

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

IN THE MATTER OF: ) Chapter 11  
 )  
TRINITY 83 DEVELOPMENT LLC, ) Case No. 16-24652  
 )  
Debtor. ) JUDGE Deborah Thorne

**DISCLOSURE STATEMENT**

On August 1, 2016 (the "Petition Date"), Trinity 83 Development LLC ("Trinity 83") filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the Northern District of Illinois. This Disclosure Statement (the "Disclosure Statement") is being provided by Trinity 83 pursuant to Section 1125 of the Bankruptcy Code in connection with the solicitation of votes for the acceptance or rejection of the Debtor's Plan of Reorganization (the "Plan") filed October 25, 2016.

**I. SUMMARY**

This Disclosure Statement is intended to provide creditors with information of a kind and in sufficient detail of Trinity 83's history and of the condition of the Trinity 83's books and records to allow creditors to make an informed judgment when voting on the Plan. Monthly payments will be made to secured and quarterly payments will be made to unsecured creditors over the course of the Plan. Creditors are advised that, after review, the Court may approve the Disclosure Statement, but such approval does not constitute endorsement.

Treatment of Claims and Interests

The Plan divides all Claims against the Debtor into various Classes. The Table set forth below summarizes the Classes of Claims and Interests under the Plan, the treatment of Claims and Interests, and projected recovery for Holders of Allowed Claims

and Interests in such Classes and the entitlement of Holders of Claims and Interests in such Classes to vote to accept or reject the Plan.

Summary and Treatment of the Allowed Administrative Claims

<b>Claim</b>	<b>Proposed Treatment by Plan</b>	<b>Projected Recovery Under the Plan</b>
Fees owed to the United States Trustee	Payment in full in cash.	100%
Fees owed to Court Appointed professionals	Payment in full in cash.	100%

Summary, Classification, and Treatment of Allowed Claims and Interests

<b>Class</b>	<b>Claim(s) Included in Class</b>	<b>Proposed Treatment of Class by Plan</b>	<b>Estimated Class \$ Size</b>	<b>Projected Recovery</b>	<b>Status</b>	<b>Voting Rights?</b>
<b>I</b>	Secured Claim held by Colfin Funding Midwest	Claim to be paid at a rate of 4.25% amortized over 20 years. Said claim shall come due and payable 7 years from the effective date of the	\$2,150,000	100%	Impaired	Yes
<b>II</b>	General Unsecured Claims	General Unsecured Claims will be paid 100% of their allowed amounts in quarterly payments over a period of 5 years from the effective date of the	\$50,000	100%	Impaired	Yes
<b>III</b>	Equity Security Holders	Equity Security Holders will receive no cash under the plan but will maintain an equity interest after confirmation in exchange for "new value"	\$0.00	Unknown	Impaired	Yes

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto. The Debtor is proposing a plan in which Trinity 83 is the disbursing agent. The Plan will be funded from the Trinity 83's income.

Creditors who have been listed on Trinity 83's schedules, but have not filed proofs of claim, and have not been listed as "disputed, unliquidated, or contingent," will be paid according to the claim amount listed in the Trinity 83's schedules, unless the Trinity 83 objects to the claim within the time set forth in the Trinity 83's plan.

## **II. FINANCIAL DIFFICULTIES AND BACKGROUND OF TRINITY 83**

### History and Background of the Trinity 83

Trinity 83, Development, LLC was formed in 2005. It is a Limited Liability Company formed under the laws of the State of Illinois. Its members are, and always have been, Donald J. Santacaterina, Thomas Connelly and George Yukich. In 2006 Trinity 83 constructed a Class A, 12,500 square foot, masonry retail/office building at 19100 S. Crescent Dr, Mokena IL. The building was constructed as a "build to suit" for two tenants, namely Kids Can Do, Inc and Hair and Beauty Salon Suites of Mokena, Inc. Both tenants have occupied the building since 2006/07 and continue to do so. At least some of the ownership of the tenants are related to some of the members of Trinity 83.

The subject property is located on 191<sup>st</sup> a major east/west arterial road servicing Mokena. During the recession of 2008-2014 the subject property

experienced a 100% occupancy rate where many similar facilities/building were going vacant.

Trinity 83 has always been able to meet its mortgage payments to its mortgage lender, First Midwest Bank. In 2013 First Midwest Bank, Trinity 83's primary business bank, sold Trinity 83's mortgage as part of a bulk package, to Colfin Funding Midwest LLC (hereinafter "Colfin"). Trinity 83 continued to make the monthly payment to Colfin and Colfin accepted those monthly principal and interest payments for over 18 months.

After the note matured, Trinity 83 continued making payments while searching for alternative financing. Trinity 83 obtained a commitment for new financing and was proceeding toward paying off the Colfin note. Unfortunately, Colfin was never able to supply Trinity 83 with a definitive payoff letter and Trinity 83's new lender moved away from the transaction. In July of 2015, Colfin filed a foreclosure against the property and after months of discussions on settlement to no avail. During the course of the foreclosure proceedings, Al Lieberman of Michigan Avenue Real Estate Group LLC was appointed to operate the Trinity 83's business. Trinity 83 with no other recourse to protect the assets of Trinity 83, filed for protection under Chapter II of the United States Bankruptcy Code. Mr. Lieberman has been in possession of the Trinity 83's property during this Chapter 11 proceeding.

During the Chapter 11 case, Trinity 83 filed an adversary proceeding to determine the extent and validity of Colfin's secured interests in the property. Trinity 83 believes that Colfin's secured interests may be defective in that its notes were not signed contemporaneously by all required LLC members. Further, Colfin caused a

Satisfaction of Mortgage to be filed and recorded 2013. Trinity 83 believes that Satisfaction may be a defense the Colfin's secured claims.

### The Trinity 83's Prepetition Capital Structure

Trinity 83 Development, LLC's creditors consist of one questionable secured creditor , Colfin Midwest Funding, and several unsecured creditors to include pre-petition legal expenses, management/administration and maintenance services.

### Notable Assets of Trinity 83

The following is a summary of Trinity 83's assets as of the Petition Date:

- Real Estate 12500 square foot commercial building at 19100 S. Crescent Dr, Mokena, IL
- Centier Bank checking acct
- Receivers cash on hand
- HVAC units and equipment, boilers, furnaces

### Employment and Retention of Advisors

Prior to filing its voluntary chapter 11 petition, Trinity 83 retained certain professionals to assist it in carrying out its duties as debtor in possession and to otherwise represent its interest in the chapter 11 cases. Trinity 83's professionals include the attorneys Cohen & Krol as general bankruptcy counsel and US Financial Consultants as bookkeepers and accountants.

### Exclusivity

Section 1121(b) of the Bankruptcy Code establishes an initial period of 120 days after the Bankruptcy Court enters an order for relief under chapter 11 of the Bankruptcy Code during which only the debtor may file a plan. If the debtor files a plan within such

120 day period, section 1121(c)(3) of the Bankruptcy Code extends the exclusivity period by an additional 60 days to permit the debtor to seek acceptances of such plan. Section 1121(d) of the Bankruptcy Code also permits a bankruptcy court to extend these exclusivity periods "for cause." The 120 day exclusivity period for the above captioned case expired on June 5, 2015.

#### Post Petition Activities

After filing its petition for relief under Chapter 11 on August 1, 2016, Trinity 83 filed a Motion seeking authority to use cash collateral of Colfin objected to the Motion. That Motion is pending before the Bankruptcy Court. Trinity 83 has not been in possession of its property. Rents are being collected by the State Court Receiver and the Receiver is paying the ongoing expenses of operating the business. Trinity 83, is current on all of his post-petition financial obligations including tax payment requirements, utilities and insurance. While in Chapter 11, Trinity 83 has continued to monitor the condition of the building, maintain contact with the Tenants and keep the receiver informed of any problems.

#### Claims and Bar Dates

The Bankruptcy Court not yet set the deadline by which creditors must file proofs of claim.

#### Claims

Trinity 83 estimates that, at the conclusion of the Claims objections, reconciliation, and resolution process, the aggregate amount of Allowed Claims will be as follows: 1) Allowed Administrative Claims in the approximate total amount of \$35,000.00; 2) Allowed General Unsecured Claims in the total approximate amount of

\$50,000.00; and 3) Equity Security Interests.

### Objections to Claims

Objections to claims, if any, shall be filed by Trinity 83 prior to the confirmation hearing; a time and date to be set by the Court at the status hearing on this Plan and Disclosure Statement.

### **III. SUMMARY OF THE PLAN**

This section provides a summary of the structure and means for implementation of the Plan and the classifications and treatment of Claims and Interests under the Plan, and is qualified in its entirety by reference to the Plan. The purpose of the Plan is to fairly and expeditiously provide distributions to the holders of Allowed Claims during the reorganization of Trinity 83.

#### Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor can reorganize (i.e. restructure its debts) or wind-down its business for the benefit of itself and holders of claims against and interests in the debtor. Chapter 11 also is designed to promote equality of treatment for similarly situated holders of claims against the debtor and similarly situated holders of interests in the debtor with respect to the distribution of the debtor's assets. The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession." Trinity 83 is not currently operating as a debtor in possession. The consummation of a chapter 11 plan is the principal means

available to Trinity 83 to achieve its objective, namely a successful reorganization. A chapter 11 plan sets forth the means for satisfying claims against, and interests in, a debtor.

Confirmation of a chapter 11 plan by a bankruptcy court makes the plan binding upon the debtor, any person or entity acquiring property under the plan and any holder of claims against or interests in the debtor, whether or not such holder of claims or interests (1) is impaired under or has accepted the plan or (2) receives or retains any property under the plan. Subject to certain limited exceptions and other than as provided in the plan itself or the confirmation order, a confirmation order discharges a corporate debtor from any debt that arose prior to the date of confirmation of the plan and substitutes therewith the obligations specified under the confirmed plan.

A chapter 11 plan may specify that the legal, contractual, and equitable rights of the holders of claims or interests in certain classes are to remain unaltered by provisions of the plan. Such classes are referred to as "unimpaired" and, because of such favorable treatment, are deemed to accept the plan. Accordingly, Trinity 83 need not solicit votes from the Holders of Claims or Interests in such classes. A chapter 11 plan also may specify that certain classes will not receive any distribution of property or retain any claim against a debtor. Such classes are deemed to be impaired and will be solicited to vote to accept or reject the Plan. Any classes that are receiving a distribution of property under the plan but are not "unimpaired" will be solicited to vote to accept or reject the Plan.

Section 1123 of the Bankruptcy Code provides that a chapter 11 plan shall classify claims against and interests in the debtor. In compliance therewith, the Plan

divides Claims and Interests into various Classes and sets forth the treatment for each Class. The Debtor also is required, as discussed above, under section 1122 of the Bankruptcy Code, to classify Claims and Interests into Classes that contain Claims and Interests that are substantially similar to the other Claims and Interests in such Classes. The Debtor believes that the Plan has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code, but it is possible that a Holder of a Claim or Interest may challenge the classification of Claims and Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In such event, the Debtor intends, to the extent permitted by the Bankruptcy Court and the Plan, to make such reasonable modifications of the classifications under the Plan to permit Confirmation and to use the Plan acceptances received in this solicitation for the purpose of obtaining the approval of the reconstituted Class or Classes of which the accepting Holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class in which such Holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

#### Administrative Claims

In full satisfaction, settlement, release, and discharge of and in exchange for each Allowed Administrative Claim, each Holder thereof shall be paid in full in Cash (a) on the Effective Date or as soon as reasonably practicable thereafter, (b) if such Claim is Allowed after the Effective Date, on or as soon as reasonably practicable after such Claim is Allowed, or (c) upon such other terms as may be agreed upon by such Holder of the Claim. Administrative Claims include those held by court appointed

professionals including Cohen & Krol; and statutory fees owed to the Office of the United States Trustee for Chapter 11 monitoring during the pendency of the chapter 11 case.

Classification and Treatment of Claims and Equity Interests

Except for Administrative Claims, the Plan divides all Claims and Interests in the Debtor into various Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date. All payments and other distributions herein are to be made by the Debtor from funds generated through the ordinary course of business.

Class I – Allowed Colfin Funding Midwest LLC  
(if actually shown to be secured and valid)

Allowed Class I Claims include the Allowed Secured Claim of Colfin which asserts a secured claim in the approximate amount of \$2,150,000.00. The basis for the secured claim held by Colfin the assignment of a mortgage from First Midwest Bank on property at 19100 s. crescent Dr, Mokena, IL.

The Debtor will make payments on behalf of Class I Claims and the Plan calls for payment of Class I Claims in full at the rate of 4.25%, amortized over a 20 years, with a 7 year balloon payment. There shall be no prepayment penalty. Payments to Class I Claims will begin within thirty (30) days from the effective date of the Plan and will be

made each month thereafter. Class I is impaired and a creditor with a Class I claim is entitled to vote on Debtor’s Plan.

Class II – Allowed non-Insider General Unsecured Claims.

Allowed Class II Claims include the non-Insider General Unsecured Claims. Trinity 83 estimates there to be approximately \$50,000.00 in non-insider General Unsecured Claims. The holders of Class II Claims will be paid 100% of their claim over a period of five years. Payments to Class II creditors will commence within thirty (30) days of the effective date of the plan and will be made quarterly thereafter. Class II is impaired and a creditor with a Class II claim is entitled to vote on Debtor’s Plan.

To date, the only Class II claimant which has filed a claim in these proceedings is Commonwealth Edison in the amount of \$5.49. No claims bar date has yet been set by the Bankruptcy Court. Below is a list of Class II claimants as scheduled by Trinity 83 on its Chapter 11 petition.

<b>Claimant</b>	<b>Amount Scheduled</b>	<b>Debtor's Intent</b>
Bill’s Lawn Service	\$2,650.00	No Objection
Carefree Lawn Sprinklers	\$1,200.00	No Objection
Commonwealth Edison	\$5.49	No Objection
Enwaste	\$5,250.00	No Objection
HBSS of Mokena	\$11,396.00	No Objection
Momkus McCluskey LLC	\$19,540.00	No Objection
Nicor	\$0.00	No Objection
Squeege Squad Window Cleaning	\$195.00	No Objection
US Financial Consultants	\$8,250.00	No Objection

Means for Implementation of the Plan  
Income Generated from Operation of Trinity 83

The reorganized Trinity 83 will continue to receive rental income from the current and future tenants at 19100 S. Crescent, Mokena, IL. Trinity 83 believes that the current tenants will continue to occupy the property for years to come. As shown, Trinity 83 will receive income for years 2016 through 2021 in amounts sufficient to pay all claims. Further, with the strength of the current tenants and Trinity 83's long track record of occupancy, Trinity 83 will find no difficulty in obtaining new mortgage financing to satisfy the payments due at the end of year seven. A ten year budget is attached hereto as **Exhibit A**.

Treatment of Executory Contracts and Unexpired Leases  
Assumption and Assignment Generally

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, on the Effective Date, pursuant to Section 365 of the Bankruptcy Code, Trinity 83 will assume each of the Executory Contracts and Unexpired Leases listed in Article X of the Plan. Each contract and lease listed in Article X of the Plan will be assumed only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. Listing a contract or lease in Article X of the Plan does not constitute an admission by the Debtor that such contract or lease is an Executory Contract or Unexpired Lease or that the Trinity 83 has any liability thereunder.

### Approval of Assumptions and Assignments

Entry of the Confirmation Order by the Bankruptcy Court will constitute approval of the assumption or conditional assumption of the Executory Contracts and Unexpired Leases to be assumed under the Plan as of the Effective Date pursuant to Sections 365 and 1123 of the Bankruptcy Code. Each Executory Contract and Unexpired Lease that is assumed will vest in, and be fully enforceable by, the reorganized Trinity 83 in accordance with its terms, except as may be modified by the provisions of the Plan, any order of the Bankruptcy Court authorizing or providing for its assumption, or applicable law.

### Procedures for Resolving Disputed Claims and Interests Allowance of Claims and Interests

After the Effective Date, except as released herein or by Bankruptcy Court Order, the reorganized Trinity 83 shall have and retain any and all rights and defenses that the Debtor had with respect to any Claims and Interests immediately prior to the Effective Date.

### Claims and Interests Administration Responsibilities

Except as otherwise specifically provided in the Plan, after the Effective Date, the reorganized Debtor shall have the authority: (a) to file, withdraw, or litigate to judgment any objections to Claims or Interests; and (b) to settle or compromise any Disputed Claim or Interest without any further notice to or action, order, or approval by the Bankruptcy Court.

### Adjustment to Claims Without Objection

Any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, or altered by court order, may be adjusted or

removed from the Claims Register at the request of the reorganized Debtor without any further notice to or action, order, or approval of the Bankruptcy Court.

**ANY CLAIM OR INTEREST, THE HOLDER OF WHICH IN RECEIPT OF NOTICE OF THESE PROCEEDINGS, THAT HAS BEEN OR IS HEREAFTER LISTED IN THE SCHEDULES AS CONTINGENT, UNLIQUIDATED OR DISPUTED, AND FOR WHICH NO PROOF OF CLAIM OR INTEREST HAS BEEN TIMELY FILED IS NOT CONSIDERED ALLOWED AND SHALL BE EXPUNGED WITHOUT FURTHER ACTION BY THE DEBTOR AND WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL BY THE BANKRUPTCY COURT.**

Amendments to Claims

On or after the Effective Date, except as provided in Article XI of the Plan, a Claim may not be filed or amended without authorization of the Bankruptcy Court and the Reorganized Trinity 83, and any such new or amended Claim filed shall be deemed disallowed in full and expunged without any further action.

Allowance of Payment of Certain Administrative Claims

All final requests for payment of Claims of a Professional shall be filed no later than thirty days after the Effective Date. Any objections to final requests for payment of Claims of a Professional shall be filed no later than sixty days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

**IV. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN**

The following is a brief summary of the Plan Confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code

and to consult their own attorneys.

### The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on Confirmation (the "Confirmation Hearing"). Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation. Notice of the Confirmation Hearing giving its location, date, time, and deadline for objections and ballots will be distributed to all parties at a later date.

### Confirmation Standards

To confirm the Plan, the Bankruptcy Court must find, among other things, that the requirements of section 1129 of the Bankruptcy Code have been satisfied.

The requirements of section 1129 of the Bankruptcy Code are listed below:

1. the Plan complies with the applicable provisions of the Bankruptcy Code;
2. the Debtor, as Plan proponent, will have complied with the applicable provisions of the Bankruptcy Code;
3. the Plan has been proposed in good faith and not by any means forbidden by law;
4. any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the cases, has been disclosed to the Bankruptcy Court, and any such payment made before the Confirmation is reasonable, or if such payment is to be fixed after the Confirmation, such payment is subject to the approval of the Bankruptcy Court as reasonable;
5. with respect to each Class of Impaired Claims or Interests, either each Holder of a Claim or Interest of such Class has accepted the Plan or will receive or retain under the Plan on account of such Claim or Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such Holder would receive or retain if the Debtor were liquidated on such date under chapter 7 of the Bankruptcy Code;
6. each Class of Claims or Interests that is entitled to vote on the Plan either has accepted the Plan or is not impaired under the Plan, or the Plan can be confirmed without the approval of each voting Class pursuant to section 1129(b)

of the Bankruptcy Code;

7. except to the extent that the Holder of a particular Claim will agree to a different treatment of such Claim, the Plan provides that Allowed Administrative and Allowed Priority Non-Tax Claims will be paid in full on the Effective Date, or as soon as reasonably practicable thereafter;
8. at least one Class of Impaired Claims or Interests will accept the Plan, determined without including any acceptance of the Plan by any insider holding a Claim or Interest of such Class;
9. Confirmation is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan;
10. all fees of the type described in 28 U.S.C. § 1930, including the fees of the U.S. Trustee, will be paid as of the Effective Date; and
11. the Plan addresses payment of retiree benefits, if any, in accordance with section 1114 of the Bankruptcy Code.

Trinity 83 believes that the Plan satisfies the requirements of section 1129 of the Bankruptcy Code, including that (a) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code, (b) the Debtor has complied or will have complied with all of the requirements of chapter 11, and (c) the Plan has been proposed in good faith.

#### Financial Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find, as a condition to Confirmation, that Confirmation is not likely to be followed by the liquidation of Trinity 83, unless such liquidation is proposed in the Plan, or the need for further financial reorganization. The Plan contemplates that there will be available income for the seven years post confirmation to pay holders administrative claims in full upon confirmation, Pay Class I Secured Claims of Colfin Midwest Funding LLC amortized over twenty (20) years at 4.25% interest, and 100% to General Unsecured

Creditors in Class II over five years. Trinity 83 believes that the Plan meets the feasibility requirement. Trinity 83 believes that sufficient funds will exist to make all payments required by the Plan.

Best Interests of Creditors Test

Often called the “best interests” test, section 1129(a)(7) of the BankruptcyCode requires that the Bankruptcy Court find, as a condition to Confirmation, that each Holder of a Claim or Interest in each Impaired Class: (1) has accepted the Plan or (2) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such Person would receive if the Trinity 83 was liquidated under chapter 7 of the Bankruptcy Code. To make these findings, the Bankruptcy Court must accept the Trinity 83’s Liquidation Analysis or independently (a) estimate the Cash proceeds (the “Liquidation Proceeds”) that a chapter 7 trustee would generate if each Chapter 11 Case were converted to a chapter 7 case and the assets of such Estate were liquidated,(b) determine the distribution (“Liquidation Distribution”) that each non-accepting Holder of a Claim or Interest would receive from the Liquidation Proceeds under the priority scheme dictated in chapter 7, and (c) compare each Holder’s Liquidation Distribution to the distribution under the Plan (“Plan Distribution”) that such Holder would receive if the Plan were Confirmed and consummated.

Liquidation Analysis

A liquidation analysis is included below:

<u>Asset</u>	<u>FMV</u>	<u>Liquidation value</u>
Real Property	\$2,375,000	\$2,000,000
Personal Property		

- Cash	\$85,000	\$85,000
- Bank Accounts	\$2,000	\$2,000
- Equipment & Machinery	\$12,000	\$0
TOTAL LIQUIDATION VALUE OF DEBTOR'S ASSETS		\$2,087,000

The following Secured Claims and Administrative Priority Claims that would need to be satisfied before any funds would be paid to unsecured creditors:

Claimant	Liquidation Amount
<hr/>	
Total Liquidation Value of Debtor's Assets	\$2,087,000
Expected Chapter 7 Costs of Administration	\$100,000
Expected Chapter 11 Administrative Claims	\$35,000
Funds Available for Secured Claims	\$1,952,000
Amount of Secured Claim	\$2,150,000

Before unsecured creditors would be paid any money, all claimants with a higher priority under 11 U.S.C. § 507(a) must be paid in full from the proceeds of liquidation by a chapter 7 trustee. Under the above liquidation analysis, after claimants with higher priorities are paid, there would be ***nothing*** available to pay general unsecured creditors without priority.

#### Plan Distribution Analysis

The Plan Distribution Analysis presents estimates of the proceeds that would be available for distribution to creditors if the Plan were confirmed and effectuated according to its terms. These estimates represent a range of management's

assumptions regarding the costs that would be incurred to implement the Plan and the funds that would be available for distribution to creditors. The Plan Distribution Analysis has the same projected Effective Date as the Liquidation Analysis (the “Assumed Effective Date”). In addition, management’s assumptions in the Plan Distribution Analysis regarding anticipated events and proceeds expected to be realized prior to the Assumed Effective Date are the same as those used to prepare the Liquidation Analysis.

The State Court Receiver has filed operating reports for the post-petition period ending August 31, 2016. The monthly operating report shows an average gross monthly receipt from operations of \$21,327.00

Trinity 83 anticipates total annualized funds available for plan distributions in the following sums: \$256,284 in Year 1; \$258, 846 in Year 2; \$ 261,435 in Year 3; \$264,049 in Year 4; and \$266,690 in Year 5. Detailed projected Plan payments are set forth in **Exhibit A**, attached hereto. Trinity 83 projects that, after the validity and amount of all secured and priority claims are settled or adjudicated, the amounts set forth above will be sufficient to satisfy the payment requirements set forth in its plan.

PLAN DISTRIBUTION ANALYSIS

Class	Total Claims \$	Recovery \$	Recovery %
Administrative Claims	\$35,000	\$35,000	100%
Class I – Secured Claim	\$2,150,000	\$2,150,000	100%
Class II – General Unsecured	\$50,000	\$50,000	100%
Class III – Equity Interests	Unknown		100%
<b>TOTAL</b>	<b>\$2,235,000</b>	<b>\$2,235,000</b>	<b>100%</b>

TRINITY 83 BELIEVES THAT ANY ANALYSIS OF HYPOTHETICAL PLAN

DISTRIBUTIONS IS NECESSARILY A PROJECTION OF CURRENT CONTRACTUAL INCOME. THERE ARE A NUMBER OF ESTIMATES AND ASSUMPTIONS UNDERLYING THESE ESTIMATES THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT LEGAL, ECONOMIC, COMPETITIVE, AND OPERATIONAL UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTOR. NEITHER THE ESTIMATED PLAN DISTRIBUTIONS, NOR THE FINANCIAL INFORMATION ON WHICH IT IS BASED, HAS BEEN EXAMINED OR REVIEWED BY INDEPENDENT ACCOUNTANTS OR PREPARED IN ACCORDANCE WITH STANDARDS PROMULGATED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THERE CAN BE NO ASSURANCE THAT ACTUAL RESULTS WILL NOT VARY MATERIALLY FROM THE HYPOTHETICAL RESULTS PRESENTED IN THE PLAN DISTRIBUTION ANALYSIS.

#### Conclusion

Holders of Allowed Claims in every Class are projected to recover as much or more under the Plan than they would in a Chapter 7 liquidation. Moreover, as set forth in more detail above, in a liquidation under Chapter 7, a substantial Allowed Diminution Claim could result in no recovery for unsecured creditors classified in Classes II and Equity Interests in Class III under the Plan. Therefore, the best interests test is satisfied.

#### Acceptance by Impaired Classes

The Bankruptcy Code also requires, as a condition of confirmation, that each class of claims or interests that is impaired under a plan accept the plan, with the exception described in the following section. A class that is not "impaired" under a

plan of reorganization is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan (1) leaves unaltered the legal, equitable, and contractual rights to which the claim or interest entitles the holder of such claim or interest or (2) cures any default and reinstates the original terms of the obligation. 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 in dollar amount and more than one-half in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number actually voting cast their ballots in favor of acceptance. Under section 1126(d) of the Bankruptcy Code, a class of interests has accepted the plan if holders of such interests holding at least two-thirds in amount actually voting have voted to accept the plan.

NO REPRESENTATIONS CONCERNING TRINITY 83 ARE AUTHORIZED THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE WHICH ARE OTHER THAN AS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO THE OFFICE OF THE UNITED STATES TRUSTEE WHICH, IN TURN, SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO CERTIFIED AUDIT. THE DEBTOR DOES NOT WARRANT OR REPRESENT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY, ALTHOUGH

CONSIDERABLE EFFORT HAS BEEN MADE TO BE ACCURATE.

Trinity 83 has proposed his Plan of Reorganization in good faith and in compliance with the applicable provisions of the Bankruptcy Code. Regardless of the results of voting under any class of claims, Trinity 83 may ask the Court to confirm the Plan of Reorganization which can occur as provided by law if the Court finds that the Plan does not discriminate unfairly and is fair and equitable with respect to the rejecting creditors described in such class. This option can occur only if the Court makes the requisite findings after being presented with supporting evidence.

#### **V. RECOMMENDATION**

In the opinion of Trinity 83, the Plan is preferable to the alternatives described herein because it provides for a larger distribution to the Holders of Claims than would otherwise result in liquidation under Chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation could result in extensive delays and increased Administrative Claims resulting in smaller distributions to the Holders of Claims.

**Accordingly, Trinity 83 recommends that Holders of Claims entitled to vote on the Plan support Confirmation and vote to accept the Plan.**

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Respectfully submitted,  
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LLC  
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