

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

<b>IN RE:</b>	)	
	)	<b>CHAPTER 11</b>
<b>PHILLIPS INVESTMENTS, LLC,</b>	)	
	)	<b>CASE NO. 14-61444</b>
<b>Debtor.</b>	)	

**DISCLOSURE STATEMENT FOR  
DEBTOR'S SECOND AMENDED PLAN OF REORGANIZATION**

**December 17, 2015**

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**DISCLOSURE STATEMENT FOR DEBTOR'S AMENDED PLAN OF  
REORGANIZATION**

**I. INTRODUCTION**

Phillips Investments, LLC (the “Debtor”) filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Georgia on June 11, 2014 (the “Petition Date”).<sup>1</sup> Since that time, the Debtor has retained possession of its assets and continued to operate of its business as debtor-in-possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code. The Debtor now seeks confirmation of its Plan of Reorganization, which accompanies this Disclosure Statement. This Disclosure Statement is designed to provide creditors of the Debtor with adequate information to enable them to decide whether to vote for or against the Plan.

**II. SUMMARY OF DEBTOR'S OPERATIONS AND EVENTS IN CHAPTER 11**

**A. General Background and Information about the Debtor**

The Debtor is a Georgia limited liability company that was formed in 2001. As of the Petition Date, the Debtor's primary business was owning and managing two shopping centers and related real estate located in Gwinnett County, Georgia, generally known as Gwinnett Station and Gwinnett Prado. Gwinnett Station consists of approximately 9.7 acres of improved real property, including a building of approximately 103,090 square feet, that was located at or about 2180 Pleasant Hill Road, Duluth, Georgia. Gwinnett Prado consists of approximately 32 acres of improved real property, including buildings totaling approximately 361,715 square feet, that was located at or about 2300 Pleasant Hill Road, Duluth, Georgia. The Debtor leased space in both

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<sup>1</sup> Capitalized Terms that are not defined in this Disclosure Statement shall have the meaning ascribed to them in the Plan.

Gwinnett Station and Gwinnett Prado to various tenants, which included various retail stores and restaurants and a large Asian supermarket. In the two calendar years prior to the Petition Date, the Debtor received gross rental income of approximately \$1.218 million (for 2012) and \$1.109 million (for 2013). In 2014, the Debtor received approximately \$557,000 in gross rental income through the Petition Date (June 11, 2014).

As of the Petition Date, the Debtor's largest creditor was East West Bank. The Debtor was indebted to East West Bank pursuant to a certain Business Loan Agreement, dated July 30, 2007, between the Debtor and United Commercial Bank in the original principal amount of Eighteen Million Dollars (\$18,000,000.00). This loan was subsequently acquired by East West Bank, and modified pursuant to that certain Modification to the Loan Agreement and related documents dated September 29, 2010. (This loan, as modified, is referred to herein as the "East West Loan"). Debtor's indebtedness to East West Bank was secured by a first priority security interest in both Gwinnett Station and Gwinnett Prado, including an assignment of rents from such properties. Pursuant to the relevant loan documents, the maturity date of the East West Loan was June 5, 2014, at which time the non-default rate of interest under the East West Loan was 5.25%.

The Debtor was unable to pay off the East West Loan upon its maturity, and East West would not agree to extend the loan. East West declared a default under the East West Loan and demanded payment in full, which is why the Debtor filed for Chapter 11. As of the Petition Date, the Debtor was indebted to East West Bank under the East West Loan in the approximate amount of \$17.6 million. However, East West contends that it is also entitled to post-petition interest accruing under the East West Loan at the default rate of 10.25%, as well as other fees and expenses.

**B. Significant Events in Chapter 11**

Following the Petition Date, the Debtor continued operating its business, managing its properties, and collecting rents as a debtor-in-possession under the relevant provisions of the Bankruptcy Code. It retained the law firm of Scroggins & Williamson, P.C. to act as its bankruptcy counsel in connection with this Chapter 11 Case and filed its schedules of assets and liabilities and statement of financial affairs (collectively, the “Schedules”) as required by the Bankruptcy Code. The Debtor also sought, and obtained permission for the Court, to use the “cash collateral” of East West Bank for certain operational purposes. For most of its period in Chapter 11, the Debtor did not, and was not required to, make any payments to East West Bank on the East West Loan on the ground that the value of the properties securing the Debtor’s obligation to East West Bank exceeded the amount of the indebtedness and therefore East West was “adequately protected.” Beginning in May of 2015, however, the Debtor began making payments to East West Bank in the monthly amount of \$75,000 in connection with the Debtor’s continued use of the cash collateral. The Debtor anticipates that it will continue making such payment until the Effective Date of the Plan from its rental income and its cash on hand.

The most significant event that has occurred in this Chapter 11 Case was the sale of Gwinnett Station. On or about October 24, 2014, the Debtor filed a motion seeking authority to sell some or all of its real properties pursuant to a Court-approved auction. The Debtor received various bids to purchase Gwinnett Station, and an auction for that property was held on December 14, 2014. At that auction, Pleasant Hill Real Estate LLC (“Pleasant Hill”) submitted the winning bid, and on December 12, 2014 the Court entered an order approving the sale of Gwinnett Station to Pleasant Hill at the gross purchase price of Eight Million Four Hundred Thousand Dollars (\$8,400,000.00). Following the payment of real estate taxes owed on both Gwinnett Station and Gwinnett Prado (approximately \$750,000), a portion of the Debtor’s

attorney's fees (\$75,000), and other costs and expenses, approximately \$7.5 million was paid to East West Bank to pay down the Debtor's obligation to it under the East West Loan.

In addition, both before and after the sale of Gwinnett Station, the Debtor worked diligently to sell Gwinnett Prado, primarily through the efforts of Hale Retail Group, which was retained as the Debtor's real estate broker. However, even though the property is in a desirable area in Gwinnet County, the Debtor has been unable to secure a firm offer for Gwinnett Prado in an amount sufficient to both pay off East West Bank and provide a fair return for the Debtor's remaining creditors. Nor has the Debtor been able to refinance the property in an amount necessary to pay off East West Bank. There appear to be three reasons for this. First, the property is old and much of it is in need of repair. Second, potential tenants are reluctant to enter into long-term leases and invest the necessary amounts to build out space while the Debtor remains in Chapter 11 and subject to a potential foreclosure on the property by East West Bank. Third, much of the property must eventually be torn down and replaced, which will require a significant capital investment and rezoning.

For the foregoing reasons, the Debtor has concluded that the only way to maximize the value of the property is to secure a junior loan or equity investment in order to obtain the necessary funds to repair and improve Gwinnett Prado and exit Chapter 11 in order to make the property more attractive to tenants, increase the Debtor's rental income, and increase the value of the property. This will result in the property being much more valuable and attractive to both lenders and potential purchasers, and, the Debtor believes, enable the Debtor to refinance the property to pay off East West Bank in a relatively short period of time and, eventually, sell the property at a much higher price than it currently could for the benefit of its creditors and equity interests. This is the purpose and intent of the Plan.

### **III. ASSETS AND LIABILITIES OF THE DEBTOR**

#### **A. Assets**

1. **The Property** – As noted above, the Debtor’s primary asset is its ownership of Gwinnett Prado (also referred to herein as the “Property”), which, as previously discussed, consists of approximately 32 acres of improved real property, including buildings totaling approximately 361,715 square feet, located at or about 2300 Pleasant Hill Road, Duluth, Georgia and used as a shopping center.

In the Schedules filed at the commencement of the Chapter 11 Case, the Debtor listed Gwinnett Prado as having a value of approximately \$23 million as of the Petition Date. Moreover, an appraisal of the Property done on behalf of East West Bank in July of 2013 valued the property at \$19.2 million. However, for the reasons discussed above, the Debtor has been unable to sell Gwinnett Prado for anywhere near that appraised value. Although the Debtor continues to believe that the fair market value of the property exceeds the remaining Secured Claim of East West Bank, the Debtor believes that in order to realize the true value of the property the Debtor will need to exit Chapter 11, invest additional funds to repair and improve the Property, and obtain additional tenants. As discussed in Article VI below, however, East West Bank contends that the Property can be sold in the Chapter 11 Case for a sufficiently high amount to satisfy the claim of East West Bank and the General Unsecured Claims of Non-Insiders in full and that the Plan is not in the best interests of creditors. The Debtor strongly disagrees with East West Bank’s contention.

2. **The Leases** – The Debtor is currently the lessor under four existing leases with tenants at Gwinnett Prado. Currently, the Debtor generates approximately \$91,000 in gross rental income per month through these leases. The Debtor intends to assume each of these leases in connection with the Plan. East West Bank and Great Wall Supermarkets of Ga., Inc. (“Great

Wall”), who is the Debtor’s primary tenant, have alleged that the Debtor is or will become in default under its lease with Great Wall and that the Debtor will be unable to “cure” the alleged default and provide adequate assurance of future performance under the lease so as to assume the lease under the Plan. (See Article VII below.) The Debtor strongly disagrees with this allegation and contends that it will show at the Confirmation Hearing that the Great Wall lease is not in default and, even if it were, the Reorganized Debtor would be able to cure any default, provide adequate assurance of future performance under the lease, and assume the lease under the Plan.

Moreover, under the Plan, the Debtor believes it will be able to enter into new leases with new tenants to generate additional gross rental income of at least \$50,000 per month. East West Bank contends that this is unrealistic and that the Plan is therefore not feasible. (See Article VII below.) However, the Debtor has already entered into a new lease for one currently unoccupied space for \$15,000/month rent and has received verbal commitments for additional leases of at least \$35,000/month. The Debtor expects to produce at the Confirmation Hearing one or more additional signed leases that would go into effect following the confirmation of the Plan and the construction referenced in this Disclosure Statement.

3. **Causes of Action** – Following the confirmation of the Plan, the Reorganized Debtor will retain the Debtor’s rights to pursue any Causes of Action it may currently hold. At this point, however, the Debtor does not believe that any such Causes of Action will generate any significant recovery to the Estate and it is unlikely that the Debtor will pursue any Causes of Action.

4. **Cash.** As of the Effective Date, the Debtor believes it will have approximately \$350,000 in cash on hand.



**B. Liabilities**

1. **Administrative Claims.** An administrative expense bar date has not yet been set. The Debtor does not anticipate that there will be any substantial unpaid Administrative Claims as of the Effective Date of the Plan other than unpaid professional fees. The Debtor estimates that total accrued but unpaid professional fees as of the Effective Date will be around \$110,000.

2. **Secured Claims.** The Debtor believes that the most significant Secured Claim is that of East West Bank. As noted above, East West Bank has a first priority security interest in the Property to secure the obligation it is owed. East West Bank asserts that the current amount of its Secured Claim, including post-petition interest at the default rate, is approximately \$11.9 million.<sup>2</sup> The Debtor believes the only other Secured Claim is held by a landscaping company in the amount of approximately \$22,400, plus accrued interest.

3. **Tax Claims and Priority Claims.** The Debtor does not believe there will be any outstanding Tax Claims or Priority Claims as of the Effective Date of the Plan.

4. **General Unsecured Claims.** The Debtor's Schedules reflect total non-contingent, undisputed General Unsecured Claims in the amount of approximately \$10.75 Million. Of this amount, approximately \$165,000 of such claims are held by persons or entities that are considered Non-Insiders of the Debtor under the Bankruptcy Code, and the remaining claims are held by persons or entities that are considered Insiders. Pursuant to the Plan, any distributions Insiders will be made only after all other obligations to other creditors under the Plan have been satisfied.

5. **Bar Date Has Not Occurred.** The above liabilities reflect the Debtor's best estimates as listed on the Debtor's Schedules. The Bar Date, that is, the date by which creditors

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<sup>2</sup> The Debtor believes that East West Bank's allowed secured claim will be significantly less than \$11.9 million. However, in order to clearly demonstrate the Plan is feasible and that the Reorganized Debtor will have sufficient cash to pay all of its obligations under the Plan, the projections attached to this Disclosure Statement assume that East West Bank's allowed secured claim will be \$11.9 million.

who are not listed on the Schedules as having unliquidated, undisputed and non-contingent claims must file proofs of claim, will not occur until January 11, 2016. Following the Bar Date, the Debtor and its counsel will review all proofs of claim that are filed and, potentially, the estimated amounts of valid claims against the Debtors might change. The Debtor and all other parties in interest will have the right to review and, if appropriate, file objections to any claim subject to dispute. The Court will determine the allowed amount, priority and/or the secured status of any disputed claims at a later date.

#### **IV. PLAN SUMMARY**

THE DISCUSSION OF THE PLAN SET FORTH BELOW IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED PROVISIONS SET FORTH IN THE PLAN AND ANY EXHIBITS, THE TERMS OF WHICH ARE CONTROLLING. HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER INTERESTED PARTIES ARE URGED TO READ THE PLAN IN ITS ENTIRETY SO THAT THEY MAY MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN.

##### **A. General Provisions of the Plan**

Pursuant to the Plan, the Debtor will continue owning, operating and further developing Gwinnett Prado as the Reorganized Debtor. Upon the confirmation of the Plan, an entity known as Airport-Holdings BWI, LLC<sup>3</sup>, will provide the Reorganized Debtor with Investor Loan, which will total Two Million Dollars (\$2,000,000.00) over a one-year period, for the purpose of repairing, renovating, and improving the property. The Reorganized Debtor's obligations to repay the

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<sup>3</sup> Airport-Holdings BWI, LLC (the "Investor") is a single-purpose entity which is wholly-owned by an individual named R. Patel. Mr. Patel is an experienced real estate investor/developer and over the last ten years has owned, sold, leased and managed several hotels, strip centers and mixed-use developments. Mr. Patel has already provided Debtor's counsel with a good faith deposit in the amount of \$500,000 and has demonstrated to the Debtor the financial capability to fulfill the Investor's obligations under the Plan.

Investor Loan will be secured by a lien on the Property that will be junior to the New Senior Secured Note to be issued to East West Bank (discussed below) and subject to the Reorganized Debtor's other obligations under the Plan. The Reorganized Debtor's obligations under the Investor Loan will be without interest and no payments will be made on the Investor Loan until the Property is eventually sold.

The first \$500,000 of the Investor Loan will be provided to the Debtor on or before the Effective Date and another \$500,000 (for a million dollars in total) will be provided to the Debtor by no later than 30 days thereafter. These funds will be used to repair and renovate portions of the Property, focusing initially on the structures shown as A1 – A6 ("Building A") in the attached Exhibit A, including, but not limited to, roof repairs and installing a new HVAC unit and white box buildout.<sup>4</sup> Other repairs and rehabilitation to other portions of the Property will also be done as cash flow permits.

The Debtor believes that these improvements will significantly increase the Reorganized Debtor's rental income and increase the value of the property by several million dollars. In particular, the Debtor anticipates leasing out Building A and space in other buildings for an additional gross rental revenue stream of at least \$50,000 per month, commencing approximately one year after the Effective Date. At that point, the Investor is expected to provide the second million dollars of the Investor Loan to be used for additional repairs, renovation, buildouts and other needs. This extensive repair/renovation work, together with the additional rental revenue this will generate, should enable the Reorganized Debtor to sell or refinance the Property within a relatively short period of time so as to fully satisfy its obligations to East West Bank under the

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<sup>4</sup> These renovations are expected to include, but not necessarily be limited to, repairing and/or replacing the roof, installing exterior windows and doors, basic finished ceiling, contractor demo flooring to existing concrete, priming and painting all interior walls and door frames, install fire sprinkler system, basic heating, ventilation and air conditioning (HVAC), basic lighting, electrical outlets and plumbing, and additional work as necessary.

New Senior Secured Note (as discussed below) and to make the payments to its other creditors as provided in the Plan. The Debtor's cash flow projections for the first three years after the Effective Date are shown on the attached Exhibit B. Notwithstanding the foregoing, creditors should be aware that East West Bank disputes the Debtor's assumptions set forth herein and does not believe the Plan is feasible. (See Articles VI and VII below.)

**B. Treatment of Claims and Equity Interests**

Under the Plan, Claims and Equity Interests will be divided into eight separate classes that are more particularly described in the Plan, but the treatment of the various Claims and Equity Interests are generally described below.

East West Bank will be issued a New Senior Secured Note in the face amount of its Allowed Secured Claim, which will be secured by a senior security interest in Gwinnett Prado, with a market rate of interest to be determined by the Court (which the Debtor estimates at 5 1/4%) and a maturity date of thirty-five months. Payment on the New Senior Secured Note will be interest-only until its maturity date, at which time it will be paid in full. The Reorganized Debtor will also have the option of paying off the New Senior Secured Note prior to maturity and without any penalty. The remaining terms of the New Senior Secured Note will substantially conform with the terms of the earlier East West Loan. East West Bank contends that the market rate of interest on the New Senior Secured Note will be significantly higher than 5 1/4%, which would further reduce the Reorganized Debtor's cash flow and adversely affect the feasibility of the Plan. The Debtor expects to produce evidence at the Confirmation Hearing that 5 1/4% is the appropriate rate of interest. This issue will be determined by the Court at the Confirmation Hearing.

Holders of other Secured Claims, Tax Claims and Priority Claims, if any, will be paid the full amount of their allowed claims within thirty days of the Effective Date. Holders of General

Unsecured Claims that are not considered Insiders of the Debtor will receive 65% of the allowed amounts of their claims within six months of the Effective Date and will receive the remaining 35%, including interest accruing after the Confirmation Date, as soon as the Reorganized Debtor believes that sufficient cash flow exists to justify such payments, but no later than thirty days of the New Secured Senior Note having been paid in full. Holders of General Unsecured Claims that are considered Insiders of the Debtor will not receive any distributions under the Plan until the Property is sold and all other obligations under the New Senior Secured Note and the Investor Loan and to all other creditors of the Debtor have been satisfied as set forth in the Plan. At that point, the holders of General Unsecured Claims of Insiders will receive a pro rata share of the remaining net proceeds from the sale of the Property, up to a maximum of \$6.5 million. The Debtor estimates that this will result in a distribution of approximately 60% to the holders of such Insider Claims.

Holders of existing Equity Interests will retain their equity interests in the Reorganized Debtor. However, Investor will receive 15% of the equity of the Reorganized Debtor for each million dollars it provides under the Investor Loan. After the Investor has provided the full two million dollars of the Investor Loan, the owners of the Reorganized Debtor will be Ly Phillip (40%), Investor (30%), Debbie Nguyen (10%), Kimberly Morphis (10%) and Vuong Phillips (10%). No holder of any Equity Interest will receive any distribution under the Plan on account of such Equity Interest until and unless all other obligations under the Plan have been satisfied.

**C. Assumption of Contracts and Leases.**

To the extent that, as of the Effective Date, the Debtor has any remaining executory contracts or unexpired leases that have not been previously assumed or rejected, then all such

remaining executory contracts or unexpired leases shall be deemed assumed by the Reorganized Debtor as of the Effective Date.

**D. Management of Reorganized Debtor.**

Following the Effective Date, Ly Phillips will continue serving in her role as managing member of the Reorganized Debtor. Neither she nor any other member will receive any salary or similar compensation from the Reorganized Debtor. However, the Reorganized Debtor will continue to pay a management fee of \$2500 per month to LVK Management Corp., which is jointly-owned by Kimberly Morphis and Vuong Phillips.

**V. CONFIRMATION AND CONSUMMATION PROCEDURES**

**A. General Information**

All creditors and equity interests entitled to vote under the Bankruptcy Code on the Plan may cast their votes for or against the Plan. As a condition to confirmation of the Plan, the Bankruptcy Code requires that one Class of impaired Claims or Interests vote to accept the Plan. Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired Claims as acceptance by holders of at least two-thirds of the dollar amount of the class and by more than one-half in number of Claims. Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired Interests as acceptance by holders of at least two-thirds of the allowed Interests in such class. Holders of Claims or Interests who fail to vote are not counted as either accepting or rejecting a plan. Voting is accomplished by completing, dating, signing and filing the ballot form. Ballot forms will be distributed to all creditors and equity interests entitled to vote on the Plan. The ballot form will indicate (i) where the ballot is to be filed and (ii) the deadline by which creditors must cast their ballots.

**B. Solicitation of Acceptances**

This Disclosure Statement has been approved by the Court as containing “adequate information” to permit creditors and equity interest holders to make an informed decision whether to accept or reject the Plan. This Disclosure Statement is provided to each holder of a claim against or equity interest in the Debtor, and is intended to assist creditors in evaluating the Plan and in determining whether to accept or reject the Plan. Under the Bankruptcy Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to, or concurrently with, such solicitation.

**C. Persons Entitled to Vote on the Plan**

All creditors holding Claims or Interests impaired by the Plan may vote on the Plan. In determining acceptance of the Plan, votes will only be counted if submitted by a holder of an Allowed Claim, as defined by the Plan. The ballot form that you receive does not constitute a proof of claim. If you are in any way uncertain whether your Claim has been correctly Scheduled or is an Allowed Claim, you should check the Debtor’s Schedules, which are on file in the Court for review by the general public or can be obtained by the Debtor’s attorneys.

**D. Confirmation Hearing**

The Court will set a Confirmation Hearing to determine whether the Plan has been accepted by the requisite number of classes and whether the other requirements for confirmation of the Plan have been satisfied. Each creditor and equity interest holder will receive notice of the Confirmation Hearing.

**E. Acceptances Necessary to Confirm the Plan**

At the Confirmation Hearing, the Court shall determine, among other things, whether the Plan has been accepted by each impaired Class. Under § 1126 of the Bankruptcy Code, an impaired class of creditors is deemed to accept the Plan if at least two-thirds in amount and more than one-half in number vote to accept the Plan. Further, unless there is unanimous acceptance of the Plan by an impaired class, the Court must also determine that Class members will receive property with a value, as of the Effective Date of the Plan, that is not less than the amount that such Class member would receive or retain if the Debtor was liquidated as of the Effective Date of the Plan under Chapter 7 of the Bankruptcy Code.

**F. Confirmation of Plan Without Acceptances By All Impaired Classes**

The Bankruptcy Code provides that the Plan may be confirmed even if it is not accepted by all impaired classes. In order to be confirmed without the requisite number of acceptances of each impaired Class, the Court must find that at least one impaired Class has accepted the Plan without regard to the acceptances of insiders, and the Plan does not discriminate unfairly against, and is otherwise fair and equitable, to such impaired Class. The Debtor has requested confirmation pursuant to the “cramdown” provisions of § 1129(b) of the Bankruptcy Code. In connection therewith, the Debtor shall be allowed to modify the proposed treatment of the Allowed Claims in any Class that votes against the Plan consistent with § 1129(b)(2) of the Bankruptcy Code.

**G. Considerations Relevant to Acceptance of the Plan**

The Debtor’s recommendation that all creditors should vote to accept the Plan is premised upon the Debtor’s view that the Plan is preferable to other available alternatives for liquidation of the Debtor’s Estate. It appears unlikely to the Debtor that an alternate plan can be proposed that would provide for payments in an amount equal or greater than the amounts proposed under the



Plan. If the Plan is not accepted, it is likely that the interests of all creditors and equity interests will be further diminished.

**VI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN**

The Debtor believes that the Plan will achieve the highest value for its assets and provide the maximum possible return for all of its creditors and equity holders. If the Plan is not confirmed, the Chapter 11 Case will probably be either dismissed or converted to Chapter 7. If the case is dismissed, East West Bank has indicated that it intends to foreclose on the Property. Moreover, even if the Chapter 11 Case is not dismissed, the Court has previously entered an order to allow East West Bank to begin advertising in February of 2016 for a foreclosure of the property which could occur as early as March of 2016. If the case is converted to Chapter 7, a Chapter 7 trustee will be appointed who will, in all likelihood, put the property up for a quick sale.

The Debtor believes that any of these situations will likely result in a sale of the Debtor's remaining property for significantly less than the value that will be generated under the Plan. Among other things, the Debtor would not have received the benefit of the two million dollars under the Investor Loan and the resulting renovations and increased rental income. The Debtor further contends that, even with the assistance of an experience real estate broker, it has been unable to generate a firm offer for Gwinnett Prado in its current condition in an amount significantly greater than the amount of East West's secured claim. Accordingly, the Debtor believes that it is highly unlikely that a foreclosure sale (or a sale by a Chapter 7 trustee) would generate a sale at a high enough price to pay off East West Bank in full. In that case, there would be no distribution that could be made to the Debtor's other creditors. For these reasons, the Debtor does not believe either a dismissal or conversion of the Chapter 11 Case would be an attractive option for any of its creditors.

Creditors should be aware, however, that East West Bank has alleged that there is sufficient value in the Property that a sale of the Property in the Chapter 11 Case would likely generate sufficient revenue to pay the claims of East West Bank, the other secured creditor, and the Non-Insiders in full and, possibly, to make a substantial distribution on the claims of Insiders at the time of the sale. East West Bank further contends that a reorganization of the Debtor under the Plan as proposed would likely result in a default under the New Senior Secured Note resulting, in turn, in a foreclosure of the Property at that time with possibly no distribution to the Non-Insiders. (See Article VII below.) The Debtor disagrees with East West Bank's contentions. All of these various possible scenarios are expected to be examined at the Confirmation hearing.

## **VII. RISKS**

All creditors and equity holders should be aware that there are significant risks associated with the Plan. Some of the risks are set forth below.

### **A. The Plan Might Not be Confirmed**

At the Confirmation Hearing, the Court might not confirm (i.e., approve) the Plan. If the Plan is not confirmed, East West Bank may be allowed to foreclose on the Property. The Court previously modified the automatic stay of section 362 of the Bankruptcy Code to allow East West Bank to begin advertising a foreclosure sale of the Property in February of 2016 for a potential sale in March. If the Plan is confirmed, the foreclosure will not take place (unless there are subsequent defaults under the New Senior Secured Note). If the Plan is not confirmed, however, East West Bank may foreclose on the Property in March of 2016 unless the Court reimposes the automatic stay.

There are a number of reasons why the Plan might not be confirmed, including, but not limited to, the following.

1. There might not be sufficient votes in favor of the Plan. As discussed above, at least one class of impaired creditors (not counting votes of Insiders) must vote to accept the Plan in order for the Plan to be confirmed. The Debtor currently believes that Class 6 (which is an impaired class of Non-Insiders) will vote to accept the Plan. However, if Class 6 does not vote accept that Plan it is unlikely that another impaired Class will accept the Plan. If so, the Plan cannot be confirmed.

2. The Court might find that the Plan is not feasible. In order to confirm the Plan, the Court must find that the Plan will be feasible. Although the Debtor believes the Plan is feasible, East West Bank and Great Wall are each likely to allege that the Plan is not feasible.

a) East West Bank is expected to allege, among other things, that (i) the proposed 5 ¼ interest rate on the New Senior Secured Note is not a market rate of interest, and that the required interest rate would need to be significantly higher, (ii) the cost to the Reorganized Debtor to do all the necessary repairs and renovations on the Property will greatly exceed the Debtor's estimates, (iii) the costs to make the repairs to the Great Wall roof and parking lot that Great Wall contends are necessary will use most, if not all, of the Investor Loan, leaving insufficient funds to make other necessary repairs and renovations to the Property, and (iv) the Reorganized Debtor will be unable to secure new leases at the amounts projected in this Disclosure Statement. If the Court determines that any of those allegations are true, or likely to occur, the Court might determine that the Reorganized Debtor will be unable to meet its obligations under the Plan and that the Plan is therefore not feasible.

b) Great Wall is the Debtor's most significant tenant, paying monthly rent of approximately \$75,000. The Debtor proposes that the Reorganized Debtor will assume

(i.e., continue) the lease with Great Wall under the Plan. However, Great Wall is expected to allege, among other things, that the Debtor is in default under the lease because its roof and parking lot are allegedly in substantial disrepair which cause, among other things, leaks in the roof above Great Wall's supermarket and other concerns. Great Wall further alleges that the roof will need to be replaced at a cost of approximately \$500,000 and that the parking lot will need to be resurfaced at a cost of approximately \$900,000. Great Wall further alleges that the Debtor is required under its lease to make and pay for such repairs, that the lease will be in default until and unless the Debtor or the Reorganized Debtor makes such repairs, and that the Reorganized Debtor will not have sufficient funds to make such repairs. If the Debtor is unable to show that the Reorganized Debtor will be able to promptly make any required repairs and to provide adequate assurance of its ability to perform under the lease, the Court might find that the Reorganized Debtor cannot assume its lease with Great Wall and that the Plan is therefore not feasible.

c) The Debtor vigorously disputes the allegations of both East West Bank and Great Wall. With respect to East West Bank's allegations, the Debtor expects to show at the Confirmation Hearing that (a) a rate of 5 ¼ % for the New Senior Secure Note is appropriate, (b) the required repairs to the Property will not exceed the amounts estimated in this Disclosure Statement, and (c) the Reorganized Debtor will be able to enter into new leases with new tenants to increase its gross rental income by the projected amounts. Further, the Debtor expects to show that the Reorganized Debtor will have sufficient cash to make all of its obligations under the Plan even if it is required to pay a higher rate to East West Bank and not all of its projections are achieved. . Among other things, the Debtor has already obtained a written estimate from an experienced, highly-reputable

contractor to perform all of the work required to Building A at a cost of approximately \$500,000, which is only 25% of the Investor Loan. With respect to Great Wall's allegations, the Debtor denies that the roof needs to be replaced, the parking lot resurfaced, or that the Debtor is (or will be) in default under its lease with Great Wall. The Debtor further alleges that any damage to the roof or the parking lot was caused by Great Wall (or its sub-tenants) and is therefore the responsibility of Great Wall to repair. Moreover, even if it were required to make the repairs alleged by Great Wall, the Debtor has obtained, and will produce at the confirmation hearing, written estimates from experienced, highly reputable contractors showing that all of the total cost of all of the repairs that Great Wall alleges are required to the roof and parking lot will not exceed \$220,000 and that the Reorganized Debtor will have more than sufficient cash to pay for such repairs.

**B. The Reorganized Debtor Might Default Under the Plan**

Even if the Plan is confirmed and goes into effect, it is possible that the Reorganized Debtor will be unable to fulfill its obligations under the Plan. This could occur for a number of reasons previously discussed. Although the Debtor believes that the Investor Loan will give it the resources it needs to do all necessary repairs and renovations, that such repairs and renovations will result in substantially higher rental revenue, and that it will be able to refinance the Property and satisfy its obligations under the New Senior Secured Note within the required time-frame, there is no guarantee that the Reorganized Debtor will be able to achieve each of these goals under the Plan. If not, the Reorganized Debtor might end up in default under the New Senior Secured Note, in which case East West will likely seek to foreclose on the Property. Although the Debtor believes this is a very unlikely possibility, creditors and equity holders should be aware that this possibility exists.

### **VIII. FEDERAL INCOME TAX ASPECTS**

No rulings have been requested from the IRS and no legal opinions have been requested from counsel with respect to any tax consequences of the Plan. No tax opinion is given by this Disclosure Statement. Federal and state income tax consequences of a bankruptcy reorganization to a debtor's estate, its creditors and its equity holders can be extremely complex. Accordingly, holders of Claims and Interests are urged to consult with their own tax advisors concerning the tax consequences of the transactions contemplated in the Plan.

### **IX. CONCLUSION**

Based on the foregoing, the Debtor believes that the best interests of all parties would be served through confirmation of the Plan. **ACCORDINGLY, THE DEBTOR URGES ALL CREDITORS TO VOTE TO "ACCEPT" THE PLAN.**

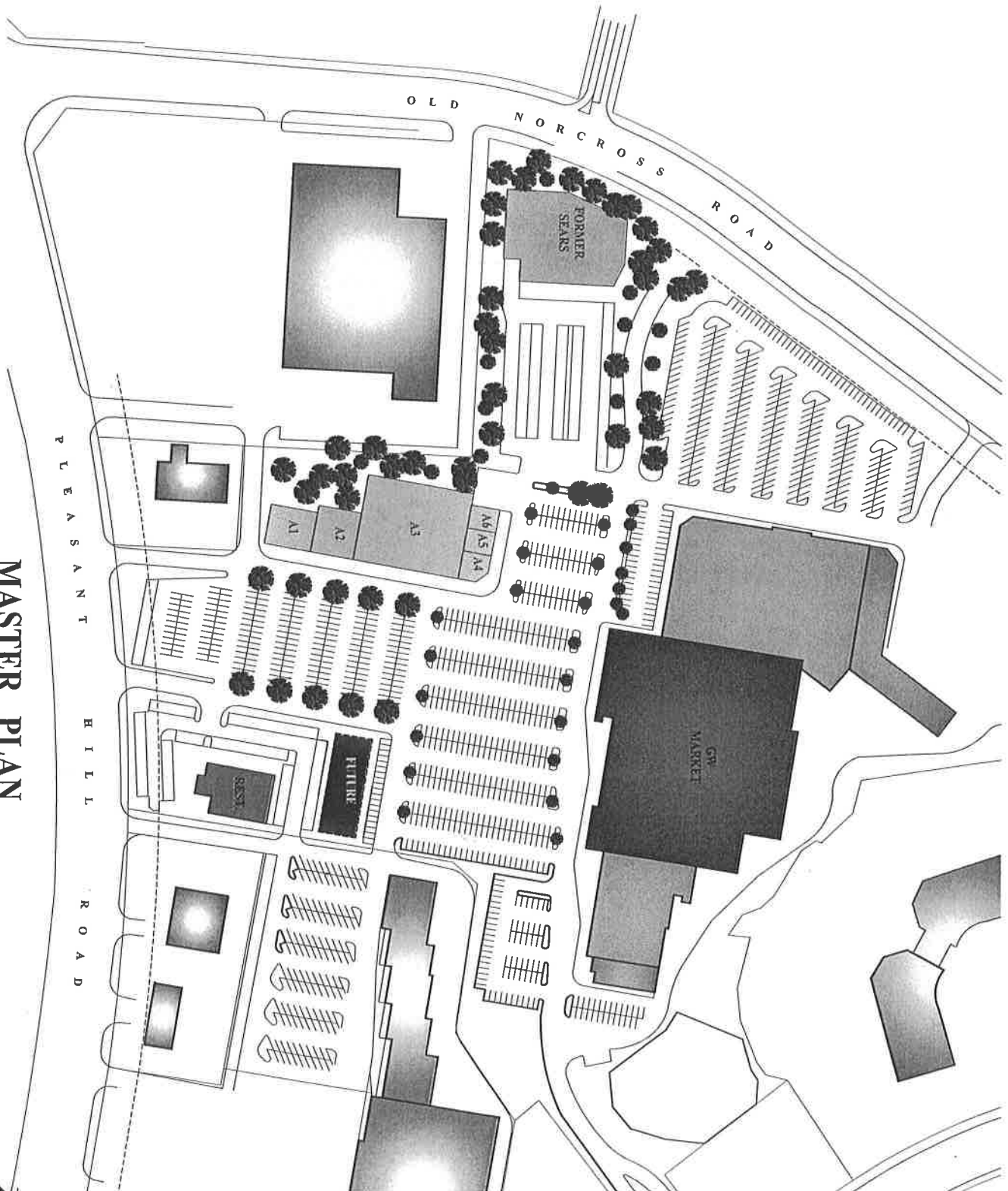
PHILLIPS INVESTMENTS, LLC

By: /s/ Ly Phillips  
Ly Phillips, Managing Member

/s/ J. Hayden Kepner, Jr.  
SCROGGINS & WILLIAMSON, P.C.  
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**EXHIBIT "A"**

**MASTER PLAN**





**EXHIBIT "B"**

Phillips Investments Three Year Cash Projection

	2016											
	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
Beginning Balance	\$350,000	\$1,133,890	\$1,052,259	\$970,628	\$888,997	\$807,366	\$725,735	\$543,904	\$462,613	\$211,242	\$129,951	\$148,659
Airport Holdings	\$1,000,000											
Rents												
Great Wall	\$59,544	\$61,023	\$61,023	\$61,023	\$61,023	\$61,023	\$61,023	\$61,023	\$61,023	\$61,023	\$61,023	\$61,023
Office Max	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Pig Bros	\$6,117	\$6,117	\$6,117	\$6,117	\$6,117	\$6,117	\$6,117	\$6,457	\$6,457	\$6,457	\$6,457	\$6,457
T-Mobile	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Reimbursements	\$18,703	\$18,703	\$18,703	\$18,703	\$18,703	\$18,703	\$18,703	\$18,703	\$18,703	\$18,703	\$18,703	\$18,703
Expenses	\$91,164	\$92,643	\$92,643	\$92,643	\$92,643	\$92,643	\$92,643	\$92,643	\$92,643	\$92,643	\$92,643	\$92,643
East West Bank (5 1/4%)	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000
Insurance	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Water	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Electric	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500
Sweeping	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350
Maintenance&Repairs	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Real Estate Taxes	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
General Office Supplies	\$100	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Dumpster	\$124	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00
Gas	\$200	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
Management	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Professional Fees-legal&acc	\$110,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Payment to creditors	\$24,000	\$174,274	\$174,274	\$174,274	\$174,274	\$174,274	\$174,274	\$174,274	\$344,354	\$174,274	\$74,274	\$74,274
Ending Balance	\$1,133,890	\$1,052,259	\$970,628	\$888,997	\$807,366	\$725,735	\$543,904	\$462,613	\$211,242	\$129,951	\$148,659	\$167,368
Cash flow	\$783,890	\$(81,631)	\$(81,631)	\$(81,631)	\$(81,631)	\$(81,631)	\$(181,831)	\$(81,291)	\$(251,371)	\$(81,291)	\$18,709	\$18,709



	2018											
	1-Feb-2018	1-Mar-2018	1-Apr-2018	1-May-2018	1-Jun-2018	1-Jul-2018	1-Aug-2018	1-Sep-2018	1-Oct-2018	1-Nov-2018	1-Dec-2018	1-Jan-2019
Beginning Balance	\$ 1,595,891	\$ 1,650,729	\$ 1,706,941	\$ 1,763,153	\$ 1,819,365	\$ 1,875,577	\$ 1,931,789	\$ 1,988,001	\$ 2,044,213	\$ 1,900,425	\$ 1,956,637	\$ 2,012,849
Airport Holdings												
Rents												
Great Wall	\$ 62,718	\$ 64,092	\$ 64,092	\$ 64,092	\$ 64,092	\$ 64,092	\$ 64,092	\$ 64,092	\$ 64,092	\$ 64,092	\$ 64,092	\$ 64,092
Office Max	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Pig Bros	\$ 6,117	\$ 6,117	\$ 6,117	\$ 6,117	\$ 6,117	\$ 6,117	\$ 6,117	\$ 6,117	\$ 6,117	\$ 6,117	\$ 6,117	\$ 6,117
T-Mobile	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
Reimbursements	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703
Projected New Tenants	\$ 94,338	\$ 95,712	\$ 95,712	\$ 95,712	\$ 95,712	\$ 95,712	\$ 95,712	\$ 95,712	\$ 95,712	\$ 95,712	\$ 95,712	\$ 95,712
Base rent	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000
reimburse expenses	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Expenses												
East West Bank	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000
Insurance	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Water	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Electric	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500
Sweeping	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
Maintenance& Repairs	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Office Supplies	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
Cumputer	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Gas	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Management	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Professional Fees	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
	\$ 89,500	\$ 89,500	\$ 89,500	\$ 89,500	\$ 89,500	\$ 89,500	\$ 89,500	\$ 89,500	\$ 89,500	\$ 89,500	\$ 89,500	\$ 89,500
Ending Balance	\$ 1,650,729	\$ 1,706,941	\$ 1,763,153	\$ 1,819,365	\$ 1,875,577	\$ 1,931,789	\$ 1,988,001	\$ 2,044,213	\$ 1,900,425	\$ 1,956,637	\$ 2,012,849	\$ 2,069,061
Cash flow	\$ 54,838	\$ 56,212	\$ 56,212	\$ 56,212	\$ 56,212	\$ 56,212	\$ 56,212	\$ 56,212	\$ (143,788)	\$ 56,212	\$ 56,212	\$ 56,212

	2017											
	1-Feb-2017	1-Mar-2017	1-Apr-2017	1-May-2017	1-Jun-2017	1-Jul-2017	1-Aug-2017	1-Sep-2017	1-Oct-2017	1-Nov-2017	1-Dec-2017	1-Jan-2018
Beginning Balance	\$ 167,368	\$ 1,223,251	\$ 1,280,829	\$ 1,338,407	\$ 1,395,985	\$ 1,453,563	\$ 1,511,141	\$ 1,506,001	\$ 1,563,579	\$ 1,423,157	\$ 1,480,735	\$ 1,538,313
Airport Holdings	\$ 1,000,000											
Rents												
Great Wall	\$ 61,023	\$ 62,718	\$ 62,718	\$ 62,718	\$ 62,718	\$ 62,718	\$ 62,718	\$ 62,718	\$ 62,718	\$ 62,718	\$ 62,718	\$ 62,718
Office Max	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Pig Bros	\$ 6,457	\$ 6,457	\$ 6,457	\$ 6,457	\$ 6,457	\$ 6,457	\$ 6,457	\$ 6,457	\$ 6,457	\$ 6,457	\$ 6,457	\$ 6,457
T-Mobile	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
Reimbursements	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703	\$ 18,703
	\$ 92,983	\$ 94,678	\$ 94,678	\$ 94,678	\$ 94,678	\$ 94,678	\$ 94,678	\$ 31,960	\$ 94,678	\$ 94,678	\$ 94,678	\$ 94,678
Projected New Tenants												
Base rent	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000
reimburse expenses	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Expenses												
East West Bank	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000
Insurance	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800
Water	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Electric	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
Sweeping	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Maintenance&Repairs	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Office Supplies	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
Dumpster	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Gas	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Management	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Professional Fees	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
	\$ 87,100	\$ 87,100	\$ 87,100	\$ 87,100	\$ 87,100	\$ 87,100	\$ 87,100	\$ 87,100	\$ 285,100	\$ 87,100	\$ 87,100	\$ 87,100
Ending Balance	\$ 1,223,251	\$ 1,280,829	\$ 1,338,407	\$ 1,395,985	\$ 1,453,563	\$ 1,511,141	\$ 1,506,001	\$ 1,563,579	\$ 1,423,157	\$ 1,480,735	\$ 1,538,313	\$ 1,595,891
Cash flow	\$ 1,055,883	\$ 57,578	\$ 57,578	\$ 57,578	\$ 57,578	\$ 57,578	\$ 57,578	\$ (5,140)	\$ 57,578	\$ (140,422)	\$ 57,578	\$ 57,578

**CERTIFICATE OF SERVICE**

This is to certify that on this date, I served a true and correct copy of the within and foregoing **Disclosure Statement for Debtor's Second Amended Plan of Reorganization** by causing same to be deposited in the United States Mail with adequate postage affixed thereon and addressed to the following:

Office of the United States Trustee  
362 Richard Russell Federal Building  
75 Ted Turner Drive, SW  
Atlanta, GA 30303

This 17<sup>th</sup> day of December, 2015.

SCROGGINS & WILLIAMSON, P.C.

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*Counsel for the Debtor*