UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	
	)	**Chapter 11**
ROCKDALE MANOR, LLC,	)	
	)	**16-59888-CRM**
Debtor.	)	
	)	

FIRST AMENDED DISCLOSURE STATEMENT

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FIRST AMENDED DISCLOSURE STATEMENT TO DEBTOR'S PLAN OF REORGANIZATION

Rockdale Manor, LLC (the "Debtor"), debtor and debtor-in-possession in the above-captioned Chapter 11 case, seeks confirmation of the Plan of Reorganization filed by the Debtor, (the "Plan"), in the Chapter 11 bankruptcy case of the Debtor now pending before the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the "Court"). This Disclosure Statement (the "Disclosure Statement") is designed to provide creditors of the Debtor with adequate information to enable them to decide whether to vote for or against the Plan. Capitalized terms that are used, but not defined, in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

I. INTRODUCTION

On June 6, 2016, (the "Petition Date"), the Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor has retained possession of its assets, and is authorized to continue the orderly liquidation of its business as debtor-in-possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code. The Debtor has prepared this Disclosure Statement, which details the Debtor's history, the proposed Plan, and the treatment of the various holders of Claims against the Debtor's Estate or Interests in the Debtor. **THE DEBTOR URGES ALL CREDITORS TO VOTE TO "ACCEPT" THE PLAN.**

DISCLAIMER

ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETIES BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

THE SUMMARY OF THE PLAN, AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT, ARE QUALIFIED IN THEIR ENTIRETIES BY REFERENCE TO THE PLAN FILED BY THE DEBTOR CONTEMPORANEOUSLY HEREWITH, THIS DISCLOSURE STATEMENT, AND ALL EXHIBITS ANNEXED HERETO. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF. NO ASSURANCES EXIST THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME HEREAFTER.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO REPRESENTATIONS CONCERNING THE DEBTOR ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY OTHER REPRESENTATIONS OR INDUCEMENTS MADE TO SOLICIT YOUR ACCEPTANCE THAT ARE NOT CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION TO ACCEPT OR REJECT THE PLAN. FURTHERMORE, SUCH OTHER REPRESENTATIONS OR INDUCEMENTS SHOULD BE IMMEDIATELY REPORTED TO COUNSEL FOR THE DEBTOR. COUNSEL FOR THE DEBTOR SHALL, IN TURN, COMMUNICATE SUCH INFORMATION TO THE BANKRUPTCY COURT FOR APPROPRIATE ACTION.

WITH RESPECT TO ADVERSARY PROCEEDINGS, CONTESTED MATTERS, OR OTHER ACTIONS OR THREATENED ACTIONS, NEITHER THIS DISCLOSURE STATEMENT NOR ANY PARTY'S FAILURE TO OBJECT THERETO SHALL CONSTITUTE, OR BE CONSTRUED AS, AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER. INSTEAD, THIS DISCLOSURE STATEMENT SHALL CONSTITUTE STATEMENTS MADE IN CONNECTION WITH SETTLEMENT NEGOTIATIONS.

THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY. FURTHERMORE, THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE LEGAL EFFECTS, INCLUDING, BUT NOT LIMITED TO, THE TAX EFFECTS, OF THE DEBTOR'S PROPOSED PLAN. YOU SHOULD CONSULT YOUR LEGAL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS REGARDING THE TAX OR OTHER LEGAL CONSEQUENCES OF THE PLAN.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED. THE INFORMATION SET FORTH HEREIN WAS DERIVED FROM THE DEBTOR'S BOOKS AND RECORDS. THE DEBTOR'S BOOKS AND RECORDS ARE DEPENDENT UPON INTERNAL ACCOUNTING METHODS. AS A RESULT, VALUATIONS OF ASSETS AND CLAIM LIABILITIES ARE ESTIMATED. ALTHOUGH SUBSTANTIAL EFFORT HAS BEEN MADE TO BE COMPLETE AND ACCURATE, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THE FULL AND COMPLETE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

II. HISTORY OF THE DEBTOR AND EVENTS LEADING TO CHAPTER 11

A. History of the Debtor and Events Leading to Chapter 11

The Debtor is a Georgia Limited Liability Company that was formed on August 26th, 2014, Currently, the sole Member of Debtor is Kenneth Huffman, who holds a One Hundred (100.00%) percent interest in Debtor. The Manager of the Debtor is Kenneth Huffman. The above captioned case is categorized as a Single Asset Real Estate Case otherwise known as a ("SARE") case.

The Debtor's primary asset is its ownership interest in a shopping center located at 4545 South Main Street, Acworth, GA 30101, (hereinafter "the Property") that was originally acquired by the Debtor in October of 2014. WARBLER Properties LLC ("WARBLER") a "hard money lender", that takes on financing with higher risk, is the holder of the mortgage on the Property. The sole income of the Debtor, at present, is the rent monies paid by the Tenants leasing space from Debtor on the Property.

Debtor granted WARBLER Properties LLC (hereinafter "WARBLER") a first position security deed on the Property for a loan in the approximate original principal amount of $1,200,000.00 which security deed was recorded in Cobb County, Georgia shortly thereafter (hereinafter "Loan").

Appraisals conducted at the time the Loan was extended indicated that the value of the Property far exceeded the Loan amount.

Prior to the maturity date of the Loan, which was suppose to be paid off within two years from the date the Loan was made (pay-off October of 2016), Debtor was hoping to be able to refinance the Loan to obtain a balloon pay-off or in the alternative to sell the Property. Debtor, through Kenneth Huffman, has been attempting to accomplish either option since the Loan was obtained in October of 2014. Despite some Letters of Intent and/or Letters of Interest submitted on the Property by prospective purchasers and some interest shown by lenders to refinance, nothing had materialized prior to the filing of the above captioned Chapter 11 case.

Debtor was close to completing a refinance but the said refinancing just could not be accomplished in time before the foreclosure sale was to take place on June 7, 2016. The best Debtor can do presently is to ether obtain re-financing to pay-off WARBLER and Debtor's other creditors or to sell the Property to a prospective buyer where both WARBLER and all creditors may be paid out of the proceeds of the sale. WARBLER provided Debtor the opportunity to either sell or refinance the Property by December 5th, 2016 as a compromise and settlement to its Motion to Lift Stay, ("MLS") filed on July 21, 2016.

The hearing on WARBLER'S Motion to Lift Stay was originally set for hearing by the Court on September 14, 2016. A proposed Consent Order negotiated between WARBLER and Debtor on WARBLER'S Motion of Lift Stay was uploaded for Court approval on September 13th, 2016.

On September 15th, 2016, Debtor filed and served upon all creditors a Notice of Hearing and a Motion for Approval and Compromise of Settlement to provide all creditors adequate information on the reasons for the compromise and an opportunity to be heard and/or object to the terms of the Consent Order entered into on September 13, 2016 between Debtor and WARBLER pursuant to WARBLER'S Motion to Lift Stay. The hearing for the Motion for Approval and Compromise of Settlement is set for October 6th, 2016 at 11:00am.

If Debtor is unsuccessful in accomplishing either a sale or a refinance of the Property prior to December 5th, 2016, the proposed Consent Order on the MLS provides that WARBLER shall be entitled to conduct a foreclosure sale of the Property on December 6, 2016 or thereafter, where any proceeds obtained from the foreclosure sale will be distributed as provided under the applicable provisions of Georgia and Federal Law.

One issue that arose both before the Chapter 11 case was filed but after the Loan was extended, was that the City of Acworth tagged the Property as "Blighted" due to the alleged rundown condition of the Property at the time Debtor purchased the same. The "Blight Issue" was brought by the City of Acworth, and there was evidence to support the proposition that it was politically motivated in that entities and/or individuals friendly to government officials of the City of Acworth ("Preferred Purchasers") wanted to purchase the Property from Debtor for a very low price in the range of $1,800,000. When Debtor refused to sell to the "Preferred Purchasers", the City of Acworth slapped a "Blight Status" on the Property. After some legal assistance and fees that Debtor was forced to incur, the Blight Status was removed shortly after it was placed on the Property the first time. Then in March of 2016 the City of Acworth slapped another Blight Status on the Property where Debtor did not have the resources to hire legal representation for a second time, to deal with the said Blight Issues.

From October 31, 2014 the date Debtor purchased the Property, to the present, there has been no change in conditions on the Property. It was simply a matter of the City of Acworth attempting to coerce Debtor to sell the Property to one of its Preferred Purchasers, so that the Property could be developed into a project, from which the City of Acworth could stand to gain financially.

Debtor had been making installment payments to WARBLER but stopped making the said installment payments after WARBLER defaulted out Debtor for a late installment payment in April of 2016. Debtor was prepared to make the May 2016 installment payment, but when Warbler expressed its intention to foreclose, Debtor did not fund the May 2016 payment when told by Warbler that the check written for the May 2016 payment would be returned to Debtor. Warbler instead put the check through for payment, causing the check to be returned for insufficient funds. Many of the Tenants at the Property have either vacated their premises or have become delinquent in rent payments. The Chapter 11 case was filed to not only protect Debtor but also to protect all unsecured creditors in that there is plenty of equity in the Property. Debtor was concerned that if WARBLER was able to foreclose on the Property prematurely, that the unsecured creditors would be left with nothing. Accordingly, the Chapter 11 case was filed in good faith.

Debtor has a Letter of Interest on the Property where the interested party, Denver Investments, LLC, is looking to pay Two Million Five Hundred Thousand Dollars. In addition, Ultimate Security Inc., has submitted a Letter of Interest to purchase the Property for Two Million Three Hundred Seventy-Five Thousand Dollars.

III. OPERATIONS DURING CHAPTER 11

Since the Petition Date, the Debtor has conducted its business as a debtor-in-possession under §§ 1107 and 1108 of the Bankruptcy Code. The following is a description of significant events that have taken place during the case.

A. Retention of Professionals

By order dated July 12, 2016, [Doc. No. 21] the Court approved the retention of Evan M. Altman ("Mr. Altman") as Chapter 11 counsel for the Debtor. Mr. Altman has extensive experience representing debtors in Chapter 11 bankruptcy cases, including those involving real estate as a debtor's primary asset.

B. Schedules and Statements

On June 29, 2016, [Doc No. 17] the Debtor filed with the Court the schedules and statements required by Bankruptcy Rule 1007 (the "Schedules") These Schedules, as may be amended from time to time pursuant to subsequent filings with the Court, to provide a detailed analysis of the Debtor's financial condition on or about the Petition Date.

C. Determination that above Captioned Case is a Single Asset Real Estate Case as defined pursuant to 11 U.S.C. § 101 (51B)

Pursuant to its Bankruptcy Petition, Debtor was classified as a Single Asset Real Estate Case ("SARE") and Debtor concedes that it qualifies as a SARE.

D. Modification of the Automatic Stay

On July 21st 2016, WARBLER filed a *Motion to Lift Stay* [Doc No., 24]in an attempt to take the Property out from under bankruptcy protection and to foreclose on the Property. WARBLER provided Debtor the opportunity to either sell or refinance the Property by December 5th, 2016 as a compromise and settlement to its Motion to Lift Stay, ("MLS").

The hearing on WARBLER'S Motion to Lift Stay was originally set for hearing by the Court on September 14th, 2016. A proposed Consent Order negotiated between WARBLER and Debtor on

WARBLER'S Motion of Lift Stay was uploaded for Court approval on September 13th, 2016.

On September 15th, 2016, Debtor filed and served upon all creditors a Notice of Hearing and a Motion for Approval and Compromise of Settlement to provide all creditors an opportunity to be heard and/or object to the terms of the Consent Order entered into on September 13th, 2016 between Debtor and WARBLER pursuant to WARBLER'S Motion to Lift Stay. The hearing on the Motion for Approval and Compromise of Settlement is set for October 6th, 2016 at 11:00am.

If Debtor is unsuccessful in accomplishing either a sale or a refinance of the Property prior to December 5th, 2016, the proposed Consent Order on the MLS provides that WARBLER shall be entitled to conduct a foreclosure sale of the Property on December 6, 2016 or thereafter, where any proceeds obtained from the foreclosure sale will be distributed as provided under the applicable provisions of Georgia and Federal Law.

E. Motion to Prohibit Use of Cash Collateral

On July 21st, 2016 WARBLER, through counsel, filed a *Motion to Prohibit Use of Cash Collateral and other relief* [Doc No., 23]. By consent of the Debtor, the United States Trustee and WARBLER, where no other party in interest objected, a Consent Order was entered by the Court on August 4th, 2016 [Doc. No. 32] permitting Debtor to use Cash Collateral on an Interim Basis. and making adequate payments to WARBLER pursuant to a budget submitted by Debtor.

ASSETS AND LIABILITIES

A. Assets

The Property – As noted above, the Debtor's primary asset is the Property, a shopping center located at 4545 South Main Street, Acworth, GA 30101, as defined above. Based on a market analysis, the Debtor believes that the Property is worth far more than the secured debt owed to WARBLER. That is why Debtor wants to be able to retain the Property so that it can be sold or

refinanced and all creditors can be paid. Debtor has a Letter of Interest on the Property where the interested party, Denver Investments, LLC, is looking to pay Two Million Five Hundred Thousand Dollars. In addition, Ultimate Security Inc., has submitted a Letter of Interest to purchase the Property for Two Million Three Hundred Seventy-Five Thousand Dollars.

Debtor anticipates obtaining an appraisal of the Property to be performed by September 12th, 2016 that will support Debtor's contention that there is plenty of equity in the Property to pay off all creditors in full.

B. **Liabilities**

1. **Class 1 Administrative Claims**. An administrative expense bar date has not yet been requested. The Debtor does not anticipate that there will be substantial unpaid Administrative Claims as of the "Effective Date" (as defined in the Plan), other than unpaid professional fees and real property taxes. The Debtor estimates that total accrued but unpaid professional fees as of the Effective Date will not exceed $35,000.

2. **Class 2 Tax Claims**. Debtor anticipates a claim for property taxes owed to the Cobb County Tax Commission for 2016 in the approximate amount of $12,000 and a claim for property taxes for tax year 2016, by the City of Acworth Tax Commissioner in the approximate amount of $20,000. The City of Acworth has placed a "Blight Status" on the Property. Once the "Blight Status" is removed, which Debtor anticipates will happen prior to the Effective Date, the actual tax balance owed to the City of Acworth should be closer to $4,000.00. To Debtor's knowledge, there are no other outstanding tax claims, tax liens or any taxes which are due and unpaid on, against or with respect to the Property or against the Debtor at the time of the filing of this Disclosure Statement. Prior tax years' tax obligations that were

unpaid by Debtor, have been paid by WARBLER and Debtor shall reimburse WARBLER for the said prior years' taxes upon the sale or refinancing of the Property.

3. **Class 3 Secured Claims**. As detailed above, the Debtor's obligation to WARBLER pursuant to the Loan is secured by a first priority lien on the Collateral. WARBLER asserts that the principal balance due on their debt is $1,334,749.52 including principal of $1,193,040.52; interest of $75,994.95; late fees of $324.00; payment of property taxes on behalf of Debtor totaling $16,090.61; with interest continuing to accrue at the per diem rate of $490.29 after September 14, 2016;and actual collection costs and attorneys' fees of $49,344.44, If Debtor can either sell the Property or refinance the Property by December 5th, 2016, where enough proceeds are realized to pay WARBLER in full, Debtor shall be able to retire the debt to WARBLER.

4. **Class 4 Unsecured Claims**. The Debtor's Schedules reflect total Unsecured Claims in the amount of ***$163,677.00*** that are liquidated and undisputed.

5. **Class 5 Equity Interests**. The remainder of any funds, if any, after the payment of all prior Classes 1 through 4 shall be payable to the Debtor.

V. PLAN SUMMARY

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

A. General Description

The Plan provides that all assets of the Debtor will automatically vest in the Reorganized Debtor on the Effective Date.

On the Effective Date, the Debtor intends to honor an agreement with WARBLER to pay WARBLER off in full so that Debtor can obtain a release of the security interest against the Property.

The Reorganized Debtor will be responsible for making Distributions under and in accordance with the provisions of the Plan. The Reorganized Debtor will have the authority to resolve any Disputed Claims, and continue and pursue any litigation, Avoidance Actions, claims, and causes of action of the Debtor following Confirmation of the Plan.

B. Classification of Claims and Interests

All Claims and Interests in the Bankruptcy Case are classified in the Classes below. Notwithstanding any other provision of the Plan, a Claim in a particular Class is entitled to receive Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class, and only to the extent such Claim has not been paid, released, or otherwise satisfied prior to the Effective Date.

Claims and Interests are classified as follows:

Class 1 - Administrative Claims

Class 2 - Tax Claims

Class 3 - Secured Claims

Class 4 - General Unsecured Claims

Class 5 - Claims of Equity Holders

C. Description, Treatment and Impairment of Claims and Interests

The Classes of Claims and Interests, as well as their treatment and an analysis of whether they are impaired or unimpaired, are described as follows:

Class 1 - Administrative Claims

(1) Description and Treatment: Class 1 consists of all Administrative Claims. Except as may otherwise be agreed between the Reorganized Debtor and the holder of an Administrative Claim, the Reorganized Debtor will pay all Administrative Claims that are Allowed as of or after the Effective Date in full either on the Effective Date, as soon thereafter as is reasonably practicable, or as otherwise agreed to by the holder of the Allowed Administrative Claim and the Reorganized Debtor.

(2) Impairment: Class 1 is not impaired by the Plan.

Class 2 - Tax Claims

(1) Description and Treatment: Class 2 consists of all Tax Claims, including any Tax Claims held by Cobb County, Georgia and the City of Acworth. Debtor anticipates a claim for property taxes owed to the Cobb County Tax Commission for 2016 in the approximate amount of $12,000 and a claim for property taxes by the City of Acworth Tax Commissioner, for tax year 2016, in the approximate amount of $20,000. The City of Acworth has placed a "Blight Status" on the Property. Once the "Blight Status" is removed, which Debtor anticipates will happen prior to the Effective Date, the actual tax balance owed to the City of Acworth should be closer to $4,000.00. ("Allowed Tax Claims") To the extent that any Allowed Tax Claims have not been satisfied prior to the Effective Date, the Reorganized Debtor will pay all remaining Allowed Tax Claims in full on the Effective Date or as soon thereafter as is reasonably practicable if sufficient funds are available. All Allowed Tax Claims shall be paid in full no later than the date all Allowed Secured and Unsecured Claims are paid in full. To Debtor's knowledge there are no other outstanding tax claims, tax liens or any taxes which are due and unpaid on, against or with respect to the Property or against the Debtor at the time of the filing of this Disclosure Statement. Prior tax

years that were unpaid by Debtor, have been paid by WARBLER and Debtor shall reimburse WARBLER for the said prior year's taxes upon sale of the Property or refinancing of the Property.

(2) Impairment: Class 2 is impaired by the Plan.

Class 3 - Secured Claims

Description and Treatment: Class 3 consists of the Secured Claim of WARBLER in the amount of $1,334,749.52 including principal of $1,193,040.52; interest of $75,994.95; late fees of $324.00; payment of property taxes on behalf of Debtor totaling $16,090.61; with interest continuing to accrue at the per diem rate of $490.29 after September 14, 2016; and actual collection costs and attorneys' fees of $49,344.44, which the Debtor agrees shall be WARBLER's Allowed Claim ("WARBLER's Claim"). WARBLER's Claim is secured by a first priority lien on the Property.

If Debtor can either sell the Property or refinance the Property by December 5th, 2016, where enough proceeds are realized to pay WARBLER in full, Debtor shall be able to retire the debt to WARBLER. If Debtor fails to sell or refinance the Property by December 5th, 2016, then such failure shall be considered an Event of Default. Upon the failure by Debtor to timely cure its default, notwithstanding the automatic stay provisions of Section 362 of the Bankruptcy Code, WARBLER shall have the right to accelerate the Debtor's obligations to WARBLER, and to exercise all of Lender's rights and remedies under the Loan Documents, the Plan, the Confirmation Order, the Consent Order on the Motion to Lift Stay including, without limitation, the right to notice, advertise and to foreclose on the Collateral (including, without limitation, the Property) and to confirm the foreclosure sale.

For purposes of illustration, an Event of Default shall include, but shall not be limited to the following:

(1) failing to refinance or sell the Property by December 5th, 2016.

(2) failing to timely pay for and to maintain general liability insurance on the Property;

(3) failing to timely pay for and to maintain casualty insurance on the Property.

WARBLER shall retain its lien and/or security interest in the Property, in order to secure the payments, set forth in the Plan. The Post-Confirmation WARBLER Lien shall continue in full force and effect and shall remain in existence until the earlier of the following dates: (i) the date that Reorganized Debtor pays WARBLER all payments due hereunder and the Reorganized Debtor has not otherwise committed, and failed to cure an Event of Default; (ii) the date that the Reinstated Obligation is paid in full; or (iii) the date that WARBLER voluntarily releases its lien and/or security interests in writing. Except as expressly modified by the terms of this Plan, the terms and conditions of the Loan Documents (including, without limitation, note(s) and Deeds to Secure Debt shall remain in full force and effect.

(2) Impairment: Class 3 is impaired by the Plan in that WARBLER's Claim shall only be paid upon the refinance or sale of the Property.

Class 4 - General Unsecured Claims

(1) Description and Treatment: Class 4 consists of all Unsecured Claims that are not included in any other Class. Class 4 shall include the following debts

ANDY ANDERSON	$3,000.00
CAROL V. CLARK, ESQ.,	$7,667.00
HOLT, NEY, ZATCOFF & WASSERMAN, LLP	$50,000.00
JENNIFER MCCOLLUM	$7,210.00
RANDAL AKERS	$30,000.00
THE WEATHERBY GROUP	$800.00

TINA WILBUR $65,000.00

If Debtor successfully refinances or sells the Property prior to December 5th, 2016 and WARBLER is paid in full out of the proceeds, then after administrative and priority claims are paid, Class 4 creditors may be entitled to a pro-rated or full distribution based on funds remaining.

(2) Impairment: Class 4 is impaired by the Plan.

Class 5 –Claims of Insiders

(1) Description and Treatment: Class 5 consists of the equity in the Property owed to Debtor.

If Debtor successfully refinances or sells the Property prior to December 5th, 2016 and WARBLER is paid in full out of the proceeds The Equity Interest of Ken Huffman shall not be cancelled under the Plan. Following the Effective Date, Kenneth Huffman, shall continue to hold a One Hundred (100%) percent interest in Debtor. No distributions or dividends will be paid from the Reorganized Debtor with respect to such equity interests unless or until such time as the Allowed Claims in Classes 1 through 4 have been paid in full.

(2) Impairment: Class 5 is unimpaired by the Plan. Holders of Interests are not entitled to vote to accept or reject the Plan and Class 5 is deemed to have accepted the Plan.

Provisions Relating to Class 1 Claims

The Plan contains provisions that set forth the treatment of Claims of a kind specified in §§ 507(a)(2) through 507(a)(10) of the Bankruptcy Code. Such treatment is consistent with the requirements of § 1129(a)(9) of the Bankruptcy Code, and the holders of such Claims are not entitled to vote on this Plan. Notwithstanding any other provision of this Plan, pursuant to § 1123(a)(1) of the Bankruptcy Code, Claims under §§ 507(a)(2) through 507(a)(10) of the Bankruptcy Code are not

designated as classes of Claims for purposes of this Plan and all references in this Plan to Class 1 are for organizational purposes and convenience of reference only.

B. Means for Implementation of the Plan

1. **Vesting of the Debtor's Assets in the Reorganized Debtor.** All property of the Estate shall vest automatically in the Reorganized Debtor on the Effective Date (without the necessity of executing any instruments of assignment), for the express purpose of allowing the Reorganized Debtor to: (1) operate the business of the Debtor; (2) pursue litigation and Causes of Action of the Debtor; (3) complete or attempt to complete a sale of the Property and (4) make Distributions to holders of Claims pursuant to the terms and conditions of the Plan. As of the Effective Date, all property of the Estate shall be free and clear of all liens, Claims and Interests, except as specifically provided in the Plan or Confirmation Order.

2. **Operations of the Reorganized Debtor.** The Reorganized Debtor shall have the rights, powers and duties as set forth in the Plan and shall be responsible for administering the Plan under the terms and subject to the conditions set forth herein. After the Effective Date, the Reorganized Debtor, through its Manager, Kenneth Huffman, shall be authorized to take the necessary and appropriate actions to continue operations of the Reorganized Debtor pending the payment of all Distributions required under the Plan, including the right to retain or engage such employees, professional persons and agents as are appropriate or desirable to continue the Reorganized Debtor's operations or to sell all or a portion of the Property.

3. **Sale of the Property.** The Reorganized Debtor does intend to sell or refinance the Property as part of the Plan.

4. **Distributions**. The Reorganized Debtor will make all Distributions as required under the Plan as funds become reasonably available, The Reorganized Debtor will have responsibility for determining pro rata Distributions (as necessary) and sending out such Distributions to the appropriate holders of Allowed Claims. The Reorganized Debtor will continue to make Distributions from time to time to holders of Allowed Claims in accordance with the terms of the Plan.

5. **Disputed Claims.** Notwithstanding any other provisions of this Plan, no payments or other Distribution of any kind will be made on account of any Claim until such Claim becomes an Allowed Claim and then only to the extent that such Claim is an Allowed Claim. To the extent a Disputed Claim becomes an Allowed Claim after any partial Distribution has been made on other Allowed Claims in the same Class, a Distribution in an equal percentage shall be made in respect of such Allowed Claim within 30 days after such claim becomes an Allowed Claim. Notwithstanding the foregoing, any holder of both an Allowed Claim(s) and a Disputed Claim(s) shall receive the appropriate payment or Distribution on the Allowed Claim(s), although, except as otherwise agreed by the Reorganized Debtor in its sole discretion, no payment or distribution shall be made on the Disputed Claim(s) until such dispute is resolved by settlement or Final Order. Should any Disputed Claim not be asserted in a liquidated amount which can be used for purposes of making any interim Distribution, the Reorganized Debtor may hold a prudent amount for such Claim or may request the Court to estimate the amount of the Claim, either for purposes of allowance or for purposes of determining a maximum amount of such Claim so as to enable the Reorganized Debtor to proceed with the interim Distribution.

6. **Claims Administration**. The Court shall enter an Order establishing a Bar Date by which all proofs of claim are required to be filed. Either prior to or subsequent to the Effective Date, the Debtor or the Reorganized Debtor will complete the process of reviewing the filed proofs of claim and determining whether the proof of claim comports with the amount the Debtor acknowledges to be due and owing and is otherwise valid, permissible, and payable under the Bankruptcy Code and applicable state law. The Debtor or the Reorganized Debtor shall complete its review of the Claims and shall initiate, file and prosecute any and all actions as it deems necessary and appropriate to dispute, disallow, object to or otherwise quantify the Claims against the Estate no later than ninety (90) days after the Confirmation Date, unless ordered otherwise by the Court **EXCEPT AS OTHERWISE PROVIDED HEREIN AS TO WARBLER'S ALLOWED CLAIM AND WARBLER'S ALLOWED SECURED CLAIM, THE FAILURE TO OBJECT TO ANY CLAIM PRIOR TO THE COMMENCEMENT OF THE HEARING ON CONFIRMATION OF THE PLAN SHALL NOT BE DEEMED TO BE A WAIVER OF THE RIGHT TO OBJECT THEREAFTER TO SUCH CLAIM IN WHOLE OR IN PART FOR THE PURPOSE OF DISTRIBUTION.**

7. **Pursuit of Litigation Claims and Avoidance Actions.** As of the Effective Date, the Reorganized Debtor shall have full, exclusive and complete authority, on behalf of the Debtor and the Estate, to pursue and prosecute the Estate's causes of action and Avoidance Actions upon an assessment of the net benefit expected to be received by the Estate in connection therewith (taking into account the costs and expenses projected to be incurred in connection therewith, the likelihood of success on the merits, and the range of potential recoveries to be received by the Estate). **ALL CAUSES OF ACTION SHALL SURVIVE CONFIRMATION, AND THE ASSERTION OF**

SUCH CLAIMS SHALL NOT BE BARRED OR LIMITED BY ANY ESTOPPEL, WHETHER JUDICIAL, EQUITABLE OR OTHERWISE.

8. **Compromise of Litigation and Disputed Claims**. The Reorganized Debtor shall have the authority to compromise, settle and resolve any Disputed Claims or Causes of Action, including Avoidance Actions, upon such terms and conditions as the Reorganized Debtor deems appropriate and in the best interests of the Estate. The Reorganized Debtor shall provide at least 20 days' notice to all parties-in-interest in the Bankruptcy Case of any compromise of an amount in excess of $50,000, with such notice to provide a reasonable explanation of the proposed compromise, including any amount to be received or paid by the Reorganized Debtor.

The Reorganized Debtor shall not be obligated to obtain Court approval in connection with any such compromise unless a party-in-interest files an objection to such proposed compromise within the 20-day notice period.

VI. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption or Rejection of Contracts and Leases. To the best of Debtor's knowledge and belief, all tenants of Debtor on the Property are renting their respective rental space on a month to month basis. To the extent that, as of the Confirmation Date, the Debtor has any remaining executory contracts or unexpired leases that have not been previously assumed or rejected, then all such remaining executory contracts or unexpired leases shall be deemed rejected as of the Effective Date, provided, however, that no contracts entered into after the Petition Date and approved by the Court will be deemed rejected, unless specifically set forth in the Plan or in an order confirming the Plan.

B. Rejection Damages. If the Debtor rejects an executory contract or unexpired lease pursuant to the Plan and such rejection results in a Claim that has not theretofore been evidenced by a timely filed proof of claim or a proof of claim that is deemed to be timely filed under applicable law, then any person seeking to assert such a Claim shall file with the Court, and serve upon the Debtor, a proof of claim within thirty (30) days from the Effective Date. Any person seeking to assert such a Claim who fails to file a proof of claim within this thirty (30) day period shall be deemed to have waived said Claim, and it shall be forever barred.

VII. CONFIRMATION AND CONSUMMATION PROCEDURES

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

B. Solicitation of Acceptances This Disclosure Statement has been approved by the Court as containing "adequate information" to permit creditors and equity interest holders to make an informed decision whether to accept or reject the Plan. This Disclosure Statement is

provided to each holder of an Allowed Claim, and is intended to assist creditors in evaluating the Plan and in determining whether to accept or reject the Plan. Under the Bankruptcy Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to, or concurrently with, such solicitation.

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

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

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

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

G. Considerations Relevant to Acceptance of the Plan. The Debtor's recommendation that all creditors should vote to accept the Plan is premised upon the Debtor's view that the Plan is preferable to other available alternatives for liquidation of the Debtor's Estate. It appears unlikely to the Debtor that an alternate plan of liquidation can be proposed that would provide for payments in an amount equal or greater than the amounts proposed under the Plan. If the Plan is not accepted, it is likely that the interests of all creditors will be further diminished.

VIII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

All Allowed Claims are expected to be paid in full under the Plan. In contrast, if WARBLER were to foreclose on the Property, no funds would be available to pay any distributions to holders of Allowed Unsecured Claims. In addition, were the Case to convert to Chapter 7, it is likely that there would be no distribution available to holders of Allowed Unsecured Claims because a Chapter 7 Trustee probably would not have the expertise or experience to sell or refinance the Property to pay

off remaining balance owed to WARBLER, which would result in a foreclosure of the Collateral (including, without limitation, the Property) by Lender.

IX. FEDERAL INCOME TAX ASPECTS

No rulings have been requested from the IRS and no legal opinions have been requested from counsel with respect to any tax consequences of the Plan. No tax opinion is given by this Disclosure Statement.

NO RULINGS HAVE BEEN REQUESTED, AND NONE WILL BE SOUGHT, FROM THE INTERNAL REVENUE SERVICE IN RESPECT OF ANY ASPECT OF THE PLAN, AND NO OPINION OF COUNSEL WILL BE SOUGHT AS TO ANY ASPECT OF THE PLAN. THE FEDERAL INCOME TAX CONSEQUENCES OF BUSINESS LIQUIDATION THROUGH BANKRUPTCY TO THE DEBTOR AND ITS CREDITORS AND SHAREHOLDERS ARE EXTREMELY COMPLEX. ACCORDINGLY, HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE INDIVIDUAL TAX CONSEQUENCES OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING STATE AND LOCAL TAX CONSEQUENCES.

X. CONCLUSION

Based on the foregoing analysis of the Debtor, its remaining assets and the Plan, the Debtor believes that the best interests of all parties would be served through confirmation of the Plan. **ALL CREDITORS ARE URGED TO VOTE TO "ACCEPT" THE PLAN.**

This 19th day of September, 2016.

ROCKDALE MANOR, LLC

By: /s/ Kenneth Huffman
Kenneth Huffman, Managing Member

/s/ Evan M. Altman
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CERTIFICATE OF SERVICE

I, Evan M. Altman. certify that I am over 18 years of age and that on September 16, 2016, I served a copy of the foregoing First Amended Disclosure Statement via first class U.S. Mail with adequate postage prepaid, unless indicated otherwise on the following persons or entities at the addresses stated;

on the persons below via email at the addresses stated:

VIA email vivieon.e.kelley@usdoj.gov

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75 Spring Street
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McCALLA RAYMER PIERCE,
William O. Tate, Esq.,
Lisa A. Frank. Esq.,
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SEE EXHIBIT "A' ATTACHED

This 19th day of September, 2016.

/s/ Evan M. Altman
Evan M. Altman
Attorney for Movant/ Debtor
Georgia Bar No. 014066

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