

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF INDIANA  
HAMMOND DIVISION

IN THE MATTER OF: CASE NO. 16-23195

EL RANCHO OF KALAMAZOO Chapter 11  
LIMITED PARTNERSHIP,

Debtor.

**DISCLOSURE STATEMENT**

I.

**A. Introduction**

El Rancho of Kalamazoo Limited Partnership, the Debtor-in-Possession, provides this Disclosure Statement to all of its creditors in order to disclose that information deemed by the Debtor to be important and necessary for exercising their right to vote for acceptance of the Plan of Reorganization filed with the Court on **February 21, 2017**.

Those creditors whose claims are impaired under the Plan may vote on the Plan by filling out and mailing to Daniel J. Skekloff and Scot T. Skekloff, Haller & Colvin, PC, 444 E. Main Street, Fort Wayne, Indiana, 46802, a Ballot which will be supplied by the Court. In order for the Plan to be accepted by Ballot, Ballots of voting creditors who hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of allowed claims of all Classes must be cast in favor of the acceptance of the Plan.

NO REPRESENTATIONS CONCERNING THE DEBTOR'S (PARTICULARLY AS TO THEIR FUTURE BUSINESS OPERATIONS, VALUE OF PROPERTY, OR THE VALUE OF ANY PROMISSORY NOTE TO BE ISSUED UNDER THE PLAN) ARE AUTHORIZED BY THE DEBTOR OTHER 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/OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR WHO 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 A CERTIFIED AUDIT. THE RECORDS KEPT BY THE DEBTOR ARE DEPENDENT UPON INTERNAL ACCOUNTING PERFORMED BY THE DEBTOR. FOR THE FOREGOING REASON, AS WELL AS BECAUSE OF THE COMPLEXITY OF THE DEBTOR'S FINANCIAL MATTERS, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE.

### **B. General Information**

Essentially, the purpose of any reorganization or rehabilitation under chapter 11 is to preserve the assets of the Debtor and save it from disastrous or premature sales, such as at foreclosure, so that junior interests (junior mortgage holders and unsecured, general creditors, and Debtor) will receive the greatest possibility of preserving their right to recovery or equity in the Debtor's property. Plans of Reorganization providing for extensions of debt as a primary system of restructuring finances appear to be the most practical solution of the problem under chapter 11 of our present Bankruptcy Code.

There are limitations on what a debtor can do under a Chapter 11 Plan; primarily, a Plan may be confirmed over the objections of a Class of secured creditors only if the Court finds that those creditors are given fair and equitable treatment, and secured creditors must receive the "indubitable equivalent" of the value of their security. However, "indubitable equivalent" does not necessarily mean that secured creditors must receive payment right away; what it means is that the secured creditors, if they must wait, are entitled to a reasonable rate of interest on their money until they are paid. In other words, where a secured creditor is receiving payment in full over a reasonable period of time, with an appropriate interest or discount factor being paid, that creditor is receiving all the law requires, that is - full payment over a reasonable period of time. Under the new Bankruptcy Code, the term of any mortgage debt may be extended; payments required under the mortgage, of either principal or interest, may be postponed; and deferred or reduced payments of principal or interest may be added to the mortgage balance. Illustrative of this point is the case of In re Hollanger, 8 B.C.D. 365 (1981) involving farmers in which the Court allowed postponement of arrearages on mortgage debt for seven (7) years.

### **C. General Background**

El Rancho of Kalamazoo Limited Partnership d/b/a Meadowview Mobile Home Park, (sometimes referred to herein as "El Rancho", "Debtor" and/or "Debtor-in-Possession") owns a mobile home park known as Meadowview Mobile Home Park located at 807 Greenfield Lane, Valparaiso, IN. The Debtor is a limited partnership, formed in 1995 for the purpose of acquiring the Meadowview Mobile Home Park. The mobile home park has 168 licensed mobile home sites. The mobile home park is situated on approximately 26 acres with frontage along Highway 6 in Porter County, Indiana.

Debtor's financial difficulties relate to issues involved with the financing of the Debtor as well as affiliate entities utilizing secured lending provided by Park Capital Investments, LLC. Certain affiliate entities have filed separate chapter 11 bankruptcy cases. See Section I. Part G. Affiliate Bankruptcy Cases below. A number of mobile home parks in which Debtor's General Partner representative, D. Mark Krueger, holds an interest experienced lower than expected occupancy which negatively affected their income and ability to make debt service payments. Ultimately, Park Capital Investments, LLC and/or assignees thereof brought actions to collect on outstanding loan obligations and for foreclosure of mortgage interests including, against the Debtor, El Rancho. At the commencement of the case, the matter of *PCI Meadowview LLC as assignee of Park Capital Investments, LLC vs. El Rancho of Kalamazoo, L.P., George Uzelac & Associates, Inc. and D. Mark Krueger* was pending in the Porter Superior Court in Porter County,

Indiana. Faced with the acceleration of the debt, together with an action for appointment of receiver and foreclosure, Debtor sought relief under chapter 11 of the Bankruptcy Code.

#### **D. Commencement of the Chapter 11 Case**

On November 10, 2016, El Rancho of Kalamazoo Limited Partnership filed a Voluntary Petition Under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Indiana, Fort Wayne Division under case number 16-12366. By Order dated November 10, 2016, the Debtor's chapter 11 case was transferred to the Hammond Division for the Northern District of Indiana and is presently pending under case number 16-23195. El Rancho continues in possession of its property and manages its business as Debtor-in-Possession under §§1107 (Rights, powers and duties of debtor-in-possession) and 1108 (Authorization to operate business) of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtor's reorganization case. The Bankruptcy Court entered its Notice of Status as, and Obligations of, Debtor-in-Possession in Chapter 11 on November 10, 2016.

#### **E. Creditors' Committee**

There has been no official committee of unsecured creditors appointed by the Office of the United States Trustee.

#### **F. Retention of Professionals**

At the commencement of the Debtor's reorganization case, the Debtor retained Daniel J. Skekloff and Scot T. Skekloff, as co-bankruptcy counsel, each of whom has been authorized to represent El Rancho as Debtor-in-Possession by Order Authorizing Employment of Attorney dated December 14, 2016.

#### **G. Affiliate Bankruptcy Cases**

The General Partner of the Debtor is El Rancho of Kalamazoo GP, LLC. D. Mark Krueger is the sole owner of El Rancho of Kalamazoo GP, LLC. Mr. Krueger has, either directly or indirectly, an ownership interest in a number of entities which own mobile home parks located in Indiana and Michigan or are otherwise involved with the operation and/or management of mobile home parks in which Mr. Krueger has an interest. Certain of the entities (five in total) have filed chapter 11 bankruptcy proceedings in Michigan. These entities and the case identification is as follows:

<u>Debtor</u>	<u>Case No.</u>	<u>Court</u>	<u>Date Filed</u>
Battle Creek Realty, LLC	16-53192	Eastern District of Michigan (Detroit)	9/25/16
Denmark Management Company	16-53194	Eastern District of Michigan (Detroit)	9/25/16
Denmark Services, LLC	16-53195	Eastern District of Michigan (Detroit)	9/25/16
PC Acquisition, LLC	16-53191	Eastern District of Michigan (Detroit)	9/25/16
St. John/Battle Creek Owner, LLC	16-53193	Eastern District of Michigan (Detroit)	9/25/16

The cases have been consolidated and are presently pending under PC Acquisition, LLC, Case No. 16-53191.

Additionally, another affiliate (as that term is defined by the Bankruptcy Code) of the Debtor, Silver Lake, L.P. f/k/a Silver Lake Group of Angola, L.P., has filed a chapter 11 case in Indiana. It is presently pending in the United States Bankruptcy Court for the Northern District of Indiana, Fort Wayne Division, under Case No. 16-12195.

Park Capital Investments, LLC or an assignee thereof is the largest secured lender in each of the referenced chapter 11 bankruptcy cases.

#### **H. Management of the Debtor/Mobile Home Park – Insider Compensation Information**

Meadowview Mobile Home Park has an individual onsite manager of the mobile home park together with one (1) maintenance person.

Pursuant to the Statement of Insider Compensation filed (Doc. No. 6) Debtor employed an insider entity (as defined by 11 U.S.C. §101) known as Denmark Management Company. Denmark Management Company was utilized by the Debtor for the function of the oversight and management of onsite employees, oversight and management of the collection of rents/revenue together with all bookkeeping and accounting functions for the Debtor. Pre-petition, Denmark Management Company received compensation pursuant to a management contract based upon a management fee of eight percent (8%) of collected rents (revenue) per month. On a post-petition basis, pursuant to the Statement of Insider Compensation, Denmark Management Company has continued to provide those same duties and functions as pre-petition with the same management fee of eight percent (8%) of collected rents/revenue per month.

In addition, pursuant to the Statement of Insider Compensation, Progressive Capital Partners, LLC (also an insider entity as defined by 11 U.S.C. §101) has fifteen (15) mobile homes that it owns and rents to the Debtor under a master lease. Debtor leases these mobile homes for a total of approximately \$5,000.00 per month. Debtor subsequently rents these mobile homes to residents/tenants at the Meadowview Mobile Home Park. Also, another insider entity, PC Acquisitions, LLC (PCA) has three (3) mobile homes at the Meadowview Mobile Home Park and further, Denmark Services, LLC (also an insider entity) has one (1) mobile home there as well. Both PCA and Denmark Services, LLC lease these mobile homes to tenants. The Debtor collects these rents (through Denmark Management Services) and pays over these rents to PCA and Denmark Services, LLC respectively, as the applicable mobile homes are leased and the rents are collected. Post-petition, Debtor has continued with this master lease arrangement with Progressive Capital Partners, LLC as well as the arrangement with both PCA and Denmark Services whereby those entities have mobile homes at the site for which the Debtor (through Denmark Management Services) collects the rents and remits to those entities respectively. Debtor sets forth that this arrangement allows for the collection of lot rent with respect to mobile homes for those tenants which do not own or purchase a mobile home for use in residency at the mobile home park.

#### **I. Pre-Petition Equity Security Holders**

At the commencement of the case, Debtor submitted the list of equity security holders. Pursuant to the most recently filed tax return of the Debtor (for the year 2015), the ownership interest in the Debtor is as follows:

<u>General Partner:</u>	<u>Partner Share of Interest:</u>
El Rancho of Kalamazoo, GP, L.L.C. <sup>1</sup>	43.335300%
<u>Limited Partners:</u>	<u>Partner Share of Interest:</u>
Andrew J. Blank Revocable Trust	0.344800%
Elizabeth R. Grant Trust	0.431000%
Gerald Neff Revocable Living Trust	0.732800%
Kenneth M. Chupack	0.301700%
Marcia Roth Revocable Living Trust	0.431000%
Rena Littman	0.301700%
Ronald A. Blank Revocable Trust	1.767200%
Sub-Fort A Michigan Co-Ptnsh-C/O Fetter Mgmt	46.665000%
The Robert Blank Family Trust u/a/d December 31, 1987	1.379300%
Thomas Barnett Lvg Trst dt 12/18/06	1.853400%
Udas Blank Revocable Trust	0.344800%
William C. Connelly	0.560300%
William Goose Revocable Trust	1.551700%

El Rancho is a limited partnership with El Rancho of Kalamazoo, GP, L.L.C. serving as the general partner of the Debtor.

### **J. Synopsis of Tax Implication for Reorganization**

For income taxation purposes, El Rancho has been taxed as a limited partnership and treated as a pass-through entity such that the income and expenses thereof were reported on

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<sup>1</sup> D. Mark Krueger is the 100% owner of El Rancho of Kalamazoo, GP, L.L.C.

Schedule K-1 Partner's Share of Income, Deductions, Credits, etc. as to each of the partners in the limited partnership. As such, prior to the commencement of the case, Debtor had no net operating losses (or "NOL's") that were available to it. As such, Debtor has been advised that the potential impact of Debtor's reorganization involves possible reduction of Debtor's future ability to recognize depreciation expense inasmuch as Debtor's tax basis in Assets of the reorganized Debtor is subject to reduction by the amount of actual discharged debt, if any, realized through the bankruptcy proceeding. As such, to the best of Debtor's current knowledge, information and belief, the impact of reorganization and any discharge of debt as may be provided under the proposed Chapter 11 Plan would be to reduce Debtor's tax basis of Assets, such reduction being no greater than the amount of Debtor's discharged debt through confirmation of the Chapter 11 Plan.

The Debtor's proposed Plan provides for the restructuring of the debt obligations of the Debtor with the potential for discharge of certain indebtedness existing at the commencement of the case. As such, the federal income tax consequences of the reorganization are complex and are subject to significant uncertainties. The Debtor has not requested a ruling from the Internal Revenue Service or an opinion of counsel concerning same.

By this statement, Debtor and Debtor's counsel are not and should not be construed to be rendering tax advice to any creditor, party in interest or recipient of this Disclosure Statement. Notwithstanding the foregoing, should anything contained herein be deemed to be now or at a later time tax advice, the following disclosure is made: To ensure compliance with the requirements imposed by the Internal Revenue Service under Circular 230, Debtor informs you that any U.S. federal tax advice contained in this communication (including attachments), unless otherwise specifically stated, was not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code, or (2) promoting, marketing or recommending to another party any matters addressed herein.

Accordingly, any person who may be affected by implementation of the Plan, including creditors and equity interest holders of the Debtor, should consult their own tax advisors with respect to and/or regarding the tax consequences under federal and any applicable state, local, commonwealth or foreign law.

#### **K. Current (Post-Petition) Operations**

El Rancho has since the filing of the Petition, continued in its operation. Since the date of filing, El Rancho, pursuant to operating reports filed, have had the following operating income and expenses from its operation:

##### **November 10-30, 2016:**

Total Income:	53,312.00
Total Expenses:	39,397.43
Net Profit (Loss):	13,914.57
Total Cash Receipts:	33,263.36
Total Cash Disbursements:	20,091.91
Net Cash Flow:	13,171.45

**December 2016:**

Total Income:	47,359.83
Total Expenses:	<u>25,103.35</u>
Net Profit (Loss):	22,256.48

Total Cash Receipts:	47,359.83
Total Cash Disbursements:	<u>17,393.52</u>
Net Cash Flow:	29,966.31

**January 2017:**

Total Income:	54,595.49
Total Expenses:	<u>40,155.82</u>
Net Profit (Loss):	14,439.67

Total Cash Receipts:	54,595.49
Total Cash Disbursements:	<u>40,155.82</u>
Net Cash Flow:	14,439.67

**II.****Debts and Assets Analysis****A. Assets**1. **Real Estate:**

The Debtor owns the following parcels of real estate:

Meadowview Mobile Home Park 807 Greenfield Lake, Valparaiso, IN	\$2,875,000.00
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2. **Personal Property:**

The amounts listed in Schedule "B" of the Schedules of Assets and Liabilities (filed December 8, 2016) were accurate to the best of the Debtor's knowledge. Accordingly, the Debtor's personal property at the time of the Chapter 11 filing had a value as follows:

First State Bank checking account	0.00
Accounts Receivable	18,915.98
Desk, file cabinets, copier, telephone	5,856.40
Sewer machine, hand tools, lawn mowing equipment	19,646.74

Mobile homes (31)	465,000.00 <sup>2</sup>
TOTAL:	<u>509,419.12</u>

### **B. Debts**

The following information is a summary of the Debtor's debt obligations pursuant to information as set forth in the Schedules filed in the case. These amounts are presented as an indication of the Debtor's financial status as of the commencement of the case.

1. **Secured Creditors:**

The following is the creditor scheduled by the Debtor claiming security interests (secured in whole or in part) and the estimated amount of the claim:

Camco Management, LLC (5 mobile homes)	50,000.00
Park Capital Investments 807 Greenfield Lane, Valparaiso, IN	3,657,814.12
Porter County Treasurer	<u>23,759.74</u>
TOTAL:	<u>3,731,573.86</u>

2. **Unsecured Creditors:**

All creditors of the Debtor not listed above are considered unsecured. The total of all claims listed by the Debtor in its Schedule "F" as unsecured is \$2,023,929.91.

3. **Priority Claims:**

Debtor in the schedules filed, indicated the following priority claims: None

4. **Summary:**

Creditors claiming security	3,731,573.86
Unsecured Creditors	2,023,929.91
Priority Tax Claims	<u>0.00</u>
Total:	<u>5,755,503.77</u>

It is expected that there will be some adjustment to these amounts when exact amounts of claims become known.

### **C. Liquidation Analysis**

The Liquidation Analysis is provided for a comparison of what creditors would receive in a chapter 7 liquidation as opposed to what is provided under the proposed Chapter 11 Plan. In a

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<sup>2</sup> Although scheduled separately, Debtor considered and included the value of these mobile homes with and as a part of the value of the mobile home park above listed under Real Estate.



liquidation, secured creditors are entitled to distribution from proceeds of their collateral prior to distribution to other creditors.

Real Estate:

Debtor owns the Meadowview Mobile Home Park located in Valparaiso, Indiana. Debtor scheduled the mobile home park along with the mobile homes of the Debtor therein with a value of \$2,875,000.00 based upon Debtor's opinion of value in consideration of the property, its condition in comparison with other mobile home park valuations as well as review of net operating income (before debt service) generated by the mobile home park. In addition, Mark Krueger, owner of the general partner of the Debtor has been in the mobile home park business for more than 30 years and utilized that experience in conjunction with experience with real estate brokers engaged in the sale of mobile home parks in valuing the mobile home park in Debtor's schedules filed. As to the mobile homes listed by the Debtor (31 in total), each of these mobile homes was manufactured by Adventure and each is a 2014 model year mobile home. Debtor scheduled these thirty-one (31) mobile homes with a total value of \$465,000.00 and based this valuation on consideration of the age and condition of the mobile homes. The cost new of the mobile homes was between approximately \$25,000 to 30,000 per mobile home. Moving costs for a mobile home would include expense for moving and transport including removal of skirting, utilities disconnect, installation of axels and wheels and transportation. Generally, Debtor sets forth that a buyer would factor in such expenses and Debtor separately valued the mobile homes at an average value of \$15,000 per mobile home in the schedules filed. In a hypothetical liquidation, considering short term sale and costs associated with sale, Debtor estimates a sale of the mobile home park and the associated mobile homes would likely result in proceeds of approximately ninety percent (90%) of the total scheduled value or approximately \$2,590,000.00.

Debtor scheduled the claim of Park Capital Investments totaling \$3,681,573.00. Debtor believes that Park Capital Investments would assert a lien on the mobile home park and mobile homes. As such, in a hypothetical liquidation, given the above values, assumptions and claim amounts, Debtor sets forth that, in light of the secured claims, there would be insufficient proceeds from the sale of the mobile home park and mobile homes to pay in full the secured claims. As such, Debtor sets forth that in a hypothetical liquidation there would be no proceeds available for distribution to unsecured creditors and there would be insufficient proceeds to pay the claims secured by the real estate in full.

Personal Property:

Debtor has additional property scheduled which may be categorized as follows:

- a. Bank account and accounts receivable;
  - b. Maintenance equipment and office furnishings;
  - c. Mobile homes.
- a. Bank account and accounts receivable:

Debtor scheduled a bank account and accounts receivable totaling \$18,915.98. The bank

account had a zero balance and the accounts receivable result from rents generated by the mobile home park. These rents would be subject to the lien of Park Capital, Inc., Debtor's largest secured creditor. In a hypothetical liquidation, the rents would be payable to the lienholder, Park Capital, Inc., such that there would be no proceeds available from the bank account and accounts receivable for distribution to unsecured creditors.

b. Maintenance equipment and office furnishings:

Debtor scheduled maintenance equipment and office furnishings totaling \$25,503.14. In a hypothetical liquidation, considering short term sale and costs associated with sale, Debtor believes the sale of these assets would likely result in proceeds of no more than fifty percent (50%) of the scheduled value thereof or approximately \$12,750.00. There are no liens indicated as to this personal property and as such, in a hypothetical liquidation, the proceeds from the sale of this property would be available for distribution to unsecured creditors.

c. Mobile homes:

At the commencement of the case, Debtor had an interest in five (5) newly acquired mobile homes financed by Camco Management, LLC. In the Schedule "D" filed, Debtor indicated a value of these mobile homes as \$50,000.00. Camco Management, LLC was scheduled with a secured claim of \$50,000.00. Debtor estimates that in a hypothetical liquidation, the sale of these mobile homes would likely result in net proceeds of approximately seventy to eighty percent (70%-80%) of the scheduled value or approximately \$37,500.00. With these mobile homes being subject to the lien of Camco Management, LLC securing a scheduled claim of \$50,000.00, Debtor sets forth that in a hypothetical liquidation there would be no proceeds available from the sale of these five (5) mobile homes for distribution to unsecured claims.

Summary:

Debtor estimates, given the above values and assumptions, that in a hypothetical liquidation, after payment of secured claims, proceeds for payment to unsecured claims would be as follows:

Real Estate	\$0.00
Personal Property:	
a. Bank account and accounts receivable	\$0.00
b. Maintenance equipment and office furnishings	\$12,750.00
c. Mobile homes	\$0.00
Total:	\$12,750.00

In a liquidation, certain claims are entitled to priority prior to distribution to general unsecured creditors. These claims consist of administrative and priority claims pursuant to the priorities set forth in the Bankruptcy Code.

Administrative Expenses: Certain entities including Debtor's attorneys, accountants, appraisers, or other professionals authorized to be employed by the Debtor and professionals

employed by the Unsecured Creditors' Committee, if any, may file Applications with the Bankruptcy Court for the allowance of compensation and reimbursement of expenses. Requests for compensation are subject to approval by the Bankruptcy Court after a hearing on notice at which the Debtor and other parties in interest may participate and, if appropriate, object to the allowance of any compensation and reimbursement of expenses. Attorney fees are not known at present, but are estimated to be \$20,000.00 at Confirmation. These amount may be greater or lesser depending upon matters involved in the chapter 11 proceeding, including issues relating to claims and the confirmation of the Plan. Additional administrative expenses would include U.S. Trustee fees unsatisfied at the time of the Plan Confirmation, which at this time are estimated to be \$975.00. U.S. Trustee fees continue to accrue until the case is closed.

**Priority Claims:** Certain claims, including certain government taxing authority claims are entitled to a priority position over general unsecured creditors. The Bankruptcy Code requires payment of these priority claims before distribution to general unsecured creditors or interest holders. No proofs of claim filed to date indicate priority claims asserted against the Debtor.

Administrative and priority claims (if any) would be entitled to payment prior to payment to general unsecured creditors.

Liquidation Analysis Summary:

Given the above values, assumptions and claim amounts as set forth herein, Debtor sets forth that in a hypothetical liquidation there would be insufficient proceeds to pay the secured claims and administrative claims of the Debtor and accordingly, would result in no proceeds available for distribution to general unsecured claims.

**D. Projections**

The Debtor has in accordance with its experience and expertise, formulated projections of income and expenses for the continued operation of the corporation.

These projections, based upon the Debtor's most current information reflect the present opinion of the income to be generated by the operation of the Meadowview Mobile Home Park, as well as the costs and expenses associated with its operation over the next three (3) years.

The projections, attached hereto as **Exhibit A**, provide information on the continued operation of the Debtor based upon its experience and current information and opinion regarding anticipated sales and expenses from the operation of the business. It is cautioned that no representation can be made with respect to the accuracy of these projections or the ability to achieve the projected results. Certain of the business assumptions used in the preparation of the projections may not materialize. The conclusions described herein are subject to numerous assumptions regarding tenancy, rental rents and associated expenses of the mobile home park. Moreover, unanticipated and uncontrollable events and circumstances may occur after the date of the forecast which would affect the business and operation of the Meadowview Mobile Home Park. Accordingly, although the Debtor believes that these projected results are achievable, actual results achieved during the period covered by the projections will undoubtedly vary from the

projections and such variations may be material. The financial information set forth herewith should be reviewed in conjunction with other information regarding the Debtor's business and operation and with such other information contained elsewhere in this Disclosure Statement.

### III.

#### *Bankruptcy Code Requirements for Confirmation*

The Bankruptcy Court will confirm the Plan only if it finds that all of the requirements of §1129 (Confirmation of plan) of the Bankruptcy Code are met. Among the requirements for confirmation of a Plan are that the Plan: (i) is accepted by all impaired classes of claims and equity interests, or if rejected or deemed rejected by an impaired Class, satisfies the "cramdown" standard; (ii) is feasible; and (iii) is in the "best interests" of creditors and stockholders (interest holders) impaired under the Plan.

Section 1129 of the Bankruptcy Code which sets forth the requirements that must be satisfied in order for the Plan to be confirmed, lists the following requirements for the approval of any plan of reorganization:

1. A plan must comply with the applicable provisions of the Bankruptcy Code.
2. The proponent of a plan must comply with the applicable provisions of the Bankruptcy Code.
3. A plan must be proposed in good faith and not by any means forbidden by law.
4. Any payment made or to be made by the proponent, by the debtor, or by a person issuing securities or acquiring property under a plan, for services or for costs and expenses in or in connection with the case, or in connection with such plan and incident to the case, must be approved by, or be subject to the approval of, the court as reasonable.
5. (i)(A) The proponent of a plan must disclose the identity and affiliations of any individual proposed to serve, after confirmation of such plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint plan and the Debtor, or a successor to the Debtor under such plan; and
  - (B) The appointment to, or continuance in, such office of such individual, must be consistent with the interests of creditors and equity security holders and with public policy; and
  - (ii) The proponent of a plan must disclose the identity of any insider that will be employed or retained by the reorganized debtor, and the nature of any compensation for each insider.

6. Any governmental, regulatory commission with jurisdiction, after confirmation of a plan, over the rates of the debtor must approve any rate change provided for in such plan, or such rate change is expressly conditioned on such approval.
7. Each holder of a claim or interest in an impaired class of claims or interests must have accepted the plan or must 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 so receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code on such date, or, if the class is a class of secured claims that elects non-recourse treatment of the claims under §1111(b) of the Bankruptcy Code (§1111 is entitled “Claims and interests”), each holder of a claim in such class will receive or retain under the plan on account of such claim property of a value, as of the effective date of the plan, that is not less than the value of such holder’s interest in the estate’s interest in the property that secures such claims. This is the so-called “best interests” test.
8. With respect to each class of claims or interests, such class must accept the plan or not be impaired under the plan (subject to the “cramdown” provisions discussed herein.)
9. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, a plan must provide that:
  - (i) with respect to an administrative claim and certain claims arising in an involuntary case, on the effective date of the plan, the holder of the claim will receive on account of such claim cash equal to the allowed amount of the claim;
  - (ii) with respect to a class of priority wage, employee benefit, consumer deposit and certain other claims described in §507(a)(3)-(6) of the Bankruptcy Code (§507 is entitled “Priorities”), each holder of a claim of such class will receive
    - (A) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or
    - (B) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim; and
  - (iii) with respect to a priority tax claim of a kind specified in §507(a)(8) of the Bankruptcy Code, the holder of such claim will receive on

account of such claim deferred cash payments, over a period not exceeding five (5) years after the date of the order for relief, of a value, as of the date of assessment of such claim of a value, as of the effective date of the plan equal to the allowed amount of such claim, and such treatment must be in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the Plan (other than cash payments made to a class of creditors under §1122(b)). (§1122 is entitled “Classification of Claims or interests”)

10. If a class of claims is impaired under a plan, at least one class of claims that is impaired under such plan must have accepted the plan, determined without including any acceptance of the plan by any insider; except that in a case in which the debtor is an individual, the debtor may retain property included in the estate subject to the requirements of 11 U.S.C. §1129(a)(14) described in ¶15 below.
11. Confirmation of a plan must not be 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. This is the so-called “feasibility” requirement.
12. All fees payable under §330 of the Bankruptcy Code, as determined by the court at the hearing on confirmation of the plan, must have been paid or the plan must provide for the payment of all such fees on the effective date of the plan.
13. A plan must provide for the continuation after its effective date of payment of all retiree benefits, as that term is defined in §1114 (Payment of insurance benefits to retired employees) of the Bankruptcy Code, at the level established pursuant to either subsection (e)(1)(B) or (g) of §1114 of the Bankruptcy Code, at any time prior to confirmation of such plan, for the duration of the period the debtor has obligated itself to provide such benefits.
14. An individual debtor may not obtain confirmation unless post-petition domestic support obligations are paid in full.
15. In those chapter 11 cases in which the debtor is an individual, and in which the holder of an allowed unsecured claim objects to the confirmation of the Plan, the court will confirm the Plan only if the value, as of the effective date of the Plan, of the property to be distributed under the Plan on account of such claim is not less than the amount of such claim; or the value of the property to be distributed under the Plan is not less than the projected disposable income of the debtor (as defined in 11 U.S.C. §1325(b)(2) to be received during the five (5) year period beginning on the date that the first

payment is due under the Plan, or during the period for which the Plan provides payments, whichever is longer.

This Disclosure Statement discusses three of these requirements: (a) the feasibility of the Plan; (b) acceptance by impaired classes; and (c) the “best interests” standard. The Debtor believes that the Plan meets all the requirements of §1129(a) of the Bankruptcy Code (other than as to voting, which has not taken place) and will seek a ruling of the Court to this effect at the hearing on confirmation of the Plan. You are urged to consult your own attorneys to evaluate each of the standards for confirmation of the Plan under the Bankruptcy Code.

### **Vote Required for Acceptance; Confirmation**

The Bankruptcy Code defines acceptance of a plan by an impaired class of claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the claims of that class which actually cast ballots (other than any holders who are found by the Bankruptcy Court to have cast their ballots in bad faith). The Bankruptcy Code defines acceptance of a plan by an impaired class of equity interests as acceptance by holders of at least two-thirds in number of the equity interests of that class that actually cast ballots other than any holders who are found by the Bankruptcy Court to have cast their ballots in bad faith.

In addition to this voting requirement, §1129 of the Bankruptcy Code requires that a plan be accepted by each holder of a claim or interest in an impaired class or that the plan otherwise be found by the Court to be in the best interests of each holder of a claim or interest in an impaired class. See “Best Interests Test” below.

If one Class of impaired Claims or Interests accepts the Plan, the Court may confirm the Plan under the “cramdown” provisions of §1129(b) of the Bankruptcy Code, which permits the confirmation of a plan over the dissenting votes of creditors or equity interest holders that have voted, as a Class, to reject the plan, provided that certain standards are met. See “Cramdown” below.

In the event any Voting Class votes against the Plan, and the Plan is not withdrawn, the terms of the Plan may be modified by the Debtor, as necessary to effect a “cramdown” on such dissenting Class or Classes by reallocating value from all Classes Junior to the objecting Class or Classes to any impaired senior Classes until such impaired senior Classes are paid in accordance with the absolute priority rule of §1129(b) of the Bankruptcy Code. Any such modifications or amendments shall be filed with the Bankruptcy Court and served on all parties in interest entitled to receive notice of the hearing on the confirmation of the affected Plan. Subject to the conditions set forth in the Plan, a determination by the Bankruptcy Court that the Plan is not confirmable pursuant to §1129 of the Bankruptcy Code will not limit or affect the Debtor’s ability to modify the Plan to satisfy the provisions of §1129 of the Bankruptcy Code.

### **Best Interests Test**

Notwithstanding acceptance of the Plan by each impaired Class, in order to confirm the Plan the Bankruptcy Court must determine that the Plan is in the best interests of each Holder of a

Claim or Interest that has not accepted the Plan. Accordingly, if an impaired Class does not unanimously accept the Plan, the “best interests” test of §1129(a)(7) of the Bankruptcy Code requires that the Court find that the Plan provides to each Holder of a claim or interest in such impaired Class a recovery on account of the Holder’s Claim or Interest that has a value of at least equal to the value of the Distribution that each such Holder would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code.

To estimate what members of each impaired Class of Claims or Interests would receive if the Debtor were liquidated in a chapter 7 case, the Bankruptcy Court must first determine the aggregate dollar amount that would be available if the Debtor’s case were converted to a chapter 7 liquidation by a chapter 7 trustee (the “Liquidation Value”). The Liquidation Value would consist of the net proceeds from the disposition of the assets of the Debtor, augmented by the Cash held by the Debtor and reduced by certain increased costs and Claims that arise in a chapter 7 liquidation case that do not arise in a chapter 11 reorganization case including sale costs. Debtor believes that a chapter 7 liquidation would have a material and adverse effect upon the values which would be received by its creditors when measured against such values assuming consummation of the Plan.

The Liquidation Value available to general creditor would be reduced by: (a) the Claims of secured creditors to the extent of the value of their collateral; and (b) the costs and expenses of the liquidation under chapter 7, which would include: (i) the compensation of a trustee and its counsel and other professionals retained; (ii) disposition expenses; (iii) all unpaid expenses incurred by the Debtor during its Reorganization Case (such as compensation for attorneys, auctioneers and accountants) which are allowed in the chapter 7 case; (iv) litigation costs; and (v) Claims arising from the operation of the Debtor during the pendency of the chapter 11 and chapter 7 liquidation cases. The liquidation itself would cause the realization of additional Priority Claims and would accelerate other priority payments which would otherwise be payable in the ordinary course. These Priority Claims would be paid in full out of the liquidation proceeds before the balance would be made available to pay most other Claims or to make any Distribution in respect of Interests. A discussion concerning liquidation of the Debtor’s assets is set forth above, See II.C. Liquidation Analysis.

Once the percentage liquidation recoveries for each Class are ascertained, the value of the Distribution available out of the Liquidation Value is compared with the value of the property offered to such Class under the Plan to determine if it is in the best interests of Holders of Allowed Claims or Allowed Interests, as the case may be, in such Class.

After considering the effect that a chapter 7 liquidation would have on the value of the Debtor, including the costs of an Claims resulting from a chapter 7 liquidation, the adverse effect of a forced sale on the prices of the Debtor’s assets, the potentially adverse impact on the Debtor’s business and the delay in the distribution of liquidation proceeds, the Debtor has determined estimated Liquidation Values for its Reorganization Case, which are set forth above. Based on the analysis set forth therein, and subject to the assumptions and qualifications therein expressed, the Debtor believes that the Plan as proposed herein satisfies the requirements of the “best interests” test of §1129(a)(7) of the Bankruptcy Code.



**Fair and Equitable Test; Cramdown**

Any Voting Class that fails to accept the Plan will be deemed to have rejected the Plan. Notwithstanding such rejections, the Bankruptcy Court may confirm the Plan and the Plan will be binding upon all Classes, including the Classes rejecting the Plan, if the Debtor demonstrates to the Bankruptcy Court that at least one impaired Class of Claims has accepted the Plan and that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to each non-accepting Class. A plan does not discriminate unfairly if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are similar to those of the dissenting class and if no class receives more than it is entitled to for its claims or interests.

The Bankruptcy Code establishes different “fair and equitable” tests for the secured and unsecured creditors as follows:

1. Secured Creditors. Either (i) each secured creditor in a non-accepting impaired class retains the liens securing its secured claim and receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each secured creditor in a non-accepting impaired class realizes the indubitable equivalent of its allowed secured claim or (iii) the property securing the claim is sold free and clear of liens with such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.
2. Unsecured Creditors. Either (i) each unsecured creditor in a non-accepting impaired class receives or retains under the plan property having a present value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive or retain any property under the Plan, unless new value is given by and through the operation of the Chapter 11 Plan; additionally, with respect to those cases in which the Debtor is an individual and in which the holder of an allowed unsecured claim objects to the confirmation of the Plan, the court will confirm the Plan only if the value, as of the effective date of the Plan, of the property to be distributed under the Plan on account of such claim is not less than the amount of such claim; or the value of the property to be distributed under the Plan is not less than the projected disposable income of the debtor (as defined in 11 U.S.C. §1325(b)(2) to be received during the five (5) year period beginning on the date that the first payment is due under the Plan, or during the period for which the Plan provides payments, whichever is longer.

THE DEBTOR BELIEVES THAT THE PLAN DOES NOT DISCRIMINATE UNFAIRLY WITH RESPECT TO ANY CLASS AND IS FAIR AND EQUITABLE WITH RESPECT TO EACH IMPAIRED CLASS, THEREFORE, THE DEBTOR INTENDS TO SEEK CONFIRMATION OF THE PLAN EVEN IF LESS THAN THE REQUISITE NUMBER OF FAVORABLE VOTES ARE OBTAINED FROM ANY VOTING CLASS.

### Feasibility

The Bankruptcy Code requires that the Bankruptcy Court, in order to confirm the Plan must find that confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Debtor (the “Feasibility Test”). For the Plan to meet the Feasibility Test, the Bankruptcy Court must find that reorganized Debtor, subsequent to the Effective Date, will have a reasonable expectation of generating, through their own operations or access to sources of debt and/or equity capital, funds sufficient to satisfy their obligations under the Plan and otherwise.

Assuming consummation of the Plan substantially as described herein, the Debtor believes that the Plan meets the requirements of the Feasibility Test. The Debtor has prepared projections of the expected operating and financial results of reorganized Debtor. Based on those projections, Debtor believes that the Plan complies with the financial feasibility standard for confirmation. The Debtor believes the results set forth in these projections are attainable and that it will have sufficient funds to meet its obligations under the Plan and otherwise.

The Debtor cautions that no representations can be made with respect to the accuracy of these projections or the ability to achieve the projected results. Certain of the business assumptions used in the preparation of the Projections may not materialize. The conclusions described herein are subject to numerous assumptions regarding continuing operations, many of which are the subject of continuing review and modification. Moreover, unanticipated and uncontrollable events and circumstances may occur after the date of the forecasts which could affect the business and property. Accordingly, although the Debtor believes that these projected results are achievable, actual results achieved during the period covered by the Projections will undoubtedly vary from the Projections, and such variations may be material.

## IV.

### Legal Effect of Plan Confirmation

1. As to Cases Other than Individual Debtors. In cases in which the Debtor is not an individual, except as otherwise provided in the Plan or Confirmation Order, in accordance with §1141(d)(1) of the Bankruptcy Code (§1141 is entitled “Effect of confirmation”), entry of the Confirmation Order acts as a discharge effective as of the effective date of all debts of, claims against, liens on, and interest in the Debtor, its assets or properties which debts, claims, liens and interest arose at any time before the entry of the Confirmation Order.

2. As to cases in which Debtor is an Individual. Unless after notice and hearing the Court orders otherwise for cause, confirmation of an individual Debtor’s Chapter 11 Plan does not discharge any debt provided for in the Plan until the Court grants a discharge on completion of all payments under the Plan under 11 U.S.C. §1141(d)(5)(A) except that the Court may grant a discharge prior to Plan completion under sub-part (b) of that Section if there exists a lack of practical ability to modify the confirmed Plan and the distribution of all property under the Plan is no less than unsecured creditors would have received in a chapter 7 liquidation.

3. Scope of Discharge. The discharge of the Debtor shall be effective as to each claim, regardless of whether a Proof of Claim therefor was filed, whether the claim is an allowed claim or whether the holder thereof votes to accept the Plan. On the effective date as to every discharge claim and interest any holder of such claim or interest shall be precluded from asserting against the reorganized Debtor or against *their* respective assets or properties any other or further claim or interest based upon any document, instrument, act, omission, transaction, or other activity of any kind or nature that occurred before the Confirmation date. Further, any holder of a claim or interest shall be precluded from asserting the same against the Debtor or the reorganized Debtor, except as specifically provided for in the Plan.

4. Injunction. In accordance with §524 (“Effect of discharge”) of the Bankruptcy Code, the discharge provided by the Plan and §1141 of the Bankruptcy Code, inter alia acts as an injunction against the commencement or continuation of any action, employment of process or act to collect, offset or recover the claims discharged hereby.

5. Applicability. Except as otherwise may be set forth in the Plan, the discharge provisions of the Plan do not apply to rights, claims or causes of action whether asserted or yet to be asserted against a non-Debtor except that no rights, claims or causes of action against Debtor can be asserted against the Debtor or reorganized Debtor.

6. Retention of Claims. Except as otherwise provided in the Plan including without limitation any contract, instrument, release or other agreement entered into in connection with the Plan or by Order of the Bankruptcy Court in accordance with §1123(b) of the Bankruptcy Code (§1123 is entitled “Contents of plan”), the reorganized Debtor shall retain and may enforce any claims, rights and causes of action that the Debtor or their estate may hold including without limitation any claims, rights or causes of action under §544 through §550 inclusive of the Bankruptcy Code (these Bankruptcy Code sections set forth avoidance powers of a trustee) or any other applicable law. After the effective date, reorganized Debtor may pursue any such claims, rights and causes of action in accordance with what is in their best interest.

7. Revesting and Vesting. Except as otherwise provided expressly in the Plan, on the effective date, all property comprising the estate of the Debtor shall revest in reorganized Debtor and shall become property of the reorganized Debtor free and clear of all claims, liens, charges, encumbrances and interests of creditors and equity security holders (other than as expressly provided in the Plan). As of the effective date reorganized Debtor shall operate the business and use, acquire and dispose of property including any post-petition cash collateral and settle or compromise claims or interests without supervision of the Court free of any restrictions of the Bankruptcy Code or Bankruptcy Rules other than those restrictions expressly imposed by the Plan and Confirmation Order.

8. Retention of Jurisdiction by the Bankruptcy Court. Notwithstanding Confirmation of the Plan or occurrence of the effective date, the Court shall retain jurisdiction over the reorganization case. Prior to the entry of a Final Order pursuant to Bankruptcy Rule 3022, the Bankruptcy Court shall retain jurisdiction:

- a. Over all claims against or interests in the Debtor;

- b. To determine the allocability of claims and interests upon objection to such claims by the Debtor or reorganized Debtor or the Creditors' Committee;
- c. To determine any tax liability pursuant to §505 (Determination of tax liability) of the Bankruptcy Code;
- d. To adjudicate any dispute under any executory lease or contract assumed during the reorganization case pursuant to §365 (Executory contracts and unexpired leases) of the Bankruptcy Code;
- e. To resolve all matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease of the Debtor;
- f. To determine requests for payment of administrative claims;
- g. To resolve controversies and disputes regarding the interpretation of the Plan including the determination of the priorities of distribution required by the Articles of the Plan.
- h. To implement the provisions of the Plan and enter orders in aid of Confirmation in consummation of the Plan including without limitation, appropriate orders to enforce the right, title and powers of reorganized Debtor from actions by holders of claims against or interests in the Debtor;
- i. To determine classification voting treatment allowance estimation withdrawal disallowance or reconsideration of claims and interests and any objections relating thereto;
- j. To fix, liquidate or estimate claims or interests;
- k. To modify the Plan pursuant to §1127 (Modification of plan) of the Bankruptcy Code;
- l. To correct any defect, to cure any mistake or omission or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary or appropriate to carry out the purposes and intent of the Plan;
- m. To adjudicate any causes of action that arose prior to the Confirmation date or in connection with the implementation of the Plan including avoidance actions brought by the Debtor or reorganized Debtor as the representation of Debtor's estate or party

in interest (as a representative of the Debtor's estate);

- n. To resolve disputes concerning any disputed claims reserve or the administration thereof and claims for disputed distribution;
- o. To resolve any disputes concerning any release of the Debtor under the Plan or the injunction against acts of employment of process, or actions against the Debtor arising under the Plan;
- p. To resolve any disputes concerning whether a personal entity had sufficient notice of the reorganization case, the applicable claims bar date, the hearing on the approval of the disclosure statement as containing adequate information, the hearing on the Confirmation of the Plan for the purpose of determining whether a claim of interest is discharged under the Plan or for any other purpose;
- q. To order the removal pursuant to §1452 (Removal of claims related to bankruptcy cases) of Title 28 of the United States Code of any suit instituted against the Debtor, the estate, the reorganized Debtor or any person released pursuant to the Plan and to hear and determine any action so removed;
- r. To enter a Final order closing the reorganization case; and
- s. To hear and determine such other matters as may be provided for under Title 28 or any other title of the United States Code and any reference to the Bankruptcy Code, the Bankruptcy Code, the Bankruptcy Rules, other applicable law, the Plan or the Confirmation Order.

## V.

### Summary of the Plan

The Classes created by the Plan and their respective treatment are summarized below. The obligations under the Plan may be reduced to promissory notes within approximately six (6) months from the date of Confirmation of the Plan. The terms of such promissory notes shall not vary the terms of the Plan.

1. **Class 1** will constitute holders of administrative expenses claims, including Debtor's attorneys. This Class will be paid in full within thirty (30) days after Confirmation unless earlier payment is authorized by the Court. The U.S. Trustee fees shall be paid in full in timely fashion pursuant to the quarterly fee payments schedule until such time as this chapter 11 case is closed. This Class is not impaired.

2. **Class 2** will consist of the Camco Management, LLC Allowed Secured Claim. The Allowed Secured Claim of this Class shall be paid in full, With Interest. Payments to this Class shall be monthly commencing thirty (30) days after Confirmation of the Plan. Said payments shall be based upon a ten (10) year amortization. The terms of the Plan shall be incorporated into a new promissory note in a form proposed by this Class and agreed upon by the Debtor. Such form shall be proposed and submitted by this Class prior to the date this Plan is first scheduled for a hearing on its confirmation. In the event this Class submits no form or such submitted form is not agreed to by the Debtor, the form utilized shall be the ordinary and customary form utilized for similar such transaction using the standard Allen County (Indiana) Bar Association form. The prepetition security interest of this Class shall continue in effect. The estimated payment to this Class is \$530.33 per month. This Class is impaired.

3. **Class 3** will consist of the Park Capital Investments, LLC Allowed Secured Claim. The Allowed Secured Claim of this Class shall be paid in full, With Interest. The Allowed Secured Claim of this Class shall be deemed to be in the amount of \$2,875,000.00 unless the Class disputes such valuation prior to Confirmation of the Plan. The Court shall retain jurisdiction to determine the amount of this Class' Allowed Secured Claim in the event the parties cannot agree. Payment to the Class shall be in monthly installments based upon a twenty (20) year amortization commencing with the first monthly installment which shall be due thirty (30) days after Confirmation of the Plan. Provided, however, that the remaining balance due on the Allowed Secured Claim shall be fully due and payable after seven (7) years after the first monthly payment under this Plan. (However, the balloon payment provision shall not apply if this Class makes an election to be treated pursuant to 11 U.S.C. §1111(b).) The terms of this Plan as to this Class shall be incorporated into a new promissory note in a form proposed by this Class and agreed upon by the Debtor. Such form shall be proposed and submitted by this Class prior to the date this Plan is first scheduled for a hearing on its Confirmation. In the event this Class fails to submit a form or in the event the form submitted is not agreed by the Debtor, the form utilized shall be the ordinary and customary form utilized for similar such transactions using the standard Allen County (Indiana) Bar Association form. The prepetition security interest of this Class shall continue in effect. The deficiency claim of Park Capital Investments, LLC shall be included in, and administered with, Class 7 claims. The estimated payment to this Class is \$18,973.73 per month. This Class is impaired.

4. **Class 4** will consist of the Porter County Treasurer Allowed Secured Claim. The Allowed Secured Claim of this Class shall be paid in full within one (1) year after Confirmation of the Plan. The estimated payment to this Class is approximately \$25,000.00. The security interest of this Class shall continue in effect. This Class is impaired.

5. **Class 5** will consist of Individuals with Allowed Deposit Claims pursuant to 11 U.S.C. §507(a)(7). The Allowed Claims of this Class shall be paid in full in the normal and ordinary course of business after the Confirmation of the Plan as and when such claims of individuals become due. The payments due to this Class upon Confirmation of the Plan, if any, are anticipated to be nominal. This Class is not impaired.

6. **Class 6** will consist of Allowed Priority Tax Claims. The Allowed Claims of this Class shall be paid in full, With Interest, accruing from and after the Confirmation of the Plan at

the I.R.C. rate in effect as of the Confirmation of the Plan. Payments to this Class shall be quarterly based upon a one (1) year amortization. The first quarterly payment to the Class shall be due ninety (90) days after Confirmation of the Plan. The payments due to this Class upon Confirmation of the Plan, if any, are anticipated to be nominal. This Class is not impaired.

7. Class 7 will consist of Unsecured Claims. The Allowed Claims of this Class shall be paid on a pro rata basis out of an annual lump sum distribution to this Class in the amount of \$5,000.00. Said annual distributions shall commence one (1) year after Confirmation of the Plan and shall continue annually for a total of four (4) such annual payments. This Class shall include all claims not specifically included in Classes 1 through 6 and shall also include the deficiency claim, if any, of Park Capital Investments, LLC. This Class shall neither have nor retain any liens. This Class is impaired.

8. Class 8 will consist of the interest holders. All pre-petition equity security interests of Debtor shall be canceled. The equity security interest in the Debtor will be distributed to Jim Sage in exchange for the sum of \$75,000.00.

**THE FOREGING IS A BRIEF SUMMARY OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR VOTING PURPOSES. CREDITORS ARE FURTHER URGED TO CONSULT WITH COUNSEL, OR WITH EACH OTHER, IN ORDER TO FULLY UNDERSTAND THE PLAN.**

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**ADDITIONALLY, ANY CREDITOR DESIRING INFORMATION REGARDING THE DEBTOR THAT SUCH CREDITOR BELIEVES IS NOT SUPPLIED BY THE DISCLOSURE STATEMENT IS REQUESTED TO CONTACT THE ATTORNEYS FOR THE DEBTOR.**

EL RANCHO OF KALAMAZOO LIMITED  
PARTNERSHIP

/s/ D. Mark Krueger

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D. Mark Krueger, General Partner

**CERTIFICATE OF SERVICE**

The undersigned, who is duly admitted to practice in the State of Indiana and before the Court, hereby certifies that a copy of the above and foregoing was transmitted electronically through the Bankruptcy Court's ECF System, on February 21, 2017, to the following:

Leonard W. Copeland  
Jennifer W. Prokop  
Nancy J. Gargula  
Office of the United States Trustee  
One Michiana Square, Suite 555  
100 E. Wayne Street  
South Bend, IN 46601

Maria A. Diakoumakis  
DYKEMA GOSSETT PLLC  
10 S. Wacker Drive, Suite 2300  
Chicago, IL 60606  
Attorney for PCI Meadowview LLC

The undersigned further certifies that a copy of the above and foregoing was sent by first class United States mail, postage prepaid on February 21, 2017, to the following:

El Rancho of Kalamazoo Limited Partnership  
c/o R. Mark Krueger  
42815 Garfield Road, Suite 213  
Clinton Township, MI 48038

/s/ Scot T. Skekloff  
\_\_\_\_\_  
Scot T. Skekloff (#15849-02)



**EXHIBIT A**

**El Rancho of Kalamazoo, LP  
Forecast  
May through December 2017**

	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Average Monthly Site Rent	410	410	410	410	410	410	410	410
Monthly Occupied Sites	76	77	78	79	80	81	82	83
Monthly Occupied PCA Homes	11	11	11	11	11	11	11	11
Monthly Occupied DMS Homes	1	1	1	1	1	1	1	1
Monthly Occupied PRO Homes	18	19	20	21	22	23	24	25
Monthly Occupied MV Homes	23	23	23	23	23	23	23	23
Average Monthly PCA Rent	285	285	285	285	285	285	285	285
Average Monthly DMS Rent	95	95	95	95	95	95	95	95
Average Monthly PRO Rent	260	260	260	260	260	260	260	260
Average Monthly MV Rent	335	335	335	335	335	335	335	335
Delinquency %	5%	5%	5%	5%	5%	8%	8%	8%
<b>Ordinary Income/Expense</b>								
Income								
4000 - Income Rent	40,390	40,800	41,210	41,620	42,030	42,440	42,850	43,260
41 - Progressive pass thru	4,680	4,940	5,200	5,460	5,720	5,980	6,240	6,500
42 - PCA Home Income	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135
43 - DMS pass thru	95	95	95	95	95	95	95	95
4040 - Income Water/Sewer	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
4090 - Income Miscellaneous	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Delinquency	(2,019)	(2,040)	(2,060)	(2,081)	(2,101)	(3,395)	(3,428)	(3,460)
Total Income	51,531	52,180	52,830	53,479	54,129	53,505	54,142	54,780
Expense								
6030 - Auto	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
6115 - Computer Services	500	500	500	500	500	500	500	500
6120 - Contracted Maintenance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
6210 - Equipment-Maintenance	150	150	150	150	150	150	150	150
6220 - Fees	100	100	100	100	100	100	100	100
6300 - Insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
61 - Progressive Pass Thru	4,680	4,940	5,200	5,460	5,720	5,980	6,240	6,500
63 - DMS Pass Thru	95	95	95	95	95	95	95	95
6340 - Leased Employees	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
6350 - Management Fee	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
6360 - Miscellaneous	200	200	200	200	200	200	200	200
6390 - Office Supplies	400	400	400	400	400	400	400	400
6465 - Professional Services	250	250	250	250	250	250	250	250
6470 - Rubbish	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
6540 - Supplies	500	500	500	500	500	500	500	500
6570 - Taxes	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
6630 - Telephone	200	200	200	200	200	200	200	200
6661 - Travel	400	400	400	400	400	400	400	400
6670 - Utilities	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
U.S. Trustee Fees	0	0	650	0	0	650	0	0
Total Expense	30,575	30,835	31,745	31,355	31,615	32,525	32,135	32,395
Net Ordinary Income	20,956	21,345	21,085	22,124	22,514	20,980	22,007	22,385

**El Rancho of Kalamazoo, LP  
Forecast  
January through December 2018**

	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	TOTAL
<b>Income</b>													
Average Monthly Site Rent	410	410	410	410	410	410	410	410	410	410	410	410	410
Monthly Occupied Sites	84	85	86	87	88	89	90	91	92	93	94	95	95
Monthly Occupied PCA Homes	11	11	11	11	11	11	11	11	11	11	11	11	11
Monthly Occupied DMS Homes	1	1	1	1	1	1	1	1	1	1	1	1	1
Monthly Occupied PRO Homes	26	27	28	29	30	31	32	33	34	35	36	37	37
Monthly Occupied MV Homes	23	23	23	23	23	23	23	23	23	23	23	23	23
Average Monthly PCA Rent	285	285	285	285	285	285	285	285	285	285	285	285	285
Average Monthly DMS Rent	95	95	95	95	95	95	95	95	95	95	95	95	95
Average Monthly PRO Rent	260	260	260	260	260	260	260	260	260	260	260	260	260
Average Monthly MV Rent	335	335	335	335	335	335	335	335	335	335	335	335	335
Delinquency %	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	10%	10%	10%
<b>Ordinary Income/Expense</b>													
Income													
4000 - Income Rent	47,750	48,160	48,570	48,980	49,390	49,800	50,210	50,620	51,030	51,440	51,850	52,260	600,060
411 - Progressive pass thru	6,760	7,020	7,280	7,540	7,800	8,060	8,320	8,580	8,840	9,100	9,360	9,620	98,280
42 - PCA Home income	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	37,620
43 - DMS pass thru	95	95	95	95	95	95	95	95	95	95	95	95	1,140
4040 - Income Water/Sewer	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
4090 - Income Miscellaneous	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Delinquency	(3,432)	(5,093)	(5,146)	(5,200)	(5,254)	(5,307)	(5,361)	(5,414)	(5,468)	(5,522)	(5,576)	(5,630)	(65,202)
Total Income	59,558	58,567	59,184	59,800	60,416	61,033	61,649	62,266	62,882	63,498	64,114	64,730	734,898
Expense													
6030 - Auto	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
6115 - Computer Services	500	500	500	500	500	500	500	500	500	500	500	500	6,000
6120 - Contracted Maintenance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
6210 - Equipment-Maintenance	-	150	150	150	150	150	150	150	150	150	150	150	1,650
6220 - Fees	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6300 - Insurance	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	19,800
61 - Progressive Pass Thru	6,760	7,020	7,280	7,540	7,800	8,060	8,320	8,580	8,840	9,100	9,360	9,620	98,280
63 - DMS Pass Thru	95	95	95	95	95	95	95	95	95	95	95	95	1,140
6340 - Leased Employees	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
6350 - Management Fee	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
6360 - Miscellaneous	200	200	200	200	200	200	200	200	200	200	200	200	2,400
6390 - Office Supplies	400	400	400	400	400	400	400	400	400	400	400	400	4,800
6465 - Professional Services	-	250	250	250	250	250	250	250	250	250	250	250	4,050
6470 - Rubbish	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400
6540 - Supplies	500	500	500	500	500	500	500	500	500	500	500	500	6,000
6570 - Taxes	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400
6630 - Telephone	200	200	200	200	200	200	200	200	200	200	200	200	2,400
6661 - Travel	400	400	400	400	400	400	400	400	400	400	400	400	4,800
6670 - Utilities	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	75,600
U.S. Trustee Fees	650	650	650	650	650	650	650	650	650	650	650	650	2,600
Total Expense	33,655	33,655	33,925	36,135	34,445	34,705	35,615	35,225	35,485	36,395	36,005	36,265	421,520
Net Ordinary Income	25,903	24,902	25,259	23,665	25,971	26,328	26,034	27,041	27,397	27,103	26,716	27,069	313,378

**El Rancho of Kalamazoo, LP  
Forecast  
January through December 2019**

	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	TOTAL
<b>Ordinary Income/Expense</b>													
<b>Income</b>													
4000 - Income Rent	52,260	52,260	52,260	52,260	52,260	52,260	52,260	52,260	52,260	52,260	52,260	52,260	627,120
41 - Progressive pass thru	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	115,440
42 - PCA Home Income	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	37,620
43 - DMS pass thru	95	95	95	95	95	95	95	95	95	95	95	95	1,140
4040 - Income Water/Sewer	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
4090 - Income Miscellaneous	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Delinquency	(3,432)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(5,629)	(7,036)	(7,036)	(68,163)
<b>Total Income</b>	<b>66,928</b>	<b>64,731</b>	<b>64,731</b>	<b>64,731</b>	<b>64,731</b>	<b>64,731</b>	<b>64,731</b>	<b>64,731</b>	<b>64,731</b>	<b>64,731</b>	<b>63,324</b>	<b>63,324</b>	<b>776,157</b>
<b>Expense</b>													
6030 - Auto	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
6115 - Computer Services	500	500	500	500	500	500	500	500	500	500	500	500	6,000
6120 - Contracted Maintenance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
6210 - Equipment-Maintenance	-	150	150	150	150	150	150	150	150	150	150	150	1,650
6220 - Fees	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6300 - Insurance	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
61 - Progressive Pass Thru	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	9,620	115,440
63 - DMS Pass Thru	95	95	95	95	95	95	95	95	95	95	95	95	1,140
6340 - Leased Employees	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	75,600
6350 - Management Fee	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
6360 - Miscellaneous	200	200	200	200	200	200	200	200	200	200	200	200	2,400
6390 - Office Supplies	400	400	400	400	400	400	400	400	400	400	400	400	4,800
6465 - Professional Services	-	250	250	1,550	250	250	250	250	250	250	250	250	4,050
6470 - Rubbish	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
6540 - Supplies	500	500	500	500	500	500	500	500	500	500	500	500	6,000
6570 - Taxes	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	28,800
6630 - Telephone	200	200	200	200	200	200	200	200	200	200	200	200	2,400
6661 - Travel	400	400	400	400	400	400	400	400	400	400	400	400	4,800
6670 - Utilities	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	79,200
U.S. Trustee Fees													
<b>Total Expense</b>	<b>36,915</b>	<b>37,315</b>	<b>37,315</b>	<b>38,615</b>	<b>37,315</b>	<b>37,315</b>	<b>37,315</b>	<b>37,315</b>	<b>37,315</b>	<b>37,315</b>	<b>37,315</b>	<b>37,315</b>	<b>448,640</b>
<b>Net Ordinary Income</b>	<b>30,013</b>	<b>27,416</b>	<b>27,416</b>	<b>26,116</b>	<b>27,416</b>	<b>27,416</b>	<b>27,416</b>	<b>27,416</b>	<b>27,416</b>	<b>27,416</b>	<b>26,009</b>	<b>26,009</b>	<b>327,517</b>