

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

In re:

Shiraz Holdings, LLC,

Debtor.

Case No. 9:17-bk-17968-PGH
Chapter 11

**SECOND AMENDED DISCLOSURE STATEMENT IN CONNECTION WITH
CHAPTER 11 PLAN OF REORGANIZATION
FOR SHIRAZ HOLDINGS, LLC**

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/s/ Thomas M. Messana
Thomas M. Messana
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Dated: April 16, 2018.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. AS SUCH, DEBTOR IS NOT CURRENTLY SOLICITING VOTES ON THE PLAN AND DISCLOSURE STATEMENT. A COMBINED HEARING TO CONSIDER CONFIRMATION OF THE PLAN AND DISCLOSURE STATEMENT PURSUANT TO SECTION 1129 OF THE BANKRUPTCY CODE IS CURRENTLY SCHEDULED FOR _____, AT ___ 0 __.M. DEBTOR RESERVES THE RIGHT TO MODIFY OR SUPPLEMENT THE PLAN AND THE ACCOMPANYING DISCLOSURE STATEMENT UP TO AND INCLUDING THE TIME OF CONFIRMATION OF THE PLAN.

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**SECOND AMENDED DISCLOSURE STATEMENT IN CONNECTION WITH
CHAPTER 11 PLAN OF REORGANIZATION FOR SHIRAZ HOLDINGS, LLC**

I. INTRODUCTION

This *Second Amended Disclosure Statement in Connection with Chapter 11 Plan of Reorganization Filed by Shiraz Holdings, LLC* is proposed by Debtor.¹ This Disclosure Statement contains information about Debtor and describes the *Second Amended Chapter 11 Plan of Reorganization Filed by Shiraz Holdings, LLC*. The Plan is attached to this Disclosure Statement as **Exhibit “A.”**

YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THE PLAN AND DISCLOSURE STATEMENT CAREFULLY AND DISCUSS WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.

IN THE OPINION OF DEBTOR, TREATMENT OF CLAIMS UNDER THE PLAN CONTEMPLATES A GREATER RECOVERY FOR HOLDERS OF THOSE CLAIMS THAN IS LIKELY TO BE ACHIEVED UNDER OTHER ALTERNATIVES FOR THE REORGANIZATION OR LIQUIDATION OF THE DEBTOR. DEBTOR URGES THAT ALL CREDITORS ENTITLED TO VOTE ON THE PLAN VOTE IN FAVOR OF THE PLAN. DETAILED INSTRUCTIONS REGARDING HOW TO VOTE ON THE PLAN ARE CONTAINED IN ARTICLE V OF THIS DISCLOSURE STATEMENT.

1.1. PURPOSE OF DISCLOSURE STATEMENT

This Disclosure Statement is being submitted in accordance with the requirements of Section 1125 of the Bankruptcy Code. This Disclosure Statement describes: (1) the Debtor and significant events during Debtor’s bankruptcy case; (2) how the Plan proposes to treat Claims or Equity Interests of the type you hold (*i.e.*, what you will receive on account of your Claim or Equity Interest if the Plan is confirmed); (3) who can vote on or object to the Plan; (4) what factors the Bankruptcy Court will consider when deciding whether to confirm the Plan; (5) why Debtor believes the Plan is feasible, and how treatment of your Claim or Equity Interest under the Plan compares to what you would receive on your Claim or Equity Interest in an alternative liquidation; and (6) the effect of Confirmation of the Plan.

This Disclosure Statement also summarizes terms and provisions of the Plan, certain effects of confirmation of the Plan, issues relating to assets to be liquidated under the Plan, securities to be canceled under the Plan, and the manner in which Distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that Holders of Claims entitled to vote on the Plan must follow for their votes to be counted. Objections to this Disclosure Statement (if any) will be considered by the

¹ Unless otherwise defined herein, all capitalized terms used in this Disclosure Statement shall have the meanings ascribed to them in the Plan.

Bankruptcy Court together with confirmation of the Plan, at a combined hearing on _____, 2018 at _____ .m.

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, ESTABLISH YOUR RIGHTS.

1.2. PLAN CONFIRMATION GENERALLY

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

1.3. TIME AND PLACE OF HEARING FOR FINAL APPROVAL

The Bankruptcy Court will conduct a combined hearing to finally approve this Disclosure Statement as providing “adequate information” pursuant to Section 1125 of the Bankruptcy Code and to confirm the Plan on _____, **2018 at __:0 .m. (EST)** at United States Bankruptcy Court for the Southern District of Florida (West Palm Beach Division), Flagler Waterview Building, 1515 North Flagler Drive, 8th Floor, West Palm Beach, FL 33401

1.4. DEADLINE FOR VOTING TO ACCEPT OR REJECT

If you are entitled to vote to accept or reject the Plan, you must cast your vote on the enclosed Ballot and return the Ballot to Clerk of Court, U.S. Bankruptcy Court, 1515 North Flagler Drive, Suite 801, West Palm Beach, FL 33401, and a copy of the executed Ballot should also be mailed to counsel for the Debtor, **Thomas M. Messana, Messana, P.A., 401 E. Las Olas Blvd., Suite 1400, Fort Lauderdale, FL 33301**. You should carefully review Article V below for a discussion of voting eligibility, requirements, and procedures. Your properly completed Ballot must be received by **4:00 p.m. EST** on _____, **2018**, or it will not be counted.

1.5. DEADLINE FOR OBJECTIONS

Objections to this Disclosure Statement or to Confirmation of the Plan must be filed with the Bankruptcy Court and properly served upon parties by _____, 2018 and as required by the Bankruptcy Court and the applicable Rules, with a copy to counsel for the Debtor, **Thomas M. Messana, Messana, P.A., 401 E. Las Olas Blvd., Suite 1400, Fort Lauderdale, FL 33301**.

1.6. CONTACT FOR MORE INFORMATION

If you want additional information about the Plan, you should contact counsel for the Debtor, **Thomas M. Messana, Messana, P.A., 401 E. Las Olas Blvd., Suite 1400, Fort Lauderdale, FL 33301**.

1.7. DISCLAIMER

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED HEREIN WILL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR, THE TRUSTEE, OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTOR. THE BANKRUPTCY COURT MAY CONDITIONALLY APPROVE THIS DISCLOSURE STATEMENT AS CONTAINING “ADEQUATE INFORMATION” OF A KIND AND IN SUFFICIENT DETAIL TO ENABLE PARTIES AFFECTED BY THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT ITS TERMS. THE BANKRUPTCY COURT HAS NOT YET DETERMINED WHETHER THE PLAN MEETS THE LEGAL REQUIREMENTS FOR CONFIRMATION, AND THE FACT THAT THE BANKRUPTCY COURT HAS (OR MAY HAVE) CONDITIONALLY APPROVED THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT, OR A RECOMMENDATION THAT IT BE ACCEPTED. THE BANKRUPTCY COURT’S APPROVAL OF THIS DISCLOSURE STATEMENT IS SUBJECT TO FINAL APPROVAL AT THE COMBINED HEARING ON CONFIRMATION OF THE PLAN. AGAIN, OBJECTIONS TO THE ADEQUACY OF THIS DISCLOSURE STATEMENT MAY BE FILED UP TO AND INCLUDING _____, 2018.

THE FINANCIAL ANALYSIS PROVIDED IN THIS DISCLOSURE STATEMENT HAS BEEN PREPARED AND/OR REVIEWED BY DEBTOR. THESE PROJECTIONS AND ANALYSES, WHILE PRESENTED WITH NUMERICAL SPECIFICITY IN THIS DISCLOSURE STATEMENT, NECESSARILY ARE BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, ALTHOUGH CONSIDERED REASONABLE BY DEBTOR, MAY NOT PROVE TO BE TRUE OR ACCURATE. THE PROJECTIONS AND ANALYSES (AND THE ESTIMATES AND ASSUMPTIONS ON WHICH THEY ARE BASED) ARE SUBJECT TO A VARIETY OF CONTINGENCIES AND SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY-SPECIFIC, REGULATORY, AND OTHER FINANCIAL UNCERTAINTIES. MOST OF THESE RISKS AND UNCERTAINTIES ARE BEYOND DEBTOR’S CONTROL. IT IS LIKELY THAT SOME OF THE ASSUMPTIONS ON WHICH THE PROJECTIONS AND ANALYSES ARE BASED WILL TURN OUT TO BE INACCURATE FOR A VARIETY OF REASONS, INCLUDING THE OCCURRENCE OF EVENTS AND CIRCUMSTANCES SUBSEQUENT TO THE DATE ON WHICH THOSE PROJECTIONS AND ANALYSES WERE PREPARED THAT ARE DIFFERENT FROM THOSE ASSUMED. THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THESE PROJECTIONS AND ANALYSES, THEREFORE, MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF FINANCIAL PERFORMANCE, RESULTS, OR ASSURANCE OF THE AMOUNT OF DISTRIBUTIONS UNDER THE PLAN.

DEBTOR BELIEVES THE PLAN IS IN THE BEST INTERESTS OF CREDITORS AND HOLDERS OF INTERESTS. ALL CREDITORS AND HOLDERS OF INTERESTS ARE URGED TO VOTE IN FAVOR OF THE PLAN. TO BE COUNTED, YOUR BALLOT MUST BE DULY COMPLETED AND EXECUTED AND RECEIVED BY NO LATER THAN THE TIME SET BY THE COURT, UNLESS EXTENDED.

IN THE EVENT THAT ANY OF THE CLASSES OF HOLDERS OF IMPAIRED CLAIMS VOTE TO REJECT THE PLAN, AND IN ALL LIKELIHOOD, (1) DEBTOR MAY ALSO SEEK TO SATISFY THE REQUIREMENTS FOR CONFIRMATION OF THE PLAN WITH RESPECT TO THAT CLASS UNDER THE “CRAM-DOWN” PROVISIONS OF SECTION 1129(b) OF THE BANKRUPTCY CODE AND, IF REQUIRED, MAY FURTHER AMEND THE PLAN TO CONFORM TO SUCH REQUIREMENTS, OR (2) THE PLAN MAY BE OTHERWISE MODIFIED OR WITHDRAWN. THE REQUIREMENTS FOR CONFIRMATION, INCLUDING THE VOTE OF HOLDERS OF IMPAIRED CLAIMS TO ACCEPT THE PLAN AND CERTAIN OF THE STATUTORY FINDINGS THAT MUST BE MADE BY THE BANKRUPTCY COURT, ARE SET FORTH IN THE BANKRUPTCY CODE.

II. BACKGROUND

2.1. DESCRIPTION AND HISTORY OF DEBTOR’S BUSINESS

Debtor is an owner of, among other things, investment property and several subsidiary companies that have a variety of business operations. During the one year prior to the Petition Date, Debtor’s sole manager and member, Jordan Satary, did not receive a salary from Debtor. On June 26, 2017, Jordan Satary loaned Debtor \$85,000, which was used, primarily, to pay legal fees required to commence this Bankruptcy Case. Jordan Satary has agreed to and shall not receive any payments on account of that loan until after all payments contemplated under this Plan have otherwise been made.

Debtor aims to be a regional full service real estate development and investment management company. Debtor’s subsidiaries have historically included business operations in retail medical supply sales, drug rehabilitation centers, and medical diagnostics. Debtor’s real estate investments largely consist of commercial real estate but have also included at least one residential property.

2.1.1. Investment Companies

Prior to the Petition Date, Debtor acquired a stake in the following companies at the specified equity percentages: (1) 360 Medical Supplies, Inc. (“360 Medical”) (50%); (2) Serenity Now CMHC, Inc. (“Serenity Now”) (100%); (3) Recovery Advocates (“Recovery Advocates”) (100%); (4) Pathway 2 Recovery (“Pathway”) (49%); (5) Premier Worldwide Holdings, LLC (“Premier Worldwide”) (100%).

2.1.1.1.360 Medical Supplies, Inc.

360 Medical was a wholesale medical supplies company that purchased medical supplies, such as gloves, vials, medical devices, and chemicals from vendors, then repackaged and shipped them in bundles to budding laboratories. After suffering some personal issues, Debtor's 50% partner in and CEO of 360 Medical, Ghassan Bsesou, stopped responding to Debtor communication, ceased exercising any ownership or control over 360 Medical and failed or refused to supply Debtor with information regarding 360 Medical from at least the Petition Date through present. Around the same time, the primary source of clients for 360 Medical, GNOS Medical, Inc., fell on financial difficulties, significantly downsized its lab build out team working out of the Hurricane Property, quit paying rent to Debtor, and became unable and/or unwilling to provide additional client referrals to 360 Medical. Despite Debtor's best efforts to stabilize 360 Medical, this confluence of circumstance made it impossible to do so. In November of 2016 360 Medical ceased all business operations. 360 Medical is currently a tenant of the Progress Property in default of its lease. On February 5, 2018, Debtor filed a motion to employ counsel to evict 360 Medical. See Section 2.1.2.3 below for additional details.

2.1.1.2.Serenity Now CMHC, Inc.

Serenity Now operated a mental health and substance abuse treatment center with a focus on client care and individualized treatment services. Debtor acquired 100% of Serenity Now for \$5,000,000.00 pursuant to a two payment plan. Specifically, Debtor made an initial payment to acquire Serenity Now in the amount of \$2,500,000.00 and was obligated to make a second payment for the remaining \$2,500,000.00.

Prior to the second payment, Serenity Now suffered various operational deficiencies, including ineffective transition from old management, excessively high payroll obligations, ineffective hiring and mismanagement, and, most significantly, withholding of insurance proceeds on account of pre-acquisition obligations. To help cure these issues, Debtor lent Serenity Now approximately \$900,000.00.

Notwithstanding, Debtor's efforts were unsuccessful and Serenity Now continued on a downward spiral. With increasingly minimal income from Serenity Now, Debtor was unable to make the second payment in connection with its acquisition. Debtor never paid the second \$2,500,000 payment in connection with the acquisition. The previous owners of Serenity Now subsequently sued Debtor on account of the second \$2,500,000.00 payment and obtained a judgment in the approximate amount of \$2,928,304.80. See Section 2.1.3 below for additional details. Despite significant effort, Debtor was unable to stabilize Serenity Now. In November of 2016 Debtor was forced to shut down Serenity Now.

2.1.1.3.Recovery Advocates

Similar to Serenity Now, Recovery Advocates operated a mental health and substance abuse treatment center with a focus on client care and individualized treatment services. Recovery Advocates suffered operational and financial difficulties nearly identical to Serenity

Now. Despite significant effort, Debtor was unable to stabilize Recovery Advocates. In November of 2016 Debtor was forced to shut down Recovery Advocates.

2.1.1.4. Pathway 2 Recovery

Similar to Serenity Now and Recovery Advocates, Pathway was a substance abuse rehab clinic providing treatment to people with drug addiction and other substance abuse problems. Pathway suffered operational and financial difficulties nearly identical to Serenity Now and Recovery Advocates, including managerial issues regarding Debtor's partner, Elizabeth Bowman, who has, in the time since, been unable provide material information regarding the company and its eventual collapse. Pathway eventually lost its license with the Florida Department of Children and Families. Despite significant effort, Debtor was unable to stabilize Pathway. As of February 8, 2017, Pathway ceased all operations and terminated conducting business. No additional patients have been serviced by Pathway and as per Elizabeth Bowman and to the best of Debtor's knowledge, Pathway has no material assets.² Debtor has not received a K-1 from Pathway for 2016 or 2017.

2.1.1.5. Premier Worldwide Holdings, LLC

Premier Worldwide engaged in no operations whatsoever. Premier Worldwide was created as a holding company regarding Debtor's 29% interest in Confirmatrix Laboratories, Inc. Confirmatrix Laboratories, Inc. is an independent laboratory in Lawrenceville, Georgia specializing in providing comprehensive clinical quantitative urine and oral fluid drug testing, medication monitoring, and support services. On November 4, 2017, Confirmatrix Laboratories, Inc. filed chapter 11 bankruptcy in the U.S. Bankruptcy Court, N.D. Georgia, Atlanta Division (Case No 16-69934-PWB). Debtor's equity stake in Confirmatrix Laboratories, Inc is thus highly speculative and likely worthless.

2.1.2. Investment Properties

As of the Petition Date, Debtor owned the following properties: (1) 815 Progress Court, Lawrenceville, GA 30043 (the "Progress Property"); (2) 1180 Beaver Ruin Rd., Norcross, GA 30093 (the "Beaver Property"); (3) 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 (the "Hurricane Property"); and (4) 920 Iris Drive, Delray Beach, FL 33483 (the "Iris Property").

2.1.2.1. The Hurricane Property

The Hurricane Property is commercial real estate located in Georgia. On October 15, 2017, Debtor paid 2017 sales tax regarding the Hurricane Property totaling \$75,226.28.

² Additional details regarding Elizabeth Bowman available via the *Declaration of Elizabeth Bowman in support of Debtor's Motion for an Order Granting Extension of Time to Supplement its Periodic Report Regarding Value, Operations, and Profitability of Entities in which the Estate of Shiraz Holdings, LLC Holds a Substantial or Controlling Interest* (Doc. No. 82).

Throughout this case, Debtor has been working diligently to sell the Hurricane Property. Debtor engaged Ten-X to conduct an auction of the Hurricane Property on February 28, 2018. After engaging Ten-X, Debtor received an offer from Anshasi Properties, Inc. to purchase the Hurricane Property for \$3,000,000.00, brokered by Fadi Elkhatib at Main Source Realty, LLC. Anshasi Properties, Inc. agreed to pay the brokerage commission to Main Source Realty, LLC. Debtor is not responsible for any portion of the Main Source Realty, LLC commission.

On March 26, 2018, Debtor closed the sale of the Hurricane Property with Anshasi Properties, Inc., with proceeds: (1) satisfying Class 4: CCOP in full; (2) paying \$72,815.00 of priority tax claims; (3) paying \$30,000 of priority administrative claims to Ten-X; and (3) yielding net proceeds to the Estate totaling \$228,288.00.³

2.1.2.2. The Iris Property

The Iris Property is residential real estate located in Florida. Debtor is presently working to sell the Iris Property. Debtor has engaged Miles Goldstein Real Estate, LLC as a broker to market and sell the Iris Property. C&T purports to have a claim secured by the Iris Property, which is susceptible to objection by Debtor. To the extent C&T is ultimately determined to have a valid and allowed claim, sale of the Iris Property is expected to satisfy that claim and pay Class 3: C&T in full.

2.1.2.3. The Progress Property

The Progress Property is commercial real estate located in Georgia. In 2017, Debtor collected \$3,000 per month through a month-to-month lease agreement with Powder Coat Plus, LLC regarding the Progress Property. Powder Coat Plus, LLC was an existing tenant that was already in place on the Progress Property when it was acquired by Debtor. Aside from being a tenant, Powder Coat Plus, LLC has no other connection to Debtor whatsoever. Powder Coat Plus, LLC remains a tenant in 2018. Debtor is currently in negotiations with Powder Coat Plus, LLC regarding a long term lease agreement for at least the next five years.

Additionally, 360 Medical is a tenant of the Progress Property. As a result of, among other things, the state of 360 Medical's operations described above in Section 2.1.1.1, 360 Medical made no payments to Debtor in 2017. As per above, 360 Medical has ceased operations but is presently storing substantial inventory at the Progress Property. The control person regarding 360 Medical has been uncooperative regarding requests to remove the inventory. Debtor is presently in the process of hiring Jeffrey D. Horst and his firm, Krevolin & Horst, LLC as Georgia counsel to assist Debtor in the eviction of 360 Medical and removal of the inventory so that Debtor can further monetize the space. On October 15, 2017, Debtor paid 2017 sales tax regarding the Progress Property totaling \$9,761.86.

On April 1, 2018, Debtor entered into a *Commercial Triple Net Lease Agreement* with Quality Wheel Repair, LLC regarding the Progress Property. On April 6, 2018, Debtor filed the

³ Includes \$100,000 earnest money deposit.

Debtor's Motion for Order Authorizing Debtor to Enter Lease Agreement with Quality Wheel Repair LLC Pursuant to 11 U.S.C. § 363 Nunc Pro Tunc to April 1, 2018 (ECF No. 199) seeking Bankruptcy Court approval of the lease agreement with Quality Wheel Repair, LLC.

2.1.2.4. **The Beaver Property**

The Beaver Property is commercial real estate located in Georgia. In 2017, Debtor collected \$16,500 through a written lease agreement with 1180 Beaver Ruin, LLC and \$500 through an easement agreement for a cell tower regarding the Beaver Property. 1180 Beaver Ruin, LLC is 50% owned by Jordan Satary through his company Straightline Investments LLC and 50% owned by Raheel Sohani. 1180 Beaver Ruin, LLC was created to purchase the Beaver Property from Debtor through funds contributed by Raheel Sohani. However, Raheel Sohani was, ultimately, unable to secure sufficient financing and the sale never took place.

The Beaver Property is currently occupied by subtenants of 1180 Beaver Ruin, LLC. Substantial unpaid rent is owed to Debtor by the subtenants of 1180 Beaver Ruin, LLC. Debtor is currently negotiating with the subtenants to execute a long term lease regarding the Beaver Property, which will, among other things, involve payment of past due rent obligations. On October 15, 2017, Debtor paid 2017 sales tax regarding the Beaver Property totaling \$8,085.48.

2.1.3. **Litigation Involving Debtor**

In March of 2015, Maher Salman and Ibrahim Abu Hatab presented Debtor with certain business opportunities in Jordan. Through negotiations, Debtor interacted with presumed representatives from the Jordanian General Intelligence Department. After a series of transfers totaling approximately \$12,000,000 to get various business efforts in Debtor's scope expertise ramped up and rolling, Debtor began to realize it was the victim of a scam perpetrated by Maher Salman and Ibrahim Abu Hatab. The Jordanian General Intelligence Department eventually arrested Ibrahim Abu Hatab and others, all of whom denied knowledge of the entire situation. Debtor has consulted with Jordanian counsel to evaluate options going forward. However, recovery of any funds whatsoever in connection with this matter is highly speculative and perhaps impossible. As of the date of this Disclosure Statement, Jordanian authorities are still investigating the case, but little progress has been made.

Moreover, around the same time, Debtor was forced to endure litigation brought against Debtor by former owners of Serenity Now, Paul James Henry, John Lewis Dickey, and Maria Ines Ortiz. The Serenity Now litigation eventually progressed to a final judgment after default, which was entered on March 29, 2017 in the cumulative amount of \$2,928,304.80.⁴ Debtor also endured threatened litigation with the landlord for the commercial space Serenity Now occupied, regarding the balance of a lease for same pertaining to Serenity Now.

⁴ While the Serenity Now judgment was, in fact, recorded on April 5, 2017, that date is within 90 days prior to the Petition Date and as such, any corresponding lien is an avoidable preference.

2.2. EVENTS LEADING TO CHAPTER 11 FILING

As late as 2014, Debtor's business efforts were very promising. Key real estate purchases and initial success with earlier acquisitions, helped push the pace of Debtor's expansion and success. In time, however, the weight of Debtor's expanding footprint eventually caught up to it in terms of managing relationships and operations.

As outlined above, Debtor faces a number of financial concerns arising out of distressed business and development projects. Through this case, Debtor aspired to consolidate its financial issues before a single court to work cooperatively with all parties-in-interest to develop a plan of reorganization that is in all constituencies' best interest. Debtor believes the chapter 11 process is an appropriate mechanism to reorganize its affairs and that the Bankruptcy Code offers tools that will be useful to facilitate same.

2.3. SIGNIFICANT EVENTS DURING BANKRUPTCY CASE

On August 21, 2017, the Bankruptcy Court entered its *Order Authorizing the Employment and Retention of Thomas M. Messana, P.A. as Attorneys for the Debtor and Debtor-in-Possession Nunc Pro Tunc to the Petition Date [ECF No. 20]* (ECF No. 48) authorizing Debtor to employ Messana, P.A. as counsel for Debtor.

On August 21, 2017, the Bankruptcy Court entered its *Order Granting Debtor's Application for Authorization to Employ Elizabeth A. Dunn, CPA, PA as Accountant Nunc Pro Tunc to the Petition Date* (ECF No. 47) authorizing Debtor to employ Elizabeth A. Dunn CPA as Debtor's accounting professional.

On September 6, 2017, Debtor filed *Debtor's Application to Employ Fadi Elkhatib and Main Source Realty, LLC as Debtor's Real Estate Broker and to Approve Compensation* (ECF No. 59) (the "Main Source Application") seeking entry of an order approving retention of Fadi Elkhatib and Main Source Realty, LLC as Debtor's real estate broker to assist in the sale and/or lease of the Progress Property and the Beaver Property.

On September 13, 2017, the Bankruptcy Court entered its *Order Granting Debtor's Application to Employ Fadi Elkhatib and Main Source Realty, LLC as Debtor's Real Estate Broker and to Approve Payment Process* (ECF No. 64) granting the Main Source Application and approving the exclusive listing agreements and the payment terms contained therein.

On September 29, 2017, Debtor filed *Debtor's Application to Employ Alexander Goldstein and Miles Goldstein Real Estate, LLC as Debtor's Real Estate Broker* (ECF No. 80) (the "Goldstein Application") as Debtor's real estate broker to assist in the lease or sale of the Iris Property.

On October 18, 2017, the Bankruptcy Court entered its *Order Granting Debtor's Application to Employ Alexander Goldstein and Miles Goldstein Real Estate, LLC as Debtor's Real Estate Broker and to Approve Payment Processes* (ECF No. 95) granting the Goldstein Application, authorizing Debtor to retain Alexander Goldstein and Miles Goldstein Real Estate,

LLC pursuant to the listing agreement attached to the Goldstein Application, and approving contingency fee compensation to Alexander Goldstein and Miles Goldstein Real Estate, LLC.

On October 18, 2017, the Bankruptcy Court entered its *Order Authorizing Debtor to Enter Lease Agreement with FYM Fitness, LLC Pursuant to 11 U.S.C. § 363 Nunc Pro Tunc to August 21, 2017* (Doc. No. 94) authorizing Debtor to lease Suite 1900 of the Hurricane Property to FYM Fitness, LLC.

On November 8, 2017, Debtor's counsel filed their *Summary of First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses for Messana, P.A. as Attorneys for Debtor-in-Possession* (ECF No. 109), seeking an interim fee and expense award totaling \$63,385.28 for the period from June 26, 2017 through September 30, 2017.

On November 24, 2017, Debtor filed *Debtor's Application to Employ Ten-X, LLC as Debtor's Auctioneer and to Approve Payment Process* (ECF No. 116) (the "Ten-X Application") seeking to employ Ten-X as Debtor's auctioneer to assist in the auction of the Hurricane Property.

On December 7, 2017, the Bankruptcy Court entered its *Order Awarding First Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses for Messana, P.A. as Attorneys for Debtor* (ECF No. 126) awarding Messana, P.A. fees in the amount of \$48,202.80 (80% of amount sought) and costs in the amount of \$3,131.78 (100% of amount sought) for a total interim award of \$51,334.58.

On December 15, 2017, the Bankruptcy Court entered its *Order Granting Debtor's Application to Employ Ten-X, LLC as Debtor's Auctioneer and to Approve Payment Process* (ECF No. 128) granting the Ten-X Application and authorizing Debtor to retain Ten-X pursuant to terms of the Marketing Agreement attached to the Ten-X Application and approving a fee arrangement with Ten-X.

On January 17, 2018, Debtor filed the *First Interim Fee Application for Allowance and Payment of Compensation for Elizabeth A. Dunn, CPA, PA as Accountants for Debtor* (ECF No. 145) seeking an interim fee an expense award totaling \$36,591.50 for the period June 27, 2017 through October 31, 2017.

On January 19, 2018, Debtor filed *Debtor's Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Auction and Bid Procedures Associated Therewith* (ECF No. 148) seeking to auction the Hurricane Property on February 28, 2018.

On February 5, 2018, Debtor filed the *Application to Employ Jeffrey D. Horst and Krevolin & Horst, LLC as Debtor's Georgia Counsel and to Approve Payment Terms* (ECF No. 155) seeking to employ counsel in Georgia to assist with the eviction of 360 Medical from the Progress Property and removal of their inventory. The Bankruptcy Court set a hearing on February 22, 2018 to consider the application.

On February 8, 2018, United Community Bank filed their *Limited Protective Objection to Debtor's Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Auction and Bid Procedures Associated Therewith* (ECF No. 157).

On February 12, 2018, Debtor filed *Emergency Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Private Sale & Payment of Costs Associated Therewith* (ECF No. 159) seeking to sell the Hurricane Property through a private sale.

On February 13, 2018, Debtor filed *Ex Parte Motion to Shorten Notice Period for Hearing on Emergency Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Private Sale & Payment of Costs Associated Therewith (ECF #159)* (ECF No. 162) seeking, *inter alia*, an emergency hearing to consider a private sale of the Hurricane Property.

On February 13, 2018, the Bankruptcy Court entered its *Order Granting Ex Parte Motion to Shorten Notice Period for Hearing on Emergency Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Private Sale & Payment of Costs Associated Therewith (ECF #159)* (ECF No. 163).

On February 16, 2018, Debtor filed *Debtor's Motion to Extend Exclusivity Period to Solicit Acceptances* (ECF No. 169) seeking to extend Debtor's exclusive period to solicit acceptance of the Plan through and including at least February 26, 2018.

On February 19, 2018, CCOP filed *Objection to Debtor's Emergency Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Private Sale & Payment of Costs Associated Therewith* (ECF No. 170).

On February 20, 2018, Debtor filed *Notice of Filing Declaration of Terrence Emmett Rochford in Support of Debtor's Emergency Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Private Sale & Payment of Costs Associated Therewith* (ECF No. 171).

On February 21, 2018, the Bankruptcy Court entered *Order (I) Approving Disclosure Statement; (II) Setting Hearing on Confirmation of Plan; (III) Setting Hearing on Fee Applications; (IV) Setting Various Deadlines; and (V) Describing Plan Proponent's Obligations* (ECF No. 173).

On February 23, 2018, Debtor filed *Motion to Vacate Order (I) Approving Disclosure Statement; (II) Setting Hearing on Confirmation of Plan; (III) Setting Hearing on Fee*

Applications; (IV) Setting Various Deadlines; and (V) Describing Plan Proponent's Obligations (Doc. No. 173) (ECF No. 175).

On March 1, 2018, the Bankruptcy Court entered *Order Granting Debtor's Motion to Vacate Order (I) Approving Disclosure Statement; (II) Setting Hearing on Confirmation of Plan; (III) Setting Hearing on Fee Applications; (IV) Setting Various Deadlines; and (V) Describing Plan Proponent's Obligations* (ECF No. 179).

On March 5, 2018, the Bankruptcy Court entered *Order Granting Debtor's Application to Employ Jeffrey D. Horst and Krevolin & Horst, LLC as Debtor's Georgia Counsel and to Approve Payment Terms* (ECF No. 181).

On March 5, 2018, the Bankruptcy Court entered *Order Awarding First Interim Fee Application for Allowance and Payment of Compensation for Elizabeth A. Dunn, CPA, PA as Accountants for the Debtor* (ECF No. 182).

On March 16, 2018, the Bankruptcy Court entered *Order Granting Debtor's Emergency Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Private Sale & Payment of Costs Associated Therewith* (ECF No. 188).

On March 21, 2018, the Bankruptcy Court entered *Order Granting Debtor's Emergency Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Auction and Bid Procedures Associated Therewith* (ECF No. 191).

On April 6, 2018, Debtor filed *Debtor's Motion for Order Authorizing Debtor to Enter Lease Agreement with Quality Wheel Repair LLC Pursuant to 11 U.S.C. § 363 Nunc Pro Tunc to April 1, 2018* (ECF No. 199).

III. SUMMARY OF THE PLAN

The Plan is attached hereto as **Exhibit "A."** Debtor believes the Plan provides the greatest possible recovery for Creditors at the lowest possible cost. Debtor believes acceptance of the Plan is in the best interest of Creditors and recommends that all voting classes entitled to vote accept the Plan.

3.1. CLAIMS AND INTERESTS

3.1.1. Unclassified Claims

3.1.1.1. Administrative Claims

Administrative Claims are those Claims allowable under Section 503 and entitled to priority under Section 507(a)(2) of the Bankruptcy Code, including unpaid fees payable to the U.S. Trustee under 28 U.S.C. § 1930, the fees of Debtor's counsel, other Professional Fees, and any other Allowed Administrative Claim accruing and due after the Petition Date.

Subject to other applicable Plan provisions, unless the Holder agrees to different treatment, all Administrative Claims, other than Ordinary Course Administrative Claims, arising prior to and on the Effective Date, will be paid by the Debtor, in full, in Cash on the later of: (1) on or as soon as practicable after the Effective Date; (2) if an Administrative Claim is not Allowed as of the Effective Date, then as soon as practicable after an order becomes a Final Order by which such Administrative Claim becomes an Allowed Administrative Claim; or (3) in accordance with the terms of any applicable administrative procedures order entered by the Bankruptcy Court.

Allowed Ordinary Course Administrative Claims will be paid pursuant to the terms and conditions giving rise to such Administrative Claim, without the need for any further Final Order or action by the Holders of such Ordinary Course Administrative Claims.

3.1.1.2. U.S. Trustee Fees

All fees due and payable under 28 U.S.C. § 1930 that have not been paid prior to the Effective Date shall be paid on or as soon as practicable after the Effective Date. Debtor estimates that as of the Effective Date, all U.S. Trustee Fees will be paid in full. After the occurrence of the Effective Date, Debtor shall pay all fees payable to the U.S. Trustee during the administration of the Plan and until the case is converted, dismissed, or closed.

3.1.1.3. Priority Tax Claims

All Priority Tax Claims that are not fully paid in Cash on the later of (1) the Effective Date, or (2) the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, shall instead be paid in regular installment payments in Cash of a total value, as of the Effective Date, equal to the Allowed amount of such Priority Tax Claim over a period ending not later than five years after the Petition Date, and in a manner not less favorable than the most favored General Unsecured Claim provided for by the Plan. Notwithstanding the foregoing, each Holder of an Allowed Priority Tax Claim may be paid under such other terms as may be agreed upon by both the Holder of such Allowed Priority Tax Claim and the Debtor. Priority Tax Claims filed in Debtor's bankruptcy case include the following:

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CLAIMANT	CLAIM	AMOUNT
Internal Revenue Service	Claim No. 2	\$55,910.79
Gwinnett County Tax Commissioner	Claim No. 16	\$17,324.40
Gwinnett County Tax Commissioner	Claim No. 17	\$20,197.18
Gwinnett County Tax Commissioner	Claim No. 18	\$140,566.96
Gwinnett County Tax Commissioner	Claim No. 19	\$819.79
Total:		\$234,819.12

3.1.1.4. Professional Fee Claims

All Professionals seeking an award by the Bankruptcy Court of Professional Fees, or of compensation for services rendered to the Debtor or reimbursement of expenses arising prior to and on the Effective Date under Sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code, shall file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses incurred, prior to the Administrative Claims Bar Date and/or pursuant to any other deadlines and procedures as may be established by the Bankruptcy Court.

If such an award is approved by the Bankruptcy Court, it shall be fully paid in Cash to the extent Allowed by the Bankruptcy Court (1) on the later of the Effective Date or the date such Administrative Claim becomes an Allowed Administrative Claim, or as soon thereafter as is practicable, (2) upon such other terms and/or treatment as may be mutually agreed upon between such Holder of an Allowed Administrative Claim and the Debtor, or (3) in accordance with the terms of any applicable administrative procedures order entered by the Bankruptcy Court.

Professional Fee Claims will consist primarily of fees and expenses of Debtor's counsel and other professional employed by the Debtor during the pendency of this proceeding. Allowed Professional Fee Claims shall be paid after application of any retainers received prior to the Petition Date. As of the date of this Disclosure Statement, Debtor's counsel and accountant have both filed one application for interim compensation, seeking compensation as detailed below:

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APPLICATION	FEES	EXPENSES	COMBINED	AR ⁵
<i>First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses for Messana, P.A. as Attorneys for Debtor-in-Possession (ECF No. 109)</i>	\$60,253.50	\$3,131.78	\$63,385.28 ⁶	\$190,000.00 ⁷
<i>First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses for Elizabeth A. Dunn, CPA, PA As Accountant for Debtor (ECF No. 145)</i>	\$36,591.50	\$0.00	\$36,591.50 ⁸	\$25,000.00
Totals:	\$60,253.50	\$3,131.78	\$99,976.78	\$215,000.00

All Professionals seeking Professional Fees arising prior to and on the Effective Date, shall file their respective final applications for Professional Fees prior to the Administrative Claims Bar Date or pursuant to any other deadlines and procedures as may otherwise be established by the Bankruptcy Court. In addition to fees and expenses regarding the professionals detailed above, Debtor expects some portion of the following additional Professional Fees Claims:

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⁵ This category contemplates an estimate of additional professional fees, in addition to any amounts held back in connection with previous fee applications, due to the respective Professional indicated.

⁶ On December 7, 2017, the Bankruptcy Court entered its *Order Awarding First Interim Fee Application for Allowance and Payment of Compensation and Reimbursement of Expenses for Messana, P.A. as Attorneys for Debtor* (ECF No. 126) awarding Messana, P.A. fees in the amount of \$48,202.80 (80% of amount sought) and costs in the amount of \$3,131.78 (100% of amount sought) for a total interim award of \$51,334.58.

⁷ Substantially contemporaneous with filing of this Disclosure Statement, Messana, P.A. will be filing a *Second Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses for Messana, P.A., as Attorneys for Debtor-in-Possession* seeking \$147,928.60 in fees and \$5,033.25 in expenses for the period October 1, 2017 through March 31, 2018. The remaining balance of AR listed is an estimate of additional fees for the remainder of Debtor's Bankruptcy Case.

⁸ On March 5, 2018, the Bankruptcy Court entered its *Order Awarding First Interim Fee Application for Allowance and Payment of Compensation for Elizabeth A. Dunn, CPA, PA as Accountants for the Debtor* (ECF No. 182) awarding Elizabeth A. Dunn, CPA and the accounting firm of Elizabeth A. Dunn, CPA, PA first interim fees in the total amount of \$29,273.20 (80% of amount sought).

SOURCE	ESTIMATED FEES & EXPENSES
<i>Order Granting Debtor's Application to Employ Fadi Elkhatib and Main Source Realty, LLC as Debtor's Real Estate Broker and to Approve Payment Process (ECF No. 64)</i>	6% of sale amount or 8% of lease amount ⁹
<i>Order Granting Debtor's Application to Employ Alexander Goldstein and Miles Goldstein Real Estate, LLC as Debtor's Real Estate Broker and to Approve Payment Processes (ECF No. 95)</i>	6% of sale amount or 10% of lease amount ¹⁰
<i>Order Granting Debtor's Application to Employ Ten-X, LLC as Debtor's Auctioneer and to Approve Payment Process (ECF No. 128)</i>	\$30,000.00 ¹¹
<i>Application to Employ Jeffrey D. Horst and Krevolin & Horst, LLC as Debtor's Georgia Counsel and to Approve Payment Terms (ECF No. 155)</i>	\$10,000.00 ¹²

3.1.2. Classified Claims and Interests

3.1.2.1. Claims of Secured Creditors

CLASS	IMPAIRMENT	TREATMENT
CLASS 1: <u>Kraftsow</u> <i>Secured by Beaver Property and Progress Property</i>	Impaired	On October 19, 2017, Kraftsow filed Claim No. 6 in the amount of \$300,000. Debtor does not object to Kraftsow's claim. Allowed Claims in CLASS 1: <u>Kraftsow</u> shall be completely and fully satisfied by the following treatment: Debtor shall treat Kraftsow's Allowed Secured

⁹ Pertains to Progress Property, Beaver Property, and Hurricane Property.

¹⁰ Pertains to Iris Property.

¹¹ Compensation of \$20,000 as part of a termination fee and \$10,000 as a closing fee in connection with the private sale of the Hurricane Property.

¹² Retainer amount is \$10,000.00.

		<p>Claim as fully secured, with entitlement to post-petition attorney's fees and costs. Debtor shall pay all post-petition attorney's fees and costs to Kraftsow on the Effective Date of the Plan. Any dispute over the amount of attorney's fees and costs shall be determined by the Bankruptcy Court. In full and complete satisfaction and release of its Allowed Secured Claim and/or any other Claim against Debtor, over a period of no longer than two years commencing as of the Effective Date, Debtor shall pay Kraftsow \$300,000.00 at 10% interest through equal monthly interest-only payments, with a balloon payment due on the twenty fourth month for any remaining balance. If at any time Debtor fully pays the then outstanding balance, Debtor shall be relieved of any obligation to make any future payment of interest. There shall be no prepayment penalty of any kind. Kraftsow shall retain its liens until the claim is paid in full; however, Kraftsow agrees to provide a release of either of the Beaver Property or the Progress Property, whichever is sold first (the "First Sold Property"), from its lien and/or mortgage so long as Debtor makes a total combined payment of at least \$250,000 to Kraftsow and Loeb upon sale of the First Sold Property. Debtor agrees that any subsequent bankruptcy filing would not impose the automatic stay on either the Beaver Property or the Progress Property securing Kraftsow's claim. Holders of Allowed Claims comprising CLASS 1: <u>Kraftsow</u> are entitled to vote on the Plan.</p>
<p>CLASS 2: <u>Loeb</u> <i>Secured by Beaver Property and Progress Property</i></p>	<p>Impaired</p>	<p>On October 19, 2017, Loeb filed Claim No. 7 in the amount of \$200,000. Debtor does not object to Loeb's claim. Allowed Claims in CLASS 2: <u>Loeb</u> shall be completely and fully satisfied by the following treatment:</p> <p>Debtor shall treat Loeb's Allowed Secured Claim as fully secured, with entitlement to post-petition attorney's fees and costs. Debtor shall pay all post-petition attorney's fees and costs to Loeb on the Effective Date of the Plan. Any dispute over the amount of attorney's fees and costs shall be</p>

		<p>determined by the Bankruptcy Court. In full and complete satisfaction and release of its Allowed Secured Claim and/or any other Claim against the Debtor, over a period of no longer than two years commencing as of the Effective Date, Debtor shall pay Loeb \$200,000.00 at 10% interest through equal monthly interest-only payments, with a balloon payment due on the twenty fourth month for any remaining balance. If at any time Debtor fully pays the then outstanding balance, Debtor shall be relieved of any obligation to make any future payment of interest. There shall be no prepayment penalty of any kind. Loeb shall retain its liens until the claim is paid in full; however, Loeb agrees to provide a release of either of the Beaver Property or the Progress Property, whichever is sold first (the "First Sold Property"), from its lien and/or mortgage so long as the Debtor makes a total combined payment of at least \$250,000 to Kraftsow and Loeb upon sale of the First Sold Property. The Debtor agrees that any subsequent bankruptcy filing would not impose the automatic stay on either the Beaver Property or the Progress Property securing Loeb's claim. Holders of Allowed Claims comprising CLASS 2: <u>Loeb</u> are entitled to vote on the Plan.</p>
<p>CLASS 3: <u>C&T</u></p> <p><i>Secured by Iris Property</i></p>	Impaired	<p>On October 30, 2017, C&T filed Claim No. 8 in the amount of \$1,871,210.74. Allowed Claims in CLASS 3: C&T shall be completely and fully satisfied by the following treatment:</p> <p>All Claim Holders comprising CLASS 3: <u>C&T</u>, which are determined to have an Allowed Claim, shall either: (1) be paid the amount of their Allowed Claim from proceeds of the sale of the Iris Property which shall be pending as of June 30, 2018; or (2) if a sale of the Iris Property is not pending as of June 30, 2018, CLASS 3: <u>C&T</u> shall receive the Iris Property pursuant to this Plan, free and clear of all Liens, Claims, and Interests through deed in lieu after July 1, 2018 and CLASS 3: <u>C&T</u> shall upon receipt of same, contemporaneously pay Debtor \$50,000.00. Any Holder of a Lien, Claim, or Interest regarding the Iris Property that has not already filed a Proof of</p>

		Claim, shall have thirty (30) days from the Effective Date to file a Proof of Claim for damages. In the event of either (1) or (2), all personal guarantees held by any and/or all Claim Holders comprising CLASS 3: <u>C&T</u> regarding Jordan Satary shall be immediately released and shall have no further enforceable effect whatsoever. Debtor agrees to seek avoidance of all judgment Liens against the Iris Property, which were created within ninety days preceding the Petition Date.
CLASS 4: <u>CCOP</u> <i>Secured by Hurricane Property</i>	Impaired	<p>On October 30, 2017, CCOP filed Claim No. 10 in the amount of \$2,589,327.13. Debtor does not object to CCOP's Claim. Allowed Claims in CLASS 4: <u>CCOP</u> shall be completely and fully satisfied by the following treatment:</p> <p>Upon closing on the sale of the Hurricane Property contemplated in the <i>Order Granting Debtor's Emergency Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Private Sale & Payment of Costs Associated Therewith</i> (ECF No. 188), \$2,626,587.59 plus no more than \$20,000.00 for actual attorney fees and costs were paid to the attorney trust account of counsel for United Community Bank, Andersen, Tate & Carr, P.C., in full and final satisfaction of any and all claims of CCOP against Debtor, with funds first distributed to lienholder United Community Bank in an amount necessary to satisfy its claims and liens against the Hurricane Property and any remaining balance delivered second to CCOP.</p>

3.1.2.2. Claims of Unsecured Creditors

CLASS	IMPAIRMENT	TREATMENT
CLASS 5: <u>Unsecured Claim of Highway 20</u>	Impaired	Allowed Unsecured Claims in CLASS 5: <u>Unsecured Claim of Highway 20</u> shall be completely and fully satisfied by the following treatment:

		<p>Highway 20 Shops, LLC, the holder of the Allowed General Unsecured Claim of CLASS 5: <u>Unsecured Claim of Highway 20</u>, in full and complete settlement, satisfaction, and discharge of such Allowed Claim, shall be released of the tenant claim held by Shiraz against Highway 20 Shops, LLC pursuant to that certain settlement attached as Exhibit "A" to the <i>Debtor's Motion to Approve Compromise and Settlement Among the Debtor, Jordan Satary and Highway 20 Shops, LLC</i> (ECF No. 60), which motion and settlement agreement was approved on October 3, 2017 by entry of the <i>Order Granting Motion to Approve Compromise and Settlement Among the Debtor, Jordan Satary and Highway 20 Shops, LLC</i> (ECF No. 84).</p>
CLASS 6: <u>General Unsecured Claims</u>	Impaired	<p>Allowed General Unsecured Claims in CLASS 6: <u>General Unsecured Claims</u> shall be completely and fully satisfied by the following treatment:</p> <p>Each holder of an Allowed General Unsecured Claim, shall, in full and complete settlement, satisfaction, and discharge of such Allowed General Unsecured Claim, receive either: (1) total distributions in an amount equal to the value of unencumbered Estate Cash as of the Effective Date, available for distribution to Holders of Allowed General Unsecured Claims after payment of all Priority Claims, Administrative Claims, and other senior Claim Holders, paid on a pro-rata basis through equal annual payments over a period of 5 years on the Distribution Dates; or (2) such other treatment as may be consensually agreed to by Debtor and the Holder of an Allowed General Unsecured Claim.</p>
CLASS 7: <u>Late Filed General Unsecured Claims</u>	Impaired	<p>Allowed Late Filed General Unsecured Claims in CLASS 7: <u>Late Filed General Unsecured Claims</u> shall be completely and fully satisfied by the following treatment:</p> <p>Each holder of an Allowed Late Filed General Unsecured Claim shall, in full and complete settlement, satisfaction and discharge of such</p>

		Allowed Late Filed General Unsecured Claim receive either: (1) total distributions in an amount equal to the value of the unencumbered Estate Cash available for distribution to Holders of Allowed Late Filed General Unsecured Claims after payment of all Priority Claims, Administrative Claims, and other senior Claim Holders including timely filed Allowed General Unsecured Claims, paid on a pro-rata basis through equal annual payments over a period of 5 years on the Distribution Dates; or (2) such other treatment as may be consensually agreed to by Debtor and the Holder of an Allowed Late Filed General Unsecured Claim.
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3.1.2.3. Equity Interest Holders

CLASS	IMPAIRMENT	TREATMENT
CLASS 8: <u>Equity Interests</u>	Impaired	<p>Allowed Interests comprising CLASS 8: <u>Equity Interests</u> shall be completely and fully satisfied by the following treatment:</p> <p>Allowed Interests comprising CLASS 8: <u>Equity Interests</u> shall maintain their Interest in Debtor in exchange for an equity infusion of not more than \$25,000 to be provided in increments of \$5,000, paid on a pro-rata basis on the Distribution Dates to CLASS 6: <u>General Unsecured Claims</u> until that class is paid in full, with remaining funds, if any, paid on a pro-rata basis to CLASS 7: <u>Late Filed General Unsecured Claims</u> until that class is paid in full or total funds are extinguished, whichever comes first.</p>

3.2. MEANS OF IMPLEMENTING PLAN

Debtor will fund payments to be made under the Plan through the following: (1) cash on hand on the Effective Date; (2) exit financing, if necessary; (3) cash generated by Debtor in the ordinary course of business on and after the Effective Date; and/or (4) contribution of New Value from equity.

Prior and as a condition precedent to the Effective Date, Debtor shall have completed sale or other liquidation of the Hurricane Property and Iris Property and shall have leased some portion of Debtor's remaining real estate assets. Proceeds from sale of the Hurricane Property and Iris Property and from leases of the Beaver Property and Progress Property shall be used to make the payments to Class 1 through 7 Allowed Claim Holders required under the Plan.

Debtor will continue to exist after the Effective Date as a business entity with all of the powers of a limited liability company under applicable law in the jurisdiction in which the Debtor is organized or otherwise formed and pursuant to its organizational documents in effect before the Effective Date, as such documents are amended by or pursuant to the Plan or pursuant to any amended articles of organization.

3.3. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

On the Effective Date, except as otherwise provided herein, all Executory Contracts or Unexpired Leases, not previously assumed or rejected pursuant to an order of the Bankruptcy Court, will be deemed rejected, in accordance with the provisions and requirements of Sections 365 and 1123 of the Bankruptcy Code; except for those Executory Contracts or Unexpired Leases that are (1) the subject of a motion to assume (or conditionally assume) Executory Contracts or Unexpired Leases that is pending on the Effective Date, or (2) subject to a motion to reject (or conditionally reject) an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejections pursuant to Sections 365(a) and 1123 of the Bankruptcy Code. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order.

Notwithstanding the foregoing, Debtor reserves the right, up to and including the Confirmation Hearing, to (1) seek to reject any Executory Contract it has previously identified for assumption, or (2) to assume any Executory Contract it has not previously identified for assumption (or has identified for rejection). In both instances, however, any such action shall be subject to the counterparty's right to (1) object to the change in Debtor's decision to assume or reject that Executory Contract as the case may be, and (2) change its vote on the Plan at the Confirmation Hearing.

All proofs of claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be filed with the Bankruptcy Court within thirty (30) days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, or as the Bankruptcy Court may otherwise direct. Any Claims arising from rejection of an Executory Contract or Unexpired Lease not filed with the Bankruptcy Court within such time will be forever barred from assertion against the Debtor's Estate, the Distribution Account, any Distribution Account, the Debtor, and all respective property, and shall not be entitled to any Distribution under the Plan.

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the assignment of such Executory Contract and Unexpired Lease, on such other terms as Debtor and the counterparties to such Executory Contracts or Unexpired Leases may otherwise agree, or as ordered by the Bankruptcy Court. Any counterparty to an Executory Contract and unexpired lease that fails to object timely to the proposed assumption (or conditional assumption) or cure will be deemed to have consented to such matters.

To the extent provided in the Confirmation Order, contracts and leases entered into after the Petition Date by Debtor, including any Executory Contracts and Unexpired Leases assumed on behalf of the Estate, will be performed by Debtor. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

3.4. DISCHARGE OF DEBTOR

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise provided herein or in the Confirmation Order, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release, effective as of the Effective Date, of all Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on such Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtor or any of its assets or properties and, regardless of whether any property shall have been abandoned by order of the Bankruptcy Court, retained, or distributed pursuant to the Plan on account of such Claims and Interests, including demands, liabilities and Causes of Action that arose before the Effective Date, and all debts of the kind specified in section 502 of the Bankruptcy Code, whether or not (1) a Proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code, (2) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code, (3) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (4) the Holder of a Claim based upon such debt accepted the Plan. The Plan shall bind all Holders of Claims and Interests, notwithstanding whether any such Holders failed to vote to accept or reject the Plan or vote to reject the Plan.

As of the Effective Date, except as provided in the Plan or the Confirmation Order, Persons shall be precluded from asserting against the Debtor or any of Debtor's assets or properties, any other or further claims, debts, rights, Causes of Action, claims for relief, liabilities, or equity interests relating to Debtor based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination, as of the Effective Date, of discharge of all such Claims and other debts and liabilities against the Debtor pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at any time, to the extent that such judgment relates to a discharged Claim.

IV. RISK FACTORS TO CONSIDER

IMPLEMENTATION OF THE PLAN IS SUBJECT TO A NUMBER OF MATERIAL RISKS, INCLUDING THOSE ENUMERATED BELOW. IN EVALUATING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS AGAINST AND INTERESTS IN DEBTOR SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HERewith AND/OR INCORPORATED BY REFERENCE HEREIN), BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS ASSOCIATED WITH THE PLAN AND ITS IMPLEMENTATION, OR ALTERNATIVES TO THE PLAN.

The following is a summary of risk factors associated with the Plan, but is not exhaustive and must be supplemented by the analysis and evaluation of the Plan and this Disclosure Statement as a whole by each holder of a claim or interest with such holder's own advisors.

4.1. Parties in Interest May Object to Debtor's Classifications

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class. The Debtor believes that the classification of claims and interests under the Plan complies with the requirements set forth in the Bankruptcy Code. However, the Debtor cannot assure you that the Bankruptcy Code will reach the same conclusion.

4.2. Possible Loss of Favorable Tax Attributes

Although Debtor does not believe that implementation of the Plan will itself result in significant tax liability, the proposed transactions could potentially reduce any favorable tax attributes that the Debtor may otherwise be entitled to. The reduction of, and potential limitations on the Debtor's ability to use such favorable tax attributes could adversely affect Debtor's financial position in future years.

4.3. Debtor May Not Be Able to Secure Confirmation of the Plan

Debtor cannot assure that requisite acceptances to confirm the Plan will be received. Even if requisite acceptances are received, Debtor cannot assure the Bankruptcy Court will confirm the Plan. A non-accepting Holder of a claim or equity interest might challenge the balloting procedures and results as not being in compliance with the Code or Bankruptcy Rules. Even if the Bankruptcy Court determined this Disclosure Statement and the balloting procedures and results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any statutory requirements for confirmation had not been met.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, a finding by the Bankruptcy Court that confirmation of the plan is not likely to be followed by a liquidation or a need for further financial reorganization and that value of distributions to non-accepting Holders of claims and interests within a particular class under the plan will not be less than the value of distributions such Holders would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. The Debtor believe that the Plan will not be followed by a need for further financial reorganization and that Holders within each class under the Plan will receive distributions at least as great as would be received following a liquidation under Chapter 7 of the Bankruptcy Code when taking into consideration all administrative expense claims and the costs and uncertainty associated with any such Chapter 7 case.

4.4. **Inherent Uncertainty of Financial Projections**

Debtor's projected financial performance will necessarily be based on numerous assumptions, including confirmation and consummation of the Plan in accordance with its terms; realization of the operating strategy of the Debtor; industry performance; no material adverse changes in applicable legislation or regulations, or the administration thereof, or generally accepted accounting principles; no material adverse changes in general business and economic conditions; no material adverse changes in competition; the Debtor's retention of key management and other key employees; adequate financing; the absence of material contingent or unliquidated litigation, indemnity, or other claims; and other matters, many of which will be beyond the control of Debtor and some or all of which may not materialize.

To the extent that any assumptions are based upon future business decisions and objectives, they are subject to change. In addition, although they are presented with numerical specificity and are based on assumptions considered reasonable by the Debtor, assumptions and estimates contained in the Plan and Disclosure Statement are subject to significant business, economic, and competitive uncertainties and contingencies, many of which will be beyond Debtor's control. It can be expected that some or all of the assumptions will not be realized and that actual results will vary. In light of the foregoing, Holders of Claims and Interests are cautioned not to place undue reliance on any projections that may be provided in connection with the Plan. The projected financial information should not be regarded as a representation or warranty by the Debtor, the Debtor's advisors, or any other Person that such projections can or will be achieved.

4.5. **Tax Consequence 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 following are the anticipated tax consequences of the Plan:

4.5.1. **Consequences to Holders of Secured Claims**

The following discussion assumes that each Holder of an Allowed Secured Claim holds such claim as a “capital asset” within the meaning of Section 1221 of the IRC. If an Allowed secured claim remains secured by a lien on the Debtor’s assets, the Holder of such claim should not recognize a gain or loss except to the extent collateral securing such claim is changed, and the change in collateral constitutes a “significant modification” of the Allowed secured claim within the meaning of Treasury Regulations promulgated under Section 1001 of the IRC. If an Allowed secured claim is paid in full in cash, the Holder should recognize a capital gain or loss (which capital gain or loss would be a long-term capital gain or loss to the extent that the Holder has held the debt instrument underlying its claim for more than one (1) year) in an amount equal to the amount of cash received over the Holder’s adjusted basis in the debt instrument(s) underlying its Allowed secured claim. To the extent that a portion of the cash received represents accrued but unpaid interest that the Holder has not already taken into income, the Holder may recognize ordinary interest income.

4.5.2. Consequences to Holders of Priority Claims

To the extent the Holder of an Allowed Priority Claim receives a Distribution under the Plan, such Holder should recognize such Distribution as ordinary income and submit the appropriate withholdings based on that Holder’s particular circumstances. Debtor shall make any appropriate withholdings from such Distributions.

4.5.3. Consequences to Holders of General Unsecured Claims

To the extent the Holder of an Allowed unsecured claim receives less than full payment on account of such claim, the Holder of such claim may be entitled to assert a bad debt deduction or worthless security deduction with respect to such Allowed unsecured claim.

To the extent that any amount received by a Holder of an Allowed unsecured claim under the Plan is attributable to accrued but unpaid interest and such amount has not previously been included in the Holder’s gross income, such amount should be taxable to the Holder as ordinary interest income. Conversely, a Holder of an Allowed General Unsecured Claim may be able to recognize a deductible loss (or, possibly, a write-off against a reserve for worthless debts) to the extent that any accrued interest on the debt instruments constituting such claim was previously included in the Holder’s gross income but was not paid in full by Debtor. Such loss may be ordinary, but the tax law is unclear on this point.

4.5.4. Consequences to Equity Interest Holders

Debtor is recognized as a “pass through” entity under the IRC. As such, the tax consequences of Debtor’s generations of profit or loss in a given year generally “passes through” to Debtor’s Equity Interest Holders. Allocations of profits and losses are generally governed by ownership allocation of the company. As such, the tax consequences of the Plan will vary depending on the specific circumstances of each Equity Interest Holder.

4.5.5. Certain U.S. Federal Income Tax Consequences of the Plan

Under the Tax Code, a U.S. taxpayer generally must include in gross income the amount of any COD income realized during the taxable year, which generally includes the amount of principal debt discharged and any interest that has been previously accrued and deducted for tax purposes but remains unpaid at the time the indebtedness is discharged. The Tax Code permits a debtor in bankruptcy to exclude its COD income from gross income, but requires the debtor to reduce certain tax attributes by the amount of the excluded COD income. To the extent the amount of excluded COD Income exceeds the Tax Attributes available under the ordering rules found in the treasury regulations related to members of a consolidated group, the remaining COD Income generally has no adverse federal income tax consequences. It is likely that the Debtor will realize a significant amount of COD Income upon the consummation of the Plan. However, the Debtor will not be required to include COD Income in gross income because the indebtedness will be discharged while the Debtor is under the jurisdiction of a court in a Title 11 case.

4.5.6. Backup Withholding and Reporting

Debtor will withhold all amounts required by law to be withheld from payments subject to federal taxes, if any, and will comply with all applicable reporting requirements of the IRC.

4.5.7. IRS Circular 230 Notice

Any tax advice contained in this Disclosure Statement (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of: (1) avoiding tax-related penalties under the IRC; or (2) promoting, marketing, or recommending to another party any tax-related matter addressed herein.

V. CONFIRMATION REQUIREMENTS AND VOTING PROCEDURES

To be confirmable, the Plan must meet the requirements listed in Sections 1129(a) or (b) of the Bankruptcy Code. These requirements include: (1) the Plan must be proposed in good faith; (2) at least one Impaired Class of Claims must accept the Plan, without counting the votes of Insiders; (3) 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; (4) and the Plan must be feasible. These requirements are not the only requirements listed in Section 1129, and they are not the only requirements for Confirmation.

5.1. WHO MAY VOTE OR OBJECT

Any party in interest may object to Confirmation of the Plan if the party believes 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: (1) Allowed or allowed for voting purposes; and (2) Impaired.

5.1.1. Claims Entitled to Vote

Only a Creditor with an Allowed Claim has the right to vote on the Plan. Generally, a Claim is Allowed if: (1) Debtor has scheduled the Claim on the Debtor's Schedules, unless the Claim has been scheduled as disputed, contingent, or unliquidated; or (2) the Creditor has filed a Proof of Claim, unless an objection has been filed to such Proof of Claim. When a Claim is not Allowed, the Creditor holding the Claim cannot vote unless the Bankruptcy Court, after notice and hearing, either overrules the objection or Allows the Claim for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

As noted above, the Holder of an Allowed Claim has the right to vote only if it is in a Class that is Impaired under the Plan. As provided in Section 1124 of the Bankruptcy Code, a Class is considered Impaired if the Plan alters the legal, equitable, or contractual rights of the members of that Class.

Classes 1 through 8 are all impaired under this Plan and are thus entitled to vote.

5.1.2. Who is Not Entitled to Vote

The Holders of the following five types of Claims and Equity Interests are *not* entitled to vote: (1) Holders of Claims and Equity Interests that have been Disallowed; (2) Holders of other Claims or Equity Interests that are not "Allowed Claims" (as discussed above), unless they have been "Allowed" solely for voting purposes; (3) Holders of Claims in Unimpaired Classes; (4) holders of Claims entitled to priority pursuant to Sections 507(a)(2), (a)(3), and (a)(8) of the Bankruptcy Code (Administrative Claims and Priority Tax Claims); and (5) Holders of Claims in Classes that do not receive or retain any value under the Plan.

5.1.3. Who Can Vote in More than One Class

A Creditor with a Claim that has been Allowed in part as a Secured Claim and in part as an Unsecured Claim, or who otherwise holds Claims in multiple Classes, is entitled to accept or reject the Plan in each capacity and should cast one Ballot for each Claim.

5.2. HOW TO VOTE

Accompanying this Disclosure Statement is a solicitation package containing copies of the following: (1) the Plan; (2) a Ballot; and (3) a Disclosure Statement Order, which, among other things, approves this Disclosure Statement as containing "adequate information" in accordance with Section 1125 of the Bankruptcy Code, establishes the procedures for voting on the Plan, schedules a hearing to consider confirmation of the Plan, and sets the deadline for voting on and objecting to Confirmation.

After carefully reviewing all of the documents contained in the solicitation package, exhibits, and any other documents referenced therein, Creditors in voting Classes should complete the enclosed Ballot, indicating their vote with respect to the Plan, and return it as provided below.

If you are a member of a voting Class and did not receive a Ballot, if your Ballot is damaged or lost, or if you have any questions concerning voting procedures, please immediately call counsel for Debtor at (954) 712-7400.

CREDITORS IN VOTING CLASSES SHOULD COMPLETE AND SIGN THE ENCLOSED BALLOT AND RETURN IT AS DESCRIBED BELOW. EACH HOLDER OF A CLAIM IN A VOTING CLASS MAY CAST ONLY ONE BALLOT FOR EACH SUCH CLAIM HELD. IN ORDER TO BE COUNTED, BALLOTS MUST BE DULY COMPLETED AND EXECUTED AND RECEIVED NO LATER THAN _____, 2018 at 4:00 P.M. (EST), UNLESS EXTENDED. ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM AND TIMELY SUBMITTED, BUT WHICH DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR WHICH INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN, SHALL NOT BE COUNTED.

All Ballots should be returned by regular mail, hand delivery, or overnight delivery to:

Clerk of Court
U.S. Bankruptcy Court
1515 North Flagler Drive, Suite 801
West Palm Beach, FL 33401

A copy of the executed Ballot should also be mailed to:

Thomas M. Messana
Messana, P.A.
401 E. Last Olas Boulevard
Suite 1400
Fort Lauderdale, FL 33301

5.3. VOTE NECESSARY TO CONFIRM PLAN

If Impaired Classes exist, the Bankruptcy 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” of non-accepting Classes.

5.3.1. 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.

5.3.2. Treatment of Non-Accepting Classes

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 Section 1129(b) of the Bankruptcy Code. A plan that binds non-accepting Classes is commonly referred to as a “cram down” plan. The Bankruptcy 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 Section 1129(a)(8) of the Bankruptcy Code, does not “discriminate unfairly,” and is “fair and equitable” toward each Impaired Class that has not voted to accept the Plan.

VI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION

Debtor believes the Plan affords Holders of Claims the greatest opportunity for realization of any value on Debtor’s Assets. Therefore, Debtor believes the Plan is in the best interests of Holders of Claims and Interests. If the Plan is not confirmed, however, the theoretical alternatives include: (1) liquidation of the Debtor under chapter 7 of the Bankruptcy Code; or (2) alternative plans chapter 11 of the Bankruptcy Code.

6.1. LIQUIDATION UNDER CHAPTER 7

Debtor believes that, under the Plan, each Holder of Impaired Claims will receive property of a value not less than the value such Holder would receive in a liquidation of the Debtor under chapter 7 of the Bankruptcy Code. That belief is based primarily upon extensive consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for Distribution to Holders of Claims, including, but not limited to (1) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a chapter 7 trustee and professional advisors to that trustee, and (2) the erosion (or total elimination) in value of any remaining Assets in a chapter 7 case in the context of the rapid liquidation required under chapter 7 and the “forced sale” atmosphere that would prevail. That belief is also based upon a Liquidation Analysis, which is attached to this Disclosure Statement as **Exhibit “B.”** Furthermore, even the Liquidation Analysis will not reflect the likely delay in the timing of Distributions to Holders of Claims in a liquidation scenario where the Debtor must resolve all Claims prior to making Distributions, a process that could take more than a year. If these delays are considered, the present value of any liquidation proceeds would be further reduced.

Debtor believes that any liquidation analysis is speculative as such analyses are necessarily premised upon assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which would be beyond the control of the Debtor. Thus, there can be no assurance as to values that would actually be realized in a chapter 7 liquidation, nor can there be any assurance that the Bankruptcy Court will accept the Debtor’s conclusions or concur with such assumptions in making its determinations under Section 1129(a)(7) of the Bankruptcy Code.

6.2. OTHER ALTERNATIVES

If the orderly liquidation and reorganization proposed by the Plan is not confirmed, Debtor and other parties may attempt to confirm a different chapter 11 Plan. That alternate plan could propose a reorganization of the Debtor (which Debtor believes to be highly unlikely) or some other form of liquidation. However, Debtors does not believe any alternative plan can be proposed that provides a greater benefit to Creditors than the Plan. In any plan under chapter 11, however, Debtor's Assets could be administered in an orderly fashion potentially yielding a greater recovery than liquidations under chapter 7.

VII. SUMMARY, RECOMMENDATION, AND CONCLUSION

The Plan provides for an orderly and prompt Distribution to Holders of Allowed Claims and the satisfaction of all asserted Claims and Interests. In the opinion of Debtor, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger Distribution to Debtor's Creditors than would otherwise result from liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller Distributions to Holders of Allowed Claims than proposed under the Plan. *Accordingly, Debtor recommends that Holders of Claims entitled to vote on the Plan support Confirmation of the Plan and vote to accept the Plan.*

Shiraz Holdings, LLC

By: /s/Jordan Satary
Jordan Satary
Member

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

In re:

Shiraz Holdings, LLC,

Debtor.

Case No. 9:17-bk-17968-PGH
Chapter 11

**SECOND AMENDED CHAPTER 11 PLAN OF REORGANIZATION
FOR SHIRAZ HOLDINGS, LLC**

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/s/ Thomas M. Messana
Thomas M. Messana
Florida Bar No. 991422
Chris M. Broussard
Florida Bar No. 95894

Dated: April 16, 2018.

THIS PLAN HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. AS SUCH, DEBTOR IS NOT CURRENTLY SOLICITING VOTES ON THE PLAN AND DISCLOSURE STATEMENT. A COMBINED HEARING TO CONSIDER CONFIRMATION OF THIS PLAN PURSUANT TO SECTION 1129 OF THE BANKRUPTCY CODE IS CURRENTLY SCHEDULED FOR _____, AT ____**0** __.M. DEBTOR RESERVES THE RIGHT TO MODIFY OR SUPPLEMENT THIS PLAN AND THE ACCOMPANYING DISCLOSURE STATEMENT UP TO AND INCLUDING THE TIME OF CONFIRMATION OF THE PLAN.

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**SECOND AMENDED CHAPTER 11 PLAN OF REORGANIZATION
FOR SHIRAZ HOLDINGS, LLC**

This *Second Amended Chapter 11 Plan of Reorganization for Shiraz Holdings, LLC* is proposed by Shiraz Holdings, LLC (“**Debtor**”). Reference is made herein to the *Second Amended Disclosure Statement in Connection with Chapter 11 Plan of Reorganization for Shiraz Holdings, LLC* for a discussion of Debtor’s history, assets, business, results of operations, historical financial information, and for a summary and analysis of the Plan. All Creditors and Equity Interest Holders should review the Disclosure Statement before voting to accept or reject the Plan. In addition, there are other agreements, documents, and pleadings on file with the Bankruptcy Court that may be referenced in the Plan and Disclosure Statement, which are also available for review.

This Plan proposes to pay Creditors of the Debtor in part from liquidation of Debtor’s Assets. Prior to Confirmation, Debtor shall hire professionals to help liquidate certain of Debtor’s assets as more specifically described herein and in the Disclosure Statement. Net proceeds from liquidation shall be distributed to Creditors holding Allowed Claims as provided by this Plan. This Plan provides for 8 Classes of Claims and Interests. All Creditors and Equity Interest Holders should refer to Articles 2 and 3 of this Plan for information regarding the precise treatment of their Claims and Interests.

**ARTICLE I:
DEFINED TERMS AND CONSTRUCTION**

1.1 GENERAL PROVISIONS

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form in the Plan. Such meanings shall be equally applicable to both the singular and plural forms of such terms. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to the Plan as a whole and not any particular Article, section, subsection, or clause contained in the Plan, unless the context requires otherwise. Whenever it appears appropriate from the context, each term stated in either the singular or the plural includes the singular and the plural, and pronouns stated in the masculine, feminine, or neutral gender include the masculine, feminine, and the neutral gender. Any term used in capitalized form in the Plan that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

1.2 DEFINED TERMS

- 1.2.1 “**Administrative Claim**” means any Claim constituting a cost or expense of administration of this case under Sections 503(b) and 507(a)(1) of the Bankruptcy Code including, without limitation, any actual and necessary expenses of preserving the estate of the Debtor, including Professional Fees, and any other actual and necessary expenses of operating the business of the Debtor.

- 1.2.2 “**Administrative Claims Bar Date**” means the date established by the Bankruptcy Court by which Persons asserting Claims against the Debtor that arose after the commencement of the case must file an application for the allowance and payment of such Administrative Claims.
- 1.2.3 “**Allowed**” means, with reference to any Claim: (1) a Claim that has been listed by the Debtor in its Schedules, as such Schedules may be amended from time to time in accordance with Bankruptcy Rule 1009, and is not listed as disputed, contingent or unliquidated, and is not a Claim as to which a proof of claim has been filed; (2) a Claim as to which a timely proof of claim has been filed as of the Bar Date in a sum certain and either no objection thereto, or application to estimate, equitably subordinate, reclassify or otherwise limit recovery, has been made on or before any applicable deadline, or if an objection thereto, or application to estimate, equitably subordinate, reclassify or otherwise limit recovery, has been interposed, the extent to which such Claim (whether in whole or in part) has been Allowed by a Final Order; (3) a Claim arising from the recovery of property under Section 550 or 553 of the Bankruptcy Code and Allowed in accordance with Section 502(h) of the Bankruptcy Code; (4) any Claim expressly Allowed under this Plan; or (5) any Claim expressly Allowed by Final Order.
- 1.2.4 “**Alpha Genomix**” means Alpha Genomix Laboratories, Inc. as defined at Section 2.1.1 of the Disclosure Statement.
- 1.2.5 “**AMT**” means alternative minimum tax.
- 1.2.6 “**Ballots**” means the ballots accompanying the Disclosure Statement upon which Impaired Creditors shall have indicated their acceptance or rejection of the Plan in accordance with the Plan and the Voting Instructions.
- 1.2.7 “**Bankruptcy Code**” means Title 11 of the Bankruptcy Reform Act of 1978, as set forth in Sections 101, et seq. of Title 11 of the United States Code, as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, and as otherwise amended from time to time, and applicable portions of Titles 18 and 28 of the United States Code, as amended from time to time.
- 1.2.8 “**Bankruptcy Case**” means the Chapter 11 case commences by Shiraz Holdings, LLC (Case No. 17-17968).
- 1.2.9 “**Bankruptcy Court**” means the United States Bankruptcy Court for the Southern District of Florida, West Palm Beach Division.
- 1.2.10 “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to this case, promulgated under 28

U.S.C. Section 2075, the Local Rules, and Administrative Orders of the Bankruptcy Court.

- 1.2.11 “**Bar Date**” means October 30, 2017 for all creditors other than government unit and December 26, 2017 for governmental units, which is the date fixed by the Bankruptcy Court pursuant to the *Notice of Chapter 11 Bankruptcy Case* (Doc. No. 6) or such other date established by the Bankruptcy Court by which Persons asserting a Claim against the Debtor, and who are required to file a proof of claim on account of such Claim, must file a proof of claim or be forever barred from asserting a Claim against the Debtor or its property and from voting on this Plan and/or sharing in Distributions under same.
- 1.2.12 “**Beaver Property**” means property located at 1180 Beaver Ruin Road, Norcross, GA 30093 as defined at Section 2.1.2 of the Disclosure Statement.
- 1.2.13 “**Business Day**” means any day other than a Saturday, Sunday or a day that in Florida, is a legal holiday or any day designated in Bankruptcy Rule 9006(a) as a “legal holiday.”
- 1.2.14 “**Cash**” means cash and cash equivalents, including, but not limited to, bank deposits, wire transfers, checks, and other similar items.
- 1.2.15 “**Causes of Action**” means any and all actions, causes of action, Claims, defenses, liabilities, obligations, executions, choses in action, controversies, rights (including rights to legal remedies, rights to equitable remedies, rights to payment), suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims or any other claims whatsoever, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, choate or inchoate, existing or hereafter arising, suspected or unsuspected, foreseen or unforeseen, and whether asserted or assertable directly, indirectly or derivatively, at law, in equity or otherwise, based on whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of this Chapter 11 Case, including through and after the Effective Date.
- 1.2.16 “**CCOP**” means CCOP, LLC, Attn: Ron Garrard, Manager, 2055 Sugarloaf Circle, Suite 400, Duluth, GA 30097.
- 1.2.17 “**CCOP Order**” shall have the meaning ascribed to it in Section 3.2 of the Plan.
- 1.2.18 “**Claims Objection Deadline**” means for each Claim, the later of: (1) ninety (90) days after the Effective Date; or (2) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for objecting to such Claim.

- 1.2.19 “**Claim**” means any “claim” against Debtor as defined in Section 101(5) of the Bankruptcy Code
- 1.2.20 “**Class**” means a category of Holders of Claims or Equity Interests pursuant to section 1122(a) of the Bankruptcy Code.
- 1.2.21 “**COD**” means cancellation of debt.
- 1.2.22 “**Collateral**” means any property or interest in property of the Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code, or applicable state or other law.
- 1.2.23 “**Confirmation**” means the entry of an order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.
- 1.2.24 “**Confirmation Date**” shall mean the date upon which the Confirmation Order is entered on the docket by the Bankruptcy Court.
- 1.2.25 “**Confirmation Hearing**” means the date of the final hearing at which the Bankruptcy Court considers Confirmation of the Plan.
- 1.2.26 “**Confirmation Order**” means the Final Order of the Bankruptcy Court confirming the Plan.
- 1.2.27 “**Consummation**” means the occurrence of the Effective Date
- 1.2.28 “**Contingent Claim**” means a Claim that has not accrued and which is dependent upon a future event which may never occur.
- 1.2.29 “**Creditor**” has the meaning ascribed in Section 101(10) of the Bankruptcy Code.
- 1.2.30 “**C&T**” means C&T Financial, LLC, Trececastagni Management South, 2614 Tamiami Trail N. 510, Naples, FL 34103.
- 1.2.31 “**Debtor**” is defined in the introduction to this Plan.
- 1.2.32 “**Deficiency Claim**” means a General Unsecured Claim resulting from the value of any Collateral securing an Allowed Secured Claim being less than the amount of the Secured Claim secured by such Collateral.
- 1.2.33 “**Disallowed**” shall mean, with respect to any Claim or Interest or portion thereof, any Claim against or Interest in the Debtor which: (1) has been Disallowed, in whole or part, by a Final Order of the Bankruptcy Court; (2) has been withdrawn by agreement of the Debtor and the Holder thereof, in

whole or in part; (3) has been withdrawn, in whole or in part, by the Holder thereof; (4) if listed in the Schedules as zero or as Disputed, contingent or unliquidated and in respect of which a proof of claim has not been timely filed or deemed timely filed pursuant to this Plan, the Bankruptcy Code or any Final Order of the Bankruptcy Court or other applicable bankruptcy law; (5) has been reclassified, expunged, subordinated or estimated to the extent that such reclassification, expungement, subordination or estimation results in a reduction in the filed amount of any proof of claim or proof of interest; or (6) is evidenced by a proof of claim or a proof of interest which has been filed, or which has been deemed to be filed under applicable law or order of the Bankruptcy Court or which is required to be filed by order of the Bankruptcy Court but as to which such proof of claim or proof of interest was not timely or properly filed. In each case a Disallowed Claim or a Disallowed Interest is Disallowed only to the extent of disallowance, withdrawal, reclassification, expungement, subordination or estimation.

- 1.2.34 “**Disclosure Statement**” means the *Second Amended Disclosure Statement in Connection with Chapter 11 Plan of Reorganization for Shiraz Holdings, LLC* (and all exhibits and schedules annexed thereto or referenced therein) that relate to the Plan, as such Disclosure Statement may be amended, modified or supplemented.
- 1.2.35 “**Disputed Claim**” means a Claim or Interest as to which a proof of Claim or proof of Interest has been filed or deemed filed and as to which an objection has been or may be timely filed by any party in interest entitled to do so, which objection, if timely filed, has not been withdrawn and has not been overruled or denied by a Final Order. Prior to the time that an objection has been or may be timely filed for the purposes of the Plan, a Claim or Interest shall be considered a Disputed Claim if: (1) the amount of the Claim or Interest specified in the filed proof of Claim or proof of Interest exceeds the amount of the Claim or Interest scheduled by a Debtor as other than disputed, contingent, or unliquidated; (2) the priority of the Claim or Interest specified in the filed proof of Claim or proof of Interest is of a more senior priority than the priority of the Claim or Interest scheduled by a Debtor; or (3) the Claim or Interest has been Scheduled as disputed, contingent, or unliquidated or as being in the amount of “\$ ” or \$0.00.
- 1.2.36 “**Disputed Claims Reserve**” means an account that may be established and maintained at the election of the Debtor to hold Cash to be distributed to Holders of Claims pending the resolution of Disputed Claims.
- 1.2.37 “**Distribution**” means any distribution pursuant to the Plan and Disclosure Statement to Holders of Allowed Claims.

- 1.2.38 “**Distribution Account**” means one or more deposit accounts established for the benefit of one or more Classes of Creditors in order to receive and hold funds payable to the Holders of Allowed Claims.
- 1.2.39 “**Distribution Date**” shall be the first, second, third, fourth, and fifth anniversary of the Effective Date.
- 1.2.40 “**Effective Date**” means the first Business Day after the satisfaction or waiver of all conditions precedent to the Effective Date as set forth in the Plan.
- 1.2.41 “**Entity**” means an Entity as defined in Section 101(15) of the Bankruptcy Code.
- 1.2.42 “**Equity Interest**” means any share of common stock, preferred stock or other instrument evidencing an ownership interest in the Debtor, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest in the Debtor that existed immediately prior to the Effective Date.
- 1.2.43 “**Estate**” means the estate created for the Debtor in this Chapter 11 case pursuant to Section 541 of the Bankruptcy Code.
- 1.2.44 “**Executory Contract**” means a contract to which the Debtor is a party that is subject to assumption or rejection under Section 365 of the Bankruptcy Code.
- 1.2.45 “**FATCA**” means Foreign Account Tax Compliance Act.
- 1.2.46 “**Final Decree**” means the decree contemplated under Bankruptcy Rule 3022.
- 1.2.47 “**Final Order**” means an order, judgment, ruling or other decree of the Bankruptcy Court or any other court of competent jurisdiction, which judgment, order or other decree (1) has not been reversed, stayed, modified or amended and as to which the time to appeal, petition for certiorari or seek re-argument or rehearing has expired and no appeal, re-argument, petition for certiorari or rehearing is pending or any right to appeal, reargue, petition for certiorari or seek rehearing has been waived in writing in a manner satisfactory to the Debtor, or (2) if an appeal, re-argument, petition for certiorari or rehearing thereof has been denied, the time to take any further appeal or petition for certiorari or further re-argument or rehearing has expired.
- 1.2.48 “**First Sold Property**” shall have the meaning ascribed to it at Section 3.2 of the Plan.
- 1.2.49 “**General Unsecured Claim**” means a Claim arising prior to the Petition Date against Debtor that is not a Secured Claim, Priority Tax Claim, Priority Claim,

Administrative Claim, Ordinary Course Administrative Claim, Professional Fee, or otherwise entitled to any priority by order of the Bankruptcy Court.

- 1.2.50 “**Goldstein Application**” means *Debtor’s Application to Employ Alexander Goldstein and Miles Goldstein Real Estate, LLC as Debtor’s Real Estate Broker* (Doc. No. 80) as defined in Section 2.3 of the Disclosure Statement.
- 1.2.51 “**Governmental Unit**” means any foreign, federal, state, municipal, or other local governmental unit, including without limitation those defined under Section 101(27) of the Bankruptcy Code.
- 1.2.52 “**Highway 20**” means Highway 20 Shops, LLC, c/o Jimmy C. Luke II, Esq., Martin Bagwell Luke, P.C., 400 Northbridge Road, Suite 1225, Atlanta, GA 30350.
- 1.2.53 “**Holder**” means the legal or beneficial holder of a Claim or Interest (and, when used in conjunction with a Class or type of Claim or Interest, means a Holder of a Claim or Interest in such Class or of such type).
- 1.2.54 “**Hurricane Property**” means the property located at 1130 Hurricane Shoals Rd., NE, Lawrenceville, GA 30043 as defined at Section 2.1.2 of the Disclosure Statement.
- 1.2.55 “**Impaired**” means impaired as defined in Section 1124 of the Bankruptcy Code.
- 1.2.56 “**Impaired Class**” means any of Classes labeled as impaired in Article 3 of the Plan.
- 1.2.57 “**Impaired Creditor**” means the Holder of a Claim in an Impaired Class.
- 1.2.58 “**Insider**” means an insider of the Debtor, as defined in Section 101(31) of the Bankruptcy Code.
- 1.2.59 “**Interest**” means the legal interests, equitable interests, contractual interests, equity interests or ownership interests, or other rights of any Person in the Debtor including all capital stock, stock certificates, common stock, preferred stock, partnership interests, limited liability company or membership interests, rights, treasury stock, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtor, partnership interests in the Debtor’s stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights, subscription rights and liquidation preferences, puts, calls, awards or commitments of any character whatsoever relating to any such equity, common stock, preferred stock, ownership interests or other shares of capital stock of the

Debtor or obligating the Debtor to issue, transfer or sell any shares of capital stock whether or not certificated, transferable, voting or denominated “stock” or a similar security.

- 1.2.60 “**IRC**” means Internal Revenue Code.
- 1.2.61 “**Iris Property**” means property located at 920 Iris Drive, Delray Beach, FL 33483 as defined at Section 2.1.2 of the Disclosure Statement.
- 1.2.62 “**Kraftsow**” means Revocable Trust Agreement of Stanley Kraftsow dated 8/8/2000, c/o Eric Kraftsow, 7411 Fisher Island Dr., Miami Beach, FL 33109.
- 1.2.63 “**Late Filed**” means Claims filed after the Bar Date.
- 1.2.64 “**Loeb**” means David Loeb, 100 NW 25 St., Miami, FL 33123.
- 1.2.65 “**Lien**” means charge against or interest in property to secure payment of a debt or performance of an obligation as defined in Section 101(37) of the Bankruptcy Code.
- 1.2.66 “**Main Source Application**” means the *Debtor’s Application to Employ Fadi Elkhatib and Main Source Realty, LLC as Debtor’s Real Estate Broker and to Approve Compensation* (Doc. No. 59) as defined at Section 2.3 of the Disclosure Statement.
- 1.2.67 “**NOLs**” means net operating losses.
- 1.2.68 “**Ordinary Course Administrative Claim**” means an Administrative Claim incurred in the ordinary course of business of the Debtor, provided, however, that any due and unpaid, post-petition payments with respect to any rejected, or to be rejected, Executory Contract or Unexpired Lease shall not be an Ordinary Course Administrative Claim.
- 1.2.69 “**OID**” means original issue discount.
- 1.2.70 “**Pathway**” means Pathway 2 Recovery as defined at Section 2.1.1 of the Disclosure Statement.
- 1.2.71 “**Payment Date**” means the date(s) upon which the payments under the Plan shall be made as provided in the Plan.
- 1.2.72 “**Person**” means any individual, corporation, general partnership, limited partnership, limited liability company, association, joint stock company, joint venture, estate, business, Distribution Account, Governmental Unit, committee, or other Entity.

- 1.2.73 “**Petition Date**” means June 26, 2017.
- 1.2.74 “**Plan**” means this *Second Amended Chapter 11 Plan of Reorganization Filed by Shiraz Holdings, LLC* as referenced in the introduction, either in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance with the Plan, the Bankruptcy Code and the Bankruptcy Rules.
- 1.2.75 “**Plan Funds**” means the Cash and other property derived from liquidation of Debtor’s Assets prior to Consummation of the Plan, including any property, and any funds deposited into one or more Distribution Accounts by or at the direction of the Debtor to fund the payments to be made on account of Allowed Claims under this Plan. The Plan Funds shall be deposited into the Distribution Account on the Effective Date and shall, at that point, become part of the Distribution Account.
- 1.2.76 “**Pre-Change Losses**” means any remaining NOL carryforwards and other Tax Attributes allocable to periods prior to the Effective Date.
- 1.2.77 “**Premier Worldwide**” means Premier Worldwide Holdings, LLC as defined at Section 2.1.1 of the Disclosure Statement.
- 1.2.78 “**Priority Claim**” means a Claim entitled to priority under Section 507 of the Bankruptcy Code, other than an Administrative Claim or a Priority Tax Claim.
- 1.2.79 “**Priority Tax Claim**” means a Claim entitled to priority in payment pursuant to Section 507(a)(8) of the Bankruptcy Code.
- 1.2.80 “**Progress Property**” means the property located at 815 Progress Court, Lawrenceville, GA 30043 as defined at Section 2.1.2 of the Disclosure Statement.
- 1.2.81 “**Pro Rata**” means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in such Class.
- 1.2.82 “**Proof of Claim**” means a proof of claim, including, but not limited to, any Administrative Claim, filed with the Bankruptcy Court or its duly appointed claims agent in connection with the Chapter 11 Case pursuant to Section 501 of the Bankruptcy Code.
- 1.2.83 “**Proof of Interest**” means any proof of Interest filed with the Bankruptcy Court or its duly appointed claims agent in connection with the Chapter 11 Case pursuant to Bankruptcy Rule 3002.
- 1.2.84 “**Professional**” means a person retained or to be compensated pursuant to Sections 326, 327, 328, 330, 503(b)(2) or (4), 1103 or 1107(b) of the Bankruptcy Code.

- 1.2.85 “**Professional Fees**” means those fees and expenses claimed by Professionals retained by the Debtor through a Bankruptcy Court order pursuant to Sections 330, 331 and/or 503 of the Bankruptcy Code, and unpaid as of the Confirmation Date, but not including any subrogation or contribution Claim arising from any payment of any fees and expenses to a Professional other than from property of the Estate.
- 1.2.86 “**Recovery Advocates**” means Recovery Advocates, LLC as defined at Section 2.1.1 of the Disclosure Statement.
- 1.2.87 “**Schedules**” means the Schedule of Assets and Liabilities filed by Debtor in connection with this Chapter 11 case, as the same have been or may be amended or supplemented from time to time prior to the Effective Date.
- 1.2.88 “**Secured Claim**” means a Claim, including interest, fees and charges to the extent allowable pursuant to Section 506(b) of the Bankruptcy Code, that is secured by an unavoidable Lien on property in which the Estate has an interest, or that is subject to set-off under Section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder’s interest in the Estate’s interest in such property, or to the extent of the amount subject to set-off, as applicable, as determined pursuant to Section 506(a) and, if applicable, Section 1129(b)(2)(a)(i)(II) of the Bankruptcy Code. Any difference between the amount of any Creditor’s Allowed Claim and its Allowed Secured Claim shall be a Deficiency Claim as defined above.
- 1.2.89 “**Serenity Now**” means Serenity Now CMHC, Inc. as defined at Section 2.1.1 of the Disclosure Statement.
- 1.2.90 “**Tax Attributes**” means any and all net operating losses and any other tax attributes belonging to Debtor.
- 1.2.91 “**Tax Code**” means the Internal Revenue Code of 1986, as amended.
- 1.2.92 “**Ten-X**” means Ten-X, LLC together with its affiliates and its representative, Terrance Rochford.
- 1.2.93 “**Ten-X Application**” means the *Debtor’s Application to Employ Ten-X, LLC as Debtor’s Auctioneer and to Approve Payment Process* (Doc. No. 116) as defined at Section 2.3 of the Disclosure Statement.
- 1.2.94 “**Undeliverable Distribution**” means a Distribution of Cash that is returned to the Debtor as undeliverable or is otherwise unclaimed for ninety (90) days after the date such Distribution was made.

- 1.2.95 “**Unexpired Lease**” means a lease of non-residential real property or personal to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.
- 1.2.96 “**Unimpaired**” means a Claim that is unimpaired within the meaning of Section 1126 of the Bankruptcy Code.
- 1.2.97 “**U.S. Trustee**” means the Office of the United States Trustee for the Southern District of Florida, West Palm Beach Division.
- 1.2.98 “**U.S. Trustee Fees**” means fees required to be paid by 28 U.S.C. § 1930(a)(6).
- 1.2.99 “**Voting Deadline**” means the date established by the Bankruptcy Court by which Ballots voting for or against the Plan must be received.
- 1.2.100 “**Voting Instructions**” means the instructions for voting on the Plan contained in the Section of the Disclosure Statement discussing voting procedures.
- 1.2.101 “**360 Medical**” means 360 Medical Supplies, Inc. as defined at Section 2.1.1 of the Disclosure Statement.

1.3 **CONSTRUCTION, COMPUTATION OF TIME, CHOICE OF LAW**

- 1.3.1 The provisions of the Plan and of any contract, instrument or other agreement or document created in connection with the Plan, as an adjunct or supplement thereto, or required thereby, shall control over any descriptions thereof contained in the Disclosure Statement.
- 1.3.2 The provisions of the Plan shall control over the provisions of any contract, instrument or other agreement or document, other than the Confirmation Order, created in connection with the Plan, as an adjunct or supplement thereto, or required thereby.
- 1.3.3 Any reference in the Plan to a contract, document, instrument, release, certificate, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions.
- 1.3.4 Any reference in the Plan to an existing document or exhibit means such document or exhibit as it may have been amended, modified or supplemented as of the Effective Date.
- 1.3.5 Any exhibits to the Plan are incorporated into the Plan and shall be deemed to be included in the Plan.
- 1.3.6 In computing any period of time prescribed or Allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II:
CLASSIFICATION OF CLAIMS AND INTERESTS

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, Confirmation, Distribution and pursuant to Sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular Class only to the extent that such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

2.1. UNCLASSIFIED CLAIMS

Allowed Administrative Claims, Ordinary Course Administrative Claims, U.S. Trustee fees, Priority Tax Claims, and Professional Fees are not classified for purposes of voting on this Plan and Holders of such Claims are not required to vote on this Plan.

2.2. CLASSIFIED CLAIMS

2.2.1. CLASS 1: Kraftsow

This class consists of the Secured Claim of Revocable Trust Agreement of Stanley Kraftsow dated 8/8/2000.

2.2.2. CLASS 2: Loeb

This class consists of the Secured Claim of David Loeb.

2.2.3. CLASS 3: C&T

This class consists of the Secured Claim of C&T Financial, LLC.

2.2.4. CLASS 4: CCOP

This class consists of the Secured Claim of CCOP, LLC.

2.2.5. CLASS 5: Unsecured Claim of Highway 20

This class consists of the unsecured claim of Highway 20 Shops, LLC.

2.2.6. CLASS 6: General Unsecured Claims

This Class consists of all General Unsecured Claims.

2.2.7. **CLASS 7: Late Filed General Unsecured Claims**

This Class consists of all Late Filed¹ General Unsecured Claims.

2.2.8. **CLASS 8: Equity Interests**

This Class consists of Holders of Equity Interests.

**ARTICLE III:
TREATMENT OF CLAIMS AND INTERESTS**

3.1. **UNCLASSIFIED CLAIMS**

3.1.1. **Administrative Claims**

3.1.1.1 **In General**

Administrative Claims are those Claims allowable under Section 503 and entitled to priority under Section 507(a)(2) of the Bankruptcy Code, including unpaid fees payable to the U.S. Trustee under 28 U.S.C. § 1930, the fees of Debtor's counsel, other Professional Fees, and any other Allowed Administrative Claim accruing and due after the Petition Date.

Subject to other applicable Plan provisions, unless the Holder agrees to different treatment, all Administrative Claims, other than Ordinary Course Administrative Claims, arising prior to and on the Effective Date, will be paid by the Debtor, in full, in Cash on the later of: (1) on or as soon as practicable after the Effective Date; (2) if an Administrative Claim is not Allowed as of the Effective Date, then as soon as practicable after an order becomes a Final Order by which such Administrative Claim becomes an Allowed Administrative Claim; or (3) in accordance with the terms of any applicable administrative procedures order entered by the Bankruptcy Court.

Allowed Ordinary Course Administrative Claims will be paid pursuant to the terms and conditions giving rise to such Administrative Claim, without the need for any further Final Order or action by the Holders of such Ordinary Course Administrative Claims.

3.1.1.2 **Professional Fees**

All Professionals seeking an award by the Bankruptcy Court of Professional Fees, or of compensation for services rendered to the Debtor or reimbursement of expenses arising prior to and on the Effective Date under Sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code, shall file their respective final applications for allowances of compensation for

¹ Late Filed means Claims filed after the Bar Date.

services rendered and reimbursement of expenses incurred, prior to the Administrative Claims Bar Date and/or pursuant to any other deadlines and procedures as may be established by the Bankruptcy Court.

3.1.2. Priority Tax Claims

All Priority Tax Claims that are not fully paid in Cash on the later of (1) the Effective Date, or (2) the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, shall instead be paid in regular installment payments in Cash of a total value, as of the Effective Date, equal to the Allowed amount of such Priority Tax Claim over a period ending not later than five years after the Petition Date, and in a manner not less favorable than the most favored General Unsecured Claim provided for by the Plan. Notwithstanding the foregoing, each Holder of an Allowed Priority Tax Claim may be paid under such other terms as may be agreed upon by both the Holder of such Allowed Priority Tax Claim and the Debtor.

3.1.3. U.S. Trustee Fees

All fees due and payable under 28 U.S.C. § 1930 that have not been paid prior to the Effective Date shall be paid on or as soon as practicable after the Effective Date. Debtor estimates that as of the Effective Date, all U.S. Trustee Fees will be paid in full. After the occurrence of the Effective Date, Debtor shall pay all fees payable to the U.S. Trustee during the administration of the Plan and until the case is converted, dismissed, or closed.

3.2. CLASSIFIED CLAIMS AND INTERESTS

CLASS	IMPAIRMENT	TREATMENT
CLASS 1: <u>Kraftsow</u> <i>Secured by Beaver Property and Progress Property</i>	Impaired	<p>On October 19, 2017, Kraftsow filed Claim No. 6 in the amount of \$300,000. Debtor does not object to Kraftsow's claim. Allowed Claims in CLASS 1: <u>Kraftsow</u> shall be completely and fully satisfied by the following treatment:</p> <p>Debtor shall treat Kraftsow's Allowed Secured Claim as fully secured, with entitlement to post-petition attorney's fees and costs. Debtor shall pay all post-petition attorney's fees and costs to Kraftsow on the Effective Date of the Plan. Any dispute over the amount of attorney's fees and costs shall be determined by the Bankruptcy Court. In full and complete satisfaction and release of its Allowed Secured Claim and/or any other Claim against Debtor, over a period of no longer than two years commencing as of the Effective Date, Debtor shall pay Kraftsow</p>

		<p>\$300,000.00 at 10% interest through equal monthly interest-only payments, with a balloon payment due on the twenty fourth month for any remaining balance. If at any time Debtor fully pays the then outstanding balance, Debtor shall be relieved of any obligation to make any future payment of interest. There shall be no prepayment penalty of any kind. Kraftsow shall retain its liens until the claim is paid in full; however, Kraftsow agrees to provide a release of either of the Beaver Property or the Progress Property, whichever is sold first (the “First Sold Property”), from its lien and/or mortgage so long as Debtor makes a total combined payment of at least \$250,000 to Kraftsow and Loeb upon sale of the First Sold Property. Debtor agrees that any subsequent bankruptcy filing would not impose the automatic stay on either the Beaver Property or the Progress Property securing Kraftsow’s claim. Holders of Allowed Claims comprising CLASS 1: <u>Kraftsow</u> are entitled to vote on the Plan.</p>
<p>CLASS 2: <u>Loeb</u> <i>Secured by Beaver Property and Progress Property</i></p>	<p>Impaired</p>	<p>On October 19, 2017, Loeb filed Claim No. 7 in the amount of \$200,000. Debtor does not object to Loeb’s claim. Allowed Claims in CLASS 2: <u>Loeb</u> shall be completely and fully satisfied by the following treatment:</p> <p>Debtor shall treat Loeb’s Allowed Secured Claim as fully secured, with entitlement to post-petition attorney’s fees and costs. Debtor shall pay all post-petition attorney’s fees and costs to Loeb on the Effective Date of the Plan. Any dispute over the amount of attorney’s fees and costs shall be determined by the Bankruptcy Court. In full and complete satisfaction and release of its Allowed Secured Claim and/or any other Claim against the Debtor, over a period of no longer than two years commencing as of the Effective Date, Debtor shall pay Loeb \$200,000.00 at 10% interest through equal monthly interest-only payments, with a balloon payment due on the twenty fourth month for any remaining balance. If at any time Debtor fully pays the then outstanding balance, Debtor shall be relieved of any obligation to</p>

		<p>make any future payment of interest. There shall be no prepayment penalty of any kind. Loeb shall retain its liens until the claim is paid in full; however, Loeb agrees to provide a release of either of the Beaver Property or the Progress Property, whichever is sold first (the “First Sold Property”), from its lien and/or mortgage so long as the Debtor makes a total combined payment of at least \$250,000 to Kraftsow and Loeb upon sale of the First Sold Property. The Debtor agrees that any subsequent bankruptcy filing would not impose the automatic stay on either the Beaver Property or the Progress Property securing Loeb’s claim. Holders of Allowed Claims comprising CLASS 2: <u>Loeb</u> are entitled to vote on the Plan.</p>
<p>CLASS 3: <u>C&T</u> <i>Secured by Iris Property</i></p>	<p>Impaired</p>	<p>On October 30, 2017, C&T filed Claim No. 8 in the amount of \$1,871,210.74. Allowed Claims in CLASS 3: C&T shall be completely and fully satisfied by the following treatment:</p> <p>All Claim Holders comprising CLASS 3: <u>C&T</u>, which are determined to have an Allowed Claim, shall either: (1) be paid the amount of their Allowed Claim from proceeds of the sale of the Iris Property which shall be pending as of June 30, 2018; or (2) if a sale of the Iris Property is not pending as of June 30, 2018, CLASS 3: <u>C&T</u> shall receive the Iris Property pursuant to this Plan, free and clear of all Liens, Claims, and Interests through deed in lieu after July 1, 2018 and CLASS 3: <u>C&T</u> shall upon receipt of same, contemporaneously pay Debtor \$50,000.00. Any Holder of a Lien, Claim, or Interest regarding the Iris Property that has not already filed a Proof of Claim, shall have thirty (30) days from the Effective Date to file a Proof of Claim for damages. In the event of either (1) or (2), all personal guarantees held by any and/or all Claim Holders comprising CLASS 3: <u>C&T</u> regarding Jordan Satary shall be immediately released and shall have no further enforceable effect whatsoever. Debtor agrees to seek avoidance of all judgment Liens against the Iris Property, which were created within ninety days preceding the Petition Date.</p>

<p>CLASS 4: <u>CCOP</u></p> <p><i>Secured by Hurricane Property</i></p>	<p>Impaired</p>	<p>On October 30, 2017, CCOP filed Claim No. 10 in the amount of \$2,589,327.13. Debtor does not object to CCOP's Claim. Allowed Claims in CLASS 4: <u>CCOP</u> shall be completely and fully satisfied by the following treatment:</p> <p>Upon closing on the sale of the Hurricane Property contemplated in the <i>Order Granting Debtor's Emergency Motion to Sell Debtor's Real Property Located at 1130 Hurricane Shoals Road, Lawrenceville, GA 30043 Free and Clear of Certain Liens by Private Sale & Payment of Costs Associated Therewith</i> (ECF No. 188), \$2,626,587.59 plus no more than \$20,000.00 for actual attorney fees and costs were paid to the attorney trust account of counsel for United Community Bank, Andersen, Tate & Carr, P.C., in full and final satisfaction of any and all claims of CCOP against Debtor, with funds first distributed to lienholder United Community Bank in an amount necessary to satisfy its claims and liens against the Hurricane Property and any remaining balance delivered second to CCOP.</p>
<p>CLASS 5: <u>Unsecured Claim of Highway 20</u></p>	<p>Impaired</p>	<p>Allowed Unsecured Claims in CLASS 5: <u>Unsecured Claim of Highway 20</u> shall be completely and fully satisfied by the following treatment:</p> <p>Highway 20 Shops, LLC, the holder of the Allowed General Unsecured Claim of CLASS 5: <u>Unsecured Claim of Highway 20</u>, in full and complete settlement, satisfaction, and discharge of such Allowed Claim, shall be released of the tenant claim held by Shiraz against Highway 20 Shops, LLC pursuant to that certain settlement attached as Exhibit "A" to the <i>Debtor's Motion to Approve Compromise and Settlement Among the Debtor, Jordan Satary and Highway 20 Shops, LLC</i> (ECF No. 60), which motion and settlement agreement was approved on October 3, 2017 by entry of the <i>Order Granting Motion to Approve Compromise and Settlement Among the Debtor, Jordan Satary and Highway 20 Shops, LLC</i> (ECF No. 84).</p>

<p>CLASS 6: <u>General Unsecured Claims</u></p>	<p>Impaired</p>	<p>Allowed General Unsecured Claims in CLASS 6: <u>General Unsecured Claims</u> shall be completely and fully satisfied by the following treatment:</p> <p>Each holder of an Allowed General Unsecured Claim, shall, in full and complete settlement, satisfaction, and discharge of such Allowed General Unsecured Claim, receive either: (1) total distributions in an amount equal to the value of unencumbered Estate Cash as of the Effective Date, available for distribution to Holders of Allowed General Unsecured Claims after payment of all Priority Claims, Administrative Claims, and other senior Claim Holders, paid on a pro-rata basis through equal annual payments over a period of 5 years on the Distribution Dates; or (2) such other treatment as may be consensually agreed to by Debtor and the Holder of an Allowed General Unsecured Claim.</p>
<p>CLASS 7: <u>Late Filed General Unsecured Claims</u></p>	<p>Impaired</p>	<p>Allowed Late Filed General Unsecured Claims in CLASS 7: <u>Late Filed General Unsecured Claims</u> shall be completely and fully satisfied by the following treatment:</p> <p>Each holder of an Allowed Late Filed General Unsecured Claim shall, in full and complete settlement, satisfaction and discharge of such Allowed Late Filed General Unsecured Claim receive either: (1) total distributions in an amount equal to the value of the unencumbered Estate Cash available for distribution to Holders of Allowed Late Filed General Unsecured Claims after payment of all Priority Claims, Administrative Claims, and other senior Claim Holders including timely filed Allowed General Unsecured Claims, paid on a pro-rata basis through equal annual payments over a period of 5 years on the Distribution Dates; or (2) such other treatment as may be consensually agreed to by Debtor and the Holder of an Allowed Late Filed General Unsecured Claim.</p>
<p>CLASS 8: <u>Equity Interests</u></p>	<p>Impaired</p>	<p>Allowed Interests comprising CLASS 8: <u>Equity Interests</u> shall be completely and fully satisfied</p>

		<p>by the following treatment:</p> <p>Allowed Interests comprising CLASS 8: <u>Equity Interests</u> shall maintain their Interest in Debtor in exchange for an equity infusion of not more than \$25,000 to be provided in increments of \$5,000, paid on a pro-rata basis on the Distribution Dates to CLASS 6: <u>General Unsecured Claims</u> until that class is paid in full, with remaining funds, if any, paid on a pro-rata basis to CLASS 7: <u>Late Filed General Unsecured Claims</u> until that class is paid in full or total funds are extinguished, whichever comes first.</p>
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ARTICLE IV:
UNEXPIRED LEASES AND EXECUTORY CONTRACTS

4.1. ASSUMPTION

On the Effective Date, except as otherwise provided herein, all Executory Contracts or Unexpired Leases, not previously assumed or rejected pursuant to an order of the Bankruptcy Court, will be deemed rejected, in accordance with the provisions and requirements of Sections 365 and 1123 of the Bankruptcy Code; except for those Executory Contracts or Unexpired Leases that are (1) the subject of a motion to assume (or conditionally assume) Executory Contracts or Unexpired Leases that is pending on the Effective Date, or (2) subject to a motion to reject (or conditionally reject) an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejections pursuant to Sections 365(a) and 1123 of the Bankruptcy Code. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order.

Notwithstanding the foregoing, Debtor reserves the right, up to and including the Confirmation Hearing, to (1) seek to reject any Executory Contract it has previously identified for assumption, or (2) to assume any Executory Contract it has not previously identified for assumption (or has identified for rejection). In both instances, however, any such action shall be subject to the counterparty's right to (1) object to the change in Debtor's decision to assume or reject that Executory Contract as the case may be, and (2) change its vote on the Plan at the Confirmation Hearing.

4.2. CLAIMS DEADLINE

All proofs of claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be filed with the Bankruptcy Court within thirty (30) days after the date of entry of an order of the

Bankruptcy Court (including the Confirmation Order) approving such rejection, or as the Bankruptcy Court may otherwise direct. Any Claims arising from rejection of an Executory Contract or Unexpired Lease not filed with the Bankruptcy Court within such time will be forever barred from assertion against the Debtor's Estate, the Distribution Account, any Distribution Account, the Debtor, and all respective property, and shall not be entitled to any Distribution under this Plan.

4.3. CURE OF DEFAULTS FOR ASSUMED

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the assignment of such Executory Contract and Unexpired Lease, on such other terms as Debtor and the counterparties to such Executory Contracts or Unexpired Leases may otherwise agree, or as ordered by the Bankruptcy Court. Any counterparty to an Executory Contract and unexpired lease that fails to object timely to the proposed assumption (or conditional assumption) or cure will be deemed to have consented to such matters.

4.4. POST-PETITION CONTRACTS AND LEASES

To the extent provided in the Confirmation Order, contracts and leases entered into after the Petition Date by Debtor, including any Executory Contracts and Unexpired Leases assumed on behalf of the Estate, will be performed by Debtor. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE V: DISPUTED, CONTINGENT, AND UNLIQUIDATED CLAIMS

5.1. OBJECTION TO CLAIMS

After the Effective Date, but on or before the Claims Objection Deadline, the Debtor shall have the authority to file objections to Claims (other than Administrative Claims). Any party in interest may also file objections to the allowance of any Claims (other than Administrative Claims) after the Effective Date but on or before the Claims Objection Deadline. Subject to limitations described in this Plan, Debtor shall have exclusive authority to compromise, settle, litigate, otherwise resolve or withdraw any objections filed by Debtor. If any joinder is made with respect to an objection filed by the Debtor, and the objection is subsequently withdrawn, the joinder shall be deemed withdrawn as well. Unless otherwise ordered by the Bankruptcy Court, all objections to the allowance of Claims or Equity Interests that are the subject of proofs of claim or requests for payment filed with the Bankruptcy Court, shall be filed and served upon the Holder of the Claim or Equity Interest to which the objection is made prior to the Claims Objection Deadline or such other date as may be approved by the Bankruptcy Court. Any Claim or Interest not otherwise Allowed as provided in this Plan shall be a Disallowed Claim or Interest, respectively. Upon filing a responsive pleading to an objection,

the Disputed Claim Holder shall submit to mediation and shall split the cost of same evenly with Debtor and/or the objecting party.

5.2. ESTIMATION AND DETERMINATION OF CLAIMS

Disputed Claims will be fixed or liquidated in the Bankruptcy Court on or before the Claims Objection Deadline, as core proceedings within the meaning of 28 U.S.C. § 157(b)(2)(B) unless the Bankruptcy Court orders otherwise. If the fixing or liquidation of a contingent or unliquidated Claim would cause undue delay in administration, such Claim may be estimated by the Bankruptcy Court for purposes of allowance and Distribution. Upon receipt of a timely filed proof of claim, the Debtor, or other party in interest may file a request for estimation along with its objection to the Claim set forth therein. The determination of Claims in estimation hearings will be binding for purposes of establishing the maximum amount of the Claim for purposes of allowance and Distribution.

5.3. DISPUTED CLAIMS RESERVE

The Debtor may elect to maintain a Disputed Claims Reserve equal to the aggregate of any distributable amounts of Cash, such amount being equal to the relevant percentage of the Distributions to which Holders of Disputed Claims would be entitled under this Plan if such Disputed Claims were Allowed Claims in the amount of such Disputed Claim or such lesser amount as required by a Final Order. For the purposes of effectuating the provisions of this Section and Distributions to Holders of Allowed Claims, the Debtor may, at any time and regardless of whether an objection to the Disputed Claim has been brought, request that the Bankruptcy Court estimate, set, fix or liquidate the amount of Disputed Claims pursuant to Section 502(c) of the Bankruptcy Code, in which event the amounts so estimated, fixed or liquidated shall be deemed the Allowed amounts of such Claims for purposes of Distribution under this Plan. In lieu of estimating, fixing or liquidating the amount of any Disputed Claim, the Bankruptcy Court may determine the amount to be reserved for such Disputed Claim (singularly or in the aggregate), or such amount may be fixed by an agreement in writing by and between the Debtor and the Holder of a Disputed Claim.

5.4. DISTRIBUTION UPON ALLOWANCE OF DISPUTED CLAIMS

The Holder of a Disputed Claim that becomes an Allowed Claim subsequent to the Effective Date shall receive Distribution from the Disputed Claims Reserve as soon as practical following the date on which such Disputed Claim becomes an Allowed Claim pursuant to a Final Order. Such Distribution shall be made in accordance with this Plan based upon the Distributions that would have been made to such Holder under this Plan if the Disputed Claim had been an Allowed Claim on or prior to the Effective Date plus any interest, dividends or other Distributions earned thereon (if any). No Holder of a Disputed Claim shall have any Claim against the Disputed Claims Reserve, the Debtor, the Distribution Account, or the Estate with respect to such Claim until such Disputed Claim shall become an Allowed Claim, and no Holder of a Disputed Claim shall have any right to interest, dividends or other Distribution on such Disputed Claim except as provided in this Section.

5.5. OBJECTIONS TO PRE-CONFIRMATION ADMINISTRATIVE CLAIMS

Procedures respecting objections to applications for allowance of compensation and reimbursement of expenses under Sections 330 and 503 of the Bankruptcy Code shall be governed by this Plan and the Confirmation Order or other Final Order of the Bankruptcy Court.

**ARTICLE VI:
ACCEPTANCE OR REJECTION OF PLAN**

6.1. VOTING BY IMPAIRED CLASSES

Each Holder of an Allowed Claim in an Impaired Class which is entitled to retain or receive property under this Plan shall be entitled to vote separately to accept or reject this Plan, and indicate such vote on a duly executed and delivered Ballot as provided in such order as is entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject this Plan, or any other order or orders of the Bankruptcy Court. Only those votes cast by Holders of Allowed Claims and Allowed Interests shall be counted in determining whether acceptances have been received sufficient in number and amount to confirm the Plan.

6.2. ACCEPTANCE BY IMPAIRED CLASSES

An Impaired Class of Claims shall have accepted the Plan if: (1) the Holders (other than any Holder designated under Section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan; and (2) the Holders (other than any Holder designated under Section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. An Impaired Class of Interests shall have accepted the Plan if the Holders (other than any Holder designated under Section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of Allowed Interests actually voting in such Class have voted to accept the Plan.

6.3. PRESUMED ACCEPTANCE/REJECTION

Classes 1-7 are impaired under the Plan and, therefore, are not presumed to have accepted the Plan under Section 1126 of the Bankruptcy Code. Class 8 Equity Interest Holders shall retain their interest in the Debtor under the plan and are entitled to vote.

6.4. NONCONSENSUAL CONFIRMATION

To the extent that any Impaired Class rejects the Plan and Disclosure Statement or is deemed to have rejected the Plan and Disclosure Statement, Debtor reserves its rights to request Confirmation of the Plan and Disclosure Statement, as it may be modified from time to time, under Section 1129(b) of the Bankruptcy Code. Debtor reserves the right to alter, amend, modify, revoke, or withdraw the Plan and Disclosure Statement or any schedule or exhibit,

including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

ARTICLE VII:
EXECUTION AND IMPLEMENTATION OF PLAN

Debtor will fund payments to be made under the Plan through the following: (1) cash on hand on the Effective Date; (2) exit financing, if necessary; (3) cash generated by Debtor in the ordinary course of business on and after the Effective Date; and/or (4) contributions of New Value from equity.

Prior and as a condition precedent to the Effective Date, Debtor shall have completed sale or other liquidation of the Hurricane Property and Iris Property and shall have leased some portion of Debtor's remaining real estate assets. Proceeds from sale of the Hurricane Property and Iris Property and from leases of the Beaver Property and Progress Property shall be used to make the payments to Class 1 through 7 Allowed Claim Holders required under the Plan.

Debtor will continue to exist after the Effective Date as a business entity with all of the powers of a limited liability company under applicable law in the jurisdiction in which the Debtor is organized or otherwise formed and pursuant to its organizational documents in effect before the Effective Date, as such documents are amended by or pursuant to the Plan or pursuant to any amended articles of organization.

7.1. GENERAL SETTLEMENT OF CLAIMS

Pursuant to Section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, Distributions, releases and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and Equity Interests and controversies resolved pursuant to the Plan. All Distributions made to Holders of Allowed Claims are intended to be and shall be final.

ARTICLE VIII:
PROVISIONS GOVERNING DISTRIBUTIONS

8.1. DISTRIBUTIONS FOR ALLOWED CLAIMS

8.1.1. In General

The Debtor shall assume all obligations to make Distributions in accordance with the Plan from the Plan Funds held by the Distribution Account, limited to the Distributions expressly provided for in the Plan and/or approved by Final Order.

8.1.2. Distribution of Net Recoveries

After payment in full (or reserving for payment in full) of all Administrative Claims and Priority Claims, as and when Allowed, and when economically feasible, the Debtor shall distribute to Creditors on account of their Allowed Claims, all Cash (treating any permissible investment as Cash for this purpose) held by the Distribution Account, less such amounts that may be reasonably necessary to: (1) meet contingent liabilities and to maintain the value of the Distribution Account; (2) pay reasonably incurred or anticipated expenses (including, without limitation, any taxes imposed on or payable by the Distribution Account or in respect of the Distribution Account, including with respect to Assets allocable to Disputed Claims); or (3) satisfy other liabilities incurred or anticipated by such Distribution Account in accordance with the Plan and Disclosure Agreement. Provided, however, Debtor shall not be required to make a Distribution if Debtor determines the expense associated with making the Distribution would likely utilize a substantial portion of the amount to be distributed, thus making the Distribution impracticable.

8.1.3. Distributions on Allowed Claims Only

Distributions from Distribution Account shall be made only to holders of Allowed Claims on account of such holder's Allowed Claims. Until a Disputed Claim becomes an Allowed Claim in its entirety, the Holder of that Disputed Claim shall not receive any Distribution from the Distribution Account.

8.1.4. Place and Manner of Payment of Distribution

Except as otherwise specified in this Plan, Distributions shall be made by mailing such Distribution to the Creditor at the address listed in any proof of claim filed by the Creditor or at such other address as such Creditor shall have specified for payment purposes in a written notice received by Debtor at least twenty (20) days before a Distribution Date. If a Creditor has not filed a proof of claim or interest or sent Debtor a written notice of payment address, then the Distribution(s) for such Creditor will be mailed to the address identified in the Schedules. Debtor shall distribute any Cash by wire, check, or such other method as it deems appropriate under the circumstances. Before receiving any Distributions, all Creditors, at the request of Debtor, must provide written notification of their respective Federal Tax Identification Numbers or Social Security Numbers to Debtor; otherwise, Debtor may suspend Distributions to any Creditors who have not provided their Federal Tax Identification Numbers or Social Security Numbers.

8.1.5. Undeliverable Distributions

If a Distribution made from available cash to any Creditor is returned as undeliverable, Debtor shall use reasonable efforts to determine such Creditor's then current address. If Debtor cannot determine, or is not notified of, a Creditor's then current address within three months after the Effective Date, the Distribution reserved for such Creditor shall be deemed an unclaimed Distribution and section 8.1.6 – "Unclaimed Distributions" shall be applicable thereto.

8.1.6. Unclaimed Distributions

If the current address for a Creditor entitled to a Distribution from available cash under the Plan and Disclosure Statement has not been determined within three months after the Effective Date or such Creditor has otherwise not been located or submitted a valid Federal Tax Identification Number or Social Security Number to Debtor, then such proceeds shall be paid to the Bankruptcy Bar Foundation, Southern District of Florida.

8.1.7. Set-Offs

Except as otherwise provided in this Plan, agreements entered into in connection therewith, the Confirmation Order, or agreements previously approved by Final Order of the Bankruptcy Court, the Debtor may, pursuant to Section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim before any Distribution is made on account of such Allowed Claim, any and all of the Claims, rights and Causes of Action of any nature that Debtor holds against the Holder of such Allowed Claim; provided, however, that neither the failure to effect such a set-off nor the allowance of any Claim hereunder shall constitute a waiver or release of any such Claims, rights or Causes of Action that the Debtor may possess against such Holder. To the extent Debtor fails to set off against a Claim Holder and seeks to collect a Claim from such Claim Holder after a Distribution to such Claim Holder pursuant to this Plan on account of its Allowed Claim, the Debtor shall be entitled to full recovery on its Claim against such Claim Holder.

8.1.8. Withholding

In connection with the Plan and Disclosure Statement, any party issuing any instrument or making any Distribution described in this Plan and Disclosure Statement shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all Distributions and all related agreements shall be subject to any such withholding or reporting requirements. Notwithstanding the foregoing, each Holder of an Allowed Claim or any other Person that receives a Distribution shall have responsibility for any taxes imposed by any Governmental Unit, including, without limitation, income, withholding, and other taxes, on account of such Distribution. Any party issuing any instrument or making any Distribution has the right, but not the obligation, to not make a Distribution until such Holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations. Debtor may enter into agreements with taxing or other authorities for the payment of such amounts that may be withheld in accordance with the provisions of this section. Any party entitled to receive any property as an issuance or distribution under the Plan and Disclosure Statement shall, upon request by the Debtor, provide an appropriate Form W-9 or (if the payee is a foreign Person) Form W-8. If such request is made and such party fails to comply before the date that is 180 days after the request is made, the amount of such Distribution shall irrevocably revert to Distribution Account and any Claim in respect of such Distribution shall be discharged and forever barred from assertion against the Debtor or the Distribution Account and their respective property.

8.2. CREATION AND TERMINATION OF DISBURSEMENT ACCOUNTS

The Debtor, in its reasonable business judgment, shall be able to create and terminate any Disbursement Accounts, whether held on behalf of the Debtor's Estate or the Distribution Account, as it deems reasonable and appropriate in fulfilling duties under this Plan.

8.3. **TRANSFER OF CLAIMS**

In the event the Holder of any Claim transfers such Claim on and after the Effective Date, it will immediately advise the Debtor and its counsel in writing of such transfer, and file notice of such transfer with the Bankruptcy Court. The Debtor will be entitled to assume that no transfer of any Claim has been made by any Holder unless the Debtor and its counsel have received written notice to the contrary, which has been filed with the Bankruptcy Court. Each transferee of any Claim will take such Claim subject to the provisions of the Plan and to any request made, waiver or consent given, or other action taken hereunder and, except as otherwise expressly provided in such notice, the Debtor will be entitled to assume conclusively that the transferee named in such notice will thereafter be vested with all rights and powers of the transferor under the Plan.

ARTICLE IX: CONDITIONS PRECEDENT TO EFFECTIVE DATE

9.1. **CONDITIONS PRECEDENT**

9.1.1. **Conditions to Confirmation**

The following conditions precedent to the occurrence of the Confirmation Date must be satisfied unless any such condition shall have been waived by Debtor:

(a) The Confirmation Order shall have been entered in form and substance satisfactory to Debtor and shall, among other things provide that Debtor is authorized and directed to take all actions necessary or appropriate to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with the Plan and Disclosure Statement;

(b) The Bankruptcy Court finds that adequate information and sufficient notice of the Plan and Disclosure Statement, and the Confirmation Hearing, along with all deadlines for voting on or objecting to the Plan and Disclosure Statement has been given to all relevant parties in accordance with the solicitation procedures governing such service and in substantial compliance with Bankruptcy Rules 2002(b), 3017 and 3020(b); and

(c) All exhibits to the Plan and Disclosure Statement are in form and substance satisfactory to Debtor and as applicable, the Bankruptcy Court.

9.1.2. **Conditions to Effective Date**

The following conditions precedent to the occurrence of the Effective Date must be satisfied or waived by the Debtor on or prior to the Effective Date:

(a) the Plan and Disclosure Statement, including any amendments, modifications, or supplements thereto, shall be in form and substance acceptable to Debtor;

(b) the Confirmation Order shall be a Final Order and approves and authorizes Debtor to take all actions necessary or appropriate to implement the Plan and Disclosure Statement, including completion of the transactions contemplated by the Plan and Disclosure Statement and the implementation of and consummation of contracts, instruments, releases, and other agreements or documents created in connection with the Plan and Disclosure Statement; and

(c) each of the exhibits to the Plan and Disclosure Statement and any other necessary documents shall be fully executed and delivered to the Debtor, shall be in form and substance acceptable to Debtor, and shall be fully enforceable in accordance with their terms;

9.1.3. Notice of Occurrence of Effective Date

The Debtor shall file a notice of the occurrence of the Effective Date within five (5) days thereafter.

9.1.4. Waiver of Conditions

Each of the conditions set forth in this Article may be waived in whole or in part by the Debtor without any notice to parties-in-interest or the Bankruptcy Court and without a hearing

9.1.5. Consequences of Non-Occurrence of Effective Date

If the Confirmation Order is vacated: (1) the Plan and Disclosure Statement shall be null and void in all respects; (2) any settlement of Claims or Interests provided for hereby shall be null and void without further order of the Bankruptcy Court; and (3) to the extent permitted under the Bankruptcy Code, the time within which the Debtor may assume and assign or reject all Executory Contracts and Unexpired Leases shall be extended for a period of one hundred twenty (120) days after the date the Confirmation Order is vacated.

9.1.6. Substantial Consummation

Substantial Consummation of the Plan and Disclosure Statement shall be deemed to occur on the Effective Date.

ARTICLE X: **LIMITATION OF LIABILITY**

10.1. POST-PETITION DISCLOSURES AND SOLICITATION

To the extent provided under Sections 1123(b)(3)(A) and 1125(e) of the Bankruptcy Code, and applicable law, the Debtor and its employees, agents, representatives, Professionals (acting in such capacity), and their respective successors and assigns, will neither have nor incur any liability whatsoever to any Person or other Entity for any act taken or omitted to be taken in good faith in connection with or related to the formulation, preparation, dissemination, implementation, Confirmation, or Consummation of the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection with the Plan or the Bankruptcy Case. The rights granted under this Article are cumulative with (and not restrictive of) any and all rights, remedies, and benefits that the Debtor and its agents have or obtain pursuant to any provision of the Bankruptcy Code. Consistent with 11 U.S.C. § 1144, the Bankruptcy Court shall retain sole and exclusive jurisdiction for a period of 180 days following the entry of the Confirmation Order to consider modification of this exculpation provision in the event that any Holder of an Allowed Claim asserts that the Confirmation Order was procured by fraud.

10.2. NO LIABILITY FOR TAX CLAIMS

Unless a taxing Governmental Authority has asserted a Claim against the Debtor by properly filing a proof of claim before the Bar Date established therefore, no Claim of such Governmental Authority will be Allowed against the Debtor for taxes, penalties, interest, additions to tax, or other charges arising out of the failure, if any, of the Debtor or any other Person or Entity to have paid tax or to have filed any tax return (including any income tax return or franchise tax return) in or for any prior year or arising out of an audit of any return for a period before the Petition Date.

ARTICLE XI: RETENTION OF JURISDICTION

11.1. GENERAL RETENTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, until the Bankruptcy Case is closed, the Bankruptcy Court will retain the fullest and most extensive jurisdiction of the Bankruptcy Case that is permitted by applicable law, within the discretion of the Bankruptcy Court, including jurisdiction necessary to ensure that the purposes and intent of the Plan are carried out.

11.2. SPECIFIC PURPOSES

In addition to the general retention of jurisdiction set forth in this Article, after Confirmation of the Plan and until the Bankruptcy Case is closed, the Bankruptcy Court will retain jurisdiction of the Bankruptcy Case for the following specific purposes:

- To determine any and all cases, controversies, suits, Causes of Action or disputes arising under or relating to the Plan or the Confirmation Order (including whether conditions to the Consummation and/or Effective Date of the Plan have been satisfied) and to enforce the obligations under the Plan;

- To determine any and all applications for allowance of Professional Fees arising out of or relating to this Bankruptcy Case;
- To determine any and all motions, applications, adversary proceedings, contested or litigated matters, Causes of Action, and any other matters involving the Debtor, commenced in connection with, or arising during, the Bankruptcy Case and pending on the Effective Date, including approval of proposed settlements thereof;
- To enforce, interpret, and administer the terms and provisions of this Plan;
- To modify any provisions of this Plan to the fullest extent permitted by the Bankruptcy Code and the Bankruptcy Rules;
- To consider and act on all objections to Claims, counterclaims and the compromise and settlement of any Claim against or Equity Interest in the Debtor or the Estate;
- To correct any defect, cure any omission, reconcile any inconsistency, or make any other necessary change or modification in or to the Disclosure Statement, the Plan, the Confirmation Order, or any exhibits or schedules to the foregoing, as may be necessary or appropriate to carry out the purposes and intent of this Plan, including the adjustment of the date(s) of performance under this Plan in the event the Effective Date does not occur as provided herein so that the intended effect of this Plan may be substantially realized thereby;
- To enforce all orders, judgments, injunctions, and rulings entered in connection with the Bankruptcy Case;
- To enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with this Plan, the Disclosure Statement, or the Confirmation Order;
- To determine all questions and disputes regarding title to the Assets of the Debtor or the Estate or disputes arising pre-petition between the Debtor and all parties over which this Court has jurisdiction;
- To determine any motions or contested matters involving taxes, tax refunds, Tax Attributes, tax benefits, development rights, impact fees, and similar or related matters with respect to the Debtor arising on or prior to the Effective Date or arising on account of transactions contemplated by this Plan;
- To resolve any determinations which may be requested by Debtor of any unpaid or potential tax liability or any matters relating thereto under Sections 505 and 1146(d)

of the Bankruptcy Code, including tax liability or such related matters for any taxable year or portion thereof ending on or before the Effective Date;

- To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any Person or other Entity with Consummation, implementation, or enforcement of this Plan or the Confirmation Order;
- To enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
- To determine any other matters that may arise in connection with or relating to this Plan, the Disclosure Statement, or the Confirmation Order;
- To determine such other matters and for such other purposes as may be provided for in the Confirmation Order or as may from time to time be authorized under the provisions of the Bankruptcy Code or any other applicable law;
- To enter an order concluding and terminating the Bankruptcy Case; and
- To enter an order reopening the Bankruptcy Case after the case has been closed.

11.3. VENUE

In all instances where the Bankruptcy Court retains jurisdiction, including, but not limited to, those specified in this Plan, venue shall be appropriate in and before the Bankruptcy Court.

11.4. FAILURE TO EXERCISE JURISDICTION

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Case, the provisions of this Article shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE XII: MODIFICATION AND CONFIRMATION OVER OBJECTION

12.1. MODIFICATION OF PLAN

Debtor may modify this Plan at any time prior to the entry of the Confirmation Order provided that this Plan, as modified, and the Disclosure Statement meet applicable requirements of the Bankruptcy Code and Bankruptcy Rules. At any time prior to solicitation of this Plan, Debtor reserves the right to make non-substantive modifications to this Plan and Disclosure Statement.

After the Confirmation Date and before the Effective Date of this Plan, Debtor may modify this Plan in a way that materially or adversely affects the interests, rights, treatment, or Distributions of a Class of Claims or Equity Interests, provided: (1) the Plan, as modified, meets applicable Bankruptcy Code requirements; (2) Debtor obtains Bankruptcy Court approval for such modification, after notice and a hearing; (3) such modification is accepted by at least two-thirds (2/3) in amount, and more than one-half (1/2) in number, of Allowed Claims or Allowed Equity Interests voting in each Class adversely affected by such modification; and (4) the Debtor complies with Section 1125 of the Bankruptcy Code with respect to this Plan, as modified.

12.2. CRAMDOWN

In the event any Class of Claims or Equity Interests votes against the Plan, and the Plan is not revoked or withdrawn, Debtor hereby requests, and will be Allowed, to modify the terms of this Plan to effect a “cramdown” on the dissenting Class or Classes by (1) restructuring the treatment of any Class on terms consistent with Section 1129(b)(2)(B) of the Bankruptcy Code, or (2) deleting Distributions to all Classes at or below the level of the objecting Class, or reallocating such Distributions, until such Impaired senior Classes are paid in accordance with the absolute priority rule of Section 1129(b) of the Bankruptcy Code. Debtor may make such modifications or amendments to the Plan and such modifications or amendments will be filed with the Bankruptcy Court and served on all parties in interest entitled to receive notice of the Confirmation Hearing. No such modifications will require any resolicitation of acceptances as to the Plan by any Class of Claims or Equity Interests unless the Bankruptcy Court requires otherwise.

Notwithstanding any provision of the Plan to the contrary, Debtor reserves any and all rights it may have to challenge the validity, perfection, priority, scope, and extent of any Liens in respect to any Secured Claims and the amount of any Secured Claims, the Holders of which have not accepted the Plan.

ARTICLE XIII: MISCELLANEOUS PROVISIONS

13.1. DISCHARGE

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise provided herein or in the Confirmation Order, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release, effective as of the Effective Date, of all Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on such Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtor or any of its assets or properties and, regardless of whether any property shall have been abandoned by order of the Bankruptcy Court, retained, or distributed pursuant to the Plan on account of such Claims and Interests, including demands, liabilities and Causes of Action that arose before the Effective Date, and all debts of the kind specified in section 502 of

the Bankruptcy Code, whether or not (1) a Proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code, (2) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code, (3) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (4) the Holder of a Claim based upon such debt accepted the Plan. The Plan shall bind all Holders of Claims and Interests, notwithstanding whether any such Holders failed to vote to accept or reject the Plan or vote to reject the Plan.

As of the Effective Date, except as provided in the Plan or the Confirmation Order, Persons shall be precluded from asserting against the Debtor or any of Debtor's assets or properties, any other or further claims, debts, rights, Causes of Action, claims for relief, liabilities, or equity interests relating to Debtor based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination, as of the Effective Date, of discharge of all such Claims and other debts and liabilities against the Debtor pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at any time, to the extent that such judgment relates to a discharged Claim.

13.2. SECTION 1146 EXEMPTION

Pursuant to Section 1146(a) of the Bankruptcy Code, the making or delivery of any instrument of transfer pursuant to, in implementation of, or as contemplated by, this Plan, or the re-vesting, transfer, or sale of any real or personal property of, by, or in the Debtor pursuant to, in implementation of, or as contemplated by, this Plan, will not be taxed under any state or local law imposing a stamp tax, transfer tax, or similar tax or fee.

13.3. NO ADMISSIONS

This Plan provides for the resolution, settlement, and compromise of Claims against and Equity Interests in the Debtor. Nothing herein will be construed to be an admission of any fact or otherwise to be binding upon the Debtor or any other Person in any manner prior to the Effective Date.

13.4. EXTENSION OF AUTOMATIC STAY

Unless otherwise provided herein, all injunctions or stays applicable to Assets of Debtor's Estate, whether pursuant to Section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect with respect to the Distribution Account and all other assets of Debtor's Estate.

13.5. REVOCATION OR WITHDRAWAL OF PLAN

Debtor reserves the right to revoke or withdraw this Plan, or any portion thereof, prior to the Confirmation Date. If Debtor revokes or withdraws this Plan, then this Plan will be deemed null and void and nothing contained in this Plan will be deemed to (1) constitute a waiver or release of any Claims by or against, or Equity Interests in, the Debtor's Estate in the Bankruptcy

Case or any other Person or other Entity, or (2) prejudice in any manner the rights of the Debtor or any other Person or other Entity in any further proceedings involving the Debtor and/or the Bankruptcy Case.

13.6. HEADINGS

The headings and table of contents used in this Plan are for convenience and reference only and will not constitute a part of this Plan for any other purpose or in any manner affect the construction of the provisions of this Plan.

13.7. NOTICES

All notices, requests, and other documents in connection with this Plan or required by this Plan to be served will be in writing and will be sent (1) first class United States mail, postage prepaid, or (2) by overnight delivery by a recognized courier service, to Debtor and respective counsel at the following addresses:

To Debtor:

Shiraz Holdings, LLC
c/o Jordan Satary
920 Iris Drive
Delray Beach, FL 33483

With a copy to:

Thomas M. Messana
Messana, P.A.
401 E. Last Olas Boulevard
Suite 1400
Fort Lauderdale, FL 33301

13.8. GOVERNING LAW

Except to the extent that federal law (including the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure) is applicable, or where this Plan or the provisions of any contract, instrument, release, indenture, or other agreement or document entered into in connection with this Plan provide otherwise, the rights and obligations arising under this Plan will be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without giving effect to the principles of conflicts of law thereof.

13.9. LIMITATION ON ALLOWANCE

No attorney's fees, costs, punitive damages, penalties, exemplary damages, treble damages, late charges, or interest will be paid with respect to any Claim or Equity Interest except as specified herein or as Allowed by a Final Order of the Bankruptcy Court.

13.10. ESTIMATED CLAIMS

To the extent that any Claim is estimated for any purpose other than for voting, then in no event will such Claim be Allowed in an amount greater than the estimated amount.

13.11. PARTIES AND BINDING EFFECT

This Plan and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto, including but not limited to all Holders of Claims, Holders of Interests, Holders of Administrative Claims, employees, third party beneficiaries, shareholders, Governmental Authorities, parties to executory contracts and unexpired leases, in whatever capacity, and its officers, agents, successors, assigns, servants, employees, attorneys and any party in active concert or participation with the foregoing. Receipt of the Plan and Disclosure Statement shall be deemed sufficient notice of the content and effect thereon to bind all of the foregoing in whatever capacity, and its officers, agents, successors, assigns, servants, employees, attorneys and any party in active concert or participation with the foregoing. Any of the foregoing Persons failing to timely object to Confirmation of the Plan, or who does so object but has such objection overruled by the Bankruptcy Court, shall be deemed to consent to, and shall be bound by, the terms of this Plan as confirmed by the Bankruptcy Court.

13.12. CONSENT TO JURISDICTION

Upon any default under this Plan, Debtor consents to jurisdiction of the Bankruptcy Court, or any successor thereto, and agrees that it will be the preferred forum for all proceedings relating to any such default.

By accepting any Distribution or payment under or in connection with this Plan, by filing any proof of claim, by filing any cure claim or objection to the assumption or assignment of any assumed contract, by voting on this Plan, by filing an objection to Confirmation, by filing any motion or application in the Bankruptcy Court, or by entering an appearance in the Bankruptcy Case, all Creditors and other parties in interest have consented, and will be deemed to have expressly consented to, the jurisdiction of the Bankruptcy Court for all purposes with respect to any and all matters relating to, arising under, or in connection with, this Plan or the Bankruptcy Case, including the matters and purposes set forth in this Plan. The Bankruptcy Court will maintain jurisdiction to the fullest extent allowed under applicable law over all matters set forth in this Plan.

13.13. SUCCESSORS AND ASSIGNS

The rights, benefits, duties, and obligations of any Entity named or referred to in this Plan will be binding upon, and will inure to the benefit of, any heir, executor, administrator, successor, or assign of such Entity.

13.14. ENTIRE AGREEMENT

This Plan sets forth the entire agreement and undertakings relating to the subject matter thereof and supersedes all prior discussions and documents. No Person or other Entity will be bound by any terms, conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof, other than as expressly provided for herein or as may hereafter be agreed to by the parties in writing.

13.15. SEVERABILITY OF PLAN PROVISIONS

If, prior to Confirmation, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtor, will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, Impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

13.16. COMPUTATION OF TIME

In computing any period of time prescribed or allowed by this Plan, the provisions of F.R.B.P. 9006(a) will apply.

Shiraz Holdings, LLC

By: /s/ Jordan Satary
Jordan Satary
Member