

Judge: The Honorable Paul B. Snyder  
Chapter: 11  
Hearing Location: Tacoma, Room H  
Hearing Date: November 4, 2010  
Hearing Time: 9:00 a.m.  
Response Date: October 28, 2010

IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

In Re:

PRIUM MEEKER MALL LLC,  
Debtor.

Taxpayer Identification No. 55-0909639

Debtor's Address  
820 A Street, #300  
Tacoma, WA 98402

BANKRUPTCY NO. 10-45713  
BANKRUPTCY NO. 10-45715  
(Jointly Administered)

**DEBTORS' JOINT DISCLOSURE  
STATEMENT**

In Re:

PRIUM KENT RETAIL LLC,  
Debtor.

Taxpayer Identification No. 55-0909638

Debtor's Address  
820 A Street, #300  
Tacoma, WA 98402

IMPORTANT. THIS JOINT DISCLOSURE STATEMENT HAS BEEN  
APPROVED BY THE BANKRUPTCY COURT FOR DISSEMINATION TO CREDITORS  
AND PARTIES IN INTEREST, AND CONTAINS INFORMATION WHICH MAY BEAR  
UPON YOUR DECISION TO VOTE TO ACCEPT OR REJECT THE DEBTORS' JOINT  
PLAN OF REORGANIZATION PROPOSED BY PRIUM MEEKER MALL LLC AND  
PRIUM KENT RETAIL LLC. THE INFORMATION PROVIDED IN THIS JOINT

DEBTORS' JOINT DISCLOSURE STATEMENT - 1



1 DISCLOSURE STATEMENT IS BASED ON THE DEBTORS' BEST INFORMATION  
2 AND BELIEF. PLEASE READ THIS JOINT DISCLOSURE STATEMENT WITH CARE.  
3 BE AWARE, HOWEVER, THAT THE DEBTORS' JOINT PLAN OF REORGANIZATION  
4 CONTROLS IF THERE IS A CONFLICT OR INCONSISTENCY BETWEEN THIS JOINT  
5 DISCLOSURE STATEMENT AND THE DEBTORS' JOINT PLAN OF  
6 REORGANIZATION.

## 7 I. INTRODUCTION

8 On July 14, 2010, Prium Meeker Mall LLC ("PMM") and Prium Kent Retail LLC  
9 ("PKR") filed voluntary Chapter 11 petitions in the United States Bankruptcy Court for the  
10 Western District of Washington at Tacoma ("Bankruptcy Court"). PMM's bankruptcy case  
11 was assigned Bankruptcy No. 10-45713 and PKR's bankruptcy case was assigned Bankruptcy  
12 No. 10-45715. The bankruptcy cases of PMM and PKR (collectively, "Debtors") are now  
13 being jointly administered under Bankruptcy No. 10-45713. The Debtors are continuing to  
14 operate their businesses and manage their affairs as debtors-in-possession.

15 This Joint Disclosure Statement contains information regarding the Debtors and their  
16 proposed Debtors' Joint Plan of Reorganization ("Plan"). Pursuant to 11 U.S.C. § 1125, a  
17 copy of this Joint Disclosure Statement and the Plan are being distributed to you to enable you  
18 to make an informed judgment about the Plan. The Bankruptcy Court has reviewed this Joint  
19 Disclosure Statement and, after notice and a hearing, approved this Joint Disclosure Statement  
20 as containing adequate information to fulfill that purpose. The Bankruptcy Court's approval  
21 of this Joint Disclosure Statement, however, does not constitute a recommendation or  
22 endorsement of the Plan.

23 This Joint Disclosure Statement has been prepared to disclose information which in  
24 the Debtors' opinion is material, important and necessary to evaluate the Plan.  
25 The information contained in this Joint Disclosure Statement is intended solely for that  
26 purpose and should not be relied upon by anyone for any other purpose. No representation



1 concerning the Debtors or the Plan is authorized by the Debtors other than as set forth in this  
2 Joint Disclosure Statement.

3 A creditor or equity security holder may vote to accept or reject the Plan by  
4 completing the ballot provided with this Joint Disclosure Statement and sending the original  
5 ballot to:

6 Ryan, Swanson & Cleveland, PLLC  
7 1201 Third Avenue, Suite 3400  
8 Seattle, Washington 98101-3034  
9 Attention: Anne K. Hermes

9 The Bankruptcy Court has fixed December 9, 2010 at 5:00 p.m. as the deadline for ballots to  
10 be received by Ryan, Swanson & Cleveland, PLLC. No ballot received after the deadline will  
11 be counted. If the Plan is confirmed by the Bankruptcy Court, it will bind all creditors and  
12 equity security holders irrespective of their individual vote.

13 The hearing to consider confirmation of the Plan will be held before the Honorable  
14 Paul B. Snyder, United States Bankruptcy Judge, United States Courthouse, Room H,  
15 1717 Pacific Avenue, Tacoma, Washington 98402 on December 16, 2010 at 9:00 a.m.  
16 The Bankruptcy Court will confirm the Plan if it meets the requirements contained in the  
17 Bankruptcy Code. A more detailed discussion of those requirements appears on pages 9  
18 through 12 of this Joint Disclosure Statement under the section entitled "Confirmation of the  
19 Plan."

## 20 II. RECOMMENDATION

21 The Debtors believe the Plan provides the best feasible recoveries to creditors and,  
22 therefore, urges you to vote to accept the Plan and to timely return your completed ballot so  
23 that your vote will be counted.

## 24 III. ORGANIZATION AND HISTORY OF THE DEBTORS

25 The Debtors are Washington limited liability companies. The sole member of PMM is  
26 P & U Capital Partners I LLC. The sole member of PKR is P & U Capital Partners II LLC.

1 The sole member of both P & U Capital Partners I LLC and P & U Capital Partners II LLC is  
2 Prium Companies LLC.

3 Each of the Debtors own a single parcel of commercial real property. Together, the  
4 properties comprise Meeker Square Neighborhood Shopping Center ("Meeker Square").  
5 Meeker Square is located at 1310 and 1313 West Meeker Street, Kent, Washington. Meeker  
6 Square is operated as a retail/office center, the primary tenants of which are Rite Aid, the  
7 State of Washington and Big Lots. Meeker Square essentially operates as a single real estate  
8 project.

9 In December 2005, the Debtors borrowed \$19,500,000 from First Independent Bank  
10 ("Bank"). The loan was secured by Meeker Square. The loan was amended several times,  
11 but ultimately matured on February 15, 2010. The Debtors' efforts to negotiate an extension  
12 beyond February 15, 2010 were unsuccessful. The Bank commenced a non-judicial  
13 foreclosure proceeding and filed an action in King County Superior Court (No. 10-2-24413-  
14 1KNT) seeking the appointment of a general receiver. The Debtors believed the appointment  
15 of a receiver would be detrimental to the Debtors and harmful to the operation of Meeker  
16 Square.

17 As a result of the situation described above, the Debtors filed their bankruptcy cases  
18 on July 14, 2010 ("Petition Date").

#### 19 **IV. POST PETITION EVENTS**

20 Since the Petition Date, the Debtors have continued to operate Meeker Square.  
21 The Debtors' operations have been financed pursuant to a cash collateral agreement between  
22 the Debtors and the Bank. The Bankruptcy Court approved the cash collateral agreement on  
23 August 23, 2010.

#### 24 **V. CURRENT FINANCIAL CONDITION**

25 The Debtors' financial condition has remained relatively stable since the Petition Date.  
26 The rents currently generated by Meeker Square of approximately \$188,000 per month are

1 sufficient to pay the current operating expenses and an interest only payment to the Bank at  
2 the non-default rate. The only significant obligations accruing since the Petition Date are the  
3 fees and costs of the professionals employed by the Debtors in their bankruptcy cases.

4 Additional information regarding the Debtors' financial performance since the Petition  
5 Date is available in monthly reports that are on file with the Bankruptcy Court and are of  
6 public record.

## 7 VI. SUMMARY OF PLAN OF REORGANIZATION

8 The Plan has been provided to all of the Debtors' known creditors, potential creditors  
9 and equity security holders. The Plan should be read carefully and independently of this Joint  
10 Disclosure Statement. The following summary of the Plan is intended to provide a context for  
11 understanding the remainder of this Joint Disclosure Statement.

12 The Plan centers on the restructuring of the Debtors' obligations to the Bank, leasing  
13 the remaining vacant space at Meeker Square (approximately 11%) and a sale or refinance of  
14 Meeker Square in 2014.

15 The Plan establishes five classes of claims and interests.

16 Class 1 consists of the Bank's claims. The Bank's claims will be cured on the  
17 effective date of the Plan so that the outstanding amount owed to the Bank will be its principal  
18 balance of \$19,843,763. The principal balance will earn interest at the fixed rate of 5% per  
19 annum and be due in full on December 31, 2014. The Bank will retain its first position  
20 security interest against Meeker Square. The Debtors will make monthly payments to the  
21 Bank of \$116,005 (an amortization period of 25 years) from its rental income and a lump sum  
22 payment to the Bank of the balance of its claim upon a sale or refinance of Meeker Square.  
23 If the Debtors default, the Bank will be allowed to exercise its state law rights to foreclose or  
24 otherwise execute on its security interests.

25 Class 2 consists of the claims of WF Capital, Inc. ("WF Capital"). WF Capital asserts  
26 a claim of more than \$6,500,000. WF Capital's claim will be fixed in the principal amount of



1 \$1,000,000 on the effective date of the Plan. The principal amount will earn interest at the  
2 fixed rate of 5% per annum and be due in full on December 31, 2014. WF Capital will retain  
3 its second position security interest against Meeker Square. The Debtors will make monthly  
4 payments to WF Capital of \$4,167 (interest only) from its rental income and a lump sum  
5 payment to WF Capital of the balance of its claim upon a sale or refinance of Meeker Square.  
6 If the Debtors default, WF Capital will be allowed to exercise its state law rights to foreclose  
7 or otherwise execute on its security interest.

8 Class 3 consists of the claims of A.B.K. LLC ("ABK"). ABK asserts a claim of more  
9 than \$1,600,000. ABK's claim will be fixed in the principal amount of \$100,000 on the  
10 effective date of the Plan. The principal amount will earn interest at the fixed rate of 5% per  
11 annum and be due in full on December 31, 2014. ABK will retain its third position security  
12 interest against Meeker Square. The Debtors will make monthly payments to ABK of \$417  
13 (interest only) from its rental income and a lump sum payment to ABK of the balance of its  
14 claim upon a sale or refinance of Meeker Square. If the Debtors default, ABK will be allowed  
15 to exercise its state law rights to foreclose or otherwise execute on its security interest.

16 Class 4 consists of unsecured claims arising prior to the Petition Date that are not  
17 included in any other class. The allowed claims in Class 4 will earn interest at the fixed rate  
18 of 2% per annum. Starting in July 2011, Class 4 claims will be paid at the rate of \$50,000  
19 every six months from rental income until paid in full.

20 Class 5 consists of the membership interests in the Debtors. The existing members  
21 will retain their membership interests.

22 The Plan was developed based on a cash flow model prepared by the Debtors  
23 ("Model"). A copy of the Model is attached as Exhibit A. The Debtors believe the Model is  
24 conservative, realistic and can be achieved. The Model demonstrates that the Debtors will  
25 have sufficient cash available to make the payments required by the Plan through 2014.  
26

Below is a summary based on the cash available shown on the "NET PROFIT (LOSS)" lines of the Model.

<b>Cash Available for Plan Payments</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
PMM	1,145,100	1,242,597	1,284,868	1,438,438
PKR	429,395	435,655	442,850	450,955
<b>TOTAL</b>	<b>1,574,495</b>	<b>1,678,252</b>	<b>1,727,718</b>	<b>1,889,393</b>
<b>Plan Payments</b>				
Bank	<1,392,060>	<1,392,060>	<1,392,060>	<1,392,060>
WF Capital	<50,000>	<50,000>	<50,000>	<50,000>
ABK	<5,000>	<5,000>	<5,000>	<5,000>
Unsecured Creditors	<50,000>	<100,000>	<100,000>	<100,000>
<b>BALANCE</b>	<b>77,435</b>	<b>131,192</b>	<b>180,658</b>	<b>342,333</b>

## VII. ESTIMATION OF CLAIMS PARTICIPATING IN THE PLAN

Under the Bankruptcy Code, a creditor in a Chapter 11 bankruptcy case may participate in an estate if either: (1) the creditor has timely filed a proof of claim with the Bankruptcy Court, or (2) the debt owed to the creditor is listed on the debtors' bankruptcy schedules as not being unliquidated, contingent or disputed. Below is the Debtors' best estimation of the amount of claims in each class. Creditors should be aware, however, that the actual allowed claims in each class may materially differ from the Debtors' estimate. Nevertheless, the estimates are provided to give creditors as good an indication as currently possible as to the probable claims.

<b>Class No.</b>	<b>Description</b>	<b>Estimate</b>	<b>Explanation</b>
None	Administrative Expenses	\$60,000	The Debtors' estimate of unpaid post-petition professional fees as of September 30, 2010 (\$40,000) and the Debtors' estimate of additional professional fees until the effective date of the Plan (\$20,000).
1	Bank's Claim	\$20,295,329	Bank's Proof of Claim
2	WF Capital's Claim	\$6,617,785	WF Capital's Proof of Claim

Class No.	Description	Estimate	Explanation
3	ABK's Claim	\$1,600,000	Debtors' Bankruptcy Schedules
4	Unsecured Claims	\$165,000	Debtors' Bankruptcy Schedules

Creditors should be aware that the Debtors may dispute the amount, priority and/or secured portion of some claims and file objections to those claims. Thus, the claims participating in the Plan may be augmented or reduced through litigation, compromise, or other developments subsequent to the date of this Joint Disclosure Statement and confirmation of the Plan.

### VIII. COMPARISON OF PLAN TO CHAPTER 7 LIQUIDATION

If the Bankruptcy Court were to find at the hearing on confirmation of the Plan that creditors will receive or retain under the Plan property of a value as of the effective date of the Plan that is not less than the amount that such creditors would receive or retain if the Debtors were liquidated under 11 U.S.C. Chapter 7 as of such date, then the requirement set forth in 11 U.S.C. § 1129(a)(7)(A)(ii) will be satisfied. This requirement must be satisfied with respect to a class of claims only if less than all holders of claims or interests in such class have accepted the Plan.

In a liquidation under Chapter 7, a trustee would be appointed to liquidate the Debtors' assets. A liquidation estate would consist primarily of Meeker Square. Since these are single asset real estate cases, the Bank would likely be granted immediate relief from stay to foreclose on Meeker Square. Thus, it is unlikely a trustee would be able to sell Meeker Square.<sup>1</sup> Instead, the Bank would likely foreclose. Creditors other than the Bank would lose the benefit of Meeker Square. Thus, creditors other than the Bank are unlikely to receive anything in a Chapter 7 case.

<sup>1</sup> Even if the trustee did sell Meeker Square, it is unlikely there would be enough money for anyone other than the Bank. The Debtors are aware of a December 4, 2009 appraisal that valued Meeker Square at \$21,900,000. Assuming a sale at that price and 7% cost of sale, the net proceeds would be \$20,367,000.





1 By comparison, under the Plan, the Bank is expected to be paid in full and all other  
2 creditors have an opportunity to be paid some or all of the amount they are owed.

3 The Debtors believe that all creditors will receive or retain under the Plan on account  
4 of their claims, property having a value that is not less than the amount that such creditors  
5 would receive or retain if the Debtors were liquidated under 11 U.S.C. Chapter 7.

## 6 IX. RISKS

7 The successful implementation of the Plan is contingent upon many assumptions,  
8 some or all of which could fail to meet expectations and preclude the Plan from being  
9 confirmed or producing the anticipated results. Some of the more significant risks are as  
10 follows:

11 1. There is no guarantee the Plan will be confirmed. If it is not, the Bank will  
12 likely foreclose on Meeker Square.

13 2. There is no guarantee that the Debtors will be able to perform consistent with  
14 the Model. For examples: (a) a major tenant could leave or have financial troubles, and  
15 (b) the Debtors may not be able to lease the roughly 11% vacant space at Meeker Square as  
16 fast or for as much as the Debtors expect.

17 3. There is no guarantee the Debtors will be able to sell or refinance Meeker  
18 Square by the December 31, 2014 deadline.

19 4. The Debtors have not done any investigation as to the tax consequences for  
20 creditors under the Plan. There may be adverse tax consequences for creditors, and creditors  
21 with such concerns should consult their own tax advisors.

## 22 X. CONFIRMATION OF THE PLAN

### 23 A. Voting Procedures.

24 A ballot to be used for voting on the Plan accompanies this Joint Disclosure Statement  
25 and the Plan. Holders of claims or interests should read the instructions carefully, complete,  
26 date and sign the ballot, and send it to the indicated address. To be counted, your ballot must



1 be received at the indicated address no later than December 9, 2010 at 5:00 p.m. Failure to  
2 vote or a vote to reject the Plan will not affect the treatment to be accorded a claim if the Plan  
3 is nevertheless confirmed.

4 If more than one-half (1/2) in number of claimants voting and at least two-thirds (2/3)  
5 in amount of the allowed claims of such claimants in each of Classes 1, 2, 3 and 4 vote to  
6 accept the Plan, such classes will be deemed to have accepted the Plan. For purposes of  
7 determining whether a class of claims has accepted or rejected the Plan, only the votes of  
8 those who have timely returned their ballots will be considered. If a voting class does not  
9 accept the Plan, the Debtors will seek confirmation under 11 U.S.C. § 1129(b). This section  
10 generally requires that the Plan does not discriminate unfairly, and is fair and equitable, with  
11 respect to each class of claims or interests that is impaired under, and has not accepted,  
12 the Plan.

13 **B. Hearing on Confirmation.**

14 The hearing on confirmation of the Plan has been set for December 16, 2010 at  
15 9:00 a.m. before the Honorable Paul B. Snyder, United States Bankruptcy Judge, United  
16 States Courthouse, Room H, 1717 Pacific Avenue, Tacoma, Washington 98402.  
17 The Bankruptcy Court shall confirm the Plan at the hearing only if the requirements of  
18 11 U.S.C. § 1129 are satisfied.

19 **C. Comparison to Chapter 7.**

20 To satisfy one of the requirements of 11 U.S.C. § 1129, the Debtors must establish that  
21 with respect to each class, each holder of a claim or interest in that class has accepted the  
22 Plan or will receive or retain under the Plan on account of such claim or interest property of a  
23 value that is not less than the amount that such holder would receive if the Debtors were  
24 liquidated under 11 U.S.C. Chapter 7. As discussed on pages 8 and 9 of this Joint Disclosure  
25 Statement under the section entitled "Comparison of Plan to Chapter 7 Liquidation," the  
26

Debtors believe that the Plan satisfies this test. The Debtors anticipate the Bankruptcy Court will make such a determination at the hearing on confirmation.

**D. Feasibility.**

The Plan provides for the operation of Meeker Square for several years followed by a sale or refinance in 2014. The Debtors believe the Model supporting the Plan is reasonable and can be achieved. If that occurs, by 2014 the amount owed to the Bank will be paid down to a level (approximately \$18,200,000) where the Debtors believe a sale or refinance for an amount sufficient to pay all claims consistent with the Plan can be accomplished. As such, the Debtors believe the Plan is feasible as defined by Bankruptcy Code requirements.

**E. Treatment of Dissenting Classes of Creditors.**

The Bankruptcy Code requires the Bankruptcy Court to find that the Plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the Plan. Upon such a finding, the Bankruptcy Court may confirm the Plan despite the objections of a dissenting class.

**F. Effect of Confirmation.**

The Plan shall bind the Debtors and all other parties in interest, including any creditor, whether such creditor is impaired under the Plan and whether such creditor has accepted the Plan.

**G. Consequences of Failure to Confirm the Plan.**

If the requirements for confirmation of the Plan are not satisfied, the Debtors intend to amend the Plan in a manner that makes confirmation possible. If the Plan as amended cannot be confirmed, it would likely be necessary to convert the case to Chapter 7 or dismiss the case.

**H. Disclosures Required by the Bankruptcy Code.**

The Bankruptcy Code requires disclosure of certain information:

1. There are no payments or promises of any kind specified in



1 11 U.S.C. § 1129(a)(4), including payments to attorneys or accountants, that will not be  
2 subject to approval by the Bankruptcy Court.

3 2. Management of the Debtors' businesses will remain the general responsibility  
4 of Prium Companies LLC. The members of Prium Companies LLC are Thomas W. Price,  
5 Hyun Um and William Stegeman. These individuals are all experienced in real estate projects  
6 similar to Meeker Square. The Debtors believe these individuals are qualified to manage the  
7 Debtors' businesses and their management of the Debtors is consistent with the interests of  
8 creditors and with public policy as required by 11 U.S.C. § 1129(a)(5). These individuals will  
9 not be paid a salary by the Debtors.

10 DATED this 17 day of October, 2010.

11 PRIUM MEEKER MALL LLC

12 

13 By

14 Thomas W. Price, a member of Prium  
15 Companies LLC which is the sole member  
16 of P & U Capital Partners I LLC which is the  
17 sole member of Prium Meeker Mall LLC

18 PRIUM KENT RETAIL LLC

19 

20 By

21 Thomas W. Price, a member of Prium  
22 Companies LLC which is the sole member  
23 of P & U Capital Partners II LLC which is the  
24 sole member of Prium Kent Retail LLC

25 SUBMITTED to the Court this 12<sup>th</sup> day of October, 2010.

26 RYAN, SWANSON & CLEVELAND, PLLC



By

Timothy W. Dore, WSBA #17131  
Attorneys for Debtors

**Prilum Meeker Mail LLC**

**INCOME STATEMENT**

WEDNESDAY, JULY 14, 2010 9:38 AM

PERIOD ENDING MAY 2010

INCOME STATEMENT

	YEAR TO DATE	JUNE Budget	JULY Budget	AUG Budget	SEPT Budget	OCT Budget	NOV Budget	DEC Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
<b>INCOME</b>												
41310 Rent Income	729,416.58	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	1,800.00	1,800.00	1,800.00
41320 Late Fee Income	148.10	-	-	-	-	-	-	-	-	-	-	-
41321 NSF Fee Income	50.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	23,370.00	23,950.00	24,670.00	25,400.00
41330 CAM Reimbursement	5,959.11	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	90,000.00	92,000.00	94,000.00	96,000.00
41340 Real Estate Tax Reimbursement	2,130.45	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	17,136.00	17,480.00	17,828.00	18,200.00
41350 Insurance Reimbursement	199.50	4,440.00	4,440.00	4,440.00	4,440.00	4,440.00	4,440.00	4,440.00	56,430.00	59,730.00	63,480.00	70,680.00
41410 Interest Income	554.28	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>730,456.03</b>	<b>148,000.00</b>	<b>148,000.00</b>	<b>148,000.00</b>	<b>148,000.00</b>	<b>148,000.00</b>	<b>148,000.00</b>	<b>148,000.00</b>	<b>1,881,000.00</b>	<b>\$ 1,991,000.00</b>	<b>\$ 2,116,000.00</b>	<b>\$ 2,356,000.00</b>
<b>EXPENSES</b>												
50010 Alarm Monitoring Expense	829.13	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	1,800.00	1,800.00	1,800.00
50040 Dump Fees Expense	69.50	-	-	-	-	-	-	-	-	-	-	-
50045 Insurance Expense	8,475.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	23,370.00	23,950.00	24,670.00	25,400.00
50050 Janitorial Expense	37,012.44	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	90,000.00	92,000.00	94,000.00	96,000.00
50060 Landscaping Expense	2,559.17	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	17,136.00	17,480.00	17,828.00	18,200.00
50070 Management Fee Expense	22,143.39	4,440.00	4,440.00	4,440.00	4,440.00	4,440.00	4,440.00	4,440.00	56,430.00	59,730.00	63,480.00	70,680.00
50075 Permit Fee Expense	81.00	-	-	-	-	-	-	-	-	-	-	-
50085 Rent-Equipment	120.71	-	-	-	-	-	-	-	-	-	-	-
50110 Repair & Maint-Adams	4,988.78	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00	2,400.00	2,400.00	2,400.00
50120 Repair & Maint-Building	(432.62)	-	-	-	-	-	-	-	-	-	-	-
50140 Repair & Maint-Equipment	3.99	-	-	-	-	-	-	-	-	-	-	-
50150 Repair & Maint-HVAC	3,580.83	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	14,000.00	16,000.00	18,000.00	20,000.00
50170 Repair & Maint-Painting	14.59	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00	600.00	600.00	600.00
50180 Repair & Maint-Parking Lot	1,273.55	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00	1,200.00	1,200.00	1,200.00
50190 Repair & Maint-Pest	366.84	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00	600.00	600.00	600.00
50200 Repair & Maint-Plumbing	86.98	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00	600.00	600.00	600.00
50210 Repair & Maint-Roof	1,424.92	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00	1,200.00	1,200.00	1,200.00
50220 Repair & Maint-Supplies	680.54	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00	1,200.00	1,200.00	1,200.00
50225 Safety/Security	4,400.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	13,000.00	14,000.00	15,000.00	16,000.00
50430 Utilities-Electric	8,411.39	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00	16,000.00	16,550.00	17,040.00	17,560.00
50440 Utilities-Garbage	2,886.29	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00	6,200.00	6,400.00	6,600.00
50450 Utilities-Gas	688.19	140.00	140.00	140.00	140.00	140.00	140.00	140.00	1,720.00	1,770.00	1,840.00	1,920.00
50460 Utilities-Sewer	6,673.80	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00	25,000.00	26,000.00	27,000.00
50470 Utilities-Storm Water	11,042.80	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	27,000.00	28,000.00	29,000.00	30,000.00
50480 Utilities-Telephone	1,159.41	330.00	330.00	330.00	330.00	330.00	330.00	330.00	3,960.00	3,960.00	3,960.00	3,960.00
50490 Utilities-Water	3,519.22	700.00	700.00	700.00	700.00	700.00	700.00	700.00	9,500.00	10,500.00	11,500.00	12,500.00
50810 Prop Mgmt Payroll-Wages	20,444.49	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	49,000.00	50,000.00	51,000.00	52,000.00
50814 Payroll-Maintenance	9,730.69	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	25,000.00	26,000.00	27,000.00	28,000.00
50840 Payroll-Taxes-FICA	788.31	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00	600.00	600.00	600.00
50860 Payroll-Taxes-L&I	318.81	60.00	60.00	60.00	60.00	60.00	60.00	60.00	720.00	720.00	720.00	720.00
50870 Payroll-Taxes-SUI	350.37	70.00	70.00	70.00	70.00	70.00	70.00	70.00	840.00	840.00	840.00	840.00
51440 Utilities-Garbage	4,310.69	800.00	800.00	800.00	800.00	800.00	800.00	800.00	10,000.00	10,500.00	11,000.00	11,500.00
55085 Fuel Expense	1,045.92	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,250.00	3,500.00	3,750.00	4,000.00
55130 Bank Fees Expense	1,482.30	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00	3,000.00	3,000.00	3,000.00
57030 Taxes-Property	78,502.48	17,405.00	17,405.00	17,405.00	17,405.00	17,405.00	17,405.00	17,405.00	180,974.00	196,703.00	202,604.00	208,682.00
Trustee Fees		1,625.00	1,625.00	1,625.00	1,625.00	1,625.00	1,625.00	1,625.00	19,500.00	-	-	-
Building TI Reserves		5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	60,000.00	120,000.00	180,000.00	240,000.00
Professional Fees		58,720.00	58,720.00	58,720.00	58,720.00	58,720.00	58,720.00	58,720.00	735,600.00	748,403.00	761,200.00	774,000.00
<b>TOTAL EXPENSES</b>	<b>234,991.90</b>	<b>58,720.00</b>	<b>58,720.00</b>	<b>58,720.00</b>	<b>58,720.00</b>	<b>58,720.00</b>	<b>58,720.00</b>	<b>58,720.00</b>	<b>831,132.00</b>	<b>831,132.00</b>	<b>831,132.00</b>	<b>831,132.00</b>
<b>NET PROFIT (LOSS)</b>	<b>503,466.13</b>	<b>91,280.00</b>	<b>91,280.00</b>	<b>91,280.00</b>	<b>91,280.00</b>	<b>91,280.00</b>	<b>91,280.00</b>	<b>91,280.00</b>	<b>1,145,100.00</b>	<b>1,242,597.00</b>	<b>1,284,868.00</b>	<b>1,438,138.00</b>

A-1

EXHIBIT A

**Prum Kent Retail, LLC**

**INCOME STATEMENT**

WEDNESDAY, JULY 14, 2010 10:33 AM

INCOME STATE WITH 30 FACTORS

PERIOD ENDING MAY, 2010

**INCOME STATEMENT**

	YEAR TO DATE	JUNE Budget	JULY Budget	AUG Budget	SEPT Budget	OCT Budget	NOV Budget	DEC Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget
<b>INCOME</b>												
41310 Rent Income	172,720.00											
41330 CMA Reimbursement	1,699.10											
41340 Real Estate Tax Reimbursement	21,851.05											
41350 Insurance Reimbursement	4,742.65											
<b>TOTAL INCOME</b>	<b>201,012.80</b>	<b>40,500.00</b>	<b>40,500.00</b>	<b>40,500.00</b>	<b>40,500.00</b>	<b>40,500.00</b>	<b>40,500.00</b>	<b>40,500.00</b>	<b>485,000.00</b>	<b>503,000.00</b>	<b>512,000.00</b>	<b>522,000.00</b>
<b>EXPENSES</b>												
50045 Insurance Expense	1,410.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	3,485.00	3,575.00	3,650.00	3,735.00
50070 Management Fee Expense	6,030.40	1,207.00	1,207.00	1,207.00	1,207.00	1,207.00	1,207.00	1,207.00	14,850.00	15,090.00	15,360.00	15,660.00
50075 Permit Fee Expense	81.00	-	-	-	-	-	-	-	-	-	-	-
57030 Taxes-Property	21,861.93	4,376.00	4,376.00	4,376.00	4,376.00	4,376.00	4,376.00	4,376.00	47,270.00	48,680.00	50,140.00	51,650.00
<b>TOTAL EXPENSES</b>	<b>29,383.33</b>	<b>5,865.00</b>	<b>5,865.00</b>	<b>5,865.00</b>	<b>5,865.00</b>	<b>5,865.00</b>	<b>5,865.00</b>	<b>5,865.00</b>	<b>65,605.00</b>	<b>67,345.00</b>	<b>69,150.00</b>	<b>71,045.00</b>
<b>NET PROFIT (LOSS)</b>	<b>171,629.47</b>	<b>34,635.00</b>	<b>34,635.00</b>	<b>34,635.00</b>	<b>34,635.00</b>	<b>34,635.00</b>	<b>34,635.00</b>	<b>34,635.00</b>	<b>429,395.00</b>	<b>435,655.00</b>	<b>442,850.00</b>	<b>450,955.00</b>