash collateral restrictions that are in place pursuant to the Cash Collateral Orders entered by the Court and pursuant to 11 U.S.C. §§363, 361. Debtor understands that it still must comply with the provisions of the Bankruptcy Code regarding the use of Debtor's funds and accounts.

V. **AUTHORIZATION OF ASSUMPTION AND ASSIGNMENT OF NON-RESIDENTIAL REAL PROPERTY LEASES**

33.

The Property consists of two adjacent industrial/commercial buildings with individual suites leased out to tenants. Debtor has no other business operations other than leasing the Property to tenants and maintaining the Property. Debtor is the lessor to seven current tenants in the Property. A list of the leases is attached herein as Exhibit B.

34.

Debtor seeks to assume the leases identified in Exhibit B pursuant to 11 U.S.C. §365(a). As stated in Exhibit B, Debtor, as landlord and owner of the

Property, is not in default of any of the leases. Therefore, there is no cure of the leases required pursuant to 11 U.S.C. §365(b)(1).

35.

Debtor requests authorization to assign the leases identified in Exhibit B to SD Covington immediately after the closing of the sale of the Property pursuant to 11 U.S.C. §365(f).

36.

Pursuant to Rule 6006(e) of the Bankruptcy Rules, a debtor may seek to assume and assign multiple executory contracts and unexpired leases in one motion if they "are to be assigned to the same assignee," or "the court otherwise authorizes the motion to be filed." *See* Fed. R. Bankr. P. 6006. Rule 6006(f) further provides that an omnibus motion to assume multiple executory contracts or unexpired leases shall:

- (1) state in a conspicuous place that parties receiving the omnibus motion should locate their names and their contracts or leases listed in the motion;
- (2) list parties alphabetically and identify the corresponding contract or lease;
- (3) specify the terms, including the curing of defaults, for each requested assumption or assignment;
- (4) specify the terms, including the identity of each assignee and the adequate assurance of future performance by each assignee, for each requested assignment;

- (5) be numbered consecutively with other omnibus motions to assume, assign, or reject executory contracts or unexpired leases; and
- (6) be limited to no more than 100 executory contracts or unexpired leases.

37.

Notwithstanding the mandatory language utilized, the Advisory Committee Notes regarding the 2007 amendments to Rule 6006 indicate that bankruptcy courts retain flexibility to modify the specific requirements of Rule 6006(f) to meet the needs of a particular case, so long as effective notice is provided to the non-debtor parties to the contracts or leases to be assigned. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6006.

38.

Here, the Debtor believes that the requirements of Bankruptcy Rule 6006 for the assumption and assignment of multiple contracts and leases are satisfied in that: (a) this Motion includes the statement required by Bankruptcy Rule 6006(f)(1) is set forth on page 1 above, in bold type and capital letters, immediately following the caption; (b) this Motion includes the list of non-debtors who are parties to potential Assigned Contracts and the corresponding contract or lease; (c) this Motion includes the proposed Cure Costs in Exhibit B, served on all creditors and all parties to the Executory Contracts, (d) Purchaser will provide at or before the Sale Hearing sufficient information for parties who are non-Debtors to determine

the Purchaser's ability to provide adequate assurance of performance under the Assigned Contracts, and (e) this Motion is designated as the "First" such motion, and any further motions seeking authority to assume and assign multiple contracts or leases will be numbered consecutively. Under the circumstances, the procedures proposed in this Motion substantially comply with Bankruptcy Rule 6006 and will provide effective notice to non-Debtor parties to the Assigned Contracts.

Therefore, the Debtor submits that the proposed method of proceeding with respect to the Assigned Contracts as set forth herein is appropriate and should be approved and authorized at the Procedures Hearing.

**WHEREFORE**, the Debtor respectfully requests that this Court enter an order:

1) Authorizing the Sale of Debtor's Non-Residential Real Property Free and Clear of Liens, Claims, Interests and Encumbrances;

2) Authorizing the Debtor to Make Other Disbursements at Closing;

3) Approving Settlement Agreement;

4) Terminating Adequate Protection Payments and Cash Collateral Restrictions;

5) Authorizing Assumption and Assignment of Non-Residential Leases; and

6) Granting such other relief the Court deems appropriate.

Respectfully submitted this 14<sup>th</sup> day of January 2019.

/S/

Scott B. Riddle, Esq.  
GA Bar No. 604855  
Suite 1800 Tower Place  
3340 Peachtree Street NE  
Atlanta GA 30326  
Telephone: (404) 815-0164  
***Counsel for Debtor***

**SETTLEMENT AGREEMENT AND AGREEMENT FOR PURCHASE AND SALE  
OF REAL PROPERTY LOCATED AT  
60-A AND 60-B CHAMISA ROAD COVINGTON, NEWTON COUNTY, GEORGIA 30016**

**I. PURCHASE AND SALE OF COMMERCIAL REAL PROPERTY**

THIS AGREEMENT (the “**Agreement**”) FOR PURCHASE AND SALE OF REAL PROPERTY LOCATED AT 60-A and 60-B Chamisa Road, Covington, Newton County, Georgia 30016 (the “**Property**”) is made and entered into as of last date stated below, by and between **PARADIGM DEVELOPMENT, LLC** (the “**Seller**” or “**Debtor**”) as seller, and **SD Covington, LLC**, as purchaser (the “**Purchaser**”); and

WHEREAS, on October 1, 2018, (the “**Petition Date**”), the Debtor filed a voluntary case (the “**Bankruptcy Case**”) under Chapter 11 of Title 11 of the United States Code, U.S.C. §§ 101 et.seq., as amended (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Northern District of Georgia, Atlanta, Division (the “**Bankruptcy Court**”), styled *In Re: Paradigm Development, LLC*, Case Number 18-66580-lrc (the “**Bankruptcy Case**”); and

WHEREAS, at the commencement of the Bankruptcy Case, a bankruptcy estate was created pursuant to 11 U.S.C. §541(a), and that bankruptcy estate includes all legal or equitable interests of Debtor in property as of commencement of the Bankruptcy Case and any interest in property that the estate acquires after commencement of the Bankruptcy Case. 11 U.S.C. §541(a)(1) and (7) (the “**Bankruptcy Estate**”); and

WHEREAS, the Property and improvements thereon known as 60-A and 60-B Chamisa Road, Covington, Newton County, Georgia 30016 and more particularly described in **Exhibit “A”** attached hereto and incorporated herein, is titled in the name of Debtor; and

WHEREAS SD Covington, LLC is a creditor of the Debtor and asserts a first-priority security interest in the Property. For purposes of this Agreement only, the parties agree that the outstanding balance of the secured debt is \$796,531.14 (the “Secured Indebtedness”); and

WHEREAS, additionally, SD Covington, LLC is a creditor of the Debtor and asserts an unsecured claim in the amount of \$109,000.43 (the “Unsecured Indebtedness”); and

WHEREAS, the Debtor wishes to sell the Property for the benefit of the Bankruptcy Estate and the Purchaser wishes to purchase the Property; and

WHEREAS, the Property is being offered for sale “AS IS” “WHERE IS” “WITH NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED” and “WITH ALL FAULTS”; and

WHEREAS, the Debtor will provide at closing a Quit Claim Deed.

**NOW, THEREFORE**, in consideration of the mutual covenants and undertakings set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including payment of the purchase price in consideration for conveyance of the Property, the parties hereby agree as follows:

**(A) Definitions**

The definitions set forth in the above Recitals are incorporated herein.

In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings ascribed to them:

“Bankruptcy Code” shall mean Title 11 of the United States Code.

“Closing Date” shall mean at 10:00 a.m., Prevailing Eastern Time, on a day: (a) during the period, from and including, the day the Sale Order becomes a Final Sale Order

(as defined herein), through and including the fourteenth (14<sup>th</sup>) business day after the Sale Order becomes a Final Sale Order; or (b) such other date as is mutually agreeable to the parties.

“Conditions” shall mean the conditions stated in Section I of this Agreement.

“Final Sale Order” shall mean the Sale Order of the Bankruptcy Court 1) which contains language to the effect that under Rule 6004(h) of the Bankruptcy Rules, this Final Sale Order shall be effective and enforceable upon entry; or 2) if the Final Sale Order does not contain such language, an Order (i) for which any appeal that has been taken has been finally determined or dismissed, or (ii) for which the time for appeal has expired and no appeal had been filed timely.

“Sale Order” shall mean an Order Approving the (i) Agreement and (ii) Sale of Property, Free and Clear of Liens, Claims, Interests, and Encumbrances, signed by a judge of the Bankruptcy Court approving the sale of the Property to the Purchaser on or before the Closing Date.

“Title Commitment” shall mean a title commitment for an owner’s title insurance policy on the Property, obtained by the Purchaser at Purchaser’s expense.

“Title Policy” shall mean an owner’s title policy on the Property issued in accordance with the Title Commitment, obtained by the Purchaser at Purchaser’s expense.

**(B) Sale and Purchase of Property**

Debtor hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase and take from Debtor, all of the Bankruptcy Estate’s right, title, and interest, in, to and under the Property including Debtor’s interest in all leases for the Property.



**(C) Purchase Price**

1. The purchase price for the Property shall be \$921,531.14 (the “Purchase Price”) payable in immediately available U.S. funds on the Closing Date. The parties agree, for purposes of this Agreement only, that the Purchase Price is a fair and reasonable value of the Property.

2. Purchaser shall be allowed to “credit bid” the sum of \$796,531.14 which represents the balance of the Secured Indebtedness owed to the Purchaser by offsetting the Secured Indebtedness against the Purchase Price, as defined above, pursuant to Section 363(k) of the Bankruptcy Code (11 U.S.C. §363(k)) and thereby the remaining balance of \$125,000.00 shall be paid by Purchaser in cash at Closing.

3. Security Deposits that with existing tenants currently held by Debtor shall be credited to Purchaser and applied at closing to reduce the Purchase Price. The amount of the security deposits held by the Debtor is \$8,700.00

4. The remaining balance of the Purchase Price being paid at Closing not authorized by the Bankruptcy Court to be paid out to third parties at Closing, shall be by bank or cashiers check in immediately good funds made payable to the “Law Office of Scott B. Riddle, LLC” and deposited into the SunTrust IOLTA bank account of the Law Office of Scott B. Riddle, LLC and Scott B. Riddle, Esq., counsel for the Debtor. The proceeds shall be held in such trust account, without any deductions, until further order of the Court.

**(D) Closing**

The closing of the sale by the Debtor and the purchase by the Purchaser of the Property (the “Closing”) shall occur on the Closing Date. On the Closing Date, the Closing

may occur at the offices of the closing agent, or such other place as mutually agreeable to the parties, or as directed by the Bankruptcy Court.

At and as of the Closing, subject to the contemporaneous performance by Purchaser of its obligations set forth below, Debtor shall:

- (1) execute and deliver to Purchaser a Quit Claim Deed for the Property;
- (2) deliver to Purchaser possession of the Property at and as of the time of execution and delivery of the Quit Claim Deed;
- (3) deliver to Purchaser Estoppel Certificates executed by all tenants on the Property in a form that is substantially the same as the attached Exhibit "B";
- (4) deliver to Purchaser the original of all leases for all tenants at the Property;
- (5) deliver to Purchaser copies of all service contracts for the Property such as lawn service agreements and sweeping contracts for the parking areas adjacent to the Property; and
- (6) coordinate with Purchaser the transfer of all utilities servicing the Property into Purchaser's name and pay for all such utility charges incurred prior to 11:59 P.M. as of the date immediately preceding the Closing.

At and as of the Closing, subject to the contemporaneous performance by Debtor of the Debtor's obligations set forth above and the satisfaction of all of the Conditions, Purchaser shall

- a. deliver to Debtor the Purchase Price; and
- b. waive and release the Secured and Unsecured Indebtedness.

**(E) Prorations**

(1) At the Closing, all ad valorem property taxes, water and sewer charges and assessments of any kind on the Property for the year of the Closing shall be prorated between Debtor and Seller as of 12:01 a.m. on the Closing Date, it being the intent of the parties that all Newton County ad valorem property taxes for 2018 shall be paid by Debtor before the Closing. Such proration shall be based upon the latest ad valorem property tax, water, sewer charge and assessment bills available; and shall be final. All Newton County real estate taxes, assessments, and impositions relating to the Property (“Taxes”), if any, and attributable to the Property for tax year 2018 shall be paid by Debtor on or before the Closing Date. Purchaser shall have any utility services currently in Debtor’s name be put in Purchaser’s name the day after closing and shall owe no charge for the specific utility(s). All utility deposits paid by Seller to any utility company shall remain with such utility providers and transfer into Purchaser’s name at Closing.

(2) At the closing, rents under the existing Leases and any new Leases shall be prorated as of 12:01 a.m. on the Closing Date. Debtor shall pay to Purchaser or Purchaser shall receive a credit on the closing statement that portion of the rent paid by the tenants under the existing Leases and new leases in the calendar month of Closing or otherwise prepaid by Tenants and allocable to periods subsequent to the Closing Date.

(3) Delinquent rents shall not be prorated at closing. That portion of Delinquent rents attributable to Debtor, when and if collected by Purchaser (less reasonable costs of collection, if any), shall be paid to Debtor to the extent of Debtor’s interest therein, and if not collected within sixty (60) days after Closing, the right to collect same (but only to the extent the amount attributable to Debtor) will be assigned to Debtor without recourse; provided,

however, that Debtor shall have no right to commence eviction proceedings against any tenant. Notwithstanding the foregoing, all rents received by Purchaser shall first be applied to rent due to Purchaser in respect of periods after Closing and then to delinquent rent payable to Debtor hereunder. Debtor shall have no obligation to collect rent due Debtor

(4) Rents unpaid for the current month of closing and not yet due shall not be prorated at closing. That portion of Rents unpaid for the current month of closing and not yet due attributable to Debtor, when and if collected by Purchaser (less reasonable costs of collection, if any), shall be paid to Debtor to the extent of Debtor's interest therein, and if not collected within sixty (60) days after Closing, the right to collect same (but only to the extent the amount attributable to Seller) will be assigned to Debtor without recourse; provided, however, that Debtor shall have no right to commence eviction proceedings against any tenant. Notwithstanding the foregoing, all rents received by Purchaser shall first be applied to rent due to Purchaser in respect of periods after Closing and then to delinquent rent payable to Debtor hereunder. Purchaser shall have no obligation to collect rent due Debtor.

**(F) Transfer Taxes and Recording Fees; Charges and Assessments; Other Costs and Expenses; and Inspections**

Seller shall pay the transfer taxes or fees imposed by the State, County, or other such authority on the transfer of the Property. Purchaser shall pay all recording fees imposed for recording the Quit Claim Deed.

(1) Legal fees and expenses.

Each party shall bear that party's own legal fees and legal expenses associated with this Transaction, unless otherwise expressly provided in this Agreement.

(2) Purchaser Inspections and Indemnification Regarding Same.

Purchaser, his agents, or representatives, at Purchaser's expense and at reasonable times during normal business hours, upon reasonable notice to the Debtor, shall have the right to contact and interview any and all tenants at the Property and to enter upon the Property for the purpose of inspecting, examining and surveying the Property. Purchaser shall give Debtor at least twenty-four business hours' notice that Purchaser wishes to inspect the Property or contact tenants. Purchaser shall and does hereby indemnify and hold Debtor harmless from any actual loss or damage caused to or suffered by Debtor or others as a result of Purchaser's exercise of the right to inspect, including any damage resulting from the negligence of Purchaser or Purchaser's agent. Purchaser agrees to indemnify Debtor for all attorneys' fees incurred by Debtor in connection with any loss or damage caused to or suffered by Debtor or others as a result of Purchaser's exercise of the right to inspect, including any actual damage resulting from the negligence of Purchaser or Purchaser's agent, and within the scope of the foregoing indemnification.

(3) The Debtor has no responsibility to obtain a Title Commitment or Title Policy, and will not obtain such. The Purchaser may obtain a Title Commitment and a Title Policy. If Purchaser elects to obtain a Title Policy, it is at the expense of the Purchaser.

**(G) Representations, Warranties and Acknowledgment by Purchaser.**

Purchaser makes the following representations and warranties to Debtor, which representations and warranties shall be deemed continuing in nature, shall be true and correct at the Closing, and shall survive the Closing for a period of at least one (1) year:

(1) Purchaser has full power and authority to enter into and perform this Agreement. This Agreement does not conflict with any provisions of any contract, agreement, or commitment to which Purchaser is a party or its assets are subject.

**(H) Conditions of Sale.**

(1) Purchaser's obligation to close this transaction is specifically conditioned upon only the following:

Existence of Final Sale Order authorizing sale of the Property free and clear of all encumbrances pursuant to Section (I) below.

(2) The sale of the Property is expressly conditioned upon the Settlement Agreement as set forth in Part II of this Agreement.

**(I) No Assumption of Liabilities**

Purchaser is not assuming or incurring any obligations of the Debtor, the Bankruptcy Estate, or prior owners regarding the Property or its operation unless set forth herein. Purchaser shall not be required to assume any contracts unless specifically agreed to or itemized in the Agreement.

**(J) Transfer of Liens and Rights of Creditors to Proceeds of Sale**

The parties anticipate that at or after the sale hearing, a Judge of the Bankruptcy Court will sign a Sale Order authorizing the sale of the Property free and clear of all liens, claims, encumbrances, and interests on the Property (and obligations of the Debtor), within the meaning of those terms in bankruptcy law, and that at closing, said valid liens, claims, encumbrances, and interests shall transfer solely to the proceeds of sale, as provided in and in accordance with the Sale Order. The Final Sale Order of the Bankruptcy Court so indicating

may be filed of record by the Purchaser, with the appropriate office of the county where the Property is located.

**(K) Agency and Brokerage**

In this Agreement, the term “Broker” shall mean a licensed Georgia real estate broker or brokerage firm and where the context would indicate, the broker’s affiliates licensees. No Broker in this transaction shall owe any duty to buyer or seller of the Property greater than what is set forth in their respective brokerage engagements and the Brokerage Relationships in Real Estate Transaction Act, O.C.G.A. §10-6A-1 *et. seq.*

The Debtor has retained Lee Staples Realty, Inc., as Debtor’s Broker (the “Debtor’s Broker”), as authorized under the Order entered on November 15, 2018 Docket No. 46 (the “Brokerage Order”). The Debtor’s Broker has not represented the Debtor and has not otherwise participated in this Agreement and proposed sale and no commission will be paid at closing. The terms of this Agreement do not eliminate or restrict any right of Debtor’s Broker to request compensation from the Bankruptcy Court.

The principal of Purchaser, Mark A. Parker, is a licensed real estate broker in the State of Georgia, and no other broker has represented Purchaser in connection with the purchase of the Property, and the Debtor shall not be responsible for the payment of any brokerage or similar fee or commission to the Purchaser.

**(L) Disclosures and Further Documentation**

- (1) The Debtor makes no disclosures except as expressly set forth herein.
- (2) The parties believe that they have identified all documentation necessary in order to consummate the transactions contemplated by this Agreement. In the event, however, that other and further documents, consistent with the terms of this Agreement, are necessary

in order to consummate the transactions contemplated hereby, each of Debtor and Purchaser commits to use its best efforts to provide such documentation as soon as practicable, with the intention that the transaction contemplated hereby shall be completed on or prior to the Closing.

**(M) Default and Remedies**

In the event of any material default hereunder, the parties shall have the following as their respective sole remedies:

(1) In the event of an uncured material default by Purchaser, Debtor shall have the right to terminate the Agreement.

(2) In the event of an uncured material default by Debtor, Purchaser shall have the right to terminate the Agreement.

(3) Should the Agreement be terminated for any reason, both Debtor and Purchaser shall retain the right to contest the market value of the Property and/or the amount of the Secured Claim and Unsecured Claim.

**(N) Submission to Bankruptcy Court and Approval**

The proposed sale under the Agreement is subject to Bankruptcy Court approval. The Debtor will file a motion seeking approval of the Agreement.

**(O) Title Search**

Before or after execution of this Agreement, Purchaser may, at its own expense, search title to the Property to determine the status of the title of the Property being conveyed to Purchaser.



**(P) Miscellaneous**

(1) Upon execution of the Agreement by Debtor and Purchaser the Debtor shall not sell the Property, lease any premises, or any part thereof to another person or entity during the Approval Period, provided, however, notwithstanding anything to the contrary contained herein, the Debtor shall provide information to others and otherwise fulfill Debtor's obligations, including exposing the Property and providing information regarding the Property, in accordance with the bankruptcy law. The "**Approval Period**" is from the execution of this Agreement by the Debtor through and including the earliest of (i) termination of this Agreement under the terms of this Agreement, (ii) the Bankruptcy Court declining to approve this Agreement and enter a Final Sale Order, or (iii) the Closing Date.

(2) The attachment of any exhibits, lists or similar documents to this contract after its execution shall be subject to the approval of both parties.

(3) The Agreement, together with any exhibits and schedules hereto, which are deemed to be incorporated by reference as if fully set forth at length herein, constitutes the entire written understanding of the parties and supersedes all oral and written understandings of the parties, all of which are deemed to be merged herein. The Agreement may not be modified or amended except in writing, signed by each of the parties hereto, or their permitted successors or assigns, and approval by the Bankruptcy Court.

(4) The obligations of the Purchaser under Section I of this Agreement ("Purchase and Sale of Commercial Real Property") may be assigned with the prior written consent of the Debtor provided the duties, obligations and rights afforded Purchaser under the Settlement Agreement hereinafter set forth are included in the assignment. The rights of the Purchaser under the Agreement may be assigned with the prior written consent of the Debtor.

Any such assignment shall not affect the terms of the Settlement Agreement in Section II of this Agreement.

(5) The validity and effect of the Agreement shall be governed by, and construed, and enforced in accordance with, the laws of the State of Georgia, without regard to conflicts rules, and the Bankruptcy Code and Bankruptcy Rules. The Bankruptcy Court shall have exclusive jurisdiction with regard to any action brought to enforce this Agreement or any disputes arising thereunder, and each party covenants and agrees that it will not bring any such action in any other court without the prior approval of the Bankruptcy Court.

(6) Time shall be of the essence in the performance by and of the parties' respective obligations hereunder.

(7) When either Debtor or Purchaser desires or is required to give notice to the other in connection with and according to the terms of the Agreement, such notices shall be addressed as follows:

If to Debtor:

Paradigm Development, LLC  
c/o Milton Hancock  
70 Highland Creek Way  
Oxford, Georgia 30054

c/o Antonia Babb  
70 Highland Creek Way  
Oxford, Georgia 30054

With cc to:  
Scott B. Riddle, Esq.  
Law Office of Scott B. Riddle, LLC  
Ste 1800, 3340 Peachtree Rd NE  
Atlanta, Georgia 30326  
scott@scottriddlelaw.com

If to Purchaser:

SD Covington, LLC  
c/o Mark Parker  
1996 Continental Drive  
Atlanta, Georgia 30345

With cc to:  
John J. Wiles, Esq.  
Victor W. Newmark, Esq.  
Wiles & Wiles, LLP  
800 Kennesaw Avenue, Suite 400  
Marietta, Georgia 30060-7946  
bankruptcy@evict.net

A Notice shall be deemed delivered or received: (a) if sent via facsimile or hand delivery, then on the date of such facsimile transmission as shown on the confirmation report (if such facsimile is confirmed by the receiving party) or hand delivery confirmation by the deliverer; (b) if sent via overnight mail service, then one day after the date on which it was sent; (c) if sent via certified or registered mail, then on the date that is five (5) days after the date it was sent.

(8) All pronouns, singular or plural, masculine, feminine or neuter, shall mean and include the person, entity, firm or corporation to which they relate as the context may require. Wherever the context may require, the singular shall mean and include the plural and the plural shall mean and include the singular. The captions and paragraph headings hereof are for reference and convenience only and do not enter into or become a part of the context; provided that notwithstanding anything contained herein the definitions set forth in the “Definitions” section shall have the respective meanings assigned to them.

(9) If any provision or portion thereof of the Agreement shall be held to be invalid, such holding shall not in any way whatsoever affect the validity or enforceability of the remainder of the provisions of the Agreement.

(10) The Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, and the signature pages from any counterpart may be appended to any other counterpart to assemble fully-executed counterparts. Counterparts of the Agreement also may be exchanged via electronic facsimile machines, and any electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

**(Q) No Other Representations or Warranties by Debtor**

(1) DEBTOR HAS MADE CERTAIN EXPRESS REPRESENTATIONS AND WARRANTIES AT SECTION G ABOVE OF THE AGREEMENT, WHICH ARE AND SHALL BE UNAFFECTED BY THE PROVISIONS BELOW AND SHALL SURVIVE THE CLOSING FOR A PERIOD OF ONE (1) YEAR AFTER THE CLOSING DATE.

(2) EXCEPT AS SET FORTH IN THIS AGREEMENT, DEBTOR DOES NOT MAKE ANY WARRANTIES OR REPRESENTATIONS AS TO THE EXISTENCE, QUANTITY, QUALITY OR NATURE OF ANY OF THE FOREGOING TYPES OR ITEMS OF PROPERTY OR THE TRANSFERABILITY OR ASSIGNABILITY OF ANY CONTRACTS, LICENSES OR PERMITS INCLUDED WITHIN THE CATEGORIES AND ITEMS OF THE PROPERTY, IF ANY. THE PROPERTY IS BEING SOLD BY DEBTOR AND ACCEPTED BY PURCHASER AS IS, WHERE IS, WITH ALL FAULTS, AND DEBTOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING ANY OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF TITLE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY DISCLAIMED.

## II. SETTLEMENT AGREEMENT

WHEREAS the owners of the membership interests in the Debtor are Milton Hancock (50% interest) and Antonia Babb (50%); and

WHEREAS Purchaser believes that Milton Hancock and Antonia Babb are personally indebted to the Purchaser for the Secured Indebtedness and the Unsecured Indebtedness, based upon personal guaranties (the “Personal Guaranties”) executed by Milton Hancock and Antonia Babb; and

WHEREAS Purchaser has filed a lawsuit against Milton Hancock and Antonia Babb in the Superior Court of Newton County, case number SUC2018-002089 to obtain a judgment for the debt Purchaser believes is owed by Milton Hancock and Antonia Babb.

**NOW, THEREFORE**, in consideration of the mutual covenants and undertakings set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows

A. Upon the entry of a Final Sale Order and Closing of the Sale, as described above, a) Purchaser agrees that Purchaser’s claim against Debtor shall be fully satisfied and “paid in full” and b) Purchaser releases Debtor from all claims, known and unknown, and Purchaser shall have no further claims whatsoever against Debtor whether it is in the Bankruptcy Case or outside of this Bankruptcy Case should the case be dismissed or Debtor otherwise emerges from this Bankruptcy Case. Such release and waiver shall survive a conversion of the Bankruptcy Case from Chapter 11 to Chapter 7, it being the intent of the parties that if Purchaser discovers that any representations made to Purchaser by Seller regarding the status of the Property or the leases and/or tenants concerning the Property are

untrue or materially false or misleading, then the releases contained herein by Purchaser shall be void *ab initio*.

B. Upon the entry of a Final Sale Order and Closing of the Sale, Purchaser agrees that any claims it has or may have against the Debtor's principals, Milton Hancock and Antonia Babb, shall be fully satisfied and "paid in full," Purchase shall release Milton Hancock and Antonia Babb from all claims, known and unknown, related to the debts of Debtor or the Personal Guaranties and Purchaser shall have no further claims whatsoever against Milton Hancock and Antonia Babb. Further, Purchaser agrees to dismiss with prejudice any lawsuits currently pending against Milton Hancock and Antonia Babb and shall file such dismissal(s) within ten days of the Closing Date.

C. Upon the entry of a Final Sale Order and Closing of the Sale, Debtor, Milton Hancock, and Antonia Babb agree that any claims they have or may have against the Purchaser and Purchaser's successors, assigns, representatives, attorneys, employees, officers, partners, directors, agents and principals shall be fully satisfied and "paid in full," Debtor, Milton Hancock, and Antonia Babb shall release Purchaser from all claims, known and unknown, and Debtor, Milton Hancock, and Antonia Babb shall have no claims whatsoever against Purchaser. Further, Debtor, Milton Hancock, and Antonia Babb agree to dismiss, satisfy, and discharge with prejudice any claims or lawsuits currently pending against Purchaser and shall file such dismissal(s) with prejudice within ten days of the Closing Date.

### TENANT'S ESTOPPEL CERTIFICATE

The undersigned as Tenant under that certain lease ("Lease") made and entered into as of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ as Landlord, and the undersigned as Tenant, for the demised premises located at \_\_\_\_\_, Georgia, and more particularly described in the Lease ("Demised Premises"). Tenant certifies to SD Chamisa, LLC, as purchaser of the Demised Premises ("Purchaser"), as follows:

1. Attached hereto as Exhibit "A" is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit "A" represent the entire agreement between the Tenant and Landlord as to the Demised Premises.
2. The undersigned currently occupies the demised premises described in the Lease, the Lease term commenced on \_\_\_\_\_, 20\_\_, the Lease term expires or expired, on \_\_\_\_\_, 20\_\_, and the undersigned has no option to terminate, cancel or extend the Lease or to purchase all or any part of the Demised Premises. If Lease has expired, Tenant acknowledges it is a tenant at will and has no right to occupy the property subsequent to thirty (30) days notice from Landlord.
3. Rental becomes payable on \_\_\_\_\_.
4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit "A".
5. Tenant has not transferred, assigned or subject any portion of the demised premises nor entered into any license or concession agreements with respect thereto.
6. All monthly installments of rental have been paid when due through \_\_\_\_\_, 20\_\_. The current monthly installment of rental is \$\_\_\_\_\_.
7. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder.
8. No rental has been paid more than thirty (30) days in advance. A Security Deposit in the amount of \$U \_\_\_\_\_ has been deposited with Landlord.
9. As of the date hereof, there are no existing defenses or offsets or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

10. Each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity and qualified to do business in the State of Georgia and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized so to do.
11. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.
12. Tenant has obtained all necessary licenses and permits to lawfully operate Tenant's business in the Demised Premises.
13. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the demised premises, the undersigned has not used or stored any hazardous substances in the demised premises.
14. All tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by Tenant. TENANT WAIVES ANY CLAIM AGAINST PURCHASER FOR ANY DEFENSE, OFFSET, OR CLAIM TENANT MAY HAVE AGAINST LANDLORD AND AGREES TO HOLD PURCHASER HARMLESS.

The undersigned acknowledges that this Estoppel Certificate shall be delivered to Purchaser and acknowledges that Purchaser shall rely upon the statements contained when acquiring the property of which the Demised Premises are a part and that receipt by it of this Certificate is a condition of acquiring such property.

Executed at \_\_\_\_\_, \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

“TENANT”

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT A

LEASE AND ALL MODIFICATIONS, AMENDMENTS AND AGREEMENTS  
THERE TO BE ATTACHED.



IN WITNESS WHEREOF, the particular party hereto has executed this agreement on the date set forth below.

Purchaser:

SD Covington, LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

Seller/Debtor:

Paradigm Development, LLC

By: \_\_\_\_\_

Milton Hancock, Managing Member

By: \_\_\_\_\_

Antonia Babb, Member

\_\_\_\_\_  
Milton Hancock, Individually

\_\_\_\_\_  
Antonia Babb, Individually

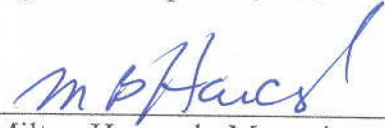
\\SERVER2012\Shared\DATA\S265\2 Paradigm Development\2-purchase and sale agreement vwn final 1-7-19.docx

SD Covington, LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

Paradigm Development, LLC

By:   
Milton Hancock, Managing Member

By:   
Antonia Babb, Member

  
Milton Hancock, Individually

  
Antonia Babb, Individually

\\SERVER2012\Shared\DATA\S265\2 Paradigm Development\2-purchase and sale agreement vwn final 1-7-19.docx

IN WITNESS WHEREOF, the particular party hereto has executed this agreement on the date set forth below.

Purchaser:

SD Covington, LLC

By: 

Its: Manager

Seller/Debtor:

Paradigm Development, LLC

By: \_\_\_\_\_

Milton Hancock, Managing Member

By: \_\_\_\_\_

Antonia Babb, Member

\_\_\_\_\_  
Milton Hancock, Individually

\_\_\_\_\_  
Antonia Babb, Individually

\\SERVER2012\Shared\DATA\S265\2 Paradigm Development\2-purchase and sale agreement vwn final 1-7-19.docx

<u>Tenant</u>	<u>Lease Expiration</u>	<u>Other Address</u>	<u>Cure Costs</u>	
Artistic Tees, Inc. Attn: Robert Farrar Bldg 1, Ste 60 60 Chamisa Rd Covington GA 30016	10/31/2010	Robert Farrar 120 Deep Step Rd Covington GA 30014	\$00.00	
Hood Rat Indus., LLC Attn: Dustin McDowell Bldg 2, Ste 74 60 Chamisa Rd Covington GA 30016	3/31/2020	Hood Rat Indus., LLC Attn: Dustin McDowell 1809 Bullock Dr. Loganville GA 30052	\$00.00	
Nicky Golding Dance Studio Attn: Nicky Golding Bldg 2, Ste 76 60 Chamisa Rd Covington GA 30016	7/30/2019	Nicky Golding Dance Studio Attn: Nicky Goring 10 Heaton Dr. Covington GA 30016	\$00.00	
RCCG Praise Assembly Attn: Kehinde Olanipekun Bldg 1, Ste 66 60 Chamisa Rd Covington GA 30016	7/31/2020	Kehinde Olanipekun 709 Worth Ct Bethlehem GA 30620	\$00.00	
Secure Horizon, LLC Attn: Othello Mathews Bldg 1, Ste 64 60 Chamisa Rd Covington GA 30016	11/30/2021	Othello Mathews 70 Ratliff Dr Covington GA 30016	\$00.00	

Triumvirate Environmental LLC Attn: Emily Duquette Bldg 1, Ste 68 60 Chamisa Rd Covington GA 30016	7/31/2020	Triumvirate Environmental LLC Attn: Contracts Dept 200 Inner Belt Rd. Somerville, MA 02143	\$00.00	
WFH, Inc. Wheeler Pet Crematory Attn: Bill Wheeler PO Box 1082 Covington GA 30015	3/31/2019	Wheeler Pet Crematory Attn: Bill Wheeler PO Box 1082 Covington GA 30015	\$00.00	

**CERTIFICATE OF SERVICE**

This is to certify that I have caused this day to be served a true and correct copy of the foregoing *Motion and Notice of Hearing* by depositing same in United States Mail in a properly addressed envelope with adequate postage thereon to the service list below and the attached mailing matrix.

This 14<sup>th</sup> day of January 2019.

/S/ \_\_\_\_\_  
Scott B. Riddle, Esq.

Artistic Tees, Inc. Attn: Robert Farrar Bldg 1, Ste 60 60 Chamisa Rd Covington GA 30016	Hood Rat Indus., LLC Attn: Dustin McDowell Bldg 2, Ste 74 60 Chamisa Rd Covington GA 30016	Triumvirate Environmental LLC Attn: Contracts Dept 200 Inner Belt Rd. Somerville, MA 02143
Robert Farrar 120 Deep Step Rd Covington GA 30014	Hood Rat Indus., LLC Attn: Dustin McDowell 1809 Bullock Dr. Loganville GA 30052	Triumvirate Environmental LLC Attn: Emily Duquette Bldg 1, Ste 68 60 Chamisa Rd Covington GA 30016
Secure Horizon, LLC Attn: Othello Mathews Bldg 1, Ste 64 60 Chamisa Rd Covington GA 30016	Nicky Golding Dance Studio Attn: Nicky Golding Bldg 2, Ste 76 60 Chamisa Rd Covington GA 30016	WFH, Inc. Wheeler Pet Crematory Attn: Bill Wheeler PO Box 1082 Covington GA 30015
Othello Mathews 70 Ratliff Dr Covington GA 30016	Nicky Golding Dance Studio Attn: Nicky Goring 10 Heaton Dr. Covington GA 30016	
RCCG Praise Assembly Attn: Kehinde Olanipekun Bldg 1, Ste 66 60 Chamisa Rd Covington GA 30016	WFH, Inc. Wheeler Pet Crematory Attn: Bill Wheeler Bldg 2, Ste 78 60 Chamisa Rd Covington GA 30016	
Attn: Kehinde Olanipekun 709 Worth Ct Bethlehem GA 30620		

Bales Plumbing  
341 Almon Rd  
Covington, GA 30014-0807

Central Fire Protection Inc.  
c/o Ellen Johnson  
1760 Old Covington Re. NE  
Conyers GA 30013-5006

Central Fire Protection, Inc.  
760 Old Covington Rd NE  
Conyers, GA 30013

(p)GEORGIA DEPARTMENT OF REVENUE  
COMPLIANCE DIVISION  
ARCS BANKRUPTCY  
1800 CENTURY BLVD NE SUITE 9100  
ATLANTA GA 30345-3202

Hulsey Electric  
2907 Midway Road  
Shady Dale, GA 31085-3551

INTERNAL REVENUE SERVICE  
P O BOX 7346  
2970 MARKET STREET  
PHILADELPHIA, PA. 19104-5002

Internal Revenue Service  
P. O. Box 7346  
Philadelphia, PA 19101-7346

(p)INTERNAL REVENUE SERVICE  
CENTRALIZED INSOLVENCY OPERATIONS  
PO BOX 7346  
PHILADELPHIA PA 19101-7346

Jimmy C. Luke, Esq  
400 Northridge Road  
Suite 1225  
Atlanta, GA 30350-3357

Lindsay P. S. Kolba  
Office of the U.S. Trustee  
Suite 362  
75 Ted Turner Drive, S.W.  
Atlanta, GA 30303-3330

Inc. Lee Staples Realty  
2489 Lost Valley Trail  
Conyers, GA 30094-2440

Jimmy C. Luke II  
Martin Bagwell Luke, P.C.  
Suite 1225  
400 Northridge Road  
Atlanta, GA 30350-3357

Robert McKenzie  
2489 Lost Valley Trail  
Conyers, GA 30094-2440

Victor W. Newmark  
Wiles and Wiles, LLP  
Suite 400  
800 Kennesaw Avenue  
Marietta, GA 30060-7946

(p)NEWTON COUNTY TAX COMMISSIONER  
1113 USHER STREET STE 101  
COVINGTON GA 30014-2470

Paradigm Development, LLC  
70 Highland Creek Way  
Oxford, GA 30054-2901

Scott B. Riddle  
Law Office of Scott B. Riddle, LLC  
Suite 1800  
3340 Peachtree Road, NE  
Atlanta, GA 30326-1064

SD Covington, LLC  
c/o Martin Bagwell Luke, P.C.  
Attn: Jimmy C. Luke, II  
400 Northridge Road, Suite 1225  
Atlanta, GA 30350-3357

SD Covington, LLC  
1996 Continental Drive  
Atlanta, GA 30345-3407

SD Covington, LLC  
c/o Wiles and Wiles, LLP  
800 Kennesaw Avenue  
Suite 400  
Marietta, Ga. 30060-7946

Secretary of the Treasury  
15th & Pennsylvania Avenue, NW  
Washington, DC 20200

Stacey White Roofing  
591 Highway 142  
Covington, GA 30014-4970

U. S. Securities and Exchange Commission  
Office of Reorganization  
Suite 900  
950 East Paces Ferry Road, NE  
Atlanta, GA 30326-1382

United Bank  
235 Griffin Street  
Zebulon, GA 30295-6683

United States Attorney  
Northern District of Georgia  
75 Ted Turner Drive SW, Suite 600  
Atlanta GA 30303-3309

United States Trustee  
362 Richard Russell Federal Building  
75 Ted Turner Drive, SW  
Atlanta, GA 30303-3315