

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION

IN RE:

LIBERTY INDUSTRIES, L.C.,  
,  
\_\_\_\_\_  
Debtor \_\_\_\_\_/

CASE NO. 16-22332-EPK  
CHAPTER 11

**JOINTLY ADMINISTERED**

LIBERTY PROPERTIES AT  
NEWBURGH, L.C.,  
\_\_\_\_\_  
Debtor. \_\_\_\_\_/

CASE NO. 16-22333-EPK

**DEBTORS' JOINT DISCLOSURE STATEMENT**

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**CONTENTS**

**ARTICLE I- INTRODUCTION** .....3

**ARTICLE II - HISTORY OF DEBTOR**.....6

    (A) History of the Debtor.....6

    (B) Management of Debtor Before Bankruptcy .....9

    (C) Significant Events During Bankruptcy.....10

    (D) Projected Recovery of Avoidable Transfers .....10

    (E) Claims Objections.....10

    (F) Current Historical Financial Conditions .....11

**ARTICLE III - SUMMARY OF PLAN AND TREATMENT OF CLAIMS AND EQUITY INTERESTS** .....12

    (A) What is the Purpose of the Plan.....12

    (B) Unclassified Claims.....12

    (C) Administrative Expenses Claims.....13

    (D) Priority Tax Claims .....13

    (E) United States Trustees Fees .....13

    (1) Classification of Claims .....13

**ARTICLE IV -TREATMENT OF CLAIMS AND INSTRESTS UNDER THE PLAN**

    (A) Means of Implementing the Plan.....14

    (B) Executory Contracts .....17

    (C) Risk Factors .....18

    (D) Tax Consequences of the Plan.....19

**ARTICLE V - CONFIRMATION REQUIREMENTS AND PROCEDURES**

    (A) Who May Vote or Object .....19

    (B) Votes Necessary to Confirm Plan - Cram Down.....21

    (C) Liquidation Analysis.....22

    (D) Feasibility .....22

**ARTICLE VI - RELEASE**.....22

**ARTICLE VI - EFFECT OF CONFIRMATION OF PLAN** .....23

    (A) Discharge of Debtor .....23

    (B) Modification of Plan .....23

    (C) Final Decree.....23

**ARTICLE VII CONCLUSION** .....24

**EXIBITS**

<b>Exhibit "A"</b>	List of Creditors
<b>Exhibit "B"</b>	Liquidation Analysis
<b>Exhibit "C"</b>	Monthly Operating Reports
<b>Exhibit "D"</b>	Projections
<b>Exhibit "E"</b>	Cash on Hand

**DEBTORS' JOINT DISCLOSURE STATEMENT**

LIBERTY INDUSTRIES, L.C. (the “**Debtor**” or “**Liberty Industries**”) and LIBERTY PROPERTIES AT NEWBURGH, LC, (the “**Debtor**” or “**Liberty Properties**”) the Debtors and Debtors-in-Possession (the “**Debtors**”) provide this Joint Disclosure Statement to all known creditors of the Debtors in order to disclose the information deemed to be material, important, and necessary for creditors to arrive at a reasonably informed decision in exercising their right to abstain from voting or to vote for acceptance or rejection of the Debtors’ Plan of Reorganization, (hereinafter "the Plan"). A copy of the Plan accompanies this Disclosure Statement.

**ARTICLE I. INTRODUCTION**

This is the joint disclosure statement (the “Disclosure Statement”) of the Chapter 11 Debtor, **Liberty Industries, LC** and the Chapter 11 Debtor, **Liberty Properties at Newburgh, LC**, (the “**Debtors**”). This Disclosure Statement contains information about the Debtors and describes the Debtors’ Plan of Reorganization (the “Plan”) filed by the Debtors contemporaneously herewith. You are urged to carefully read the contents of this Disclosure Statement before making your decision to accept or reject the Plan. Particular attention should be directed to the provisions of the Plan affecting or impairing your rights as they presently exist. The terms used herein have the same meaning as in the Plan unless the context hereof requires otherwise.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED BY THE DEBTORS’ MANAGEMENT, UNLESS SPECIFICALLY STATED TO BE FROM OTHER SOURCES. NO REPRESENTATIONS, OTHER THAN

THOSE SET FORTH HEREIN, CONCERNING THE DEBTORS, (PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF ITS PROPERTY), ARE AUTHORIZED BY THE DEBTORS.

*Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.*

The proposed distributions under the Plan are discussed In Article IV of this Disclosure Statement. General unsecured creditors are classified in Class 2, and will receive a distribution of 50% of their allowed claims, to be distributed in equal monthly payments over a 36 month period beginning on the first day of the month after the Effective Date, and a 50% balloon payment in month 37 after the effective date in full satisfaction of such claims.

**A. Purpose of This Document**

This Disclosure Statement describes:

- The Debtors and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan,
- Why the Plan Proponent, the Debtors, believe the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and

- The effect of confirmation of the Plan.

**Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establishes your rights.**

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

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

The Court will set a hearing on confirmation of the Plan for the date and time set forth in the Order (I) Approving Disclosure Statement; (II) Setting Hearing On Confirmation of Plan; (III) Setting Hearing on Fee Applications; (IV) Describing Various Deadlines; and (V) Describing Debtor's Obligations. Creditors may vote on the Plan by filling out and mailing the accompanying ballot form to the Bankruptcy Court. **Your Ballot must be filed on or before the deadline set by the Court.** As a creditor, your vote is important. In order for the Plan to be deemed accepted, of the ballots cast, creditors that hold as least 2/3 in amount and more than 1/2 in number of the allowed claims of impaired Classes must accept the Plan. However, you are advised that the Debtors may be afforded the right under the Bankruptcy Code to have the Plan confirmed over the objections of dissenting creditors consistent with the limitations set forth in the Bankruptcy Code.

NO REPRESENTATIONS CONCERNING THE DEBTORS (PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF THEIR PROPERTIES), ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE WHICH ARE OTHER THAN AS CONTAINED IN THIS

DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTORS, WHO IN TURN SHALL DELIVER SUCH INFORMATION TO THE UNITED STATES TRUSTEE FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.

*Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact Robert C. Furr, Esq., Furr and Cohen, P.A., attorney for the Debtors, 2255 Glades Road, Suite 337W, Boca Raton, FL 33431.

**ARTICLE II. HISTORY OF THE DEBTOR**

**A. Description and History of the Debtors' Business**

The Debtors, filed voluntary Petitions for Reorganization under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. 101 *et seq.*, (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Florida (the "Bankruptcy Court") on September 7, 2016 (the "Filing Date"). An *Order Jointly Administering Chapter 11 Cases* [ECF 12] was entered by the Court on September 13, 2016. The Debtors have continued to operate their business as a Debtors-In-Possession pursuant to § 1108 of the Bankruptcy Code. Liberty Industries also conducts its business under the name "Tower Innovations". Liberty Industries sponsors a 401(k) Retirement Plan in which it matches 50% of employee salary deferral up to the first 5% of eligible compensation. The Debtors do not provide retirement benefits.

The Debtors are Florida Limited Liability Companies. Debtor, Liberty Properties, owns a commercial manufacturing facility and office complex located in Newburgh, Indiana including 22.6 acres of real property: 6,000 square foot office building, a 28,000 square foot manufacturing

facility and a 3,800 square foot warehouse and support facility (the “**Property**”). The Property is leased to Debtor, Liberty Industries by Liberty Properties. The Debtor, Liberty Industries is a leading manufacturer of Broadcast and Telecommunication Infrastructure Tower Systems serving domestic and international markets. The Debtors engage in the design, manufacturing, installation and sale of these Tower Systems, ranging from 100 feet Self-Support Cellular Towers up to 2,000 feet Guyed Tower Systems for the Television and Radio Broadcasting marketplace.

The Debtors sell products directly to end-user customers and through a network of domestic international engineering and construction firms. The Debtors’ business operations have a long history of over 50 years in the broadcast side, and are based in a dedicated manufacturing facility in Newburgh, Indiana, where Liberty Properties owns a 37,000 square foot production and office facility situated on 25 acres in an industrial complex. Liberty Industries operates the business from this facility and leases the premises from Liberty Properties. The multi-purpose facility is capable of producing both telecommunication and broadcast tower systems well in excess of the Debtors’ current sales levels, and therefore, has available production capacity to support near-term rebounding in the broadcast tower marketplace. The corporate offices is located in Boca Raton, Florida. The operations are located in Newburgh, Indiana. There are fourteen (14) employees.

In 2009, the Debtors, along with the entire Broadcast Marketplace, experienced a severe downturn in revenue for new Broadcast Towers due to the general economic downturn, resulting in operating cash losses, which eventually caused the Debtors to file for bankruptcy protection Under Chapter 11 of the Bankruptcy Code on September 12, 2012 in the United States Bankruptcy Court for the Southern District of Florida under jointly administered Case No. 12-



32843-PGH (the “**2012 Case**”). The Court approved confirmation of the Debtors’ Plan on October 25, 2013 (the “**2012 Plan**”). Unsecured Creditors’ claims totaled \$1,536,403.78, and the Plan provided that these creditors were to receive twenty percent (20%) of their allowed claim, payable by the Debtors every month for 36 months. The first payment to unsecured creditors was made from the confirmation funds, and the Debtors began making the required payments on May 11, 2014. Administrative Claimants and the Internal Revenue Service were paid in full at Confirmation.

Prior to the 2012 Case, (May of 2008) the Debtors entered into Loan and Security Agreements with Regions Bank. The lines of credit were increased several times. In December 2009, Regions Bank made a second term loan to the Debtor to purchase equipment. The Line of Credit and the equipment loan were cross-collateralized and were secured by substantially all assets of the Debtors. In the 2012 Plan, pursuant to the compromise and settlement reached between the Debtors, Regions Bank and others, Regions Bank had an Allowed Secured Claim of \$2,979,435.88. The Debtors paid Regions \$100,000 on the effective date and Barbara Wortley, the guarantor, paid Regions Bank \$300,000 on the effective date. The agreement provided that the balance of the claim of Regions Bank would be paid within three years of the effective date, with interest. The Debtors were required to make monthly principal and interest payments of \$20,735.51, with a balloon payment at the end of three years. The Indebtedness to Regions Bank is secured by a first mortgage lien on real property owned by Liberty Properties, as described in the Judgment and Loan Documents and by a first priority lien on all of the Debtors’ personal property, including inventory, accounts and equipment, as described in the Loan Documents.

The Debtors continued their business operations, paid their operating expenses timely, and made payments to unsecured creditors pursuant to the terms of the Confirmed Plan.

However, in 2016, the industry slowed down, resulting in operating cash losses, and a default in payments to general creditors, plan payments and the required payments to Regions Bank.

Regions Bank commenced a State Court action in the Warrick Superior Court, Warrick, Indiana which resulted in an *Amended Order Granting Regions Bank's Motion for Summary Judgment* entered on July 7, 2016, and order granting Regions Bank to proceed to a Sheriff's Sale on the Motion for Summary Judgment. A Notice of Sheriff's Sale set the date of the sale of the Debtors' Properties for September 8, 2016, necessitating the filing of these Chapter 11 proceedings.

The proposed Plan offers unsecured creditors full payment, without interest, over six (6) years. The Debtors firmly believe that such a distribution will be substantially greater than could be obtained through an orderly or forced liquidation of the Debtors, and represents the best that can reasonably be expected as the Debtors exit Chapter 11 in the present economic climate. Accordingly, the Debtors ask that creditors approve this Plan.

**B. Management of the Debtor Before and During the Bankruptcy**

During the two years prior to the date on which the bankruptcy petition was filed, the managers or other persons in control of the Debtor (collectively the "Managers") were Barbara Wortley, Managing Member and William Gates, Manager. Neither Mrs. Wortley nor Mr. Gates receive a Salary. During the Chapter 11, the manager of the day-to-day operations is William Gates.

After the Effective Date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtors, any affiliate of the Debtors participating in a joint Plan with the Debtors, or successor of the Debtors under the Plan (collectively the "Post Confirmation Managers"), will be: William Gates and Richard Tompkins. The responsibilities and

compensation of these Post Confirmation Managers are described in Article V, A.3 of this Disclosure Statement.

**C. Significant Events During the Bankruptcy Case**

- Order Jointly Administering Chapter 11 Cases was entered on September 13, 2016 [ECF 12]. The Lead case is 16-22332-EPK.
- Order Shortening Time for Filing Proofs of Claim, Establishing Plan and Disclosure Statement Filing Deadlines and Addressing Related Matters [ECF 25]. Amended Order [ECF 30]
- Order Granting Debtor's Motion to Use Cash Collateral of Regions Bank on an Interim Basis and Setting Final Hearing [ECF 32]
- Order Granting Debtor-in-Possessions' Application for Employment of Robert C. Furr, Esq. and the Law Firm of Furr and Cohen, P.A. as attorneys for the Chapter 11 Debtors [ECF 41]
- Final Order Granting Debtors' Motion to Use Cash Collateral of Regions Bank [ECF 42]. The Debtors are required to pay Regions Bank adequate protection payments in the amount of \$20,000.00 per month and is also required to provide monthly reconciliation statements of the Budget set forth in the Order.
- Meeting of Creditors Held and Concluded [ECF 45].
- Liberty Properties, LC – Amended Chapter 11 Petition to Correct EIN No. [ECF 22] to reflect the new Employer Identification Number assigned by the Internal Revenue Service (81-4138453).

**D. Projected Recovery of Avoidable Transfers.**

The Debtors do not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

**E. Claims Objections**

The Claims Bar Date expired on December 6, 2016. The Debtors have not filed objections to claim. Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtors reserve the right to object to claims. Therefore, even if your claim

is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

**F. Current and Historical Financial Conditions**

The Summary pages of the Monthly Operating Reports filed since the commencement of the Debtor's bankruptcy case is set forth in Exhibit "C".

Attached hereto as Exhibit "D" are projections demonstrating the Debtors will be able to fund the payments provided for in the Plan.

**ARTICLE III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS**

**A. What is the Purpose of the Plan of Reorganization?**

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

**B. Unclassified Claims**

Under § 1123(a)(1), administrative expenses claims and priority tax claim are not in classes. Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

**C. Administrative Expense Claims:**

Each holder of an administrative expense claim allowed under §503 of the Code will be paid in full on the Effective Date of the Plan (as defined in Article III, in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtors.

**D. Priority Tax Claims:**

Allowed Tax Claims specified in 11 U.S.C. Section 507(a)(8) to the extent due and not otherwise paid, shall be paid in full on the Effective Date.

**E. United States Trustee Fees:**

All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the Effective Date of the Plan will be paid on the Effective Date.

**Classification of Claims and Equity Interests**

1. An allowed Claim is part of particular class only to the extent that the Allowed Claim qualifies within the definition of that Class and, is in a different Class to the extent that the remainder of the Claim qualifies within the description of a difference Class.

2. All allowed claims entitled to priority under §507 of the Code (except administrative expense claims under §507(a)(2), and priority tax claims under §507(a)(8)).

3. Class 1. The secured claim of Regions Bank pursuant to the Amended, Restated Real Estate Mortgage Security Agreement, Assignment of Leases and Rents and Fixtures, and Amended and Restated Security Agreement dated November 23, 2013, and Amendment No. 2 to Loan Agreement pursuant to which Debtors granted Regions Bank a lien on all of its assets including, among other things, accounts, contract rights, chattel paper, instruments, deposit account, letter of credit rights, general intangibles, inventory, machinery,

furniture, fixtures and other equipment, cash, and the proceeds thereof. Real property, assignment of leases and rents (collectively, the “Collateral”).

4. Class 2. The secured claim of **Tower Innovations Distribution, LLC** pursuant to the lien on all assets, inventory, equipment, accounts receivable and real property. This Claimant is an insider.

5. Class 3. All unsecured claims of the Debtors allowed under §502 of the Code.

6. Class 4. Equity interests in Liberty Industries, LC.

7. Class 5. Equity interests in Liberty Properties at Newburgh, LC.

#### **ARTICLE IV TREATMENT OF CLAIMS AND INTEREST UNDER THE PLAN**

Claims and interests shall be treated as follows under the Plan:

<b>Class</b>	<b>Impairment</b>	<b>Treatment</b>
Priority Claims	Unimpaired.	The Priority Class is unimpaired by this Plan, and each holder of a Priority Class Claim will be paid in full, in cash, upon the later of the effective date of the Plan as defined in Article III, or the date on which such claim is allowed by a final non-appealable order.
Class 1 – Secured claim of Regions Bank (Real Property Mortgage; lien on all assets) Liberty Industries, LC and Liberty Properties at Newburgh, LC)	Impaired	Class 1 consists of the Allowed Secured Claim of Regions Bank against Liberty Industries, L.C., in the amount of \$2,766,918.61 (Claim No.5), secured by a first mortgage lien on real property owned by Liberty Properties in Newburgh, Indiana and the Debtors’ inventory, accounts and equipment, pursuant to an Amended, Restated Real Estate Mortgage Security Agreement, Assignment of Leases and Rents and Fixtures, and Amended and Restated Security Agreement dated November 23, 2013, and Amendment No. 2 to Loan Agreement pursuant to which the Debtors granted Regions Bank a lien on all assets including, among other

		<p>things, accounts, contract right, chattel paper, instruments, deposit accounts, letter of credit rights, general intangibles, inventory, machinery, furniture, fixtures and other equipment, cash, and the proceeds thereof, and assignment of rents. The security interest is perfected by the filing of a UCC-1 Financing Statement with the Florida Secured Transaction Registry on May 29, 2009 and on March 4, 2014.</p> <p>On the Effective Date, the Regions Allowed Secured claim in the amount of \$2,766,918.61 shall be secured by the existing liens of Regions upon the Debtors' Real Property and Personal Property assets including accounts receivable, inventory, machinery and equipment and shall bear interest at the rate of four percent (4.0%) per annum or such other rate as may be determined by the Court to reflect a market rate of interest as of the hearing date to consider confirmation of the Plan; and shall be paid in monthly installments, based on a fifteen (15) year amortization schedule at 4.0% APR, with monthly payments of \$18,204.00 commencing on the first day of the calendar month following the Effective Date, with all outstanding principal and interest of \$1,332,000.00 being due and payable in full in seven (7) years after the Effective Date.</p> <p>In the event any of the collateral of Regions is sold by the Debtors in the ordinary course of business, Regions shall release its lien upon such collateral upon payment of the net sale proceeds derived from such sale, after payment of customary costs of sale and brokers' fees, and such payment shall be applied to the outstanding balance of the Allowed Secured Class.</p>
Class 2 – Secured Claim of Tower Innovations Distribution, LLC		No payments will be made to the Class 2 creditor, and interest will accrue at 4.0% APR, with a balloon payment due and payable seven (7) years from the Effective Date.
Class 3 – General Unsecured Creditors of the	Impaired	Class 3 claims total \$635,524.50. Class 3 creditors shall receive one hundred percent (100%) of their allowed claim,, without interest, in equal monthly

Debtors		payments totaling \$8826.74 over a 72 month period, beginning on the first day of the month after the Effective Date, in full satisfaction of such claim.
Class 4– Equity Security Holders of Liberty Industries, LC	Impaired	The existing Equity Interest in the Debtor, Liberty Industries, LC (the “Old Equity”) shall be extinguished and no distribution shall be made on account of such Old Equity Interests. Ownership shall provide \$25,000 of new capital to the Debtor and shall be issued 100% of New Membership Interests in the reorganized Debtor.
Class 5 – Equity Security Holders of Liberty Properties at Newburgh, LC	Impaired	The existing Equity Interest in the Debtor, Liberty Properties at Newburgh, LC (the “Old Equity”) shall be extinguished and no distribution shall be made on account of such Old Equity Interests. Ownership shall provide \$25,000 of new capital to the Debtor and shall be issued 100% of New Membership Interests in the reorganized Debtor.

The payments to be made by the Debtors pursuant to this Plan shall be in full settlement and satisfaction of all Claims against the Debtors.

**A. Means of Implementing the Plan**

1. **Source of Payments:** Payments and distributions under the Plan will be funded by continued operation of the Debtors’ businesses.

2. **Treatment of Claims and Interests Under the Plan:** All payments under this Plan shall commence on the Effective Date unless otherwise provided in the Plan.

Administrative Claims. All Allowed Administrative Claims shall be paid:

(a) in full on the Effective Date or, if such Claim is objected to, the Date of a Final Order allowing any such Administrative Claim;

OR

(b) upon such other terms as may be agreed to between the Debtor and each such



Administrative Claimant.

Administrative costs are estimated to be approximately \$75,000.00.

Holders of Administrative Claims incurred in the ordinary course of the Debtors' business shall not be required to file a Proof of Claim and shall be paid in the ordinary course of the Debtor's business.

**Interests.** All case related payments for services, costs, and expenses will be subject to Court approval. All payments shall be from the Debtors' cash from operations of the business.

All fees due under 11 U.S.C. § 1129(a)(12) shall be paid as required by 28 U.S.C. § 1930.

Tax Claims. - Allowed Tax Claims, estimated by management to total \$-0-, specified in 11 U.S.C. Section 507(a)(8) shall be paid in full at confirmation.

### ***3. Post-confirmation Management***

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows: Bill Gates - \$100,000 yearly and Richard Tompkins \$60,000 yearly.

#### **B. Executory Contracts and Unexpired Leases**

The Plan, in Article VI, lists all executory contracts and unexpired leases that the Debtors will assume under the Plan. Assumption means the Debtors have elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to confirmation of the Plan

unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Article VI of the Plan will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or lease.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objection to confirmation of the Plan.

Article VI of the Plan entitled “Executory Contracts” indicates that all Executory Contracts and unexpired leases of the Debtors not expressly assumed prior to the confirmation date, or not at the confirmation date the subject of a pending application to assume, shall be deemed to be rejected as of the Effective Date of the Plan.

**Any claim for damages arising by reason of the rejection of an executory contract or unexpired lease shall be treated as Class 2 general unsecured creditors.**

Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

The payments to be made by the Debtors pursuant to this Plan shall be in full settlement and satisfaction of all Claims against the Debtors.

**C. Risk Factors**

The Debtor’s Plan is dependent on the continued expansion of wire telecommunications companies (AT&T, Verizon Wireless, Sprint, etc.) expanding their tower infrastructure systems, and the ramp-up of revenue in the Broadcast industry as a result of the FCC Mandated Repurposing of spectrum to the Wireless Industry.

The Debtors are confident that these driving market factors will allow the Company to meet its financial plan objectives, and therefore meet the disbursements detailed in its Plan of

Reorganization.

In the event the marketplace fails to realize these revenue drivers, the Company may be unable to meet the Plan's financial requirements.

**D. Tax Consequences of Plan**

*Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.*

The Debtors believe that confirmation of the plan will not have any adverse tax implications for the estate. The Debtors strongly urge that each creditor consult with its own tax advisor regarding the federal, state, local and other tax consequences which the implementation of the Plan will have on them.

**ARTICLE V. CONFIRMATION REQUIREMENTS AND PROCEDURES**

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in §1129, and they are not the only requirements for confirmation.

**A. Who May Vote or Object**

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponents believe that classes are impaired and that holders of

claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that classes are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. ***What Is an Allowed Claim or an Allowed Equity Interest?***

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtors have scheduled the claim on the Debtors' schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

2. ***What Is an Impaired Claim or Impaired Equity Interest?***

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in §1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. ***Who is Not Entitled to Vote***

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;
- holders of other claims or equity interests that are not "allowed claims" or "allowed equity interests" (as discussed above), unless they have been "allowed" for voting purposes.
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§507(a)(2), (a)(3), and (a)(8) of the Code; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses.

***Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the***

***Confirmation of the Plan [and to the Adequacy of the Disclosure Statement].***

**4. *Who Can Vote in More Than One Class***

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

**B. *Votes Necessary to Confirm the Plan***

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes, as discussed later in Section [B.2.].

**1. *Votes Necessary for a Class to Accept the Plan***

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

**2. *Treatment of Non-accepting Classes – Cram Down***

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by §1129(b) of the Code. A plan that binds non-accepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind non-accepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of §1129(a)(8) of the Code, does not “discriminate unfairly,” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

***You should consult your own attorney if a “cramdown” confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.***

**C. *Liquidation Analysis***

To confirm the Plan, the Court must find that all creditors and equity interest holders who

do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a Chapter 7 Liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit B .

**D. Feasibility**

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors, unless such liquidation or reorganization is proposed in the Plan.

**1. Ability to Initially Fund Plan**

The Plan Proponents believe that the Debtors will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. The sources of that cash is the Debtors' continued business operations and a \$50,000.00 cash infusion from the Debtors' principals, plus such additional amounts as may be infused by the equity holders to fund the Plan or capitalize the Debtors.

**2. Ability to Make Future Plan Payments And Operate Without Further Reorganization**

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent has provided projected financial information. Those projections are listed in Exhibit D.

The Plan Proponent's financial projections show that the Debtors will have an aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes, of \$300,000.00. The final Plan payment is expected to be paid on June 1, 2024.

***You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.***

**ARTICLE VI. RELEASE**

Confirmation of this Plan and payments under the Plan shall constitute a full and complete release of any and all claims against the Debtors. During the course of the Chapter 11 proceeding and in connection with the Plan, Barbara Wortley is contributing \$50,000.00 to the Debtors, which constitutes new value.

**ARTICLE VII EFFECT OF CONFIRMATION OF PLAN**

A. Discharge.

On the effective date of the Plan, the Debtors shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in §1141(d)(1)(A) of the Code, except that the Debtors shall not be discharged of any debt (i) imposed or permitted by the Plan, subject to the occurrence of the Effective Date, to the extent specified in §1141(d)(6)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed or permitted by the Plan, (ii) of a kind specified in § 114(d)(6)(A) if a timely complaint was filed in accordance with if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in §1141(d)(6)(B). After the Effective Date of the Plan your claims against the Debtors will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

B. **Modification of Plan**

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or re-voting on the Plan. The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

C. **Final Decree**

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponents, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

**ARTICLE VIII. CONCLUSION**

Under the Plan, all creditors and Interest Holders of Debtors will participate in some manner in the distribution to be made thereunder. The Debtors believe that the distributions contemplated in its Plan are fair and afford all Claimants and Interest Holders equitable treatment. ACCORDINGLY, THE DEBTORS RECOMMEND THAT ALL CLAIMANTS AND INTEREST HOLDERS VOTE TO ACCEPT THE PLAN.

DATED: February 15, 2017

LIBERTY INDUSTRIES, LC,

BY /s/ William Gates  
Debtor: William Gates, Manager

LIBERTY PROPERTIES AT  
NEWBURGH, LC,

BY: /s/ William Gates  
Debtor: William Gates, Manager

FURR AND COHEN, P.A.  
Attorney for Debtor  
2255 Glades Road, Suite 337W  
Boca Raton, FL 33431  
561-395-0500/

By /s/ Robert C. Furr  
ROBERT C. FURR, ESQ.  
Florida Bar No. 210854  
E-Mail: rfurr@furrcohen.com



**EXHIBIT "A"**

<b><u>CLASS</u></b>	<b><u>CREDITOR</u></b>	<b><u>CLAIM NO.</u></b>	<b><u>AMOUNT OF CLAIM</u></b>
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**PRIORITY: Industries:**

P	Internal Revenue Service	2	100.00
P	Warrick County Treasurer	S	873.44

**PRIORITY: Properties:**

P	Warrick County Treasurer (2015)		9,349.36
P	Warrick County Treasurer (2016)		16,796.16
P	Warrick County Treasurer (2015)		275.00
P	Warrick County Treasurer (2015)		384.38
P	Warrick County Treasurer (2015)		275.00
P	Warrick County Treasurer (2015)		223.44
	Warrick County Treasurer		40,722.72

**SECURED: Industries and Properties jointly liable:**

1	Regions Bank (Liberty Industries)	5	2,766,918.61
1	Regions Bank (Liberty Properties)	1	2,766,918.61
2	Tower Innovations Distribution LLC	10	597,814.00

**UNSECURED:**

3	Advanced Wireless Solutions	S	4,071.25
	Allied Waste Services	S	60.85
	B & T Engineering	S	121.95
	Bairstow Lifting Products Inc	S	19,230.65
	Bar Source International LC	S	67,119.86
	Black Equipment Co	S	1,502.24
	C H Robinson Corp	S	1,512.38
	C H Robinson Corp	S	28,724.99
	Capital Steel and Wire	S	13,118.47
	Cumulus Media	S	413.76
	Dyna-Fab Corp	S	1,746.64
	Dyw-DAG Systems Int'l.	3	22,686.00
	Evansville Teachers FCU	S	10,555.35
	Evansville Welding Supply Co	S	821.05

Fastenal Company	7	6,089.93
FEDEX Freight East	S	31,601.30
Fedex Freight East	S	126.10
Fifth Third Bank	S	1,063.86
GE Mathis Co.	11	17,318.00
Gerdau Ameristeel	S	11,139.75
Hagerty Steel & Aluminum	S	5,842.06
Hodge Design Associates PC	S	10,258.50
Hodge Design Associates PC	S	2,743.84
Imperial Fastener	S	6,913.55
Installation Services Inc.	S	13,477.05
Internal Revenue Service	S	64.38
Ira Svendgaard and Assoc	1	13,558.49
ITL, LLC	S	4,366.89
JMS Russel Metal Corp.	S	13,710.42
Mid-Park Service Stamping	S	8,068.10
Mode Transportation LLC	S	959.89
NAMASCO	S	932.59
Nehring Electrical Works Co	S	1,680.96
Northern Tower Erection Co	S	1,821.29
O'Neal Steel Inc	S	38,421.46
Omega Steel	S	2,248.43
Peddinghaus Corp.	S	1,009.64
Performed Line Products	S	84.69
Perlow Steel Corporation	S	7,998.21
R&L Carriers Inc.	S	1,575.00
Rio Steel & Tower Ltd.	9	15,621.50
Rudolph Fine Porter & Johnson	S	7,975.80
Rudolph Fine Porter & Johnson	S	11,014.06
Satellite Specialized Trans.	S	18,100.00
Sherwin Williams	S	181.61
Snider Bolt & Screw Inc	S	3,354.67
Southwest Wire Rope	S	705.57
St Lewis Screw & Bolt	4	1,209.88
St Mary's Occupational Med	S	973.00
Stagg Safety Equipment Inc	S	140.08
Stippler Tool & Supply Co Inc	S	113.15
Stone Belt Freight Lines	S	1,673.63
Structural Bolt	S	18,760.91
Strut & Supply Inc	8	4,528.03
Technical Equipment	S	2,032.50
Technical Equipment Corp	S	641.96
Teledata Communications of Indiana	S	121.21
Timken Company	S	32,738.09

	Timken Corporation	S	23,707.11	
	Tower Engineering Professionals	S	265.84	
	Transamerican Power Poles	S	25,032.00	
	Triad Metals	S	6,748.14	
	Tuf Tug Products	S	659.31	
	United Healthcare	S	11,788.35	
	Universal Steel America	S	950.93	
	Universal Galvanizing Inc.	S	7,607.50	
	UPS	S	1,410.34	
	Vectren Energy Delivery	S	73.34	
	Westfield Steel	6	40,788.30	
	Willis Fence Company	S	34.07	
	Wireco Wire Rope	S	263.14	
	Wireco World Group	S	7,582.35	
	Wilt Galvanizing – Muncie	S	13,016.24	
	Wow Business Solutions	S	314.06	
	Xerox Corporation	S	638.01	
				\$635,524.50

**EQUITY HOLDERS**

4	Barbara Wortley (Liberty Industries)			
5	Barbara Wortley (Liberty Properties at Newburgh, LC)			

**Exhibit B – Liquidation Analysis*****Plan Proponent's Estimated Liquidation Value of Assets*****A. Plant, Property and Equipment**

1. Land	\$ 360,000	
2. Building & Improvements	\$ 450,000	
3. Machinery and Equipment	\$ 300,000	
Subtotal PP&E		\$ 1,110,000

**B. Current Assets**

1. Accounts Receivable (65% current value)	\$ 200,000	
2. Inventory (30% current value)	\$ 175,000	
Subtotal Current Assets		\$ 375,000

**All Other Assets** \$ 80,000

**Total Assets at Liquidation Value** **\$1,565,000**

**Liabilities:**


Secured Creditor Regions Bank \$2,766,918.61

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING 9/7/2016 AND ENDING 9/30/2016**

Name of Debtor: LIBERTY INDUSTRIES, LC Case Number 16-22332-EPK  
 Date of Petition: 9/7/2016

	<u>CURRENT MONTH</u>	<u>CUMULATIVE PETITION TO DATE</u>
<b>1. FUNDS AT BEGINNING OF PERIOD</b>	<u>\$98,085.50</u> (a)	<u>\$98,085.50</u> (b)
<b>2. RECEIPTS:</b>		
A. Cash Sales	<u>                    </u>	<u>                    </u>
Minus: Cash Refunds	<u>(-)</u>	<u>                    </u>
Net Cash Sales	<u>                    </u>	<u>                    </u>
B. Accounts Receivable	<u>124,719.51</u>	<u>124,719.51</u>
C. Other Receipts (See MOR-3)	<u>360.00</u>	<u>360.00</u>
(If you receive rental income, you must attach a rent roll.)		
<b>3. TOTAL RECEIPTS (Lines 2A+2B+2C)</b>	<u>\$125,079.51</u>	<u>\$125,079.51</u>
<b>4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)</b>	<u>\$223,165.01</u>	<u>\$223,165.01</u>
<b>5. DISBURSEMENTS</b>		
A. Advertising	<u>                    </u>	<u>                    </u>
B. Bank Charges	<u>\$50.00</u>	<u>\$50.00</u>
C. Contract Labor	<u>                    </u>	<u>                    </u>
D. Fixed Asset Payments (not incl. in "N")	<u>                    </u>	<u>                    </u>
E. Insurance	<u>11,788.35</u>	<u>11,788.35</u>
F. Inventory Payments (See Attach. 2)	<u>75,651.43</u>	<u>75,651.43</u>
G. Leases	<u>                    </u>	<u>                    </u>
H. Manufacturing Supplies	<u>3,787.01</u>	<u>3,787.01</u>
I. Office Supplies	<u>1,127.06</u>	<u>1,127.06</u>
J. Payroll - Net (See Attachment 4B)	<u>35,884.43</u>	<u>35,884.43</u>
K. Professional Fees (Accounting & Legal)	<u>                    </u>	<u>                    </u>
L. Rent	<u>                    </u>	<u>                    </u>
M. Repairs & Maintenance	<u>                    </u>	<u>                    </u>
N. Secured Creditor Payments (See Attach. 2)	<u>20,000.00</u>	<u>20,000.00</u>
O. Taxes Paid - Payroll (See Attachment 4C)	<u>14,990.01</u>	<u>14,990.01</u>
P. Taxes Paid - Sales & Use (See Attachment 4C)	<u>                    </u>	<u>                    </u>
Q. Taxes Paid - Other (See Attachment 4C)	<u>                    </u>	<u>                    </u>
R. Telephone	<u>                    </u>	<u>                    </u>
S. Travel & Entertainment	<u>                    </u>	<u>                    </u>
Y. U.S. Trustee Quarterly Fees	<u>                    </u>	<u>                    </u>
U. Utilities	<u>2,745.11</u>	<u>2,745.11</u>
V. Vehicle Expenses	<u>                    </u>	<u>                    </u>
W. Other Operating Expenses (See MOR-3)	<u>30,802.41</u>	<u>30,802.41</u>
<b>6. TOTAL DISBURSEMENTS (Sum of 5A thru W)</b>	<u>\$196,825.81</u>	<u>\$196,825.81</u>
<b>7. ENDING BALANCE (Line 4 Minus Line 6)</b>	<u>\$26,339.20</u> (c)	<u>\$26,339.20</u> (c)

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 18<sup>th</sup> day of OCT, 2014  
  
(Signature)

(a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.  
 (b) This figure will not change from month to month. It is always the amount of funds on hand as of the date of the petition.  
 (c) These two amounts will always be the same if form is completed correctly.

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING 10/1/2016 AND ENDING 10/31/2016**

Name of Debtor: LIBERTY INDUSTRIES, LC Case Number 16-22332-EPK  
 Date of Petition: 9/7/2016

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
<b>1. FUNDS AT BEGINNING OF PERIOD</b>	<u>\$26,339.20 (a)</u>	<u>\$98,085.50 (b)</u>
<b>2. RECEIPTS:</b>		
A. Cash Sales	<u>                    </u>	<u>                    </u>
Minus: Cash Refunds	<u>(-)</u>	<u>                    </u>
Net Cash Sales	<u>                    </u>	<u>                    </u>
B. Accounts Receivable	<u>179,003.98</u>	<u>303,723.49</u>
C. Other Receipts (See MOR-3)	<u>                    </u>	<u>360.00</u>
(If you receive rental income, you must attach a rent roll.)		
<b>3. TOTAL RECEIPTS (Lines 2A+2B+2C)</b>	<u>\$179,003.98</u>	<u>\$304,083.49</u>
<b>4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)</b>	<u>\$205,343.18</u>	<u>\$402,168.99</u>
<b>5. DISBURSEMENTS</b>		
A. Advertising	<u>                    </u>	<u>                    </u>
B. Bank Charges	<u>\$25.00</u>	<u>\$75.00</u>
C. Contract Labor	<u>                    </u>	<u>                    </u>
D. Fixed Asset Payments (not incl. in "N")	<u>                    </u>	<u>                    </u>
E. Insurance	<u>12,747.97</u>	<u>24,536.32</u>
F. Inventory Payments (See Attach. 2)	<u>89,097.94</u>	<u>164,749.37</u>
G. Leases	<u>                    </u>	<u>                    </u>
H. Manufacturing Supplies	<u>1,698.36</u>	<u>5,485.37</u>
I. Office Supplies	<u>                    </u>	<u>1,127.06</u>
J. Payroll - Net (See Attachment 4B)	<u>36,253.07</u>	<u>72,137.50</u>
K. Professional Fees (Accounting & Legal)	<u>                    </u>	<u>                    </u>
L. Rent	<u>                    </u>	<u>                    </u>
M. Repairs & Maintenance	<u>                    </u>	<u>                    </u>
N. Secured Creditor Payments (See Attach. 2)	<u>20,000.00</u>	<u>40,000.00</u>
O. Taxes Paid - Payroll (See Attachment 4C)	<u>15,663.40</u>	<u>30,653.41</u>
P. Taxes Paid - Sales & Use (See Attachment 4C)	<u>                    </u>	<u>                    </u>
Q. Taxes Paid - Other (See Attachment 4C)	<u>                    </u>	<u>                    </u>
R. Telephone	<u>                    </u>	<u>                    </u>
S. Travel & Entertainment	<u>                    </u>	<u>                    </u>
Y. U.S. Trustee Quarterly Fees	<u>                    </u>	<u>                    </u>
U. Utilities	<u>4,263.25</u>	<u>7,008.36</u>
V. Vehicle Expenses	<u>                    </u>	<u>                    </u>
W. Other Operating Expenses (See MOR-3)	<u>11,420.26</u>	<u>42,222.67</u>
<b>6. TOTAL DISBURSEMENTS (Sum of SA thru W)</b>	<u>\$191,169.25</u>	<u>\$387,995.06</u>
<b>7. ENDING BALANCE (Line 4 Minus Line 6)</b>	<u>\$14,173.93 (c)</u>	<u>\$14,173.93 (c)</u>

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 18 day of November, 2016.

  
 \_\_\_\_\_  
 (Signature)

- (a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.
- (b) This figure will not change from month to month. It is always the amount of funds on hand as of the date of the petition.
- (c) These two amounts will always be the same if form is completed correctly.

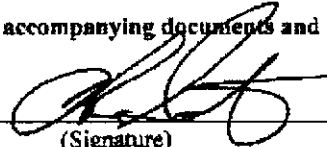
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING 11/1/2016 AND ENDING 11/30/2016**

Name of Debtor: LIBERTY INDUSTRIES, LC Case Number 16-22332-EPK  
 Date of Petition: 9/7/2016

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
<b>1. FUNDS AT BEGINNING OF PERIOD</b>	<u>\$14,173.93 (a)</u>	<u>\$98,085.50 (b)</u>
<b>2. RECEIPTS:</b>		
A. Cash Sales	<u>                    </u>	<u>                    </u>
Minus: Cash Refunds	<u>(-)</u>	<u>                    </u>
Net Cash Sales	<u>                    </u>	<u>                    </u>
B. Accounts Receivable	<u>280,068.74</u>	<u>583,792.23</u>
C. Other Receipts (See MOR-3)	<u>                    </u>	<u>360.00</u>
(If you receive rental income, you must attach a rent roll.)		
<b>3. TOTAL RECEIPTS (Lines 2A+2B+2C)</b>	<u>\$280,068.74</u>	<u>\$584,152.23</u>
<b>4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)</b>	<u>\$294,242.67</u>	<u>\$682,237.73</u>
<b>5. DISBURSEMENTS</b>		
A. Advertising	<u>                    </u>	<u>                    </u>
B. Bank Charges	<u>\$123.42</u>	<u>\$198.42</u>
C. Contract Labor	<u>                    </u>	<u>                    </u>
D. Fixed Asset Payments (not incl. in "N")	<u>                    </u>	<u>                    </u>
E. Insurance	<u>15,971.97</u>	<u>40,508.29</u>
F. Inventory Payments (See Attach. 2)	<u>116,740.02</u>	<u>281,489.39</u>
G. Leases	<u>                    </u>	<u>                    </u>
H. Manufacturing Supplies	<u>4,547.50</u>	<u>10,032.87</u>
I. Office Supplies	<u>102.61</u>	<u>1,229.67</u>
J. Payroll - Net (See Attachment 4B)	<u>55,131.76</u>	<u>127,269.26</u>
K. Professional Fees (Accounting & Legal)	<u>462.56</u>	<u>462.56</u>
L. Rent	<u>                    </u>	<u>                    </u>
M. Repairs & Maintenance	<u>                    </u>	<u>                    </u>
N. Secured Creditor Payments (See Attach. 2)	<u>20,000.00</u>	<u>60,000</u>
O. Taxes Paid - Payroll (See Attachment 4C)	<u>23,369.08</u>	<u>54,022.49</u>
P. Taxes Paid - Sales & Use (See Attachment 4C)	<u>                    </u>	<u>                    </u>
Q. Taxes Paid - Other (See Attachment 4C)	<u>175.33</u>	<u>175.33</u>
R. Telephone	<u>                    </u>	<u>                    </u>
S. Travel & Entertainment	<u>                    </u>	<u>                    </u>
Y. U.S. Trustee Quarterly Fees	<u>                    </u>	<u>                    </u>
U. Utilities	<u>3,405.98</u>	<u>10,414.34</u>
V. Vehicle Expenses	<u>                    </u>	<u>                    </u>
W. Other Operating Expenses (See MOR-3)	<u>28,516.42</u>	<u>70,739.09</u>
<b>6. TOTAL DISBURSEMENTS (Sum of 5A thru W)</b>	<u>\$268,546.65</u>	<u>\$656,541.71</u>
<b>7. ENDING BALANCE (Line 4 Minus Line 6)</b>	<u>\$25,696.02 (c)</u>	<u>\$25,696.02 (c)</u>

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 20 day of December, 2016.

  
 (Signature)

- (a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.
- (b) This figure will not change from month to month. It is always the amount of funds on hand as of the date of the petition.
- (c) These two amounts will always be the same if form is completed correctly.

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING 12/1/2016 AND ENDING 12/31/2016**

Name of Debtor: LIBERTY INDUSTRIES, LC Case Number 16-22332-EPK  
 Date of Petition: 9/7/2016

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
<b>1. FUNDS AT BEGINNING OF PERIOD</b>	<b><u>\$25,696.02</u></b> (a)	<b><u>\$98,085.50</u></b> (b)
<b>2. RECEIPTS:</b>		
A. Cash Sales	_____	_____
Minus: Cash Refunds	(-) _____	_____
Net Cash Sales	_____	_____
B. Accounts Receivable	<u>181,961.85</u>	<u>765,754.08</u>
C. Other Receipts (See MOR-3)	_____	<u>360.00</u>
(If you receive rental income, you must attach a rent roll.)		
<b>3. TOTAL RECEIPTS (Lines 2A+2B+2C)</b>	<b><u>\$181,961.85</u></b>	<b><u>\$766,114.08</u></b>
<b>4. TOTAL FUNDS AVAILABLE FOR     OPERATIONS (Line 1 + Line 3)</b>	<b><u>\$207,657.87</u></b>	<b><u>\$864,199.58</u></b>
<b>5. DISBURSEMENTS</b>		
A. Advertising	_____	_____
B. Bank Charges	<u>\$433.29</u>	<u>\$631.71</u>
C. Contract Labor	_____	_____
D. Fixed Asset Payments (not incl. in "N")	_____	_____
E. Insurance	<u>15,946.97</u>	<u>56,455.26</u>
F. Inventory Payments (See Attach. 2)	<u>99,982.81</u>	<u>381,472.20</u>
G. Leases	_____	_____
H. Manufacturing Supplies	<u>2,517.34</u>	<u>12,550.21</u>
I. Office Supplies	<u>849.42</u>	<u>2,079.09</u>
J. Payroll - Net (See Attachment 4B)	<u>36,773.97</u>	<u>164,043.23</u>
K. Professional Fees (Accounting & Legal)	<u>3,647.08</u>	<u>4,109.64</u>
L. Rent	_____	_____
M. Repairs & Maintenance	_____	_____
N. Secured Creditor Payments (See Attach. 2)	<u>20,000.00</u>	<u>80,000.00</u>
O. Taxes Paid - Payroll (See Attachment 4C)	<u>15,324.51</u>	<u>69,347.00</u>
P. Taxes Paid - Sales & Use (See Attachment 4C)	_____	_____
Q. Taxes Paid - Other (See Attachment 4C)	_____	<u>175.33</u>
R. Telephone	_____	_____
S. Travel & Entertainment	_____	_____
Y. U.S. Trustee Quarterly Fees	_____	_____
U. Utilities	<u>2,774.21</u>	<u>13,188.55</u>
V. Vehicle Expenses	_____	_____
W. Other Operating Expenses (See MOR-3)	<u>21,027.25</u>	<u>91,766.34</u>
<b>6. TOTAL DISBURSEMENTS (Sum of SA thru W)</b>	<b><u>\$219,277.25</u></b>	<b><u>\$875,818.96</u></b>
<b>7. ENDING BALANCE (Line 4 Minus Line 6)</b>	<b><u>(\$11,619.38)</u></b> (c)	<b><u>(\$11,619.38)</u></b> (c)

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 18 day of January, 2017.

R. T. \_\_\_\_\_  
 (Signature)

(a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.

(b) This figure will not change from month to month. It is always the amount of funds on hand as of the date of the petition.

(c) These two amounts will always be the same if form is completed correctly.



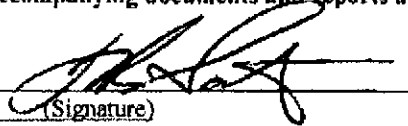
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING 10/1/2016 AND ENDING 10/31/2016**

Name of Debtor: Liberty Properties at Newburgh, LC Case Number 16-22333-EPK  
 Date of Petition: 9/7/2016

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
<b>1. FUNDS AT BEGINNING OF PERIOD</b>	<u>0</u> (a)	<u>0</u> (b)
<b>2. RECEIPTS:</b>		
A. Cash Sales	_____	_____
Minus: Cash Refunds	(-) _____	_____
Net Cash Sales	_____	_____
B. Accounts Receivable	_____	_____
C. Other Receipts (See MOR-3)	_____	_____
(If you receive rental income, you must attach a rent roll.)		
<b>3. TOTAL RECEIPTS (Lines 2A+2B+2C)</b>	<u>0</u>	<u>0</u>
<b>4. TOTAL FUNDS AVAILABLE FOR     OPERATIONS (Line 1 + Line 3)</b>	<u>0</u>	<u>0</u>
<b>5. DISBURSEMENTS</b>		
A. Advertising	_____	_____
B. Bank Charges	_____	_____
C. Contract Labor	_____	_____
D. Fixed Asset Payments (not incl. in "N")	_____	_____
E. Insurance	_____	_____
F. Inventory Payments (See Attach. 2)	_____	_____
G. Leases	_____	_____
H. Manufacturing Supplies	_____	_____
I. Office Supplies	_____	_____
J. Payroll - Net (See Attachment 4B)	_____	_____
K. Professional Fees (Accounting & Legal)	_____	_____
L. Rent	_____	_____
M. Repairs & Maintenance	_____	_____
N. Secured Creditor Payments (See Attach. 2)	_____	_____
O. Taxes Paid - Payroll (See Attachment 4C)	_____	_____
P. Taxes Paid - Sales & Use (See Attachment 4C)	_____	_____
Q. Taxes Paid - Other (See Attachment 4C)	_____	_____
R. Telephone	_____	_____
S. Travel & Entertainment	_____	_____
Y. U.S. Trustee Quarterly Fees	_____	_____
U. Utilities	_____	_____
V. Vehicle Expenses	_____	_____
W. Other Operating Expenses (See MOR-3)	_____	_____
<b>6. TOTAL DISBURSEMENTS (Sum of 5A thru W)</b>		
<b>7. ENDING BALANCE (Line 4 Minus Line 6)</b>	<u>0</u> (c)	<u>0</u> (c)

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 18 day of November, 2016

  
 \_\_\_\_\_  
 (Signature)

- (a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.
- (b) This figure will not change from month to month. It is always the amount of funds on hand as of the date of the petition.
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**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING 11/1/2016 AND ENDING 11/30/2016**

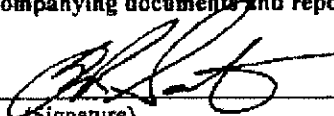
Name of Debtor: Liberty Properties at Newburgh, LC  
 Date of Petition: 9/7/2016

Case Number 16-22333-EPK

	<u>CURRENT</u> <u>MONTH</u>		<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
<b>1. FUNDS AT BEGINNING OF PERIOD</b>	<u>0</u>	(a)	<u>0</u> (b)
<b>2. RECEIPTS:</b>			
A. Cash Sales	_____		_____
Minus: Cash Refunds	<u>(-)</u>		_____
Net Cash Sales	_____		_____
B. Accounts Receivable	_____		_____
C. Other Receipts (See MOR-3)	_____		_____
(If you receive rental income, you must attach a rent roll.)			
<b>3. TOTAL RECEIPTS (Lines 2A+2B+2C)</b>	<u>0</u>		<u>0</u>
<b>4. TOTAL FUNDS AVAILABLE FOR     OPERATIONS (Line 1 + Line 3)</b>	<u>0</u>		<u>0</u>
<b>5. DISBURSEMENTS</b>			
A. Advertising	_____		_____
B. Bank Charges	_____		_____
C. Contract Labor	_____		_____
D. Fixed Asset Payments (not incl. in "N")	_____		_____
E. Insurance	_____		_____
F. Inventory Payments (See Attach. 2)	_____		_____
G. Leases	_____		_____
H. Manufacturing Supplies	_____		_____
I. Office Supplies	_____		_____
J. Payroll - Net (See Attachment 4B)	_____		_____
K. Professional Fees (Accounting & Legal)	_____		_____
L. Rent	_____		_____
M. Repairs & Maintenance	_____		_____
N. Secured Creditor Payments (See Attach. 2)	_____		_____
O. Taxes Paid - Payroll (See Attachment 4C)	_____		_____
P. Taxes Paid - Sales & Use (See Attachment 4C)	_____		_____
Q. Taxes Paid - Other (See Attachment 4C)	_____		_____
R. Telephone	_____		_____
S. Travel & Entertainment	_____		_____
Y. U.S. Trustee Quarterly Fees	_____		_____
U. Utilities	_____		_____
V. Vehicle Expenses	_____		_____
W. Other Operating Expenses (See MOR-3)	_____		_____
<b>6. TOTAL DISBURSEMENTS (Sum of 5A thru W)</b>	_____		_____
<b>7. ENDING BALANCE (Line 4 Minus Line 6)</b>	<u>0</u>	(c)	<u>0</u> (c)

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 20 day of December, 2016.

  
 \_\_\_\_\_  
 (Signature)

- (a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.
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**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING 12/1/2016 AND ENDING 12/31/2016**

Name of Debtor: Liberty Properties at Newburgh, LC Case Number 16-22333-EPK  
 Date of Petition: 9/7/2016

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
<b>1. FUNDS AT BEGINNING OF PERIOD</b>	<u>0</u> (a)	<u>0</u> (b)
<b>2. RECEIPTS:</b>		
A. Cash Sales	_____	_____
Minus: Cash Refunds	<u>(-)</u> _____	_____
Net Cash Sales	_____	_____
B. Accounts Receivable	_____	_____
C. Other Receipts (See MOR-3)	_____	_____
(If you receive rental income, you must attach a rent roll.)		
<b>3. TOTAL RECEIPTS (Lines 2A+2B+2C)</b>	<u>0</u>	<u>0</u>
<b>4. TOTAL FUNDS AVAILABLE FOR     OPERATIONS (Line 1 + Line 3)</b>	<u>0</u>	<u>0</u>
<b>5. DISBURSEMENTS</b>		
A. Advertising	_____	_____
B. Bank Charges	_____	_____
C. Contract Labor	_____	_____
D. Fixed Asset Payments (not incl. in "N")	_____	_____
E. Insurance	_____	_____
F. Inventory Payments (See Attach. 2)	_____	_____
G. Leases	_____	_____
H. Manufacturing Supplies	_____	_____
I. Office Supplies	_____	_____
J. Payroll - Net (See Attachment 4B)	_____	_____
K. Professional Fees (Accounting & Legal)	_____	_____
L. Rent	_____	_____
M. Repairs & Maintenance	_____	_____
N. Secured Creditor Payments (See Attach. 2)	_____	_____
O. Taxes Paid - Payroll (See Attachment 4C)	_____	_____
P. Taxes Paid - Sales & Use (See Attachment 4C)	_____	_____
Q. Taxes Paid - Other (See Attachment 4C)	_____	_____
R. Telephone	_____	_____
S. Travel & Entertainment	_____	_____
Y. U.S. Trustee Quarterly Fees	_____	_____
U. Utilities	_____	_____
V. Vehicle Expenses	_____	_____
W. Other Operating Expenses (See MOR-3)	_____	_____
<b>6. TOTAL DISBURSEMENTS (Sum of SA thru W)</b>	_____	_____
<b>7. ENDING BALANCE (Line 4 Minus Line 6)</b>	<u>0</u> (c)	<u>0</u> (c)

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 18 day of January, 2017.

R. T. —  
 (Signature)

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**Liberty Industries, LC and Liberty Properties at Newburgh, LC**  
**FY-2017 Income and Cash Flow**

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTALS</u>
Total Revenue	200	240	350	350	350	350	380	380	400	400	450	450	4,300
Total COS	100	120	175	175	175	175	190	190	200	200	225	225	2,150
Materials	24	29	42	42	42	42	46	46	48	48	54	54	516
Labor	15	18	22	22	22	22	22	22	22	25	25	25	262
Overhead	20	24	35	35	35	35	38	38	40	40	45	45	430
O/S Process/Subcont	5	5	5	5	5	5	10	10	10	15	15	15	105
Other	164	196	279	279	279	279	306	306	320	328	364	364	3,463
Gross Margin	36	44	71	71	71	71	74	74	80	72	86	86	837
GM %	18.0%	18.4%	20.3%	20.3%	20.3%	20.3%	19.6%	19.6%	20.0%	18.0%	19.1%	19.1%	19.5%
SG&A	22	22	22	37	37	37	37	37	40	40	40	40	411
OP	14	22	49	34	34	34	37	37	40	32	46	46	426
	7.0%	9.3%	14.0%	9.7%	9.7%	9.7%	9.8%	9.8%	10.0%	8.0%	10.2%	10.2%	9.9%
Interest	6	6	6	6	6	6	6	6	6	6	6	6	72
Dep & Ammor	14	14	14	14	14	12	12	12	12	12	12	12	154
Professional/Other Fees	5	5	5	5	5	5	5	5	5	5	5	5	60
Rent	15	15	15	15	15	15	15	15	15	15	15	15	180
LP at Newburgh Income	12	12	12	12	12	12	12	12	12	12	12	12	144
Net Income	(14)	(6)	21	6	6	8	11	11	14	6	20	20	104

**EXHIBIT**  
*11 Dr*

**Liberty Industries, LC and Liberty Properties at Newburgh, LC  
FY-2017 Income and Cash Flow**

Cash Flow Statement

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Opening Cash	22	8	17	38	44	50	99	102	105	110	107	118
New Equity Contribution						50						22
Receipts	200	255	350	350	350	350	380	380	400	400	450	450
Cash Available	222	263	367	388	394	450	479	482	505	510	557	568
Distributions												
COGS	164	196	279	279	279	279	306	306	320	328	364	364
SG&A	22	22	22	37	37	37	37	37	40	40	40	40
Secured Lender Payment	20	20	20	20	20	18	18	18	18	18	18	18
Professional/Other Fees	5	5	5	5	5	5	5	5	5	5	5	5
Rent	15	15	15	15	15	15	15	15	15	15	15	15
LP at Newburgh Cash Contrib.	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Distributions-Taxes	-	-	-	-	-	-	-	-	-	-	-	36
Unsecured Creditors Payout	-	-	-	-	-	9	9	9	9	9	9	9
Total Disbur	214	246	329	344	344	351	377	377	395	403	439	475
Closing Cash	8	17	38	44	50	99	102	105	110	107	118	93

**EXHIBIT** "D"

**Liberty Industries, LC**  
**FY-2018 Income and Cash Flow**

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTALS</u>
Total Revenue	350	380	450	450	450	550	550	550	500	550	550	400	5,730
Total COS	168	182	216	216	203	248	248	248	225	248	248	180	2,627
Materials	35	38	45	45	45	55	55	55	50	55	55	40	573
Labor	35	38	45	45	45	55	55	55	50	55	55	40	573
Overhead	35	38	45	45	45	55	55	55	50	55	55	40	573
O/S Process/Subcont	11	11	14	14	14	17	17	17	15	17	17	12	172
Other													
Total COS	284	308	365	365	351	429	429	429	390	429	429	312	4,518
Gross Margin	67	72	86	86	99	121	121	121	110	121	121	88	1,212
GM %	19.0%	19.0%	19.0%	19.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	21.1%
SG&A	40	45	45	45	45	45	45	45	45	45	45	45	535
OP	27	27	41	41	54	76	76	76	65	76	76	43	677
	7.6%	7.2%	9.0%	9.0%	12.0%	13.8%	13.8%	13.8%	13.0%	13.8%	13.8%	10.8%	11.8%
Interest	6	6	6	6	6	6	6	6	6	6	6	6	72
Dep & Ammor	12	12	12	12	12	12	12	12	12	12	12	12	144
Professional/Other Fees	2	2	2	2	2	2	2	2	2	2	2	2	24
Rent	15	15	15	15	15	15	15	15	15	15	15	15	180
LP at Newburgh Income	12	12	12	12	12	12	12	12	12	12	12	12	144
Net Income	4	4	18	18	31	53	53	53	42	53	53	20	401



**Liberty Industries, LC**  
**FY-2018 Income and Cash Flow**

Cash Flow Statement

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
Opening Cash	93	89	88	98	108	131	152	197	242	277	322	367
Receipts	350	380	450	450	450	550	550	550	500	550	550	400
Cash Available	443	469	538	548	558	681	702	747	742	827	872	767
Distributions												
COGS	284	308	365	365	351	429	429	429	390	429	429	312
SG&A	36	41	41	41	41	41	41	41	41	41	41	41
Secured Lender Payment	18	18	18	18	18	18	18	18	18	18	18	18
Professional/Other Fees	5	2	5	5	5	5	5	5	5	5	5	5
Rent	15	15	15	15	15	15	15	15	15	15	15	15
LP Newburgh Cash Contrib.	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Distributions-Taxes	0	0	0	0	0	24	0	0	0	0	0	160
Unsecured Creditors Payouts	9	9	9	9	9	9	9	9	9	9	9	9
Total Disbur	354	381	440	440	427	529	505	505	466	505	505	548
Closing Cash	89	88	98	108	131	152	197	242	277	322	367	219
												5,823

**EXHIBIT "D"**

**Liberty Industries, LC and Liberty Properties at Newburgh, LC**  
**FY-2019 Income and Cash Flow**

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTALS</u>
Total Revenue	450	550	650	650	700	700	700	700	700	700	700	700	7,900
Total COS	198	242	286	286	308	308	308	308	308	308	308	308	3,476
Materials	45	55	65	65	70	70	70	70	70	70	70	70	790
Labor	36	44	52	52	56	56	56	56	56	56	56	56	632
Overhead	54	66	78	78	84	84	84	84	84	84	84	84	948
O/S Process/Subcont	14	17	20	20	21	21	21	21	21	21	21	21	237
Other	347	424	501	501	539	539	539	539	539	539	539	539	6,083
Total COS	104	127	150	150	161	161	161	161	161	161	161	161	1,817
Gross Margin	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
GM %	55	55	55	55	55	55	55	65	70	70	75	75	740
SG&A	49	72	95	95	106	106	106	96	91	91	86	86	1,077
OP	10.8%	13.0%	14.5%	14.5%	15.1%	15.1%	15.1%	13.7%	13.0%	13.0%	12.3%	12.3%	13.6%
Interest	6	6	6	6	6	6	6	6	6	6	6	6	72
Dep & Ammor	17	17	17	17	17	17	17	17	17	17	17	17	204
Professional/Other Fees	8	8	8	8	8	8	8	8	8	8	8	8	100
Rent	15	15	15	15	15	15	15	15	15	15	15	15	180
LP at Newburgh Income	12	12	12	12	12	12	12	12	12	12	12	12	144
Net Income	14	37	60	60	72	72	72	62	57	57	52	52	533



**Liberty Industries, LC and Liberty Properties ar Newburgh, LC  
FY-2019 Income and Cash Flow**

Cash Flow Statement

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
Opening Cash	219	439	403	389	446	478	546	614	672	725	778	826
Receipts	660	480	580	650	665	700	700	700	700	700	700	7,935
Cash Available	879	919	983	1,039	1,111	1,178	1,246	1,314	1,372	1,425	1,478	1,526
Distributions												
COGS	347	424	501	501	539	539	539	539	539	539	539	539
SG&A	55	55	55	55	55	55	55	65	70	70	75	75
Secured Lender Payments	18	18	18	18	18	18	18	18	18	18	18	18
Professional/Other Fees	8	8	8	8	8	8	8	8	8	8	8	8
Rent	15	15	15	15	15	15	15	15	15	15	15	15
LP Cash Contribution	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Distributions-Taxes	0	0	0	0	0	0	0	0	0	0	0	187
Unsecured Creditors Payouts	9	9	9	9	9	9	9	9	9	9	9	9
Total Disbur	440	517	594	594	632	632	632	642	647	647	652	839
Closing Cash	439	403	389	446	478	546	614	672	725	778	826	687

**Liberty Industries, LC**  
**FY-2020 Income and Cash Flow**

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTALS</u>
Total Revenue	550	650	775	775	800	800	800	800	900	900	900	800	9,450
Total COS	248	293	341	341	352	352	352	352	396	405	405	360	4,196
Materials	44	52	62	62	64	64	64	64	72	72	72	64	756
Labor	55	65	78	78	80	80	80	80	90	90	90	80	945
Overhead	66	78	93	93	96	96	96	96	108	108	108	96	1,134
O/S Process/Subcont	17	20	23	23	24	24	24	24	27	27	27	24	284
Other	429	507	597	597	616	616	616	616	693	702	702	624	7,315
Total COS	121	143	178	178	184	184	184	184	207	198	198	176	2,136
Gross Margin	22.0%	22.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	22.0%	22.0%	22.0%	22.6%
GM %	75	75	75	75	75	75	75	75	85	85	85	85	950
SG&A	46	68	103	103	109	109	109	99	122	113	113	91	1,186
OP	8.4%	10.5%	13.3%	13.3%	13.6%	13.6%	13.6%	12.4%	13.6%	12.6%	12.6%	11.4%	12.5%
Interest	6	6	6	6	6	6	6	6	6	6	6	6	72
Dep & Ammor	17	17	17	17	17	17	17	17	17	17	17	17	204
Professional/Other Fees	10	10	10	10	10	10	10	10	10	10	10	10	120
Rent	15	15	15	15	15	15	15	15	15	15	15	15	180
LP at Newburgh Income	12	12	12	12	12	12	12	12	12	12	12	12	144
Net Income	10	32	67	67	73	73	73	63	86	77	77	55	610

EXHIBIT 'D'

**Liberty Industries, LC**  
**FY-2020 Income and Cash Flow**

Cash Flow Statement

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>
Opening Cash	687	876	838	743	811	867	865	938	1,001	947	1,025	1,102
Receipts	729	580	688	775	783	800	800	800	830	900	900	870
Cash Available	1,416	1,456	1,526	1,518	1,593	1,667	1,665	1,738	1,831	1,847	1,925	1,972
Distributions												
COGS	429	507	597	597	616	616	616	616	693	702	702	624
SG&A	71	71	71	71	71	71	71	81	81	81	81	81
Secured Lender Payment	18	18	18	18	18	18	18	18	18	18	18	18
Professional/Other Fees	10	10	10	10	10	10	10	10	10	10	10	10
Rent	15	15	15	15	15	15	15	15	15	15	15	15
LP at Newburgh Cash Contrib.	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Distributions-Taxes	0	0	75	0	0	75	0	0	70	0	0	63
Unsecured Creditors Payouts	9	9	9	9	9	9	9	9	9	9	9	9
Total Disbur	540	618	783	708	727	802	727	737	884	823	823	808
Closing Cash	876	838	743	811	867	865	938	1,001	947	1,025	1,102	1,164

Liberty Industries, LC  
 FY-2021-2023 Income and Cash Flow

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Revenue	10,500	12,000	14,000
Total COS			
Materials	4,725	5,400	6,160
Labor	840	960	1,120
Overhead	1,050	1,200	1,400
O/S Process/Subcont	1,260	1,440	1,680
Other	315	360	420
Total COS	8,190	9,360	10,780
Gross Margin	2,310	2,640	3,220
GM %	22.0%	22.0%	23.0%
SG&A	980	1050	1250
OP	1,330	1,590	1,970
	12.7%	13.3%	14.1%
Interest	72	72	72
Dep & Ammor	144	144	144
Professional/Other Fees	120	140	170
Rent	180	180	180
LP Income	144	144	144
Net Income	958	1,198	1,548

**Cash Flow Statement**

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Opening Cash	1164	981	1,653
Receipts	9,800	12,000	14,000
Cash Available	10,964	12,981	15,653
Distributions			
COGS	8,190	9,360	10,780
SG&A	980	1,050	1,250
Secured Lender Payment	216	216	216
Professional/Other Fees	120	140	170
Rent	180	180	180
LP Cash Contribution	(144)	(144)	(144)
Distributions-Taxes	335	419	542
Unsecured Creditors Payouts	106	106	0
Total Disbur	9,983	11,327	12,994
Closing Cash	981	1,653	2,660 <b>Note 1</b>
Pay Off Secured Lender			(1,332)
Pay Off TI Distribution			(557)
Net Operating Cash			771

*Note 1 - The Debtor has sufficient cash to pay off the Secured Lender the lump sum payment of \$1,332,000 and the TI Distribution Debt at the end of the 7 Year Period.*

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**Exhibit E – Cash on hand on the effective date of the Plan**

<b>Cash on hand on effective date of the Plan:</b>		\$ 109,000
Less		
Admin Exp	\$50,000	
Statutory Costs	\$ 0	
Cure Payments	\$ 0	
Secured Lender Pymts	\$ 18,000	
Unsecured Pymts	\$ 8,800	
	<hr/>	
Balance		\$ 32,200
Cash In Debtor's Bank Acct		\$ 18,000
Added Cash Debtors will Accumulate		\$ 41,000
Borrowings		\$ 0
Capital Contributions		\$ 50,000
Other		\$ 0
		<hr/>
TOTAL		\$109,000

Projections of results of future operations are based on management's best estimates in light of current market conditions, past experience, analysis of general economic conditions, and other estimates which will bear on the results.