

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In the Matter of:

Cheerview Enterprises, Inc.

Debtor

Case No. 17-56162-pjs

Chapter 11

Hon. Phillip J. Shefferly

**THIRD AMENDED
DEBTOR'S COMBINED DISCLOSURE STATEMENT AND
PLAN OF REORGANIZATION**

IMPORTANT! THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE DEBTOR'S PROPOSED PLAN OF REORGANIZATION. PLEASE READ THIS DOCUMENT WITH CARE.

Prepared By:
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I. PLAN OF REORGANIZATION

Debtor propose(s) the following Plan(s) of Reorganization (the “Plan”) pursuant to §§1121 and 1123 of the Bankruptcy Code.

ARTICLE I

DEFINITIONS

As used in this Plan, the following terms shall have the meanings specified below, unless the context requires otherwise:

1.1 **“Administrative Claim”** means costs and expenses of administration of the relevant Chapter 11 case allowed under §§503(b) and 507(a) of the Bankruptcy Code and the fees of the United States Trustee under 28 U.S.C. §1430(a)(6).

1.2 **“Administrative Creditor”** shall mean any Creditor who asserts an Administrative Claim.

1.3 **“Allowed Claim”** or **“Allowed Interest”** means a Claim against or Interest in The Debtor to the extent that:

A. A Proof of Claim or Interest was:

1. Timely filed;
2. Deemed filed pursuant to §1111(a) of the Code; or
3. Filed late with leave of the Bankruptcy Court after notice and an opportunity for hearing given to Debtor, and counsel for Debtor; and

B. The Claim is not a Contested Claim or a Contested Interest, or

C. The Claim is allowed (and only to the extent allowed) by a Final Order of the Bankruptcy Court.

1.4 **“Avoidance Actions”** means all claims granted the debtor-in-possession or a trustee under §§ 544-553 of the Code.

1.5. **“Ballot”** shall mean the official Bankruptcy Form or a document prepared to substantially conform to same being sent to all creditors and parties-in-interest entitled to vote for or against the Plan.

1.6 **“Bankruptcy Code”** or **“Code”** means the Bankruptcy Reform Act of 1978, as amended (11 U.S.C. §§101, et seq.), also known as the United States Bankruptcy Code.

1.7 **“Bankruptcy Court”** means the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, and any court having jurisdiction over any appeals.

1.8 **“Bankruptcy Rules”** or **“Rules”** means the Federal Rules of Bankruptcy Procedure, and any amendments thereto. To the extent applicable, Bankruptcy Rules also refers to the Local Rules of the U.S. District Court for the Eastern District of Michigan, as amended and the Local Bankruptcy Rules for the Eastern District of Michigan, as amended.

1.9 **“Business Day”** means any day, other than a Saturday, Sunday or “Legal Holiday,” as that term is defined in Bankruptcy Rule 9006(a).

1.10 **“Case”** means the relevant above-captioned case currently pending before the Bankruptcy Court.

1.11 **“Claim”** means any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, Contested, disputed, undisputed, legal, equitable, secured or unsecured, or any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.12 **“Class”** means a class of holders of Claims or Interests described in Article III of this Plan.

1.13 **“Confirmation Date”** means the date upon which the Bankruptcy Court shall enter the Confirmation Order in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.14 “**Confirmation Hearing**” means the hearing conducted by the Bankruptcy Court to consider the confirmation of the Plan filed by Proponent.

1.15 “**Confirmation Order**” means the order entered confirming this Plan by the Bankruptcy Court pursuant to §1129 of the Code.

1.16 “**Contested Claim**” means any Claim as to which The Debtor or any other party in interest has interposed an objection or commenced an adversary proceeding in accordance with the Bankruptcy Code, Bankruptcy Rules and this Plan, which objection has not been determined by a Final Order.

1.17 “**Creditor**” means any holder of a Claim against The Debtor.

1.18 “**Debtor**” means the relevant above-captioned chapter 11 debtor.

1.19 “**Effective Date**” means the 11th calendar day after the Confirmation Order becomes a Final Order.

1.20 “**Final Order**” means an Order of the Bankruptcy Court as to which (i) the time for appeal has expired and no appeal has been timely taken; or (ii) any timely appeal has been finally determined or dismissed.

1.21 “**Impaired**” means a Claim treated under this Plan, unless the Plan:

(a) leaves unaltered the legal, equitable, and contractual rights to which such Claim or Interest entitles the holder of such Claim or Interest; or

(b) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default—

(1) cures any such default (other than defaults relating to (i) any penalty interest rate or provision arising from a non-monetary default by the Debtor; (ii) the solvency or financial condition of the Debtor or (iii) the commencement of this Case) that occurred before or after the commencement of the Case;

(2) reinstates the maturity of such Claim or Interest as such maturity existed before such default;

(3) compensates the holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; and

(4) does not otherwise alter the legal, equitable or contractual rights to which such Claim or Interest entitles its holder.

1.22 “**Insider**” shall mean a current or former director, shareholder, officer, partner, person in control, relative of a director, officer, partner or person in control of The Debtor or a corporation or entity in which an Insider (as defined above) of the Debtor is an Insider.

1.22.1 “**Interest Holder**” means the stockholders of The Debtor as of the Petition Date.

1.23 “**Interest**” means an equity interest in The Debtor as defined in §101 of the Code.

1.24 “**Interest Rate**” means, unless specified, (a) with respect to Claims entitled to interest under §506 of the Bankruptcy Code and this Plan and having an applicable contractual rate of interest, the lowest rate of interest provided in such contract, without regard to any default by Debtor, (b) with respect to all other Claims entitled to interest under the Bankruptcy Code and this Plan, 5% per annum, or (c) with respect to (a) or (b) such other interest rate as may be determined by a Final Order of the Bankruptcy Court.

1.25 “**IRS**” means the Internal Revenue Service, an agency of the United States of America, and its representatives, affiliated agencies and assignees.

1.26 “**Lien**” means a charge against, or an interest in property to secure payment of a debt or performance of an obligation.

1.27 “**New Value**” means such money or money’s worth that has been paid or contributed by the Interest Holders for the new stock of the reorganized debtor.

1.28 **“Petition Date”** means the date Debtor filed the Voluntary Petition commencing the Case under Chapter 11 of the Bankruptcy Code.

1.29 **“Plan”** means this Plan of Reorganization, as it may be altered, amended or modified from time to time.

1.30 **“Priority Claim”** means a Claim under or entitled to priority under Code §507(a) of the Code.

1.31 **“Priority Creditor”** means a Creditor who asserts a Priority Claim.

1.32 **“Professional Fees”** means the fees and reimbursement for disbursements owed to attorneys, accountants, or other professionals whose employment has been approved by the Bankruptcy Court.

1.33 **“Reorganized Debtor”** shall mean The Debtor, on and after the Effective Date.

1.34 **“Secured Claim”** means a Claim secured by a Lien on property in which the estate has an interest but only to the extent of the value of the Creditor’s interest in the estate’s interest in the property as of the Petition Date.

1.35 **“State of Michigan”** means the Michigan Department of Treasury, Michigan Unemployment Agency or any other governmental agencies of the State of Michigan.

1.36 **“Unsecured Claim”** means a Claim that is not a Secured Claim, an Administrative Claim nor a Priority Claim.

1.37 **“Unsecured Creditor”** shall mean any Creditor that holds an Unsecured Claim.

ARTICLE II

TREATMENT OF CLAIMANTS NOT SUBJECT TO CLASSIFICATION OR OTHERWISE NOT REQUIRED TO VOTE FOR OR AGAINST THE PLAN

For the purposes of approval and implementation of this Plan and the resultant reorganization of the Debtor, Administrative Creditors and Priority Creditors shall be paid on account of their respective Administrative and Priority Claims in accordance with the provisions set forth below:

2.1 **GROUP I.** The Claims of Group I shall consist of all Administrative Expenses, except the claims of taxing authorities that are secured and that qualify as Administrative Expenses. The Allowed Claims of this Group shall be paid the full amount of their Claims on such date as may be mutually agreed upon between Debtor and the particular claimant, or, if no such date is agreed upon, the latest of (i) the Effective Date, (ii) the date by which payment would be due in the ordinary course of business between Debtor and such Administrative Creditor, or (iii) the date on which the Bankruptcy Court enters its order, if necessary, approving Debtor's payment of such expenses. It is estimated that the only entity in this class shall be Robert Bassel, attorney for the Debtor. It is estimated that the amount of his administrative expense shall be approximately \$10,000. Postpetition administrative taxes are contemplated to be paid by Debtor as they become due, or on a pro-rata basis.

2.2 **GROUP II.** The Claims of Group II shall consist of all Priority Creditors entitled to receive priority for their Allowed Claim under §507(a)(8) of the Bankruptcy Code. Debtor does not believe that it owes any claims that would be within Group II. If they do exist, they shall be paid in equal monthly payments over 60 months from the Effective Date at 3.5% interest per annum.

2.3 **GROUP III.** The Claims of Group III shall consist of all other Priority Creditors entitled to receive priority for their Allowed Claim under §507(a) of the Bankruptcy Code other

than §507(a)(8). Debtor does not believe that any such claimants exist. If they do exist, they shall be paid in equal monthly payments over 96 months from the Effective Date at 3.5% interest per annum.

ARTICLE III

SPECIFICATION OF TREATMENT OF CLASSES OF CLAIMS OR INTERESTS NOT IMPAIRED UNDER PLAN AND THOSE IMPAIRED UNDER THE PLAN

The Plan divides Claims and Interests into classes and treats them as follows, all of which are impaired unless noted:

Class	Claimant	Treatment for Claims in this class
Class 1	Eaton County Treasurer/Delta Township	This class, with respect to Eaton County/Delta Township is owed approximately \$24,000 on its secured claim, which shall be paid over 60 monthly installments at 12% until paid in full. The members of this class shall retain their lien until the claims making up this class are paid in full. This class shall be paid contemporaneously with Class 2. Payments shall be \$ 533.87 per month. This class is impaired.
Class 2	Stockbridge Acquisitions, LLC	This class, with respect to Stockbridge’s secured claim in the amount of \$403,000 due to Stockbridge’s election under 11 U.S.C. section 1111(b) [note that the value of their secured claim is \$226,000 which is based upon (the value of the collateral upon which it has a lien [\$250,000 less the prior Eaton County/Delta Township tax lien of \$24,000]) shall be paid over 240 monthly installments at 5%. The members of this class shall retain their lien until the claims making up this class are paid in full. This Class shall be paid contemporaneously with Class 1. Payments shall be \$1,679.17 per month. This class is impaired. The present value of these payments is \$254,436.76.

Class 3	Fadis Heating & Cooling	<p>This class, with respect to Fadi’s Heating & Cooling’s secured claim in the amount of \$8,360 (the value of the collateral upon which it has a lien) shall be paid over 60 monthly installments at 0%. The members of this class shall retain their lien until the claims making up this class are paid in full. This Class shall be paid contemporaneously with Class 2. Payments shall be \$139.33 per month.</p> <p>This class is impaired.</p> <p>Upon information and belief, this entity is owned by Fadi Elghoul who is not an “insider”, and who is married to Mr. Berro’s third cousin. Debtor contracted with this entity because it had previously done work for Mr. Berro’s friends and family and has a good reputation.</p>										
Class 4	Class of general unsecured claims	<p>This class is made up of the following claims for which there is no collateral to support a secured claim:</p> <table border="1" data-bbox="800 926 1448 1188"> <tr> <td></td> <td></td> </tr> <tr> <td>USOil</td> <td>50,000</td> </tr> <tr> <td>Ilira Lokaj/Ali Damsaz (disputed)</td> <td>121,000</td> </tr> <tr> <td>R & S Real Estate, LLC (disputed)</td> <td>112,500</td> </tr> <tr> <td>TOTAL</td> <td>283,500</td> </tr> </table> <p>These claims shall be paid at 10% in 60 equal monthly installments without interest, commencing on the Effective Date. Monthly payments shall be \$472.50 and shall be paid contemporaneously with Class 2. These payments, as with all plan payments, may be prepaid.</p> <p>This class is impaired. Note that while USOil has also made an election under Section 1111(b), because there is no collateral to support its secured claim, it cannot make such an election pursuant to 11 U.S.C. section 1111(b)(1)(B)(i) (i) (“the interest on account of such claims of the holders of such claims in such property is of inconsequential value”);</p>			USOil	50,000	Ilira Lokaj/Ali Damsaz (disputed)	121,000	R & S Real Estate, LLC (disputed)	112,500	TOTAL	283,500
USOil	50,000											
Ilira Lokaj/Ali Damsaz (disputed)	121,000											
R & S Real Estate, LLC (disputed)	112,500											
TOTAL	283,500											
Class 5	Class of Equity Security Holders	See below										

The claims and interests of the equity holder(s) shall be treated in one of two alternative methods, to the extent applicable:

- A. If all impaired classes of Creditors vote to accept the Plan, then the rights of the Interest Holders shall remain the same. **This Class shall not be Impaired.**
- B. If any class of Creditors vote to reject the Plan or if the Bankruptcy Court requires, for any reason, that New Value be provided to the Debtor, the Interests of the Debtor shall be canceled and new Interests shall be reissued to the Interest Holders upon the investment by the Interest Holders of New Value, or those purchasing the Debtor's equity in the auction contemplated by this Plan. **This Class shall be Impaired.**

ARTICLE IV
EXECUTION AND IMPLEMENTATION OF THE PLAN

4.1 **Funding of the Plan:** Debtor reasonably believes that its future operations will generate sufficient funds to satisfy its obligations under the Plan. To the extent that additional funds are necessary, third parties may provide such funds to the Reorganized Debtor. Other sources of cash may be explored and utilized by the Reorganized Debtor to the extent that such cash infusions are necessary to meet the obligations of the Plan. Debtor may also sell all of its assets or a portion of its assets to fund its obligations under the plan.

4.2 **Refinancing/Financing:** If necessary, the Reorganized Debtor may, in its sole discretion, seek to obtain refinancing from either a lending institution or from other sources in an effort to satisfy the necessary cash payments described in this Plan. In the event that the Reorganized Debtor obtains such financing, it shall not obligate the Reorganized Debtor to accelerate any of the payments or obligations set forth in this Plan. There shall be no prepayment penalty regarding plan payments.

4.3 **Auction:**

4.3.1 If all impaired classes of claims vote to accept the Plan of Reorganization, then Debtor shall fund the obligations of the Plan as indicated above.

4.3.2 If any class of impaired claims votes to reject the Plan, then Debtor will proceed with an auction of the Interests of the Reorganized Debtor. Any new value contribution

shall be used for working capital and to pay operating and plan expenses, but not to any payments to any insiders. Debtor will proceed with an auction of the Interests of the Reorganized Debtor on the sixtieth day after the confirmation hearing at 10:00 a.m., which may be adjourned by the Court or Debtor. The auction of the Interests shall occur at the offices of Robert N. Bassel at 25925 Telegraph Rd Ste 203, Southfield, MI 48033. It is contemplated that the auction shall take place prior to entry of the Confirmation Order. Debtor shall retain a broker to market the equity interests if the Court determines that a new value auction is required. Debtor shall also provide notice of the auction by publishing notice in the Detroit Free Press or the Detroit News.

4.3.3 The following terms and conditions shall apply to The Debtor's consideration of any offer to be made at the auction:

1. Any person including any Creditor in this Case or other party, including any Interest holder of Debtor, who wishes to make a cash offer for all of the Interests in the Reorganized Debtor, shall notify the Debtor's counsel Robert N. Bassel, 25925 Telegraph Rd Ste 203, Southfield, MI 48033, in writing of its intent to make an offer no later than two Business Days prior to the date of the auction. At the time of giving such notice, such party or parties, including any Interest holder, shall tender a bank check in the amount of \$5,000, which amount shall be held by the Debtor's counsel in escrow as a deposit to be applied to the payment of the amounts due under the Equity Contribution Agreement. The remaining amount of the bid shall be paid within 30 days after the Auction Date.
2. Such deposit shall be immediately refunded to any party, including any Interest holder, which shall not be the successful bidder for the Interest. The failure to give the required notice, or failure to provide the foregoing deposit shall constitute a waiver by any party in interest or the Interest holder of its right to bid at the auction.
3. In addition to any cash paid as the result of the auction, which cash shall be fully paid on or before 30 days after the Auction Date, to be held in escrow by the Debtor's attorney, the successful purchaser shall:
 - a. be required to execute the Equity Contribution Agreement, attached; and
 - b. as the Interest holder of the Reorganized Debtor, acknowledge that the Reorganized Debtor shall be bound

by all of the obligations and payment terms as set forth in the Plan.

4. The Debtor reserves the right, in its reasonable business judgment, to set such other terms of conditions of bidding (provided that such terms and conditions are provided to all bidders prior to the commencement of auction), at the auction.
5. Except for provided herein, all bids must be for cash in the currency of the United States of America, on the terms and conditions set forth in the Equity Contribution Agreement. No credit bids shall be permitted. The initial bid shall be \$5,000 and bidding shall be in \$1,000 increments.
6. At the conclusion of the bidding, if any, Debtor shall announce the successful highest bid. In the event that the successful bidder fails to immediately execute and deliver to Debtor the Equity Contribution Agreement, the failure to provide that agreement shall constitute a waiver of such party's bid and the next and highest successful bidder shall be deemed the successful bidder.

4.4 **Avoidance Actions:** On the Confirmation Date, the Avoidance Actions of The Debtor shall vest in the Reorganized Debtor. It does not appear, however, that any such Avoidance Actions exist.

4.5 **Pre-payment:** The Reorganized Debtor may, but shall not be obligated to, pre-pay any of the claims at any time in its sole, absolute and unfettered discretion. If the Reorganized Debtor elects to pre-pay any obligation, it shall not incur any pre-payment penalty, any such pre-payment penalty contained in any pre-petition contract, agreement or document shall not apply.

4.6 **omitted**

4.7 **omitted**

ARTICLE V

EFFECT OF CONFIRMATION

5.1 **Discharge:** The confirmation of this Plan shall, and does hereby act to discharge and release the Claims of all Creditors against The Debtor, which shall constitute a full, total and complete settlement with said Creditors and Interest Holders. Confirmation shall also act as a merger and relinquishment of any and all Claims that Creditors have or may have against The Debtor as provided in the treatment of the Creditors in Articles II and III. The Debtor shall receive a discharge as contemplated by 11 U.S.C. §§524 and 1141 upon confirmation of the Plan, such discharge being as broad and all-inclusive as provided by law.

5.2 **Waiver:** Confirmation shall also constitute a waiver by Creditors of any right that they may have, unless supported by a written guarantee or provided by a federal or state statute to a taxing authority, to seek to enforce their Claims against any Insider, whether pursuant to an “alter ego” claim, a claim for “piercing” Debtor’s or the Reorganized Debtor’s corporate existence, or other similar claim.

5.3 **Financing and Capital Contributions:** There shall be no prohibition against the Reorganized Debtor merging, issuing additional stock or being acquired by another person, company, partnership or corporation, or obtaining any financing from any lender willing to provide any financing. The obtaining of financing shall not obligate the Reorganized Debtor to make any earlier payments or distribution except as may be provided in the Plan.

5.4 In the event of a conversion of the Case to a case under Chapter 7 of the Bankruptcy Code, all property of The Debtor, the debtor-in-possession or the Reorganized Debtor, including all property that will revert in the Reorganized Debtor pursuant to confirmation of the Plan and all property acquired by the Reorganized Debtor subsequent to confirmation of the Plan, shall be property of the relevant Chapter 7 estate.

ARTICLE VI

MODIFICATION OF THE PLAN

6.1 Debtor(s) may, from time to time, propose amendments or modifications of this Plan prior to its confirmation, without leave of the Court. After confirmation, The Debtor or Reorganized Debtor may, with leave of the Bankruptcy Court, and upon notice and opportunity for hearing to the affected Creditor(s) and any committee appointed by the Office of the U.S. Trustee only, remedy any defect or omission, reconcile any inconsistencies in the Plan or in the Order of Confirmation or otherwise modify the Plan.

6.2 If the Bankruptcy Court determines that the modification affects all the Creditors, or if the Debtor(s) proposes a material modification affecting all Creditors, then such modification shall be governed by §1127 of the Bankruptcy Code and the Plan.

ARTICLE VII

JURISDICTION OF THE COURT

This Court shall retain jurisdiction in this matter until the Plan has been fully consummated including, but not limited to, the following reasons and purposes:

A. The classification of the Claim of any Creditor and the re-examination of Claims which have been allowed for purposes of voting, and the determination of such objections as may be filed to Claims of Creditors. The failure by the Debtor or the Reorganized Debtor to object to, or to examine any Claim for the purposes of voting, shall not be deemed to be a waiver of any right to object to, or reexamine the Claim in whole or in part.

B. The determination of all questions and disputes regarding title to the assets of the estate or Debtor, and all causes of action, controversies, disputes, or conflicts, whether or not subject to action pending as of the Confirmation Date, between the Debtor or the Reorganized Debtor or any other party. This shall include, but not be limited to, any cause of action, avoiding power or right of the Debtor or the Reorganized Debtor to recover assets pursuant to the provisions

of the Bankruptcy Code, including, without limitation, Avoidance Actions and claims initiated under §§506 and 510 of the Bankruptcy Code.

C. The correction of any defect, the curing of any omission or the reconciliation of any inconsistency in this Plan or the Order of Confirmation as may be necessary to carry out the purposes and intent of this Plan.

D. The modification of this Plan after confirmation pursuant to the Bankruptcy Rules and the Bankruptcy Code and as provided as in the Plan.

E. The enforcement and interpretation of the terms and conditions of this Plan and the entry of orders in support of confirmation of this Plan.

F. The entry of any order, including injunctions, necessary to enforce the title, rights, and powers of Debtor, the Reorganized Debtor or any party-in-interest, and to impose such limitations, restrictions, terms and conditions of such title, rights and powers as this Court may deem necessary, including without limitation, injunctions to enforce releases or forbearance in favor of guarantors, which would assist the Reorganized Debtor to accomplish its obligations under the Plan.

G. The review and approval of all professional fee applications for services rendered prior to the Confirmation Date and the review of any professional fees for services rendered in connection with the Plan after the Confirmation Date, to the extent that the Debtor or the Reorganized Debtor dispute all or a portion thereof.

H. The entry of an order concluding and terminating this Case.

ARTICLE VIII

TITLE TO PROPERTY

8.1 Title to the property of the Debtor(s) shall vest in the Reorganized Debtor upon the final payment to be made under the Plan, and the automatic stay shall remain in effect until that time. Notwithstanding this, the Debtor(s) shall be discharged from its status as Debtor and the

affairs and business of the Reorganized Debtor shall thereafter be conducted without Court involvement except as may be governed by the Plan.

ARTICLE IX

UNITED STATES TRUSTEE FEES

9.1 The Debtor(s) shall continue to pay to the United States Trustee the appropriate sums required pursuant to 28 U.S.C. §1930(a)(6) until such time as the Chapter 11 Case is closed by the Court.

ARTICLE X

EXECUTORY CONTRACTS

10.1 Unless addressed in Article III of this Plan or otherwise assumed or rejected by Final Order of the Bankruptcy Court, all executory contracts of The Debtor either (i) not expressly rejected or (ii) which are not within thirty (30) days after the Confirmation Date the subject of pending applications to reject and disaffirm, shall be deemed assumed. Within thirty (30) days after the Confirmation Date, the Reorganized Debtor shall be allowed to file a Notice of Rejection of Executory Contract (the "Notice") with the Bankruptcy Court and the executory contract which is the subject thereof shall thereupon be rejected. In connection with any executory contracts that are assumed, absent a provision to the contrary, the Debtor(s) shall be permitted to pay Claims arising from executory contracts that existed as of the Petition Date in 36 equal, monthly installments beginning one month after the Effective Date. For purposes of clarification, the unexpired lease with Waverly Food Service, Inc. ("Waverly Food") shall be assumed. Waverly Food is owned by Hassan Ouza, who is the second cousin of Debtor's principal, Mohamad Berro.

10.2 Any Creditor who has a Claim as a result of such rejection shall have thirty (30) days after receipt of the Notice to file a Proof of Claim, failing which such Claim shall be disallowed in its entirety. The Notice shall contain a provision informing any potential creditor of this requirement and shall be served on such potential creditor(s).

ARTICLE XI

OBJECTIONS TO CLAIMS

11.1. Debtor(s) and/or the Reorganized Debtor(s) and parties in interest may object to the allowance of any Claim, whether listed on the schedules filed by The Debtor or filed by any entity. No time limit for such objections is being created by this Plan

ARTICLE XII

LIMITATION OF LIABILITY

12.1 The Debtor(s), the Reorganized Debtor(s) and all of its directors, officers and agents, including its counsel, accountants, consultants and/or employees, shall not be liable to The Debtor, the Reorganized Debtor, any Creditor or Interest Holder of the Debtor or the Reorganized Debtor, or any other entity for any action taken or omitted to be taken in connection with their respective actions or duties in the Case or under this Plan, except that such liability may be imposed for willful misconduct. The Bankruptcy Court shall have exclusive jurisdiction to resolve any questions concerning any such liability.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1. Notwithstanding anything in this Plan to the contrary, neither Debtor nor the Reorganized Debtor shall be obligated to make any payments towards any Contested Claim. Further, neither Debtor nor the Reorganized Debtor shall be required to make any payments for an Allowed Claim to any Creditor if the Debtor or the Reorganized Debtor have filed a motion, objection, adversary proceeding, state court proceeding or other similar notice against such Creditor alleging an objection, claim, cause of action, offset or counter-claim, such that if sustained and not paid by such Creditor would result in a disallowance of such Allowed Claim in accordance with §502(d) of the Code.

13.2. The Debtor(s), the Reorganized Debtor and all parties-in-interest, including without limitation any Creditor, shall be required to execute any document reasonably requested by the other to memorialize and effectuate the terms and conditions of this Plan. This shall include without limitation any execution by The Debtor of UCC financing statements and the execution by creditors of any UCC termination and mortgage releases and termination. Unless a lien is expressly preserved in this Plan, as amended, or Order Confirming Plan, it shall be void and of no effect.

13.3. This Plan and the Confirmation Order shall inure to the benefit of, and be binding upon, all parties in interest and their respective successors and assigns.

13.4 When the Debtor(s) or the Reorganized Debtor has made all payments and obligations required under this Plan all restrictions, negative covenants and other limitations on the Debtor's operations provided herein or in the Confirmation Order shall terminate.

13.5 The Reorganized Debtor(s) shall have the right to commence, continue, amend or compromise all causes of actions available to The Debtor(s), the bankruptcy estate(s) or the debtor(s) in possession, whether or not those causes of action were the subject of a suit as of the Confirmation Date, including but not limited to actions to collect receivables owed to the Debtor. The Reorganized Debtor(s) specifically reserves its right to commence, continue, amend or compromise all causes of action, whether or not described in the Disclosure Statement.

13.6 Upon the failure of the Debtor(s) or Reorganized Debtor to make any payment due on a secured or priority tax claim which is not cured within fifteen days of the mailing of a written notice of default by the creditor, such creditor may exercise all rights and remedies available under non-bankruptcy law for the collection of its entire claim and/or seek appropriate relief in this Court.

13.7 For purposes of clarification, the Reorganized Debtor shall have the right to challenge any Claim through the claims objection process set forth in this Plan, which challenge may include but is not be limited to a challenge to any penalty portion of such Claim, the amount

and the value of the property which forms the basis for any assessment of taxes and the computation of the tax. The right to challenge these claims shall include, without limitation, an objection to the assessment of the Debtor's property that may or may not have been made by the respective taxing authority.

DISCLOSURE STATEMENT

II. DESCRIPTION OF DEBTOR

Debtor is a Michigan limited liability company which owns a combined gas station/convenience store and the real estate upon which it operates in Delta Township, Michigan in Eaton County at 700 S. Waverly Rd., Lansing, MI 48917.

A. The Debtor-In-Possession

On 11/21/2017 (the "Petition Date"), Debtor filed a Voluntary Petition under Chapter 11 of Title 11 of the United States Code, §§101 *et. seq.* in the United States Bankruptcy Court for the Eastern District of Michigan, Case No. 17-56162. This Case was assigned to the Honorable Phillip J. Shefferly. Upon filing the petition for Chapter 11 reorganization, the Debtor became a "Debtor-in-Possession" as that term is understood in the Bankruptcy Code.

B. Debtor's Principals and Management

Background

Mohamad Berro is the chief reorganization officer of the Debtor, and its sole shareholder. He is 29 years old, has been in the gas station and convenience store business since 2015, and has an associates degree. He has had an ownership interest in Debtor since 2015.

Mr. Berro will manage day to day operations of the Debtor once it starts to operate. Debtor has not operated since August 2017 because of employee theft which led to Debtor not being able to pay its gasoline supplier, USVenture and USVenture stopping shipping to Debtor of petroleum products. Mr. Berro has never received any salary or benefits from Debtor and it is contemplated

that he will not receive any salary or benefits postpetition. He shall only receive distributions to the extent of available funds.

1. Prepetition, Mr. Berro worked at the operating entity, Mikey's Fuel Mart, Inc., which he was the sole owner of, and received \$13,250 for 2016 and no money in 2017. Postpetition, Waverly will operate the convenience store, and it is contemplated that he will receive \$500 per week to the extent of available funds. Pursuant to the attached lease, Waverly Food Service, Inc., which is owned by Mr. Berro's second cousin, Hassan Ouza, will pay in rents sufficient monies for Debtor to fund its chapter 11 plan. The lease provides, in pertinent part:

**BUSINESS PROPERTY LEASE GAS STATION and CONVENIENCE
STORE 700 S. WAVERLY, LANSING, MICHIGAN**

(1) This Lease Made this 1ST day of November, 2017, by and between Cheerview Enterprises, Inc, the Lessor, hereinafter designated as the Landlord, and Waverly Food Service, Inc, the Lessee, hereinafter designated as the Tenant.

- Lansing, MI
- (3) **Term & Rent:** For the term of 3 Years from and after the 1st day of November, 2017. Tenant yielding and paying during the continuance of this lease unto the Landlord for rent of said premises for said term, in lawful money of the United States payable in monthly installments in advance, upon the first day of each and every month the sum of \$ 1,700.00 per month, triple net, which shall be adjusted on a periodic basis based on the obligations of Landlord, it being the intent of the parties that the rent payments shall be in essence pass through payments from Tenant to pay the obligations of Landlord, including with respect to its ongoing obligations and with respect to any obligations pursuant to a chapter 11 plan or otherwise.
- (4) **Rent:** The Tenant hereby hires the said premises for the said term as above mentioned and covenants

Waverly is owned by Hassan Ouza, 33, who has 17 years of experience in the gas station /convenience store business. Waverly is a new entity that will be used to operate the gas station/convenience store. Mr. Ouza was the manager for Mikey's, the prior tenant after Mr. Berro kicked out prior management. Previously, Mr. Ouza from 2001 through 2004 was the manager at Milan Mobil and also at Milan Hotel, LLC, was the president of Skippy Enterprise, Inc. from 2004 through 2007, and was the president for Wawa Petroleum, Inc. from 2009 through 2013 [gas station/convenience store]. Mr. Ouza is Mr. Berro's second cousin. It is contemplated that he will also receive \$500 per week salary without benefits to the extent of available funds from Waverly. Upon confirmation, Mr. Berro will retain his position.

Compensation

It is contemplated that postpetition, Mr. Berro will not receive salary from the Debtor, but will receive salary to the extent of available funds from the tenant, Waverly Food, at \$500 per week, in return for Mr. Berro working for Waverly Food. Distributions to shareholders will only be paid to the extent of available funds.

Legal Relationships

See Section III. D. for details regarding insider transactions.

C. Description of Debtor's Business and Causes for Chapter 11 Filing

Debtor owns and operates a gas station/convenience store and the real estate upon which it operates in Delta Township, Michigan. Debtor's chapter 11 filing was caused by employee theft, which led to a breakdown in the relationship with the gasoline supplier, USVenture.

Mr. Berro relied upon management from the prior owner, and due to employee theft, Debtor got behind in its obligations to its former gasoline supplier or jobber, US Oil/US Venture.

Attached is an insurance claim made by Debtor. A copy of a letter from a former employee who was prosecuted, apologizing for stealing from the company, which was required for his plea deal to a sentencing diversion program, is also attached.

Debtor also got behind with its lender, SSB Bank out of Stockridge, Michigan. In November 2017, Stockbridge Acquisition, which is owned, at least in part by the principal for a competing jobber upon information and belief, purchased the loan from SSB Bank.

Copies of the former operating entity, Mikey's Fuel Mart's 2016 tax returns are attached, as are the lottery commission payments for 2016.

An inventory counting firm did an inventory of the goods inside the store that can be sold and it is sufficiently stocked. All that Debtor needs is the go-ahead to enter into the supply contract with RPF Oil Company. A copy of the inventory is attached.

Debtor believes that it will be able to reorganize its business.

Debtor has negotiated with RPF Oil Company to provide petroleum products on the terms set forth in the attached agreements, subject to Court approval (the "RPF Contract"):

1. They include a Complete Management Fee Agreement to authorize Debtor to sell RPF's fuel on commission, a Complete Contract of Sale [Branded], a Commodity Schedule for pricing the fuel that Debtor purchases under the Complete Contract of Sale [Branded], a repayment agreement for Debtor to repay the dealer incentive payment of \$45,000 in the event of an uncured default under the operative agreements, and guaranties by Hassan Ouza and Mohamad Berro who will be running the gas station on Waverly Road. These agreements are collectively referred to as the "RPF Contract".
2. The gist of the documents is that, subject to Court approval, the Debtor will sell RPF's fuel on a net 4 cent per gallon commission, and after two years can elect to purchase fuel from RPF pursuant to the commodity schedule [1 penny over "rack"; rack means RPF's cost]. Upon Court approval, Debtor will receive a \$45,000 signing bonus, \$5,000 of which will go to fund a security deposit in the amount of \$20,000. The rest of the security deposit will be funded at 1 penny per gallon sold by Debtor. The security deposit will be refunded at the end of the RPF Contract. If approved by the Court, RPF will receive a purchase money security interest in the personal property it sells to the Debtor, but will not receive a lien on any pre-existing assets.
3. As indicated by the verified declaration of Mohamad Berro attached to the motion to enter into the RPF Contract, Mr. Berro went to various jobbers to see if they would supply without taking a security interest in what they were selling, and was informed that the jobbers would only supply if they were granted a security interest in at least the personal property sold to the Debtor.
4. Mr. Berro was also informed that a 10 year supply contract was the shortest term that BP/Amoco would allow.
5. Branding with a strong brand such as BP/Amoco is necessary in the Debtor's business judgment for it to compete with Speedway which is its nearest competitor.
6. Mr. Berro chose RPF Oil because of their reputation and because their terms were the best that Debtor received.

7. Mr. Berro asked John Fleckenstein, the president of RPF Oil if he would enter into a supply contract on less favorable terms to RPF such as selling on an unsecured basis or selling for less than a 10 year term. The documents attached to the Motion to enter into the RPF Contract are the most favorable terms that RPF Oil is willing to sell to the Debtor.

Debtor believes that it can successfully perform under the RPF Oil Contract.

The business model for Mikey's , the prior tenant of Cheerview, was different than it will be for Waverly Food for several reasons, including the following:

1. Mikey's operated under the traditional model where the dealer purchased the petroleum products from the gasoline supplier, on credit, and then sold the petroleum to the public. Under the RPF contract, Debtor will be a commissioned agent, making 4 cents per gallon net, selling fuel owned by RPF and not Debtor or Waverly Food. As a consequence of this, some of Debtor's/Waverly's costs will dramatically decrease, including for most of the credit card fees which will be borne by RPF Oil.

2. Debtor/Waverly will not use contract labor of third parties like Mikey's did. Debtor/Waverly will have Mr. Berro, Mr. Ouza and a third person work at the station, at significantly less cost than the contract labor by Mikey's.

3. Due to technological advances, Debtor/Waverly will not incur telephone costs because the alarm can be connected to the internet which will be much cheaper than the telephone was for Mikey's.

4. There will be no truck/car expense as Mikey's had.

5. Debtor will not bear the prior bank fees because it will be able to manage its cash flow better than the prior management who was stealing from the business.

Mikey's 2016 tax return also deducted the rent paid to Cheerview, and because that was not money out the door to third parties, but is money that can be used for operating expenses and plan payments, the actual financial position of Debtor/Waverly will be better than what the tax return for Mikey's indicated below:

Income	1a	Gross receipts or sales	1a	1,056,341		
	b	Returns and allowances	1b			
	c	Balance. Subtract line 1b from line 1a	1c	1,056,341		
	2	Cost of goods sold (attach Form 1125-A)	2	985,912		
	3	Gross profit. Subtract line 2 from line 1c	3	70,429		
	4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4			
Deductions (see instructions for limitations)	5	Other income (loss) (see instructions—attach statement)		See Stmt 1	5	11,913
	6	Total income (loss). Add lines 3 through 5			6	82,342
	7	Compensation of officers (see instructions—attach Form 1125-E)	7	13,250		
	8	Salaries and wages (less employment credits)	8	9,600		
	9	Repairs and maintenance	9	8,040		
	10	Bad debts	10			
	11	Rents	11	30,000		
	12	Taxes and licenses	12	4,603		
	13	Interest	13			
	14	Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14			
	15	Depletion (Do not deduct oil and gas depletion.)	15			
	16	Advertising	16			
	17	Pension, profit-sharing, etc., plans	17			
	18	Employee benefit programs	18			
	19	Other deductions (attach statement)	19	92,277		
20	Total deductions. Add lines 7 through 19	20	157,770			
21	Ordinary business income (loss). Subtract line 20 from line 6	21	-75,428			

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

Description	Amount
Store Supplies	\$
Telephone	
Truck & Auto	
Bank Charges	
Utilities	
Insurance	
Cleaning	
Alarm & Security	554
Insurance General	2,804
Store Supplies	32
Office Expenses	286
Telephone	2,713
Utilities	12,972
Contract Labor	42,988
Truck & Auto	1,191
Bank Charges	11,129
Merchant Fees	16,807
Trash	675
50% of Meals & Entertainment	126
Total	\$ 92,277

Mikey's 2016 income statement follows:

Mikey's Fuel Mart Inc
Statement of Revenues and Expenses
Income Tax Basis
For the Period Ended December 31, 2016

	12 Months Ended December 31, 2016	%
Revenue:		
Sales	\$ 1,056,340.83	100.00%
Net Sales	1,056,340.83	100.00%
Total Cost of Goods Sold	985,912.23	93.33%
Gross Profit	70,428.60	6.67%
Operating Expenses:		
FICA Tax	1,748.29	0.17%
State Unemployment Tax	1,318.08	0.12%
Federal Unemployment Tax	84.00	0.01%
Salary Officer	13,250.00	1.25%
Payroll	9,600.00	0.91%
Sales Tax	618.74	0.08%
Alarm & Security	554.09	0.05%
Insurance General	2,804.30	0.27%
Cleaning & Laundry	500.08	0.05%
Repairs & Maintenance	7,539.51	0.71%
Store Supplies	32.01	0.00%
Office Expenses	286.39	0.03%
Telephone	2,712.71	0.26%
Utilities	12,971.53	1.23%
Rent	30,000.00	2.84%
Contract Labor	42,988.00	4.07%
Licenses and Permits	634.00	0.06%
Truck & Auto	1,191.45	0.11%
Promotion & Entertainment	252.41	0.02%
Bank Charges	11,128.77	1.05%
Merchant Fees	16,807.12	1.59%
Trash	675.49	0.06%
Total Operating Expenses	157,896.97	14.95%
Operating Income	(87,468.37)	(8.28)%
Other Income:		
Lottery Commission	10,731.24	1.02%
Cigarette Com	1,181.71	0.11%
Total Other Income	11,912.95	1.13%
Net Income	\$ (75,555.42)	(7.15)%

The projected monthly expenses are significantly less, for the reasons set forth above, and the revenue will be greater than for Mikey's due to the lack of employee theft. By way of example, the following monthly expenses will no longer be needed or are significantly less:

Contract labor \$42,988 in expenses will no longer be necessary because of Mr. Ouza and Mr. Berro working at the business in addition to a relative.	Decrease of \$3,582.33 per month
Bank charges \$11,129 will drop off because the business will use a bank account that doesn't allow overdrafting which was a problem with prior outside management at Mikey's	Decrease of \$927.42 per month

Truck and auto expenses of \$1,191 will go away because there is no longer a vehicle payment/expenses	Decrease of \$99.25 per month
Credit card fees of \$16,807 , the bulk of which relate to fuel purchases which will now be paid by RPF Oil, although \$120 per month will remain as indicated in the projections for non-fuel credit card fees	\$1,400 per month less \$120 per month in current projections for a decrease of \$1,280 per month
Telephone yearly charges of \$2,713 will not needed because alarm will connect to internet	Decrease of \$156 per month

[note that the line items for bulk of the items not referenced above were taken from Mikey's 2016 expenses from the tax return and pro-rated]:

Debtor/Waverly	Monthly
In store Sales/grocery taxable	12000.00
	9000.00
In store Cost of Goods Sold for grocery taxable [75%]	
In store Gross Profit for grocery taxable	3000.00
	18000.00
In store Sales/grocery nontaxable	
	10800.00
In store Cost of Goods Sold for grocery nontaxable [60%]	
In store Gross Profit for grocery nontaxable	7200.00
ATM and tire commission	250.00
Lottery commission [assuming \$15,000 per month in sales]	900.00
Gas commission [assuming 54,000 gallons sold] Note that for approximately the first 28 months, the gas commission will be decreased by one penny per gallon to fund the remainder of the \$15,000 of the security deposit, which would mean that the gas commission coming to the Debtor would be \$1,620 per month, and the remainder of \$540 per month would go to fund the security deposit]	2160.00
Net Revenue	13510.00
Operating Expenses	

Officer Payroll	2800.00
Payroll	1000.00
	541.67
Taxes - prorated for current taxes	
Repairs and Maintenance	670.00
Alarm & Security	41.00
Credit Card Fees	120.00
	100.00
Supplies	
Insurance	250.00
Telephone	70.00
internet	30.00
utilities (water)	50.00
gas	125.00
electrical	700.00
legal and accounting/bookkeeper	150.00
taxes and license	22.92
Total Expenses	6670.58
	6839.42
Money Available for plan payments	
Class Fadis Heating and Cooling	139.33
	1679.17
Class Stockbridge [226,000 @ 5% over 240 months]	
Class Eaton County/Delta Twp. (24,000 @ 12% over 60 months]	533.87
	472.50
Class General Unsecureds [10% distribution over 60 months]	
Total Plan Payments	2799.53

III. POST-PETITION EVENTS OF SIGNIFICANCE

A. Post-Petition Transfers Outside the Ordinary Course of Business

Debtor has made no post-petition transfers outside the ordinary course of business.

B. Chapter 11 Events

This Disclosure Statement is not designed to provide a full, detailed description of the motions filed and orders entered or other developments in the bankruptcy proceeding. Further, the Disclosure Statement does not address every motion filed or order entered in the proceeding. Rather, the Disclosure Statement merely provides a summary of the major motions filed or orders

entered. Creditors are urged to review the bankruptcy court docket, which lists every document filed in the bankruptcy case, and the bankruptcy court file, which contains all of the filed documents.

Cash Collateral and Adequate Protection and Postpetition Financing Orders

n.a.

Motions for Relief from Stay

Stockbridge Acquisition, LLC, which is owned by a competing jobber, upon information and belief, filed a motion for relief from stay, which was concurred in by USVenture. The Court denied the motion as to a lack of adequate protection with respect to postpetition administrative taxes, which were paid by Debtor's principal, and adjourned the hearing with respect to whether the property is necessary to an effective reorganization until confirmation.

Motions regarding executory contracts

Debtor filed a motion to reject its supply contract with USVenture, which the Court has indicated it would grant. The Court denied without prejudice Debtor's motion to enter into a supply contract with RPF. RPF has indicated that it will give Debtor a proposed supply contract once the Order gets entered rejecting the supply contract with USVenture.

The Plan and Disclosure Statement

Debtor filed its Combined Disclosure Statement and Plan of Reorganization. The Debtors believes that its Plan of Reorganization is feasible, as demonstrated by the projections. Accordingly, the Debtor is extremely confident in its ability to meet the projections and satisfy claims under the Plan.

C. Pending and Contemplated Litigation Involving Debtor

There is no pending or contemplated litigation involving the Debtor, other than a state court foreclosure lawsuit filed by USVenture on the eve of bankruptcy, which has been stayed. . The Debtor reserves the right to sue any entities who fail to pay receivables owed to the Debtor.

D. Insider Transactions

There have been no insider transactions.

IV. ASSETS AND LIABILITIES

A. Liquidation Analysis

Debtor(s)' Liquidation Analysis accompanies this Plan and Disclosure Statement. Debtor believes that the value of property is approximately \$260,000 for purposes of confirmation based upon the experience of the Debtor's principals in the convenience store and gas station industry, and due to the SEV for the property.

In the event that the Plan is not accepted by the Creditors or is not otherwise confirmed by the Bankruptcy Court, the Debtor believes that its assets would be liquidated either:

1. Pursuant to a plan of liquidation under Chapter 11 of the Code; or,
2. In a straight bankruptcy liquidation under Chapter 7 of the Code.

Under either alternative, the operations of the Debtor would cease, as Debtor would only realize the liquidation value of its assets. Debtor is confident that in a liquidation scenario, where the Debtor will be unable to generate any income going forward, unsecured creditors will not do better in a chapter 7 liquidation than in a chapter 11 bankruptcy.

The filed proofs of claim follow:

**Eastern District of Michigan
Claims Register**

17-56162-pjs Cheerview Enterprises, Inc.

Judge: Phillip J Shefferly

Chapter: 11

Office: Detroit

Last Date to file claims: 03/29/2018

Trustee:**Last Date to file (Govt):**

<i>Creditor:</i> (25135552) EATON COUNTY TREASURER 1045 INDEPENDENCE BLVD CHARLOTTE, MI 48813	Claim No: 1 <i>Original Filed</i> Date: 01/22/2018 <i>Entered</i> Date: 01/22/2018	<i>Status:</i> Filed by: CR Entered by: ePOC <i>Modified:</i> Amount claimed: \$17185.99 Secured claimed: \$17185.99 Priority claimed: \$17185.99
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History:

[Details](#) 1-1 01/22/ Claim #1 filed by EATON COUNTY TREASURER, Amount claimed: 2018 \$17185.99 (ePOC)

Description:

Remarks: (1-1) Account Number (last 4 digits):1954

Pursuant to the filed and scheduled proofs of claim, to which Debtor does not stipulate, there are secured claims equal to the value of the collateral, e.g. approximately \$413,000 (but with a collateral value of approximately \$260,000) and unsecured claims of approximately \$283,500. Debtor believes that its Plan is fair and equitable to creditors and it is in creditor's best interest to vote in favor of the Debtor's Plan.

B. Risks, Conditions and Assumptions In Liquidation Analysis

Debtor has used fair market value and forced sale/auction value to determine the value of its assets. The risks, conditions and assumptions are outlined in the Liquidation Analysis. Debtor asserts that under any such scenario, unsecured creditors will receive no payments on their claims.

C. Causes of Action

At this time, Debtor(s) is planning to file no lawsuits against any entities.

D. Priority and Secured Claims and Administrative Expenses

Based on a review of the Claims Register, it appears that there are no priority claims. It is estimated that the only unpaid administrative expense at the time of confirmation will be Robert Bassel, attorney for the Debtor. It is estimated that the amount of his administrative expense claim will be approximately \$10,000. Based on Debtor's belief as to the value of the collateral,

there are secured claims in the approximate amount of \$413,000 [but with a collateral value of approximately \$260,000].

E. Unsecured Claims

It appears that there are approximately \$283,500 in unsecured claims for Debtor.

F. Guaranteed Debt

It appears that the USVenture debt was guaranteed by Mr. Berro.

VI. IMPLEMENTATION OF PLAN

A. Summary of Plan Treatment.

See plan treatment above in Plan Articles II and III.

B. Financial Information

The information contained in this Disclosure Statement has not been subject to a certified audit. The information has been compiled from the records of Debtor and is true and accurate to the best of Debtor's knowledge, information and belief. The information is also based on income projections performed by Debtor.

Projections

Accompanying this Disclosure Statement are cash flow projections compiled by Debtor which cover the time period in which Debtor proposes to effectuate payments under the Plan. Since the cash flow projections are based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events, neither the Debtor, nor its principals nor its management warrant that the results reflected in the cash flow projections will be achieved.

These cash flow projections indicate that Debtor will generate a positive cash flow going forward sufficient to meet all of its obligations to creditors under the Plan (where the pro formas indicate operating at a deficit, Debtor will receive funds from third parties). The projections

give an example of the payments required to be made under the Plan and demonstrate how the distributions to creditors will affect Debtor's cashflow. The increases in revenue and expenses set forth in the projections are based upon current market conditions, historical growth and anticipated growth. Where there is a conflict between the terms of the Plan and the projections, the terms of the Plan shall control. The projections are being provided for illustrative purposes.

As indicated above, Debtor/Waverly will be using a commissioned sales approach, will not need the amount of contract labor used by Mikey's, will not experience the employee theft that Mikey's did, and will not bear the expenses of selling petroleum insofar as it will be receiving 4 cents per gallon net for all petroleum sold.

A summary of Debtor's financial information relating to the Debtor's post-petition operations also accompanies this plan.

A summary of Debtor's financial condition prior to the commencement of Debtor's bankruptcy proceeding also accompanies the plan.

C. Post-Petition Details

Debtor proposes to continue its operations with the same management structure. It is contemplated that Mohamad Berro, who is the day to day manager of the Debtor, shall receive no wages nor benefits. Distributions to shareholders will only be paid to the extent of available funds.

D. Explanation of Auction Procedures

Debtor takes the position that the best way to determine the market value of the Reorganized Debtor (i.e., the value of the company after a plan is confirmed) is to conduct an auction sale to bid for the equity interest of the Reorganized Debtor. Debtor asserts that such an auction will satisfy the legal requirements for "cramdown" (i.e., to force the confirmation of the Plan over the objections of creditors). Accordingly, this section is designed to describe to creditors how the auction sale set forth in the Plan will work.

If any class of Creditors votes to reject the Plan and if any new value contribution by Debtor's principals is found to be insufficient, then the Debtor will proceed with an auction of the Interests of the Reorganized Debtor on the sixtieth day after confirmation at 10:00 a.m., which may be adjourned by the Court or Debtor. The auction of the Interests shall occur at the offices of Robert N. Bassel, 25925 Telegraph Rd Ste 203, Southfield, MI 48033. If the Plan has been accepted by all classes of Creditors, then the auction shall be cancelled. This is because a cramdown of a Class of Creditors will not be necessary as the Plan has been accepted by each class. If an impaired Class of Creditors votes to reject the Plan and new value is required to satisfy the absolute priority rule, the auction will proceed. It is contemplated that a Confirmation Order shall not be entered prior to the auction. If a new value auction is required, Debtor shall hire a broker to market the equity interests and shall publish notice of the auction in the Detroit News or Detroit Free Press.

At the auction sale, if one takes place, persons including Creditors and parties in interest shall have the opportunity to bid for the equity interest in the Reorganized Debtor. In other words, interested parties shall have the opportunity to purchase the equity or ownership of the Reorganized Debtor upon confirmation of the Plan. Any Creditor or any other party (including any insider or Interest holder who bids) or prospective purchaser who is the successful highest bidder will be bound by all of the obligations set forth in the Order Confirming Plan and the Plan. For example, the successful bidder will be allowed to utilize the assets of Debtor, but must recognize that the assets of the Debtor are subject to the payment obligations under the Plan. Credit bids will not be allowed

Any party or party in interest in this Case, including any Interest holder of Debtor, who wishes to make a cash offer for all of the Interests of the Reorganized Debtor, shall notify the Debtor's counsel in writing of its intent to make an offer no later than two Business Days prior to the date of the auction sale. At the time of giving such notice, such party or parties, including any Interest holder, shall tender a bank check in the amount of \$5,000.00, which amount shall be held by

the Debtor's counsel, in escrow, as a deposit to be applied to the payment of the amounts due under the Equity Contribution Agreement.

Such deposit shall be immediately refunded to any party in interest or Interest holder that shall not be the successful bidder for the Interest. The failure to give the required notice, or failure to provide the foregoing deposit shall constitute a waiver by any party in interest or the Interest holder of its right to bid at the auction.

In addition to any cash paid as the result of the auction, which cash shall be fully paid on or before 30 days after the Auction Date to be held in escrow by the Debtor's attorney, the successful purchaser, including the Interest holder if it is the successful purchaser, shall be required to execute the Equity Contribution Agreement attached and shall become the Interest holder of the Reorganized Debtor.

At the conclusion of the bidding, if any, The Debtor shall announce the successful highest bid. Upon confirmation of the Plan, the proceeds from the auction sale shall be used for working capital, plan and operating expenses, but not for payments to insiders.

E. Tax Ramifications

1. To Debtor

Debtor believes that the forgiveness of indebtedness which may result from a discharge granted by the confirmation of the Plan will not result in any significant adverse tax consequence to the Debtor.

2. To Creditors

The tax consequences to each Creditor resulting from confirmation of the Plan may vary depending upon each Creditor's particular circumstances. Debtor recommends that creditors or holders of Claims obtain independent tax counsel to advise them as to the tax consequences of the Plan.

VII. LEGAL REQUIREMENTS

A. Voting procedures

Under the Bankruptcy Code, the only classes that are entitled to vote to accept or reject a plan are classes of claims, or equity interest, that are impaired under the plan. Accordingly, classes of claims or interests that are not impaired are not entitled to vote on the plan.

Creditors that hold claims in more than one impaired class are entitled to vote separately in each class. Such a creditor will receive a separate ballot for all of its claims in each class (in accordance with the records of the Clerk of the Court) and should complete and sign each ballot separately. A creditor who asserts a claim in more than one class and who has not been provided with sufficient ballots may photocopy the ballot received and file multiple ballots.

Votes on the plan will be counted only with respect to claims: (a) that are listed on the Debtor's Schedules of Assets and Liabilities other than as disputed, contingent or unliquidated; or (b) for which a proof of claim was filed on or before the bar date set by the Court for the filing of proofs of claim (except for certain claims expressly excluded from that bar date or which are allowed by Court order). However, any vote by a holder of a claim will not be counted if such claim has been disallowed or is the subject of an unresolved objection, absent an order of the Court allowing such claim for voting purposes pursuant to 11 U.S.C. § 502 and Bankruptcy Rule 3018.

Voting on the plan by each holder of a claim or interest in an impaired class is important. After carefully reviewing the plan and disclosure statement, each holder of such a claim or interest should vote on the enclosed ballot either to accept or to reject the plan, and then return the ballot by mail to the debtor's attorney by the deadline previously established by the court.

Any ballot that does not appropriately indicate acceptance or rejection of the plan will not be counted.

A ballot that is not received by the deadline will not be counted.

If a ballot is damaged, lost, or missing, a replacement ballot may be obtained by sending a written request to the debtor's attorney.

B. Acceptance

The Bankruptcy Code defines acceptance of a plan by an impaired class of claims as acceptance by the 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. 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. If no creditor or interest holder in an impaired class votes, then that class has not accepted the plan.

C. Confirmation

11 U.S.C. § 1129(a) establishes conditions for the confirmation of a plan. These conditions are too numerous and detailed to be fully explained here. Parties are encouraged to seek

independent legal counsel to answer any questions concerning the Chapter 11 process. Among the several conditions for confirmation of a plan under 11 U.S.C. § 1129(a) are these:

- 1. Each class of impaired creditors and interest must accept the plan, as described in paragraph VII.B., above.*
- 2. Either each holder of a claim or interest in a class must accept the plan, or the plan must provide at least as much value as would be received upon liquidation under Chapter 7 of the Bankruptcy Code.*

D. Modification

The debtor reserves the right to modify or withdraw the plan at any time before confirmation.

E. Effect of confirmation

If the plan is confirmed by the Court:

1. Its terms are binding on the debtor, all creditors, shareholders and other parties in interest, regardless of whether they have accepted the plan.

2. Except as provided in the plan and in 11 U.S.C. § 1141(d):

(a) In the case of a corporation that is reorganizing and continuing business:

(1) All claims and interests will be discharged.

(2) Creditors and shareholders will be prohibited from asserting their claims against or interest in the debtor or its assets.

(b) In the case of a corporation that is liquidating and not continuing its business:

(1) Claims and interests will not be discharged.

(2) Creditors and shareholders will not be prohibited from asserting their claims against or interests in the debtor or its assets.

(c) In the case of an individual or husband and wife:

(1) Claims will be discharged, except as provided in 11 U.S.C. §§ 523 and 1141(d).

(2) Creditors will be prohibited from asserting their claims except as to those debts which are not discharged or dischargeable under 11 U.S.C. §§ 523 and 1141(d)).

Because the case is a reorganizing business, Section E. 2(a) above applies and 2(b) and 2(c) do not apply.

DEBTOR

By: /s/ Mohamad Berro
Mohamad Berro, Principal

Dated: 5/1/2018

Prepared By:

By: /s/ Robert N. Bassel
Robert N. Bassel (P 48420)
Attorneys for Debtor
P.O. Box T
Clinton, MI 49236
248.835.7683

EQUITY CONTRIBUTION AGREEMENT

This Equity Contribution Agreement made as of this ___ day of _____ 2018, by and between _____, a person/corporation (described in this Agreement as "Purchaser"), and Debtor.

WHEREAS:

A. The Debtor is in bankruptcy proceedings currently pending before the United States Bankruptcy Court for the Eastern District of Michigan.

B. Under the terms of the Debtor's Plan, in certain circumstances, all of the equity Interests (as defined in the Plan hereafter the "Interests") in the Debtor will be canceled, and such Interests in the Debtor are to be sold to Purchaser or some other entity organized by the Purchaser for the aggregate sum of _____, unless higher cash offers are received for the Interests in accordance with the Plan.

C. The Debtor has conducted the required auction relating to the sale of the Interests under the Plan, and the parties to this Agreement are the parties obligated to purchase the Interests of the Debtor under the Plan.

D. Purchaser will, under the terms of this Agreement, become the owner of the Interests.

NOW THEREFORE in consideration of the mutual covenants herein contained, and other good and valuable consideration, now paid by each of the parties hereto to the other, the receipt and sufficiency of which is hereby acknowledged, the parties to this Agreement agree each with the other as follows:

ARTICLE I - DEFINITIONS

1.01 Defined Terms

Whenever used in this Agreement, the following words, phrases and expressions shall have the following meanings:

"Interests" shall mean the equity interests of the Debtor as defined in the Plan.

"Filing Date" shall mean the date of the filing of the Case.

"New Equity Interests" shall mean the Interests in the Reorganized Debtor as the same may exist immediately after the confirmation of the Plan in accordance with the terms of the Plan and the terms of this Agreement.

"Plan" shall mean the Chapter 11 Plan filed by Debtor, together with any amendments or modifications of the same.

"Reorganized Debtor" shall mean the Debtor as it may exist after the confirmation of the Plan

ARTICLE 2 - THE PURCHASE

2.01 Payment

On the Effective Date of the Plan, Purchaser shall pay to the Debtor the sum of \$ _____, in exchange for the Interests in the Reorganized Debtor. All other payments hereunder shall be in cash, and transferred to the Debtor by certified funds or wire transfer as instructed by the Debtor. No party to this Agreement shall be allowed to setoff the amount of its claim against the Debtor in the Debtor's bankruptcy proceeding against any amount payable hereunder.

2.02 Use of Proceeds

Purchaser acknowledges and agrees that the proceeds paid to the Debtor under the provisions of Article 2.01 hereof shall be used by the Debtor to satisfy the obligations under the terms of the Plan with respect to the Claims described in the Plan, and together with funds in the Debtor's possession shall be used to satisfy other Claims under Article 2 of the Plan and for general business purposes.

2.3 Assumption of Plan Obligations

Purchaser does hereby agree to assume all obligations of the Plan upon and after confirmation of the Plan.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

Purchaser acknowledges that Debtor is relying on the following representations and warranties of the others in entering into this Agreement and each specifically represents and warrants to the others that:

(a) Due Organization and Corporate Authority

If Purchaser is a corporation, it is a corporation duly organized, validly existing and in good standing under the laws of the State of _____.

(b) Authorization

If Purchaser is a corporation, the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on its part.

(c) Consents

No consent, approval, authorization or order of, and no filing with or notification to, any domestic or foreign governmental agency, body, regulatory authority, bureau, commission or

instrumentality, or other person or entity (including, without limitation, persons or entities having contractual relationships with the Purchaser) is required to be made or obtained in connection with the execution, delivery and performance of this Agreement.

(d) **Absence of Conflicts**

The execution, delivery and performance of this Agreement is not prohibited by, and does not violate, any provision or result in the breach of (a) the certificate of incorporation or bylaws of the Purchaser, if it is a corporation, or (b) any contract, indenture, agreement, lease or license relating to the businesses of the Purchaser and to which the Purchaser is a party or by which it or its properties or assets are bound.

(e) **Due Execution and Enforceability**

This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser.

(f) **Survival of Representations and Warranties**

The representations and warranties provided for herein shall be true and correct on the Confirmation Date as if then made and shall, together with all other covenants herein, survive the execution hereof and the Confirmation Date.

ARTICLE 4 - GENERAL

4.01 **Successors**

This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement, their successors and their permitted assigns.

4.02 **Time of the Essence**

Time shall be of the essence of this Agreement and the transactions contemplated hereby.

4.03 **Severability**

The invalidity of any provision of this Agreement or any covenant herein contained on the part of any party shall not affect the validity of any other provision or covenant contained in this Agreement.

4.04 **Interpretation**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof.

4.05 **Entire Agreement**

This Agreement, the Plan and any applicable Final Order entered by the Bankruptcy Court constitutes the entire agreement between the parties respecting the subject matter hereof. There are not and shall not be any oral statements, representations, warranties, undertakings or agreements between the parties. This Agreement may not be amended or modified in any respect except by written instruments signed by the duly authorized representatives of the parties to this Agreement.

4.06 **Governing Law**

This Agreement has been entered into and delivered and shall be construed in accordance with and governed by the applicable laws of the State of Michigan and federal laws of the United States of America applicable therein without reference to its conflict of laws principles.

4.07 **Assignment**

This Agreement may not be assigned, in whole or in part, by any party to this Agreement without the prior written consent of the other party hereto, which consent may be granted or withheld in the sole discretion of the consenting party.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

DEBTOR

PURCHASER

By: _____

By: _____

Its: _____

Its: _____

LIQUIDATION ANALYSIS AS OF PETITION DATE

COLLATERAL	SECURED AND PRIORITY CREDITOR [based on filed proofs of claim and scheduled claims]	MARKET VALUE/ FORCED SALE VALUE¹ based on appraised values where applicable	APPROXIMATE AMOUNT OF SECURED/ PRIORITY CLAIMS	EQUITY
Real Estate, fixtures, all personalty [other than as indicated below]; The collateral is the property located at 3700 S. Waverly, Lansing, MI 48197	Secured Claimant: Eaton County/Delta Township Stockbridge Acquisition USVenture	250,000 (M) 100,000 (FS)	\$250,000 is secured per 11 U.S.C. §506, however, Stockbridge made an election under Section 1111(b)	0 (M) 0(FS)
Personal Property, inventory subject to purchase money security interest	First Priority Fadis Heating & Cooling	8,360 (M) 2,000 (FS)	Asserting claim of \$8,360, all of which is secured per 11 U.S.C. §506	0 (M) 0(FS)
TOTAL		258,360 to \$413,000 [but with a collateral value of approximately \$260,000] (M) 102,000 (FS)		\$0 (M) \$0 (FS)

¹ Unless otherwise stated, values are not based upon appraisals and are estimated by Debtor's principals based upon their experience in the real estate/convenience industry, and the SEV.

Post-Petition Liabilities

Administrative Claim [estimated]: \$10,000.00

Pre-Petition Liabilities

Secured Claims: \$413,000 [but with a collateral value of approximately \$260,000]

Priority Claims \$0,000

Unsecured Claims [estimated]: \$283,500

Distribution of Proceeds of Assets in Event of Liquidation

a) Gross Proceeds from Liquidation: \$413,000 [but with a collateral value of approximately \$260,000] (assuming reorg value realized)

b) Less Total of:

-- Secured Claims: equal to value of collateral of \$260,000
 Priority Claims [0]

-- Admin. Expenses: \$10,000.00

TOTAL: \$negative

- Proceeds Available to Pre-Petition Unsecured Creditors: \$0
- Total Unsecured Claims [estimated] \$283,500
- Percent Available to Pre-Petition Unsecured Creditors: 0%
- Proceeds Available for Equity Interests: residual

Prepetition Financials

	2014	2015 [owned by Mr. Berro in middle of year]	2016
Gross Rents	29,000	30,000	30,000
Interest	16,424	17,001	13,293
Taxes	3,812	7,680	
Repairs and maintenance			
Taxes and Licenses			
Interest			
Depreciation	6,995	5,876	5,877
Amortization	2,667	2,666	2,856
Total Deductions	29,898	33,223	22,026

Postpetition Financials

	November 2017	December 2017	January - March 2018
Rents	0	0	0
Interest	0	0	0
Taxes	0	0	0
Total Deductions	0	0	0

Note that Debtor's principal paid the Winter 2017 taxes of approximately \$2,600.

Projections for Debtor/Waverly

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	1	2	3	4	5	6	7	8	9
In store Sales/grocery taxable	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00
In store Cost of Goods Sold for grocery taxable [75%]	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00
In store Gross Profit for grocery taxable	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00
In store Sales/grocery nontaxable	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00
In store Cost of Goods Sold for grocery nontaxable [60%]	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00
In store Gross Profit for grocery nontaxable	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00
ATM and tire commission	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Lottery commission, assuming \$15,000 per month in sales]	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00
Gas commission [assuming 54,000 gallons sold]; 4 cents per gallon less 1 cent per gallon until \$15,000 funded for security deposit]	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00
Net Revenue	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00
Operating Expenses									
funding of security deposit [up to \$15,000]	540.00	540.00	540.00	540.00	540.00	540.00	540.00	540.00	540.00
Officer Payroll	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00
Payroll	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
Taxes - pro rated for current taxes	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67
Repairs and Maintenance	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00
Alarm & Security	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00
Credit Card Fees	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Insurance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	1	2	3	4	5	6	7	8	9
Telephone	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
internet	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
utilities (water)	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
gas	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
electrical	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
legal and accounting/bookkeeper	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
taxes and license	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92
Total Expenses	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58
	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42
Money Available for plan payments									
Class Fadis Heating and Cooling	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33
Class Stockbridge [payment of 1,679.17 per month for 240 months in the amount of 403,000, present value of which is 254436.76]	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17
Class Eaton County/Delta Twp. (24,000 @ 12% over 60 months]	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87
Class General Unsecureds [10% distribution over 60 months]	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50
Total Plan Payments	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54
money available after plan payments	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	10	11	12	13	14	15	16	17	18
In store Sales/grocery taxable	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00
In store Cost of Goods Sold for grocery taxable [75%]	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00
In store Gross Profit for grocery taxable	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00
In store Sales/grocery nontaxable	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00
In store Cost of Goods Sold for grocery nontaxable [60%]	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00
In store Gross Profit for grocery nontaxable	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00
ATM and tire commission	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Lottery commission, assuming \$15,000 per month in sales]	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00
Gas commission [assuming 54,000 gallons sold]; 4 cents per gallon less 1 cent per gallon until \$15,000 funded for security deposit]	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00
Net Revenue	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00
Operating Expenses									
funding of security deposit [up to \$15,000]	540.00	540.00	540.00	540.00	540.00	540.00	540.00	540.00	540.00
Officer Payroll	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00
Payroll	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
Taxes - pro rated for current taxes	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67
Repairs and Maintenance	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00
Alarm & Security	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00
Credit Card Fees	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Insurance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	10	11	12	13	14	15	16	17	18
Telephone	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
internet	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
utilities (water)	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
gas	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
electrical	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
legal and accounting/bookkeeper	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
taxes and license	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92
Total Expenses	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58
	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42
Money Available for plan payments									
Class Fadis Heating and Cooling	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33
Class Stockbridge [payment of 1,679.17 per month for 240 months in the amount of 403,000, present value of which is 254436.76]	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17
Class Eaton County/Delta Twp. (24,000 @ 12% over 60 months]	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87
Class General Unsecureds [10% distribution over 60 months]	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50
Total Plan Payments	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54
money available after plan payments	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	19	20	21	22	23	24	25	26	27
In store Sales/grocery taxable	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00
In store Cost of Goods Sold for grocery taxable [75%]	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00
In store Gross Profit for grocery taxable	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00
In store Sales/grocery nontaxable	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00
In store Cost of Goods Sold for grocery nontaxable [60%]	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00
In store Gross Profit for grocery nontaxable	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00
ATM and tire commission	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Lottery commission, assuming \$15,000 per month in sales]	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00
Gas commission [assuming 54,000 gallons sold]; 4 cents per gallon less 1 cent per gallon until \$15,000 funded for security deposit]	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00
Net Revenue	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00	12970.00
Operating Expenses									
funding of security deposit [up to \$15,000]	540.00	540.00	540.00	540.00	540.00	540.00	540.00	540.00	540.00
Officer Payroll	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00
Payroll	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
Taxes - pro rated for current taxes	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67
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Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Insurance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	19	20	21	22	23	24	25	26	27
Telephone	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
internet	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
utilities (water)	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
gas	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
electrical	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
legal and accounting/bookkeeper	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
taxes and license	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92
Total Expenses	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58
	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42	6299.42
Money Available for plan payments									
Class Fadis Heating and Cooling	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33
Class Stockbridge [payment of 1,679.17 per month for 240 months in the amount of 403,000, present value of which is 254436.76]	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17
Class Eaton County/Delta Twp. (24,000 @ 12% over 60 months]	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87
Class General Unsecureds [10% distribution over 60 months]	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50
Total Plan Payments	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54
money available after plan payments	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88	3613.88

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	28	29	30	31	32	33	34	35	36
In store Sales/grocery taxable	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00
In store Cost of Goods Sold for grocery taxable [75%]	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00
In store Gross Profit for grocery taxable	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00
In store Sales/grocery nontaxable	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00
In store Cost of Goods Sold for grocery nontaxable [60%]	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00
In store Gross Profit for grocery nontaxable	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00
ATM and tire commission	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Lottery commission, assuming \$15,000 per month in sales]	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00
Gas commission [assuming 54,000 gallons sold]; 4 cents per gallon less 1 cent per gallon until \$15,000 funded for security deposit]	1620.00	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00
Net Revenue	12970.00	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00
Operating Expenses									
funding of security deposit [up to \$15,000]	540.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Officer Payroll	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00
Payroll	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
Taxes - pro rated for current taxes	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67
Repairs and Maintenance	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00
Alarm & Security	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00
Credit Card Fees	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Insurance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	28	29	30	31	32	33	34	35	36
Telephone	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
internet	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
utilities (water)	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
gas	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
electrical	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
legal and accounting/bookkeeper	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
taxes and license	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92
Total Expenses	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58
	6299.42	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42
Money Available for plan payments									
Class Fadis Heating and Cooling	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33
Class Stockbridge [payment of 1,679.17 per month for 240 months in the amount of 403,000, present value of which is 254436.76]	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17
Class Eaton County/Delta Twp. (24,000 @ 12% over 60 months]	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87
Class General Unsecureds [10% distribution over 60 months}	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50
Total Plan Payments	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54
money available after plan payments	3613.88	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	37	38	39	40	41	42	43	44	45
In store Sales/grocery taxable	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00
In store Cost of Goods Sold for grocery taxable [75%]	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00
In store Gross Profit for grocery taxable	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00
In store Sales/grocery nontaxable	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00
In store Cost of Goods Sold for grocery nontaxable [60%]	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00
In store Gross Profit for grocery nontaxable	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00
ATM and tire commission	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Lottery commission, assuming \$15,000 per month in sales]	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00
Gas commission [assuming 54,000 gallons sold]; 4 cents per gallon less 1 cent per gallon until \$15,000 funded for security deposit]	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00
Net Revenue	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00
Operating Expenses									
funding of security deposit [up to \$15,000]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Officer Payroll	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00
Payroll	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
Taxes - pro rated for current taxes	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67
Repairs and Maintenance	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00
Alarm & Security	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00
Credit Card Fees	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Insurance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	37	38	39	40	41	42	43	44	45
Telephone	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
internet	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
utilities (water)	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
gas	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
electrical	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
legal and accounting/bookkeeper	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
taxes and license	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92
Total Expenses	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58
	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42
Money Available for plan payments									
Class Fadis Heating and Cooling	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33
Class Stockbridge [payment of 1,679.17 per month for 240 months in the amount of 403,000, present value of which is 254436.76]	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17
Class Eaton County/Delta Twp. (24,000 @ 12% over 60 months]	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87
Class General Unsecureds [10% distribution over 60 months}	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50
Total Plan Payments	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54
money available after plan payments	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	46	47	48	49	50	51	52	53	54
In store Sales/grocery taxable	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00
In store Cost of Goods Sold for grocery taxable [75%]	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00
In store Gross Profit for grocery taxable	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00
In store Sales/grocery nontaxable	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00
In store Cost of Goods Sold for grocery nontaxable [60%]	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00
In store Gross Profit for grocery nontaxable	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00
ATM and tire commission	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
Lottery commission, assuming \$15,000 per month in sales]	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00
Gas commission [assuming 54,000 gallons sold]; 4 cents per gallon less 1 cent per gallon until \$15,000 funded for security deposit]	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00
Net Revenue	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00
Operating Expenses									
funding of security deposit [up to \$15,000]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Officer Payroll	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00
Payroll	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
Taxes - pro rated for current taxes	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67
Repairs and Maintenance	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00	670.00
Alarm & Security	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00
Credit Card Fees	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Insurance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00

	Month	Month	Month	Month	Month	Month	Month	Month	Month
	46	47	48	49	50	51	52	53	54
Telephone	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
internet	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
utilities (water)	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
gas	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
electrical	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00
legal and accounting/bookkeeper	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
taxes and license	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92	22.92
Total Expenses	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58
	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42
Money Available for plan payments									
Class Fadis Heating and Cooling	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33	139.33
Class Stockbridge [payment of 1,679.17 per month for 240 months in the amount of 403,000, present value of which is 254436.76]	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17
Class Eaton County/Delta Twp. (24,000 @ 12% over 60 months]	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87	533.87
Class General Unsecureds [10% distribution over 60 months}	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50	472.50
Total Plan Payments	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54
money available after plan payments	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88

	Month	Month	Month	Month	Month	Month		
	55	56	57	58	59	60		
In store Sales/grocery taxable	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00		
In store Cost of Goods Sold for grocery taxable [75%]	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00		
In store Gross Profit for grocery taxable	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00		
In store Sales/grocery nontaxable	18000.00	18000.00	18000.00	18000.00	18000.00	18000.00		
In store Cost of Goods Sold for grocery nontaxable [60%]	10800.00	10800.00	10800.00	10800.00	10800.00	10800.00		
In store Gross Profit for grocery nontaxable	7200.00	7200.00	7200.00	7200.00	7200.00	7200.00		
ATM and tire commission	250.00	250.00	250.00	250.00	250.00	250.00		
Lottery commission, assuming \$15,000 per month in sales]	900.00	900.00	900.00	900.00	900.00	900.00		
Gas commission [assuming 54,000 gallons sold]; 4 cents per gallon less 1 cent per gallon until \$15,000 funded for security deposit]	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00		
Net Revenue	13510.00	13510.00	13510.00	13510.00	13510.00	13510.00		
Operating Expenses								
funding of security deposit [up to \$15,000]	0.00	0.00	0.00	0.00	0.00	0.00		
Officer Payroll	2800.00	2800.00	2800.00	2800.00	2800.00	2800.00		
Payroll	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00		
Taxes - pro rated for current taxes	541.67	541.67	541.67	541.67	541.67	541.67		
Repairs and Maintenance	670.00	670.00	670.00	670.00	670.00	670.00		
Alarm & Security	41.00	41.00	41.00	41.00	41.00	41.00		
Credit Card Fees	120.00	120.00	120.00	120.00	120.00	120.00		
Supplies	100.00	100.00	100.00	100.00	100.00	100.00		
Insurance	250.00	250.00	250.00	250.00	250.00	250.00		

	Month	Month	Month	Month	Month	Month		
	55	56	57	58	59	60		
Telephone	70.00	70.00	70.00	70.00	70.00	70.00		
internet	30.00	30.00	30.00	30.00	30.00	30.00		
utilities (water)	50.00	50.00	50.00	50.00	50.00	50.00		
gas	125.00	125.00	125.00	125.00	125.00	125.00		
electrical	700.00	700.00	700.00	700.00	700.00	700.00		
legal and accounting/bookkeeper	150.00	150.00	150.00	150.00	150.00	150.00		
taxes and license	22.92	22.92	22.92	22.92	22.92	22.92		
Total Expenses	6670.58	6670.58	6670.58	6670.58	6670.58	6670.58		
	6839.42	6839.42	6839.42	6839.42	6839.42	6839.42		
Money Available for plan payments								
Class Fadis Heating and Cooling	139.33	139.33	139.33	139.33	139.33	139.33		
Class Stockbridge [payment of 1,679.17 per month for 240 months in the amount of 403,000, present value of which is 254436.76]	1679.17	1679.17	1679.17	1679.17	1679.17	1679.17		
Class Eaton County/Delta Twp. (24,000 @ 12% over 60 months]	533.87	533.87	533.87	533.87	533.87	533.87		
Class General Unsecureds [10% distribution over 60 months}	472.50	472.50	472.50	472.50	472.50	472.50		
Total Plan Payments	2685.54	2685.54	2685.54	2685.54	2685.54	2685.54		
money available after plan payments	4153.88	4153.88	4153.88	4153.88	4153.88	4153.88		

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN

In the Matter of:

Cheerview Enterprises, Inc.

Debtor

Case No. 17-56162-pjs

Chapter 11

Hon. Phillip J. Shefferly

FIRSTTHIRD AMENDED
DEBTOR'S COMBINED DISCLOSURE STATEMENT AND
PLAN OF REORGANIZATION

IMPORTANT! THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE DEBTOR'S PROPOSED PLAN OF REORGANIZATION. PLEASE READ THIS DOCUMENT WITH CARE.

Prepared By:
Robert N. Bassel (P 48420)
Attorneys for Debtor
P.O. Box T
Clinton, MI 49236
(248) 677-1234

I. PLAN OF REORGANIZATION

Debtor propose(s) the following Plan(s) of Reorganization (the “Plan”) pursuant to §§1121 and 1123 of the Bankruptcy Code.

ARTICLE I

DEFINITIONS

As used in this Plan, the following terms shall have the meanings specified below, unless the context requires otherwise:

1.1 **“Administrative Claim”** means costs and expenses of administration of the relevant Chapter 11 case allowed under §§503(b) and 507(a) of the Bankruptcy Code and the fees of the United States Trustee under 28 U.S.C. §1430(a)(6).

1.2 **“Administrative Creditor”** shall mean any Creditor who asserts an Administrative Claim.

1.3 **“Allowed Claim”** or **“Allowed Interest”** means a Claim against or Interest in The Debtor to the extent that:

A. A Proof of Claim or Interest was:

1. Timely filed;
2. Deemed filed pursuant to §1111(a) of the Code; or
3. Filed late with leave of the Bankruptcy Court after notice and an opportunity for hearing given to Debtor, and counsel for Debtor; and

B. The Claim is not a Contested Claim or a Contested Interest, or

C. The Claim is allowed (and only to the extent allowed) by a Final Order of the Bankruptcy Court.

1.4 **“Avoidance Actions”** means all claims granted the debtor-in-possession or a trustee under §§ 544-553 of the Code.

1.5. **“Ballot”** shall mean the official Bankruptcy Form or a document prepared to substantially conform to same being sent to all creditors and parties-in-interest entitled to vote for or against the Plan.

1.6 **“Bankruptcy Code”** or **“Code”** means the Bankruptcy Reform Act of 1978, as amended (11 U.S.C. §§101, et seq.), also known as the United States Bankruptcy Code.

1.7 **“Bankruptcy Court”** means the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, and any court having jurisdiction over any appeals.

1.8 **“Bankruptcy Rules”** or **“Rules”** means the Federal Rules of Bankruptcy Procedure, and any amendments thereto. To the extent applicable, Bankruptcy Rules also refers to the Local Rules of the U.S. District Court for the Eastern District of Michigan, as amended and the Local Bankruptcy Rules for the Eastern District of Michigan, as amended.

1.9 **“Business Day”** means any day, other than a Saturday, Sunday or “Legal Holiday,” as that term is defined in Bankruptcy Rule 9006(a).

1.10 **“Case”** means the relevant above-captioned case currently pending before the Bankruptcy Court.

1.11 **“Claim”** means any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, Contested, disputed, undisputed, legal, equitable, secured or unsecured, or any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.12 **“Class”** means a class of holders of Claims or Interests described in Article III of this Plan.

1.13 **“Confirmation Date”** means the date upon which the Bankruptcy Court shall enter the Confirmation Order in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.14 “**Confirmation Hearing**” means the hearing conducted by the Bankruptcy Court to consider the confirmation of the Plan filed by Proponent.

1.15 “**Confirmation Order**” means the order entered confirming this Plan by the Bankruptcy Court pursuant to §1129 of the Code.

1.16 “**Contested Claim**” means any Claim as to which The Debtor or any other party in interest has interposed an objection or commenced an adversary proceeding in accordance with the Bankruptcy Code, Bankruptcy Rules and this Plan, which objection has not been determined by a Final Order.

1.17 “**Creditor**” means any holder of a Claim against The Debtor.

1.18 “**Debtor**” means the relevant above-captioned chapter 11 debtor.

1.19 “**Effective Date**” means the 11th calendar day after the Confirmation Order becomes a Final Order.

1.20 “**Final Order**” means an Order of the Bankruptcy Court as to which (i) the time for appeal has expired and no appeal has been timely taken; or (ii) any timely appeal has been finally determined or dismissed.

1.21 “**Impaired**” means a Claim treated under this Plan, unless the Plan:

(a) leaves unaltered the legal, equitable, and contractual rights to which such Claim or Interest entitles the holder of such Claim or Interest; or

(b) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default—

(1) cures any such default (other than defaults relating to (i) any penalty interest rate or provision arising from a non-monetary default by the Debtor; (ii) the solvency or financial condition of the Debtor or (iii) the commencement of this Case) that occurred before or after the commencement of the Case;

(2) reinstates the maturity of such Claim or Interest as such maturity existed before such default;

(3) compensates the holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; and

(4) does not otherwise alter the legal, equitable or contractual rights to which such Claim or Interest entitles its holder.

1.22 **“Insider”** shall mean a current or former director, shareholder, officer, partner, person in control, relative of a director, officer, partner or person in control of The Debtor or a corporation or entity in which an Insider (as defined above) of the Debtor is an Insider.

1.22.1 **“Interest Holder”** means the stockholders of The Debtor as of the Petition Date.

1.23 **“Interest”** means an equity interest in The Debtor as defined in §101 of the Code.

1.24 **“Interest Rate”** means, unless specified, (a) with respect to Claims entitled to interest under §506 of the Bankruptcy Code and this Plan and having an applicable contractual rate of interest, the lowest rate of interest provided in such contract, without regard to any default by Debtor, (b) with respect to all other Claims entitled to interest under the Bankruptcy Code and this Plan, 5% per annum, or (c) with respect to (a) or (b) such other interest rate as may be determined by a Final Order of the Bankruptcy Court.

1.25 **“IRS”** means the Internal Revenue Service, an agency of the United States of America, and its representatives, affiliated agencies and assignees.

1.26 **“Lien”** means a charge against, or an interest in property to secure payment of a debt or performance of an obligation.

1.27 **“New Value”** means such money or money’s worth that has been paid or contributed by the Interest Holders for the new stock of the reorganized debtor.

1.28 **“Petition Date”** means the date Debtor filed the Voluntary Petition commencing the Case under Chapter 11 of the Bankruptcy Code.

1.29 **“Plan”** means this Plan of Reorganization, as it may be altered, amended or modified from time to time.

1.30 **“Priority Claim”** means a Claim under or entitled to priority under Code §507(a) of the Code.

1.31 **“Priority Creditor”** means a Creditor who asserts a Priority Claim.

1.32 **“Professional Fees”** means the fees and reimbursement for disbursements owed to attorneys, accountants, or other professionals whose employment has been approved by the Bankruptcy Court.

1.33 **“Reorganized Debtor”** shall mean The Debtor, on and after the Effective Date.

1.34 **“Secured Claim”** means a Claim secured by a Lien on property in which the estate has an interest but only to the extent of the value of the Creditor’s interest in the estate’s interest in the property as of the Petition Date.

1.35 **“State of Michigan”** means the Michigan Department of Treasury, Michigan Unemployment Agency or any other governmental agencies of the State of Michigan.

1.36 **“Unsecured Claim”** means a Claim that is not a Secured Claim, an Administrative Claim nor a Priority Claim.

1.37 **“Unsecured Creditor”** shall mean any Creditor that holds an Unsecured Claim.

ARTICLE II

TREATMENT OF CLAIMANTS NOT SUBJECT TO CLASSIFICATION OR OTHERWISE NOT REQUIRED TO VOTE FOR OR AGAINST THE PLAN

For the purposes of approval and implementation of this Plan and the resultant reorganization of the Debtor, Administrative Creditors and Priority Creditors shall be paid on account of their respective Administrative and Priority Claims in accordance with the provisions set forth below:

2.1 **GROUP I.** The Claims of Group I shall consist of all Administrative Expenses, except the claims of taxing authorities that are secured and that qualify as Administrative Expenses. The Allowed Claims of this Group shall be paid the full amount of their Claims on such date as may be mutually agreed upon between Debtor and the particular claimant, or, if no such date is agreed upon, the latest of (i) the Effective Date, (ii) the date by which payment would be due in the ordinary course of business between Debtor and such Administrative Creditor, or (iii) the date on which the Bankruptcy Court enters its order, if necessary, approving Debtor's payment of such expenses. It is estimated that the only entity in this class shall be Robert Bassel, attorney for the Debtor. It is estimated that the amount of his administrative expense shall be approximately \$10,000. Postpetition administrative taxes are contemplated to be paid by Debtor as they become due, or on a pro-rata basis.

2.2 **GROUP II.** The Claims of Group II shall consist of all Priority Creditors entitled to receive priority for their Allowed Claim under §507(a)(8) of the Bankruptcy Code. Debtor does not believe that it owes any claims that would be within Group II. If they do exist, they shall be paid in equal monthly payments over 60 months from the Effective Date at 3.5% interest per annum.

2.3 **GROUP III.** The Claims of Group III shall consist of all other Priority Creditors entitled to receive priority for their Allowed Claim under §507(a) of the Bankruptcy Code other

than §507(a)(8). Debtor does not believe that any such claimants exist. If they do exist, they shall be paid in equal monthly payments over 96 months from the Effective Date at 3.5% interest per annum.

ARTICLE III

SPECIFICATION OF TREATMENT OF CLASSES OF CLAIMS OR INTERESTS NOT IMPAIRED UNDER PLAN AND THOSE IMPAIRED UNDER THE PLAN

The Plan divides Claims and Interests into classes and treats them as follows, all of which are impaired unless noted:

Class	Claimant	Treatment for Claims in this class
Class 1	Eaton County Treasurer/Delta Township	This class, with respect to Eaton County/Delta Township is owed approximately \$24,000 on its secured claim, which shall be paid over 60 monthly installments at 12% until paid in full. The members of this class shall retain their lien until the claims making up this class are paid in full. This class shall be paid contemporaneously with Class 2. Payments shall be \$ 533.87 per month. This class is impaired.
Class 2	Stockbridge Acquisitions, LLC	This class, with respect to Stockbridge’s secured claim in the amount of <u>\$403,000 due to Stockbridge’s election under 11 U.S.C. section 1111(b) [note that the value of their secured claim is \$226,000 which is based upon</u> (the value of the collateral upon which it has a lien [\$250,000 less the prior Eaton County/Delta Township tax lien of \$24,000]) shall be paid over 240 monthly installments at 5%, with a balloon payment due 5 years after the Effective Date. %. The members of this class shall retain their lien until the claims making up this class are paid in full. This Class shall be paid contemporaneously with Class 1. Payments shall be \$1491.50 <u>1,679.17</u> per month. This class is impaired. <u>The present value of these</u>

		<u>payments is \$254,436.76.</u>										
Class 3	Fadis Heating & Cooling	<p>This class, with respect to Fadi’s Heating & Cooling’s secured claim in the amount of \$8,360 (the value of the collateral upon which it has a lien) shall be paid over 60 monthly installments at 0%. The members of this class shall retain their lien until the claims making up this class are paid in full. This Class shall be paid contemporaneously with Class 2. Payments shall be \$139.33 per month.</p> <p>This class is impaired.</p> <p><u>Upon information and belief, this entity is owned by Fadi Elghoul who is not an “insider”, and who is married to Mr. Berro’s third cousin. Debtor contracted with this entity because it had previously done work for Mr. Berro’s friends and family and has a good reputation.</u></p>										
Class 4	Class of general unsecured claims	<p>This class is made up of the following claims for which there is no collateral to support a secured claim:</p> <table border="1"> <tr> <td>Deficiency of Stockbridge</td> <td>181,000</td> </tr> <tr> <td>USOil</td> <td>50,000</td> </tr> <tr> <td>Ilira Lokaj/Ali Damsaz (disputed)</td> <td>121,000</td> </tr> <tr> <td>R & S Real Estate, LLC (disputed)</td> <td>112,500</td> </tr> <tr> <td>TOTAL</td> <td>464283,500</td> </tr> </table> <p>These claims shall be paid at 10% in 60 equal monthly installments without interest, commencing on the Effective Date. Monthly payments shall be \$774.16472.50 and shall be paid contemporaneously with Class 2. These payments, as with all plan payments, may be prepaid.</p> <p>This class is impaired. <u>Note that while USOil has also made an election under Section 1111(b), because there is no collateral to support its secured claim, it cannot make such an election pursuant to 11 U.S.C. section 1111(b)(1)(B)(i) (i) (“the interest on account of such claims of the holders of such claims in such property is of inconsequential value”);</u></p>	Deficiency of Stockbridge	181,000	USOil	50,000	Ilira Lokaj/Ali Damsaz (disputed)	121,000	R & S Real Estate, LLC (disputed)	112,500	TOTAL	464 283,500
Deficiency of Stockbridge	181,000											
USOil	50,000											
Ilira Lokaj/Ali Damsaz (disputed)	121,000											
R & S Real Estate, LLC (disputed)	112,500											
TOTAL	464 283,500											
Class 5	Class of Equity Security Holders	See below										

The claims and interests of the equity holder(s) shall be treated in one of two alternative methods, to the extent applicable:

- A. If all impaired classes of Creditors vote to accept the Plan, then the rights of the Interest Holders shall remain the same. **This Class shall not be Impaired.**
- B. If any class of Creditors vote to reject the Plan or if the Bankruptcy Court requires, for any reason, that New Value be provided to the Debtor, the Interests of the Debtor shall be canceled and new Interests shall be reissued to the Interest Holders upon the investment by the Interest Holders of New Value, or those purchasing the Debtor's equity in the auction contemplated by this Plan. **This Class shall be Impaired.**

ARTICLE IV

EXECUTION AND IMPLEMENTATION OF THE PLAN

4.1 **Funding of the Plan:** Debtor reasonably believes that its future operations will generate sufficient funds to satisfy its obligations under the Plan. To the extent that additional funds are necessary, third parties may provide such funds to the Reorganized Debtor. Other sources of cash may be explored and utilized by the Reorganized Debtor to the extent that such cash infusions are necessary to meet the obligations of the Plan. Debtor may also sell all of its assets or a portion of its assets to fund its obligations under the plan.

4.2 **Refinancing/Financing:** If necessary, the Reorganized Debtor may, in its sole discretion, seek to obtain refinancing from either a lending institution or from other sources in an effort to satisfy the necessary cash payments described in this Plan. In the event that the Reorganized Debtor obtains such financing, it shall not obligate the Reorganized Debtor to accelerate any of the payments or obligations set forth in this Plan. There shall be no prepayment penalty regarding plan payments.

4.3 **Auction:**

4.3.1 If all impaired classes of claims vote to accept the Plan of Reorganization, then Debtor shall fund the obligations of the Plan as indicated above.

4.3.2 If any class of impaired claims votes to reject the Plan, then Debtor will proceed with an auction of the Interests of the Reorganized Debtor. Any new value contribution shall be used for working capital and to pay operating and plan expenses, but not to any payments to any insiders. Debtor will proceed with an auction of the Interests of the Reorganized Debtor on the sixtieth day after the confirmation hearing at 10:00 a.m., which may be adjourned by the Court or Debtor. The auction of the Interests shall occur at the offices of Robert N. Bassel at 25925 Telegraph Rd Ste 203, Southfield, MI 48033. It is contemplated that the auction shall take place prior to entry of the Confirmation Order. Debtor shall retain a broker to market the equity interests if the Court determines that a new value auction is required. Debtor shall also provide notice of the auction by publishing notice in the Detroit Free Press or the Detroit News.

4.3.3 The following terms and conditions shall apply to The Debtor's consideration of any offer to be made at the auction:

1. Any person including any Creditor in this Case or other party, including any Interest holder of Debtor, who wishes to make a cash offer for all of the Interests in the Reorganized Debtor, shall notify the Debtor's counsel Robert N. Bassel, 25925 Telegraph Rd Ste 203, Southfield, MI 48033, in writing of its intent to make an offer no later than two Business Days prior to the date of the auction. At the time of giving such notice, such party or parties, including any Interest holder, shall tender a bank check in the amount of \$5,000, which amount shall be held by the Debtor's counsel in escrow as a deposit to be applied to the payment of the amounts due under the Equity Contribution Agreement. The remaining amount of the bid shall be paid within 30 days after the Auction Date.
2. Such deposit shall be immediately refunded to any party, including any Interest holder, which shall not be the successful bidder for the Interest. The failure to give the required notice, or failure to provide the foregoing deposit shall constitute a waiver by any party in interest or the Interest holder of its right to bid at the auction.
3. In addition to any cash paid as the result of the auction, which cash shall be fully paid on or before 30 days after the Auction Date, to be held in escrow by the Debtor's attorney, the successful purchaser shall:

- a. be required to execute the Equity Contribution Agreement, attached; and
 - b. as the Interest holder of the Reorganized Debtor, acknowledge that the Reorganized Debtor shall be bound by all of the obligations and payment terms as set forth in the Plan.
4. The Debtor reserves the right, in its reasonable business judgment, to set such other terms of conditions of bidding (provided that such terms and conditions are provided to all bidders prior to the commencement of auction), at the auction.
5. Except for provided herein, all bids must be for cash in the currency of the United States of America, on the terms and conditions set forth in the Equity Contribution Agreement. No credit bids shall be permitted. The initial bid shall be \$5,000 and bidding shall be in \$1,000 increments.
6. At the conclusion of the bidding, if any, Debtor shall announce the successful highest bid. In the event that the successful bidder fails to immediately execute and deliver to Debtor the Equity Contribution Agreement, the failure to provide that agreement shall constitute a waiver of such party's bid and the next and highest successful bidder shall be deemed the successful bidder.

4.4 **Avoidance Actions:** On the Confirmation Date, the Avoidance Actions of The Debtor shall vest in the Reorganized Debtor. It does not appear, however, that any such Avoidance Actions exist.

4.5 **Pre-payment:** The Reorganized Debtor may, but shall not be obligated to, pre-pay any of the claims at any time in its sole, absolute and unfettered discretion. If the Reorganized Debtor elects to pre-pay any obligation, it shall not incur any pre-payment penalty, any such pre-payment penalty contained in any pre-petition contract, agreement or document shall not apply.

4.6 **omitted**

4.7 **omitted**

ARTICLE V

EFFECT OF CONFIRMATION

5.1 **Discharge:** The confirmation of this Plan shall, and does hereby act to discharge and release the Claims of all Creditors against The Debtor, which shall constitute a full, total and complete settlement with said Creditors and Interest Holders. Confirmation shall also act as a merger and relinquishment of any and all Claims that Creditors have or may have against The Debtor as provided in the treatment of the Creditors in Articles II and III. The Debtor shall receive a discharge as contemplated by 11 U.S.C. §§524 and 1141 upon confirmation of the Plan, such discharge being as broad and all-inclusive as provided by law.

5.2 **Waiver:** Confirmation shall also constitute a waiver by Creditors of any right that they may have, unless supported by a written guarantee or provided by a federal or state statute to a taxing authority, to seek to enforce their Claims against any Insider, whether pursuant to an “alter ego” claim, a claim for “piercing” Debtor’s or the Reorganized Debtor’s corporate existence, or other similar claim.

5.3 **Financing and Capital Contributions:** There shall be no prohibition against the Reorganized Debtor merging, issuing additional stock or being acquired by another person, company, partnership or corporation, or obtaining any financing from any lender willing to provide any financing. The obtaining of financing shall not obligate the Reorganized Debtor to make any earlier payments or distribution except as may be provided in the Plan.

5.4 In the event of a conversion of the Case to a case under Chapter 7 of the Bankruptcy Code, all property of The Debtor, the debtor-in-possession or the Reorganized Debtor, including all property that will revert in the Reorganized Debtor pursuant to confirmation of the Plan and all property acquired by the Reorganized Debtor subsequent to confirmation of the Plan, shall be property of the relevant Chapter 7 estate.

ARTICLE VI

MODIFICATION OF THE PLAN

6.1 Debtor(s) may, from time to time, propose amendments or modifications of this Plan prior to its confirmation, without leave of the Court. After confirmation, The Debtor or Reorganized Debtor may, with leave of the Bankruptcy Court, and upon notice and opportunity for hearing to the affected Creditor(s) and any committee appointed by the Office of the U.S. Trustee only, remedy any defect or omission, reconcile any inconsistencies in the Plan or in the Order of Confirmation or otherwise modify the Plan.

6.2 If the Bankruptcy Court determines that the modification affects all the Creditors, or if the Debtor(s) proposes a material modification affecting all Creditors, then such modification shall be governed by §1127 of the Bankruptcy Code and the Plan.

ARTICLE VII

JURISDICTION OF THE COURT

This Court shall retain jurisdiction in this matter until the Plan has been fully consummated including, but not limited to, the following reasons and purposes:

A. The classification of the Claim of any Creditor and the re-examination of Claims which have been allowed for purposes of voting, and the determination of such objections as may be filed to Claims of Creditors. The failure by the Debtor or the Reorganized Debtor to object to, or to examine any Claim for the purposes of voting, shall not be deemed to be a waiver of any right to object to, or reexamine the Claim in whole or in part.

B. The determination of all questions and disputes regarding title to the assets of the estate or Debtor, and all causes of action, controversies, disputes, or conflicts, whether or not subject to action pending as of the Confirmation Date, between the Debtor or the Reorganized Debtor or any other party. This shall include, but not be limited to, any cause of action, avoiding power or right of the Debtor or the Reorganized Debtor to recover assets pursuant to the provisions

of the Bankruptcy Code, including, without limitation, Avoidance Actions and claims initiated under §§506 and 510 of the Bankruptcy Code.

C. The correction of any defect, the curing of any omission or the reconciliation of any inconsistency in this Plan or the Order of Confirmation as may be necessary to carry out the purposes and intent of this Plan.

D. The modification of this Plan after confirmation pursuant to the Bankruptcy Rules and the Bankruptcy Code and as provided as in the Plan.

E. The enforcement and interpretation of the terms and conditions of this Plan and the entry of orders in support of confirmation of this Plan.

F. The entry of any order, including injunctions, necessary to enforce the title, rights, and powers of Debtor, the Reorganized Debtor or any party-in-interest, and to impose such limitations, restrictions, terms and conditions of such title, rights and powers as this Court may deem necessary, including without limitation, injunctions to enforce releases or forbearance in favor of guarantors, which would assist the Reorganized Debtor to accomplish its obligations under the Plan.

G. The review and approval of all professional fee applications for services rendered prior to the Confirmation Date and the review of any professional fees for services rendered in connection with the Plan after the Confirmation Date, to the extent that the Debtor or the Reorganized Debtor dispute all or a portion thereof.

H. The entry of an order concluding and terminating this Case.

ARTICLE VIII

TITLE TO PROPERTY

8.1 Title to the property of the Debtor(s) shall vest in the Reorganized Debtor upon the final payment to be made under the Plan, and the automatic stay shall remain in effect until that time. Notwithstanding this, the Debtor(s) shall be discharged from its status as Debtor and the

affairs and business of the Reorganized Debtor shall thereafter be conducted without Court involvement except as may be governed by the Plan.

ARTICLE IX

UNITED STATES TRUSTEE FEES

9.1 The Debtor(s) shall continue to pay to the United States Trustee the appropriate sums required pursuant to 28 U.S.C. §1930(a)(6) until such time as the Chapter 11 Case is closed by the Court.

ARTICLE X

EXECUTORY CONTRACTS

10.1 Unless addressed in Article III of this Plan or otherwise assumed or rejected by Final Order of the Bankruptcy Court, all executory contracts of The Debtor either (i) not expressly rejected or (ii) which are not within thirty (30) days after the Confirmation Date the subject of pending applications to reject and disaffirm, shall be deemed assumed. Within thirty (30) days after the Confirmation Date, the Reorganized Debtor shall be allowed to file a Notice of Rejection of Executory Contract (the "Notice") with the Bankruptcy Court and the executory contract which is the subject thereof shall thereupon be rejected. In connection with any executory contracts that are assumed, absent a provision to the contrary, the Debtor(s) shall be permitted to pay Claims arising from executory contracts that existed as of the Petition Date in 36 equal, monthly installments beginning one month after the Effective Date. For purposes of clarification, the unexpired lease with Waverly Food Service, Inc. ("Waverly Food") shall be assumed. Waverly Food is owned by Hassan Ouza, who is the second cousin of Debtor's principal, Mohamad Berro.

10.2 Any Creditor who has a Claim as a result of such rejection shall have thirty (30) days after receipt of the Notice to file a Proof of Claim, failing which such Claim shall be disallowed in its entirety. The Notice shall contain a provision informing any potential creditor of this requirement and shall be served on such potential creditor(s).

ARTICLE XI

OBJECTIONS TO CLAIMS

11.1. Debtor(s) and/or the Reorganized Debtor(s) and parties in interest may object to the allowance of any Claim, whether listed on the schedules filed by The Debtor or filed by any entity. No time limit for such objections is being created by this Plan

ARTICLE XII

LIMITATION OF LIABILITY

12.1 The Debtor(s), the Reorganized Debtor(s) and all of its directors, officers and agents, including its counsel, accountants, consultants and/or employees, shall not be liable to The Debtor, the Reorganized Debtor, any Creditor or Interest Holder of the Debtor or the Reorganized Debtor, or any other entity for any action taken or omitted to be taken in connection with their respective actions or duties in the Case or under this Plan, except that such liability may be imposed for willful misconduct. The Bankruptcy Court shall have exclusive jurisdiction to resolve any questions concerning any such liability.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1. Notwithstanding anything in this Plan to the contrary, neither Debtor nor the Reorganized Debtor shall be obligated to make any payments towards any Contested Claim. Further, neither Debtor nor the Reorganized Debtor shall be required to make any payments for an Allowed Claim to any Creditor if the Debtor or the Reorganized Debtor have filed a motion, objection, adversary proceeding, state court proceeding or other similar notice against such Creditor alleging an objection, claim, cause of action, offset or counter-claim, such that if sustained and not paid by such Creditor would result in a disallowance of such Allowed Claim in accordance with §502(d) of the Code.

13.2. The Debtor(s), the Reorganized Debtor and all parties-in-interest, including without limitation any Creditor, shall be required to execute any document reasonably requested by the other to memorialize and effectuate the terms and conditions of this Plan. This shall include without limitation any execution by The Debtor of UCC financing statements and the execution by creditors of any UCC termination and mortgage releases and termination. Unless a lien is expressly preserved in this Plan, as amended, or Order Confirming Plan, it shall be void and of no effect.

13.3. This Plan and the Confirmation Order shall inure to the benefit of, and be binding upon, all parties in interest and their respective successors and assigns.

13.4 When the Debtor(s) or the Reorganized Debtor has made all payments and obligations required under this Plan all restrictions, negative covenants and other limitations on the Debtor's operations provided herein or in the Confirmation Order shall terminate.

13.5 The Reorganized Debtor(s) shall have the right to commence, continue, amend or compromise all causes of actions available to The Debtor(s), the bankruptcy estate(s) or the debtor(s) in possession, whether or not those causes of action were the subject of a suit as of the Confirmation Date, including but not limited to actions to collect receivables owed to the Debtor. The Reorganized Debtor(s) specifically reserves its right to commence, continue, amend or compromise all causes of action, whether or not described in the Disclosure Statement.

13.6 Upon the failure of the Debtor(s) or Reorganized Debtor to make any payment due on a secured or priority tax claim which is not cured within fifteen days of the mailing of a written notice of default by the creditor, such creditor may exercise all rights and remedies available under non-bankruptcy law for the collection of its entire claim and/or seek appropriate relief in this Court.

13.7 For purposes of clarification, the Reorganized Debtor shall have the right to challenge any Claim through the claims objection process set forth in this Plan, which challenge may include but is not be limited to a challenge to any penalty portion of such Claim, the amount

and the value of the property which forms the basis for any assessment of taxes and the computation of the tax. The right to challenge these claims shall include, without limitation, an objection to the assessment of the Debtor's property that may or may not have been made by the respective taxing authority.

DISCLOSURE STATEMENT

II. DESCRIPTION OF DEBTOR

Debtor is a Michigan limited liability company which owns a combined gas station/convenience store and the real estate upon which it operates in Delta Township, Michigan in Eaton County at 700 S. Waverly Rd., Lansing, MI 48917.

A. The Debtor-In-Possession

On 11/21/2017 (the "Petition Date"), Debtor filed a Voluntary Petition under Chapter 11 of Title 11 of the United States Code, §§101 *et. seq.* in the United States Bankruptcy Court for the Eastern District of Michigan, Case No. 17-56162. This Case was assigned to the Honorable Phillip J. Shefferly. Upon filing the petition for Chapter 11 reorganization, the Debtor became a "Debtor-in-Possession" as that term is understood in the Bankruptcy Code.

B. Debtor's Principals and Management

Background

Mohamad Berro is the chief reorganization officer of the Debtor, and its sole shareholder. He is 29 years old, has been in the gas station and convenience store business since 2015, and has an associates degree. He has had an ownership interest in Debtor since 2015.

Mr. Berro will manage day to day operations of the Debtor once it starts to operate. Debtor has not operated since August 2017 because of employee theft which led to Debtor not being able to pay its gasoline supplier, USVenture and USVenture stopping shipping to Debtor of petroleum products. Mr. Berro has never received any salary or benefits from Debtor and it is contemplated

that he will not receive any salary or benefits postpetition. He shall only receive distributions to the extent of available funds.

1. Prepetition, Mr. Berro worked at the operating entity, Mikey's Fuel Mart, Inc., which he was the sole owner of, and received \$13,250 for 2016 and no money in 2017.

Postpetition, Waverly will operate the convenience store, and it is contemplated that he will receive \$500 per week to the extent of available funds. Pursuant to the attached lease, Waverly Food Service, Inc., which is owned by Mr. Berro's second cousin, Hassan Ouza, will pay in rents sufficient monies for Debtor to fund its chapter 11 plan. The lease provides, in pertinent part:

**BUSINESS PROPERTY LEASE GAS STATION and CONVENIENCE
STORE 700 S. WAVERLY, LANSING, MICHIGAN**

(1) This Lease Made this 1st day of November, 2017, by and between Cheerview Enterprises, Inc, the Lessor, hereinafter designated as the Landlord, and Waverly Food Service, Inc, the Lessee, hereinafter designated as the Tenant.

- Lansing, MI
- (3) Term & Rent: For the term of 3 Years from and after the 1st day of November, 2017. Tenant yielding and paying during the continuance of this lease unto the Landlord for rent of said premises for said term, in lawful money of the United States payable in monthly installments in advance, upon the first day of each and every month the sum of \$ 1,700.00 per month, triple net, which shall be adjusted on a periodic basis based on the obligations of Landlord, it being the intent of the parties that the rent payments shall be in essence pass through payments from Tenant to pay the obligations of Landlord, including with respect to its ongoing obligations and with respect to any obligations pursuant to a chapter 11 plan or otherwise.
- (4) Rent: The Tenant hereby hires the said premises for the said term as above mentioned and covenants

Waverly is owned by Hassan Ouza, 33, who has 17 years of experience in the gas station /convenience store business. Waverly is a new entity that will be used to operate the gas station/convenience store. Mr. Ouza was the manager for Mikey's, the prior tenant after Mr. Berro kicked out prior management. Previously, Mr. Ouza from 2001 through 2004 was the manager at Milan Mobil and also at Milan Hotel, LLC, was the president of Skippy Enterprise, Inc. from 2004 through 2007, and was the president for Wawa Petroleum, Inc. from 2009 through 2013 [gas station/convenience store]. Mr. Ouza is Mr. Berro's second cousin. It is contemplated that he will also receive \$500 per week salary without benefits to the extent of available funds from Waverly. Upon confirmation, Mr. Berro will retain his position.

Compensation

It is contemplated that postpetition, Mr. Berro will not receive salary from the Debtor, but will receive salary to the extent of available funds from the tenant, Waverly Food, at \$500 per week, in return for Mr. Berro working for Waverly Food. Distributions to shareholders will only be paid to the extent of available funds.

Legal Relationships

See Section III. D. for details regarding insider transactions.

C. Description of Debtor's Business and Causes for Chapter 11 Filing

Debtor owns and operates a gas station/convenience store and the real estate upon which it operates in Delta Township, Michigan. Debtor's chapter 11 filing was caused by employee theft, which led to a breakdown in the relationship with the gasoline supplier, USVenture.

Mr. Berro relied upon management from the prior owner, and due to employee theft, Debtor got behind in its obligations to its former gasoline supplier or jobber , US Oil/US Venture.

Attached is an insurance claim made by Debtor. A copy of a letter from a former employee who was prosecuted, apologizing for stealing from the company, which was required for his plea deal to a sentencing diversion program, is also attached.

Debtor also got behind with its lender, SSB Bank out of Stockridge, Michigan. In November 2017, Stockbridge Acquisition, which is owned, at least in part by the principal for a competing jobber upon information and belief, purchased the loan from SSB Bank.

Copies of the former operating entity, Mikey's Fuel Mart's 2016 tax returns are attached, as are the lottery commission payments for 2016.

An inventory counting firm did an inventory of the goods inside the store that can be sold and it is sufficiently stocked. All that Debtor needs is the go-ahead to enter into the supply contract with RPF Oil Company. A copy of the inventory is attached.

Debtor believes that it will be able to reorganize its business.

Debtor has negotiated with RPF Oil Company to provide petroleum products on the following terms set forth in the attached agreements, subject to Court approval ~~of the specific terms of t~~ (the ~~supply contract~~: "RPF Contract"):

PROPOSAL

FEBRUARY 14, 2018

RPF Oil Company
9400 South Saginaw Street
Suite A
Grand Blanc, MI 48439

HASSAN OUZA & MOHAMAD BERRO

Confidential

RPF Oil Company is pleased to present the following proposal. :

- Location: 700 SOUTH WAVERLY RD
LANSING MI 48917
- Gallon commitment & Contract terms: 10 Years 6,500,000.00 gallons

This location will be a Commission Marketing Program for 10 years at a fixed commission of 4 cents net with RPF paying all credit card fees on gas and diesel products, and all sales tax on gas and diesel products. After 2 years of commission, the site will have a one-time opportunity to convert to a rack plus contract at .01 cents over rack plus freight. If the site falls 20 % below the average gallons sold in a calendar year, the site can be converted back to a Commission Marketing Program at seller's sole discretion.

RPF OIL COMPANY WILL PROVIDE THIS LOCATION WITH:

1. POS SYSTEM - TOPAZ COMMANDER
2. MID LED SIGN
3. PROVIDE AND INSTALL IMAGE
4. RPF WILL GIVE \$45,000 TO DEALER AS A SIGNING BONUS

CHEERVIEW ENTERPRISES, INC, WILL PROVIDE THIS LOCATION WITH:

1. STOCKED STORE
2. CLEAN UP OF ENTIRE PROPERTY
3. PERSONAL GUARANTEE BY ALL PARTNERS
4. \$20,000 DEPOSIT FIRST \$5,000.00 FUNDED UP FRONT SECOND \$15,000.00 FUNDED AT \$0.01 PER GALLON UNTIL PAID.
5. MORTGAGE ON PROPERTY OF \$120,000 TO GUARANTEE CONTRACT
6. RPF will need a complete release of current Supply Contract from court or Company.

1. They include a Complete Management Fee Agreement to authorize Debtor to sell RPF's fuel on commission, a Complete Contract of Sale [Branded], a Commodity Schedule for pricing the fuel that Debtor purchases under the Complete Contract of Sale [Branded], a repayment agreement for Debtor to repay the dealer incentive payment of \$45,000 in the event of an uncured default under the operative agreements, and guaranties by Hassan Ouza and Mohamad Berro who will be running the gas station on Waverly Road. These agreements are collectively referred to as the "RPF Contract".
2. The gist of the documents is that, subject to Court approval, the Debtor will sell RPF's fuel on a net 4 cent per gallon commission, and after two years can elect to purchase fuel from RPF pursuant to the commodity schedule [1 penny over "rack"; rack means RPF's cost]. Upon Court approval, Debtor will receive a \$45,000 signing bonus, \$5,000 of which will go to fund a security deposit in the amount of \$20,000. The rest of the security deposit will be funded at 1 penny per gallon sold by Debtor. The security deposit will be refunded at the end of the RPF Contract. If approved by the Court, RPF will receive a purchase money security interest in the personal property it sells to the Debtor, but will not receive a lien on any pre-existing assets.
3. As indicated by the verified declaration of Mohamad Berro attached to the motion to enter into the RPF Contract, Mr. Berro went to various jobbers to see if they would supply without taking a security interest in what they were selling, and was informed that the jobbers would only supply if they were granted a security interest in at least the personal property sold to the Debtor.
4. Mr. Berro was also informed that a 10 year supply contract was the shortest term that BP/Amoco would allow.
5. Branding with a strong brand such as BP/Amoco is necessary in the Debtor's business judgment for it to compete with Speedway which is its nearest competitor.

6. Mr. Berro chose RPF Oil because of their reputation and because their terms were the best that Debtor received.

7. Mr. Berro asked John Fleckenstein, the president of RPF Oil if he would enter into a supply contract on less favorable terms to RPF such as selling on an unsecured basis or selling for less than a 10 year term. The documents attached to the Motion to enter into the RPF Contract are the most favorable terms that RPF Oil is willing to sell to the Debtor.

Debtor believes that it can successfully perform under the RPF Oil Contract.

The business model for Mikey's , the prior tenant of Cheerview, was different than it will be for Waverly Food for several reasons, including the following:

1. Mikey's operated under the traditional model where the dealer purchased the petroleum products from the gasoline supplier, on credit, and then sold the petroleum to the public. Under the RPF contract, Debtor will be a commissioned agent, making 4 cents per gallon net, selling fuel owned by RPF and not Debtor or Waverly Food. As a consequence of this, some of Debtor's/Waverly's costs will dramatically decrease, including for most of the credit card fees which will be borne by RPF Oil.

2. Debtor/Waverly will not use contract labor of third parties like Mikey's did. Debtor/Waverly will have Mr. Berro, Mr. Ouza and a third person work at the station, at significantly less cost than the contract labor by Mikey's.

3. Due to technological advances, Debtor/Waverly will not incur telephone costs because the alarm can be connected to the internet which will be much cheaper than the telephone was for Mikey's.

4. There will be no truck/car expense as Mikey's had.

5. Debtor will not bear the prior bank fees because it will be able to manage its cash flow better than the prior management who was stealing from the business.

Mikey's 2016 tax return also deducted the rent paid to Cheerview, and because that was not money out the door to third parties, but is money that can be used for operating expenses and plan payments, the actual financial position of Debtor/Waverly will be better than what the tax return for Mikey's indicated below:

Income	1a	Gross receipts or sales	1a	1,056,341	
	b	Returns and allowances	1b		
	c	Balance. Subtract line 1b from line 1a	1c	1,056,341	
	2	Cost of goods sold (attach Form 1125-A)	2	985,912	
	3	Gross profit. Subtract line 2 from line 1c	3	70,429	
	4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4		
Deductions <small>(see instructions for limitations)</small>	5	Other income (loss) (see instructions—attach statement)	5	11,913	
	6	Total income (loss). Add lines 3 through 5	6	82,342	
	7	Compensation of officers (see instructions—attach Form 1125-E)	7	13,250	
	8	Salaries and wages (less employment credits)	8	9,600	
	9	Repairs and maintenance	9	8,040	
	10	Bad debts	10		
	11	Rents	11	30,000	
	12	Taxes and licenses	12	4,603	
	13	Interest	13		
	14	Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14		
	15	Depletion (Do not deduct oil and gas depletion.)	15		
	16	Advertising	16		
	17	Pension, profit-sharing, etc., plans	17		
	18	Employee benefit programs	18		
	19	Other deductions (attach statement)	19	92,277	
20	Total deductions. Add lines 7 through 19	20	157,770		
21	Ordinary business income (loss). Subtract line 20 from line 6	21	-75,428		

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

Description	Amount
Store Supplies	\$
Telephone	
Truck & Auto	
Bank Charges	
Utilities	
Insurance	
Cleaning	
Alarm & Security	554
Insurance General	2,804
Store Supplies	32
Office Expenses	286
Telephone	2,713
Utilities	12,972
Contract Labor	42,988
Truck & Auto	1,191
Bank Charges	11,129
Merchant Fees	16,807
Trash	675
50% of Meals & Entertainment	126
Total	\$ 92,277

Deductions <small>(see instructions for limitations)</small>	5	Other income (loss) (see instructions—attach statement)	5	11,913	
	6	Total income (loss). Add lines 3 through 5	6	82,342	
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Merchant Fees	16,807
Trash	675
50% of Meals & Entertainment	126
Total	<u>\$ 92,277</u>

Mikey's 2016 income statement follows:

Mikey's Fuel Mart Inc
Statement of Revenues and Expenses
Income Tax Basis
For the Period Ended December 31, 2016

	12 Months Ended December 31, 2016	%
Revenue:		
Sales	\$ 1,056,340.83	100.00%
Net Sales	1,056,340.83	100.00%
Total Cost of Goods Sold	985,912.23	93.33%
Gross Profit	70,428.60	6.67%
Operating Expenses:		
FICA Tax	1,748.29	0.17%
State Unemployment Tax	1,318.08	0.12%
Federal Unemployment Tax	84.00	0.01%
Salary Officer	13,250.00	1.25%
Payroll	9,600.00	0.91%
Sales Tax	618.74	0.08%
Alarm & Security	554.09	0.05%
Insurance General	2,804.30	0.27%
Cleaning & Laundry	500.08	0.05%
Repairs & Maintenance	7,539.51	0.71%
Store Supplies	32.01	0.00%
Office Expenses	286.39	0.03%
Telephone	2,712.71	0.26%
Utilities	12,971.53	1.23%
Rent	30,000.00	2.84%
Contract Labor	42,988.00	4.07%
Licenses and Permits	634.00	0.06%
Truck & Auto	1,191.45	0.11%
Promotion & Entertainment	252.41	0.02%
Bank Charges	11,128.77	1.05%
Merchant Fees	16,807.12	1.59%
Trash	675.49	0.06%
Total Operating Expenses	157,896.97	14.95%
Operating Income	(87,468.37)	(8.28)%
Other Income:		
Lottery Commission	10,731.24	1.02%
Cigarette Com	1,181.71	0.11%
Total Other Income	11,912.95	1.13%
Net Income	\$ (75,555.42)	(7.15)%

The projected monthly expenses are significantly less, for the reasons set forth above, and the revenue will be greater than for Mikey's due to the lack of employee theft. By way of example, the following monthly expenses will no longer be needed or are significantly less:

<u>Contract labor \$42,988 in expenses will no longer be necessary because of Mr. Ouza and Mr. Berro working at the business in addition to a relative.</u>	<u>Decrease of \$3,582.33 per month</u>
<u>Bank charges \$11,129 will drop off because the business will use a bank account that doesn't allow overdrafting which was a problem with prior outside management at Mikey's</u>	<u>Decrease of \$927.42 per month</u>

<u>Truck and auto expenses of \$1,191 will go away because there is no longer a vehicle payment/expenses</u>	<u>Decrease of \$99.25 per month</u>
<u>Credit card fees of \$16,807 , the bulk of which relate to fuel purchases which will now be paid by RPF Oil, although \$120 per month will remain as indicated in the projections for non-fuel credit card fees</u>	<u>\$1,400 per month less \$120 per month in current projections for a decrease of \$1,280 per month</u>
<u>Telephone yearly charges of \$2,713 will not be needed because alarm will connect to internet</u>	<u>Decrease of \$156 per month</u>

[note that the line items for bulk of the items not referenced above were taken from Mikey's 2016 expenses from the tax return and pro-rated]:

Debtor/Waverly	Monthly
In store Sales/grocery taxable	12000.00
	9000.00
In store Cost of Goods Sold for grocery taxable [75%]	
In store Gross Profit for grocery taxable	3000.00
	18000.00
In store Sales/grocery nontaxable	
	10800.00
In store Cost of Goods Sold for grocery nontaxable [60%]	
In store Gross Profit for grocery nontaxable	7200.00
ATM and tire commission	250.00
Lottery commission [assuming \$15,000 per month in sales]	900.00
Gas commission [assuming 54,000 gallons sold]	2160.00
<u>Note that for approximately the first 28 months, the gas commission will be decreased by one penny per gallon to fund the remainder of the \$15,000 of the security deposit, which would mean that the gas commission coming to the Debtor would be \$1,620 per month, and the remainder of \$540 per month would go to fund the security deposit]</u>	
Net Revenue	13510.00
Operating Expenses	

Officer Payroll	2800.00
Payroll	1000.00
	541.67
Taxes - prorated for current taxes	
Repairs and Maintenance	670.00
Alarm & Security	41.00
Credit Card Fees	120.00
	100.00
Supplies	
Insurance	250.00
Telephone	70.00
internet	30.00
utilities (water)	50.00
gas	125.00
electrical	700.00
legal and accounting/bookkeeper	150.00
taxes and license	22.92
Total Expenses	6670.58
	6839.42
Money Available for plan payments	
Class Fadis Heating and Cooling	139.33
	1491.50 1679.17
Class Stockbridge [226,000 @ 5% over 240 months]	
Class Eaton County/Delta Twp. (24,000 @ 12% over 60 months]	533.87
	774.16 472.50
Class General Unsecureds [10% distribution over 60 months]	
Total Plan Payments	2799.53

III. POST-PETITION EVENTS OF SIGNIFICANCE

A. Post-Petition Transfers Outside the Ordinary Course of Business

Debtor has made no post-petition transfers outside the ordinary course of business.

B. Chapter 11 Events

This Disclosure Statement is not designed to provide a full, detailed description of the motions filed and orders entered or other developments in the bankruptcy proceeding. Further, the Disclosure Statement does not address every motion filed or order entered in the proceeding. Rather, the Disclosure Statement merely provides a summary of the major motions filed or orders entered. Creditors are urged to review the bankruptcy court docket, which lists every document filed in the bankruptcy case, and the bankruptcy court file, which contains all of the filed documents.

Cash Collateral and Adequate Protection and Postpetition Financing Orders

n.a.

Motions for Relief from Stay

Stockbridge Acquisition, LLC, which is owned by a competing jobber, upon information and belief, filed a motion for relief from stay, which was concurred in by USVenture. The Court denied the motion as to a lack of adequate protection with respect to postpetition administrative taxes, which were paid by Debtor's principal, and adjourned the hearing with respect to whether the property is necessary to an effective reorganization until confirmation.

Motions regarding executory contracts

Debtor filed a motion to reject its supply contract with USVenture, which the Court has indicated it would grant. The Court denied without prejudice Debtor's motion to enter into a supply contract with RPF. RPF has indicated that it will give Debtor a proposed supply contract once the Order gets entered rejecting the supply contract with USVenture.

The Plan and Disclosure Statement

Debtor filed its Combined Disclosure Statement and Plan of Reorganization. The Debtors believes that its Plan of Reorganization is feasible, as demonstrated by the projections. Accordingly,

the Debtor is extremely confident in its ability to meet the projections and satisfy claims under the Plan.

C. Pending and Contemplated Litigation Involving Debtor

There is no pending or contemplated litigation involving the Debtor, other than a state court foreclosure lawsuit filed by USVenture on the eve of bankruptcy, which has been stayed. . The Debtor reserves the right to sue any entities who fail to pay receivables owed to the Debtor.

D. Insider Transactions

There have been no insider transactions.

IV. ASSETS AND LIABILITIES

A. Liquidation Analysis

Debtor(s)' Liquidation Analysis accompanies this Plan and Disclosure Statement. Debtor believes that the value of property is approximately \$260,000 for purposes of confirmation based upon the experience of the Debtor's principals in the convenience store and gas station industry, and due to the SEV for the property.

In the event that the Plan is not accepted by the Creditors or is not otherwise confirmed by the Bankruptcy Court, the Debtor believes that its assets would be liquidated either:

1. Pursuant to a plan of liquidation under Chapter 11 of the Code; or,
2. In a straight bankruptcy liquidation under Chapter 7 of the Code.

Under either alternative, the operations of the Debtor would cease, as Debtor would only realize the liquidation value of its assets. Debtor is confident that in a liquidation scenario, where the Debtor will be unable to generate any income going forward, unsecured creditors will not do better in a chapter 7 liquidation than in a chapter 11 bankruptcy.

The filed proofs of claim follow:

**Eastern District of Michigan
Claims Register**

~~17-56162-pjs-Cheerview-Enterprises, Inc.~~ 17-56162-pjs Cheerview Enterprises, Inc.

Judge: Phillip J Shefferly

Chapter: 11

Office: Detroit

Last Date to file claims: 03/29/2018

Trustee:

Last Date to file (Govt):

Creditor: (25135552)
EATON COUNTY TREASURER
1045 INDEPENDENCE BLVD
CHARLOTTE, MI 48813

Claim No: 1

Status:

Original Filed

Filed by: CR

Date: 01/22/20

Entered by: ePOC

18

Modified:

Original

Amount claimed: \$17185.99

Entered

Secured claimed: \$17185.99

Date: 01/22/20

18

Priority claimed: \$17185.99

History:

[Details](#)  [1-11-](#) 01/22/ Claim #1 filed by EATON COUNTY TREASURER, Amount claimed:

[Details](#) [1](#) 2018 \$17185.99 (ePOC)

Description:

Remarks: (1-1) Account Number (last 4 digits):1954

Pursuant to the filed and scheduled proofs of claim, to which Debtor does not stipulate, there are secured claims equal to the value of the collateral, e.g. approximately \$413,000 (but with a collateral value of approximately \$260,000) and unsecured claims of approximately \$464,283,500 [including the deficiency amounts for the entities holding prepetition security interests]. Debtor believes that its Plan is fair and equitable to creditors and it is in creditor's best interest to vote in favor of the Debtor's Plan.

B. Risks, Conditions and Assumptions In Liquidation Analysis

Debtor has used fair market value and forced sale/auction value to determine the value of its assets. The risks, conditions and assumptions are outlined in the Liquidation Analysis. Debtor asserts that under any such scenario, unsecured creditors will receive no payments on their claims.

C. Causes of Action

At this time, Debtor(s) is planning to file no lawsuits against any entities.

D. Priority and Secured Claims and Administrative Expenses

Based on a review of the Claims Register, it appears that there are no priority claims. It is estimated that the only unpaid administrative expense at the time of confirmation will be Robert Bassel, attorney for the Debtor. It is estimated that the amount of his administrative expense claim will be approximately \$10,000. Based on Debtor's belief as to the value of the collateral, there are secured claims in the approximate amount of ~~\$260,000~~13,000 [but with a collateral value of approximately: \$260,000].

E. Unsecured Claims

It appears that there are approximately ~~\$464~~283,500 in unsecured claims for Debtor, ~~including the deficiency claims.~~

F. Guaranteed Debt

It appears that the USVenture debt was guaranteed by Mr. Berro.

VI. IMPLEMENTATION OF PLAN

A. Summary of Plan Treatment.

See plan treatment above in Plan Articles II and III.

B. Financial Information

The information contained in this Disclosure Statement has not been subject to a certified audit. The information has been compiled from the records of Debtor and is true and accurate to the best of Debtor's knowledge, information and belief. The information is also based on income projections performed by Debtor.

Projections

Accompanying this Disclosure Statement are cash flow projections compiled by Debtor which cover the time period in which Debtor proposes to effectuate payments under the Plan. Since the cash flow projections are based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events, neither the Debtor, nor its

principals nor its management warrant that the results reflected in the cash flow projections will be achieved.

These cash flow projections indicate that Debtor will generate a positive cash flow going forward sufficient to meet all of its obligations to creditors under the Plan (where the pro formas indicate operating at a deficit, Debtor will receive funds from third parties). The projections give an example of the payments required to be made under the Plan and demonstrate how the distributions to creditors will affect Debtor's cashflow. The increases in revenue and expenses set forth in the projections are based upon current market conditions, historical growth and anticipated growth. Where there is a conflict between the terms of the Plan and the projections, the terms of the Plan shall control. The projections are being provided for illustrative purposes.

As indicated above, Debtor/Waverly will be using a commissioned sales approach, will not need the amount of contract labor used by Mikey's, will not experience the employee theft that Mikey's did, and will not bear the expenses of selling petroleum insofar as it will be receiving 4 cents per gallon net for all petroleum sold.

A summary of Debtor's financial information relating to the Debtor's post-petition operations also accompanies this plan.

A summary of Debtor's financial condition prior to the commencement of Debtor's bankruptcy proceeding also accompanies the plan.

C. Post-Petition Details

Debtor proposes to continue its operations with the same management structure. It is contemplated that Mohamad Berro, who is the day to day manager of the Debtor, shall receive no wages nor benefits. Distributions to shareholders will only be paid to the extent of available funds.

D. Explanation of Auction Procedures

Debtor takes the position that the best way to determine the market value of the Reorganized Debtor (i.e., the value of the company after a plan is confirmed) is to conduct an

auction sale to bid for the equity interest of the Reorganized Debtor. Debtor asserts that such an auction will satisfy the legal requirements for “cramdown” (i.e., to force the confirmation of the Plan over the objections of creditors). Accordingly, this section is designed to describe to creditors how the auction sale set forth in the Plan will work.

If any class of Creditors votes to reject the Plan and if any new value contribution by Debtor’s principals is found to be insufficient, then the Debtor will proceed with an auction of the Interests of the Reorganized Debtor on the sixtieth day after confirmation at 10:00 a.m., which may be adjourned by the Court or Debtor. The auction of the Interests shall occur at the offices of Robert N. Bassel, 25925 Telegraph Rd Ste 203, Southfield, MI 48033. If the Plan has been accepted by all classes of Creditors, then the auction shall be cancelled. This is because a cramdown of a Class of Creditors will not be necessary as the Plan has been accepted by each class. If an impaired Class of Creditors votes to reject the Plan and new value is required to satisfy the absolute priority rule, the auction will proceed. It is contemplated that a Confirmation Order shall not be entered prior to the auction. If a new value auction is required, Debtor shall hire a broker to market the equity interests and shall publish notice of the auction in the Detroit News or Detroit Free Press.

At the auction sale, if one takes place, persons including Creditors and parties in interest shall have the opportunity to bid for the equity interest in the Reorganized Debtor. In other words, interested parties shall have the opportunity to purchase the equity or ownership of the Reorganized Debtor upon confirmation of the Plan. Any Creditor or any other party (including any insider or Interest holder who bids) or prospective purchaser who is the successful highest bidder will be bound by all of the obligations set forth in the Order Confirming Plan and the Plan. For example, the successful bidder will be allowed to utilize the assets of Debtor, but must recognize that the assets of the Debtor are subject to the payment obligations under the Plan. Credit bids will not be allowed

Any party or party in interest in this Case, including any Interest holder of Debtor, who wishes to make a cash offer for all of the Interests of the Reorganized Debtor, shall notify the Debtor's counsel in writing of its intent to make an offer no later than two Business Days prior to the date of the auction sale. At the time of giving such notice, such party or parties, including any Interest holder, shall tender a bank check in the amount of \$5,000.00, which amount shall be held by the Debtor's counsel, in escrow, as a deposit to be applied to the payment of the amounts due under the Equity Contribution Agreement.

Such deposit shall be immediately refunded to any party in interest or Interest holder that shall not be the successful bidder for the Interest. The failure to give the required notice, or failure to provide the foregoing deposit shall constitute a waiver by any party in interest or the Interest holder of its right to bid at the auction.

In addition to any cash paid as the result of the auction, which cash shall be fully paid on or before 30 days after the Auction Date to be held in escrow by the Debtor's attorney, the successful purchaser, including the Interest holder if it is the successful purchaser, shall be required to execute the Equity Contribution Agreement attached and shall become the Interest holder of the Reorganized Debtor.

At the conclusion of the bidding, if any, The Debtor shall announce the successful highest bid. Upon confirmation of the Plan, the proceeds from the auction sale shall be used for working capital, plan and operating expenses, but not for payments to insiders.

E. Tax Ramifications

1. To Debtor

Debtor believes that the forgiveness of indebtedness which may result from a discharge granted by the confirmation of the Plan will not result in any significant adverse tax consequence to the Debtor.

2. To Creditors

The tax consequences to each Creditor resulting from confirmation of the Plan may vary depending upon each Creditor's particular circumstances. Debtor recommends that creditors or holders of Claims obtain independent tax counsel to advise them as to the tax consequences of the Plan.

VII. LEGAL REQUIREMENTS

A. Voting procedures

Under the Bankruptcy Code, the only classes that are entitled to vote to accept or reject a plan are classes of claims, or equity interest, that are impaired under the plan. Accordingly, classes of claims or interests that are not impaired are not entitled to vote on the plan.

Creditors that hold claims in more than one impaired class are entitled to vote separately in each class. Such a creditor will receive a separate ballot for all of its claims in each class (in accordance with the records of the Clerk of the Court) and should complete and sign each ballot separately. A creditor who asserts a claim in more than one class and who has not been provided with sufficient ballots may photocopy the ballot received and file multiple ballots.

Votes on the plan will be counted only with respect to claims: (a) that are listed on the Debtor's Schedules of Assets and Liabilities other than as disputed, contingent or unliquidated; or (b) for which a proof of claim was filed on or before the bar date set by the Court for the filing of proofs of claim (except for certain claims expressly excluded from that bar date or which are allowed by Court order). However, any vote by a holder of a claim will not be counted if such claim has been disallowed or is the subject of an unresolved objection, absent an order of the Court allowing such claim for voting purposes pursuant to 11 U.S.C. § 502 and Bankruptcy Rule 3018.

Voting on the plan by each holder of a claim or interest in an impaired class is important. After carefully reviewing the plan and disclosure statement, each holder of such a claim or interest should vote on the enclosed ballot either to accept or to reject the plan, and then return the ballot by mail to the debtor's attorney by the deadline previously established by the court.

Any ballot that does not appropriately indicate acceptance or rejection of the plan will not be counted.

A ballot that is not received by the deadline will not be counted.

If a ballot is damaged, lost, or missing, a replacement ballot may be obtained by sending a written request to the debtor's attorney.

B. Acceptance

The Bankruptcy Code defines acceptance of a plan by an impaired class of claims as acceptance by the 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. 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. If no creditor or interest holder in an impaired class votes, then that class has not accepted the plan.

C. Confirmation

11 U.S.C. § 1129(a) establishes conditions for the confirmation of a plan. These conditions are too numerous and detailed to be fully explained here. Parties are encouraged to seek

independent legal counsel to answer any questions concerning the Chapter 11 process. Among the several conditions for confirmation of a plan under 11 U.S.C. § 1129(a) are these:

- 1. Each class of impaired creditors and interest must accept the plan, as described in paragraph VII.B., above.*
- 2. Either each holder of a claim or interest in a class must accept the plan, or the plan must provide at least as much value as would be received upon liquidation under Chapter 7 of the Bankruptcy Code.*

D. Modification

The debtor reserves the right to modify or withdraw the plan at any time before confirmation.

E. Effect of confirmation

If the plan is confirmed by the Court:

1. Its terms are binding on the debtor, all creditors, shareholders and other parties in interest, regardless of whether they have accepted the plan.

2. Except as provided in the plan and in 11 U.S.C. § 1141(d):

(a) In the case of a corporation that is reorganizing and continuing business:

(1) All claims and interests will be discharged.

(2) Creditors and shareholders will be prohibited from asserting their claims against or interest in the debtor or its assets.

(b) In the case of a corporation that is liquidating and not continuing its business:

(1) Claims and interests will not be discharged.

(2) Creditors and shareholders will not be prohibited from asserting their claims against or interests in the debtor or its assets.

(c) In the case of an individual or husband and wife:

(1) Claims will be discharged, except as provided in 11 U.S.C. §§ 523 and 1141(d).

(2) Creditors will be prohibited from asserting their claims except as to those debts which are not discharged or dischargeable under 11 U.S.C. §§ 523 and 1141(d)).

Because the case is a reorganizing business, Section E. 2(a) above applies and 2(b) and 2(c) do not apply.

DEBTOR

By: /s/ Mohamad Berro
Mohamad Berro, Principal

Dated: 5/1/2018

Prepared By:

By: /s/ Robert N. Bassel
Robert N. Bassel (P 48420)
Attorneys for Debtor
P.O. Box T
Clinton, MI 49236
248.835.7683

EQUITY CONTRIBUTION AGREEMENT

This Equity Contribution Agreement made as of this ___ day of _____ 2018, by and between _____, a person/corporation (described in this Agreement as "Purchaser"), and Debtor.

WHEREAS:

A. The Debtor is in bankruptcy proceedings currently pending before the United States Bankruptcy Court for the Eastern District of Michigan.

B. Under the terms of the Debtor's Plan, in certain circumstances, all of the equity Interests (as defined in the Plan hereafter the "Interests") in the Debtor will be canceled, and such Interests in the Debtor are to be sold to Purchaser or some other entity organized by the Purchaser for the aggregate sum of _____, unless higher cash offers are received for the Interests in accordance with the Plan.

C. The Debtor has conducted the required auction relating to the sale of the Interests under the Plan, and the parties to this Agreement are the parties obligated to purchase the Interests of the Debtor under the Plan.

D. Purchaser will, under the terms of this Agreement, become the owner of the Interests.

NOW THEREFORE in consideration of the mutual covenants herein contained, and other good and valuable consideration, now paid by each of the parties hereto to the other, the receipt and sufficiency of which is hereby acknowledged, the parties to this Agreement agree each with the other as follows:

ARTICLE I - DEFINITIONS

1.01 Defined Terms

Whenever used in this Agreement, the following words, phrases and expressions shall have the following meanings:

"Interests" shall mean the equity interests of the Debtor as defined in the Plan.

"Filing Date" shall mean the date of the filing of the Case.

"New Equity Interests" shall mean the Interests in the Reorganized Debtor as the same may exist immediately after the confirmation of the Plan in accordance with the terms of the Plan and the terms of this Agreement.

"Plan" shall mean the Chapter 11 Plan filed by Debtor, together with any amendments or modifications of the same.

"Reorganized Debtor" shall mean the Debtor as it may exist after the confirmation of the Plan

ARTICLE 2 - THE PURCHASE

2.01 Payment

On the Effective Date of the Plan, Purchaser shall pay to the Debtor the sum of \$ _____, in exchange for the Interests in the Reorganized Debtor. All other payments hereunder shall be in cash, and transferred to the Debtor by certified funds or wire transfer as instructed by the Debtor. No party to this Agreement shall be allowed to setoff the amount of its claim against the Debtor in the Debtor's bankruptcy proceeding against any amount payable hereunder.

2.02 Use of Proceeds

Purchaser acknowledges and agrees that the proceeds paid to the Debtor under the provisions of Article 2.01 hereof shall be used by the Debtor to satisfy the obligations under the terms of the Plan with respect to the Claims described in the Plan, and together with funds in the Debtor's possession shall be used to satisfy other Claims under Article 2 of the Plan and for general business purposes.

2.3 Assumption of Plan Obligations

Purchaser does hereby agree to assume all obligations of the Plan upon and after confirmation of the Plan.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

Purchaser acknowledges that Debtor is relying on the following representations and warranties of the others in entering into this Agreement and each specifically represents and warrants to the others that:

(a) Due Organization and Corporate Authority

If Purchaser is a corporation, it is a corporation duly organized, validly existing and in good standing under the laws of the State of _____.

(b) Authorization

If Purchaser is a corporation, the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on its part.

(c) Consents

No consent, approval, authorization or order of, and no filing with or notification to, any domestic or foreign governmental agency, body, regulatory authority, bureau, commission or

instrumentality, or other person or entity (including, without limitation, persons or entities having contractual relationships with the Purchaser) is required to be made or obtained in connection with the execution, delivery and performance of this Agreement.

(d) **Absence of Conflicts**

The execution, delivery and performance of this Agreement is not prohibited by, and does not violate, any provision or result in the breach of (a) the certificate of incorporation or bylaws of the Purchaser, if it is a corporation, or (b) any contract, indenture, agreement, lease or license relating to the businesses of the Purchaser and to which the Purchaser is a party or by which it or its properties or assets are bound.

(e) **Due Execution and Enforceability**

This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser.

(f) **Survival of Representations and Warranties**

The representations and warranties provided for herein shall be true and correct on the Confirmation Date as if then made and shall, together with all other covenants herein, survive the execution hereof and the Confirmation Date.

ARTICLE 4 - GENERAL

4.01 **Successors**

This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement, their successors and their permitted assigns.

4.02 **Time of the Essence**

Time shall be of the essence of this Agreement and the transactions contemplated hereby.

4.03 **Severability**

The invalidity of any provision of this Agreement or any covenant herein contained on the part of any party shall not affect the validity of any other provision or covenant contained in this Agreement.

4.04 **Interpretation**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof.

4.05 **Entire Agreement**

This Agreement, the Plan and any applicable Final Order entered by the Bankruptcy Court constitutes the entire agreement between the parties respecting the subject matter hereof. There are not and shall not be any oral statements, representations, warranties, undertakings or agreements between the parties. This Agreement may not be amended or modified in any respect except by written instruments signed by the duly authorized representatives of the parties to this Agreement.

4.06 **Governing Law**

This Agreement has been entered into and delivered and shall be construed in accordance with and governed by the applicable laws of the State of Michigan and federal laws of the United States of America applicable therein without reference to its conflict of laws principles.

4.07 **Assignment**

This Agreement may not be assigned, in whole or in part, by any party to this Agreement without the prior written consent of the other party hereto, which consent may be granted or withheld in the sole discretion of the consenting party.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

DEBTOR

PURCHASER

By: _____

By: _____

Its: _____

Its: _____

LIQUIDATION ANALYSIS AS OF PETITION DATE

COLLATERAL	SECURED AND PRIORITY CREDITOR [based on filed proofs of claim and scheduled claims]	MARKET VALUE/ FORCED SALE VALUE¹ based on appraised values where applicable	APPROXIMATE AMOUNT OF SECURED/P RIORITY CLAIMS	EQUITY
Real Estate, fixtures, all personalty [other than as indicated below]; The collateral is the property located at 3700 S. Waverly, Lansing, MI 48197	Secured Claimant: Eaton County/Delta Township Stockbridge Acquisition USVenture	250,000 (M) 100,000 (FS)	\$250,000 is secured per 11 U.S.C. §506, <u>however, Stockbridge made an election under Section 1111(b)</u>	0 (M) 0(FS)
Personal Property, inventory subject to purchase money security interest	First Priority Fadis Heating & Cooling	8,360 (M) 2,000 (FS)	Asserting claim of \$8,360, all of which is secured per 11 U.S.C. §506	0 (M) 0(FS)
TOTAL		258,360 to <u>\$413,000 [but with a collateral value of approximately \$260,000]</u> (M) 102,000 (FS)		\$0 (M) \$0 (FS)

¹ Unless otherwise stated, values are not based upon appraisals and are estimated by Debtor's principals based upon their experience in the real estate/convenience industry, and the SEV.

Post-Petition Liabilities

Administrative Claim [estimated]: \$10,000.00

Pre-Petition Liabilities

Secured Claims: ~~\$260,000~~ 413,000 [but with a collateral value of approximately \$260,000]

Priority Claims \$0,000

Unsecured Claims [estimated]: ~~\$464~~ 283,500

Distribution of Proceeds of Assets in Event of Liquidation

a) Gross Proceeds from Liquidation: ~~\$260,000~~ 413,000 [but with a collateral value of approximately \$260,000] (assuming reorg value realized)

b) Less Total of:

-- Secured Claims: equal to value of collateral of \$260,000
 Priority Claims [0]

-- Admin. Expenses: \$10,000.00

TOTAL: \$negative

- Proceeds Available to Pre-Petition Unsecured Creditors: \$0
- Total Unsecured Claims [estimated] \$464283,500
- Percent Available to Pre-Petition Unsecured Creditors: 0%
- Proceeds Available for Equity Interests: residual

Prepetition Financials

	2014	2015 [owned by Mr. Berro in middle of year]	2016
Gross Rents	29,000	30,000	30,000
Interest	16,424	17,001	13,293
Taxes	3,812	7,680	
Repairs and maintenance			
Taxes and Licenses			
Interest			
Depreciation	6,995	5,876	5,877
Amortization	2,667	2,666	2,856
Total Deductions	29,898	33,223	22,026

Postpetition Financials

	November 2017	December 2017	January - <u>March</u> 2018
Rents	0	0	0
Interest	0	0	0
Taxes	0	0	0
Total Deductions	0	0	0

Note that Debtor's principal paid the Winter 2017 taxes of approximately \$2,600.

Projections for Debtor/Waverly

RICK SNYDER
GOVERNOR

BUREAU OF STATE LOTTERY
LANSING

January 20, 2017

RETAILER NUMBER: 0107884

MIKEY S FUEL MART INC
700 S WAVERLY RD.
LANSING, MI 48917

As in the past, the Bureau is providing you with the following information relating to lottery sales and commissions for 2016. Sales and commissions figures for tax year 2016 are based on the following: Instant ticket book settlements, instant commissions, on-line sales, on-line commissions and Pull-tab ticket orders placed between December 29, 2015 and December 26, 2016. The commission amount includes all compensation paid on sales, redemptions and special promotions held during 2016.

2016 SALES	\$153,695.00
2016 COMMISSIONS	\$10,731.24

This will be the only sales and commission notification you will receive for 2016.

If there is more than \$100 difference between your commission calculation and commissions reported above, please contact Accounting at (517) 373-6001.

Thank you for your continued support of the Michigan Lottery.

The Michigan Lottery supports K-12 public education.

101 E HILLSDALE • P.O. BOX 30023 • LANSING, MICHIGAN 48909
www.michigan.gov • (517) 335-5600

19LettersOver

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0123

2016

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

For calendar year 2016 or tax year beginning _____, ending _____

A Selection effective date 06/01/15	TYPE OR PRINT	Name Mikeys Fuel Mart Inc	D Employer identification number
B Business activity code number (see instructions) 447100		Number, street, and room or suite no. If a P.O. box, see instructions. 700 S Waverly Rd	E Date incorporated 06/01/2015
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code Lansing MI 48917	F Total assets (see instructions) \$ 51,362

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **1**

Caution. Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	1,056,341		
	b Returns and allowances	1b			
	c Balance. Subtract line 1b from line 1a	1c		1,056,341	
	2 Cost of goods sold (attach Form 1125-A)	2		985,912	
	3 Gross profit. Subtract line 2 from line 1c	3		70,429	
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4			
Deductions <small>(see instructions for limitations)</small>	5 Other income (loss) (see instructions—attach statement)		See Stmt 1	5	11,913
	6 Total income (loss). Add lines 3 through 5	6			82,342
	7 Compensation of officers (see instructions—attach Form 1125-E)	7			13,250
	8 Salaries and wages (less employment credits)	8			9,600
	9 Repairs and maintenance	9			8,040
	10 Bad debts	10			
	11 Rents	11			30,000
	12 Taxes and licenses	12			4,603
	13 Interest	13			
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14			
	15 Depletion (Do not deduct oil and gas depletion.)	15			
	16 Advertising	16			
	17 Pension, profit-sharing, etc., plans	17			
	18 Employee benefit programs	18			
	19 Other deductions (attach statement)	19		See Stmt 2	92,277
20 Total deductions. Add lines 7 through 19	20			157,770	
21 Ordinary business income (loss). Subtract line 20 from line 6	21			-75,428	
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a			
	b Tax from Schedule D (Form 1120S)	22b			
	c Add lines 22a and 22b (see instructions for additional taxes)	22c			
	23a 2016 estimated tax payments and 2015 overpayment credited to 2016	23a			
	b Tax deposited with Form 7004	23b			
	c Credit for federal tax paid on fuels (attach Form 4136)	23c			
	d Add lines 23a through 23c	23d			
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached	24		<input type="checkbox"/>	
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25			
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26			
27 Enter amount from line 26 Credited to 2017 estimated tax	27		Refunded		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: **Mohamad Berro** Date: _____ Title: **President**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only	Print/Type preparer's name Taisir J Eadeh	Preparer's signature Taisir J Eadeh	Date 04/10/17	Check <input type="checkbox"/> if self-employed	PTIN P01382399
	Firm's name TJ Eadeh CPA, PLC	Firm's EIN 48152-2127			
	Firm's address 19500 Middlebelt Ste 120E Livonia, MI	Phone no. 2			

For Paperwork Reduction Act Notice, see separate instructions. Form **1120S** (2016)

Schedule B Other Information (see instructions)

1	Check accounting method:	a	<input checked="" type="checkbox"/> Cash	b	<input type="checkbox"/> Accrual	Yes	No	
		c	<input type="checkbox"/> Other (specify) ▶					
2	See the instructions and enter the:	a	Business activity ▶ Gasoline Stores		b	Product or service ▶ Gasoline & Grocery		
3	At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation							<input checked="" type="checkbox"/>
4	At the end of the tax year, did the corporation:							
	a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below							<input checked="" type="checkbox"/>

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below	Yes	No
			<input checked="" type="checkbox"/>

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

5a	At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below:	Yes	No
	(i) Total shares of restricted stock ▶		<input checked="" type="checkbox"/>
	(ii) Total shares of non-restricted stock ▶		
b	At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "Yes," complete lines (i) and (ii) below:	Yes	No
	(i) Total shares of stock outstanding at the end of the tax year ▶		<input checked="" type="checkbox"/>
	(ii) Total shares of stock outstanding if all instruments were executed ▶		
6	Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?	Yes	No
			<input checked="" type="checkbox"/>
7	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.	Yes	No
8	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$	Yes	No
9	Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$	Yes	No
10	Does the corporation satisfy both of the following conditions?	Yes	No
	a The corporation's total receipts (see instructions) for the tax year were less than \$250,000		<input checked="" type="checkbox"/>
	b The corporation's total assets at the end of the tax year were less than \$250,000		<input checked="" type="checkbox"/>
	If "Yes," the corporation is not required to complete Schedules L and M-1.		
11	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction \$	Yes	No
			<input checked="" type="checkbox"/>
12	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions	Yes	No
			<input checked="" type="checkbox"/>
13a	Did the corporation make any payments in 2016 that would require it to file Form(s) 1099?	Yes	No
		<input checked="" type="checkbox"/>	
b	If "Yes," did the corporation file or will it file required Forms 1099?	Yes	No
		<input checked="" type="checkbox"/>	

Schedule K Shareholders' Pro Rata Share Items

		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	-75,428
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends	5a	
	b Qualified dividends	5b	
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a		
	b Collectibles (28%) gain (loss)	8b	
	c Unrecaptured section 1250 gain (attach statement)	8c	
	9 Net section 1231 gain (loss) (attach Form 4797)	9	
10 Other income (loss) (see instructions) Type ▶	10		
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Charitable contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
d Other deductions (see instructions) Type ▶	12d		
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Biofuel producer credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level Foreign gross income sourced at corporate level	14c	
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement) Deductions allocated and apportioned at shareholder level	14f	
	g Interest expense	14g	
	h Other Deductions allocated and apportioned at corporate level to foreign source income	14h	
	i Passive category	14i	
	j General category	14j	
	k Other (attach statement) Other information	14k	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
	m Reduction in taxes available for credit (attach statement)	14m	
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties – gross income	15d	
	e Oil, gas, and geothermal properties – deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	126
	d Distributions (attach statement if required) (see instructions)	16d	
	e Repayment of loans from shareholders	16e	

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	-75,428

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		222		780
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	((
3	Inventories		17,490		50,582
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	((
11a	Depletable assets				
b	Less accumulated depletion	((
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	((
14	Other assets (attach statement)				
15	Total assets		17,712		51,362
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				15,118
18	Other current liabilities (attach statement) Stmt 3		492		1,887
19	Loans from shareholders				92,691
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock		1,000		1,000
23	Additional paid-in capital		21,500		21,500
24	Retained earnings		-5,280		-80,834
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	((
27	Total liabilities and shareholders' equity		17,712		51,362

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3 (see instructions)

<p>1 Net income (loss) per books -75,554</p> <p>2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize)</p> <p>3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14I (itemize):</p> <p style="padding-left: 20px;">a Depreciation \$</p> <p style="padding-left: 20px;">b Travel and entertainment \$ 126</p> <p style="text-align: right; padding-right: 20px;">126</p> <p>4 Add lines 1 through 3 -75,428</p>	<p>5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):</p> <p style="padding-left: 20px;">a Tax-exempt interest \$</p> <p>6 Deductions included on Schedule K, lines 1 through 12 and 14I, not charged against book income this year (itemize):</p> <p style="padding-left: 20px;">a Depreciation \$</p> <p>7 Add lines 5 and 6</p> <p>8 Income (loss) (Schedule K, line 18). Line 4 less line 7 -75,428</p>
--	--

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	-5,280		
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	75,428		
5 Other reductions Stat 4	126		
6 Combine lines 1 through 5	-80,834		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	-80,834		

Form **1125-A**

Cost of Goods Sold

(Rev. October 2016)
Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.
▶ Information about Form 1125-A and its instructions is at www.irs.gov/form1125a.

OMB No. 1545-0123

Name **Mikeys Fuel Mart Inc**

Employer identification number

1	Inventory at beginning of year	1	17,490
2	Purchases	2	1,019,004
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	1,036,494
7	Inventory at end of year	7	50,582
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	985,912

- 9a Check all methods used for valuing closing inventory:
- (i) Cost
 - (ii) Lower of cost or market
 - (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

For Paperwork Reduction Act Notice, see instructions.

Form **1125-A** (Rev. 10-2016)

Form **1125-E**

(Rev. October 2016)

Department of the Treasury
Internal Revenue Service

Compensation of Officers

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-REIT, 1120-RIC, or 1120S.

▶ Information about Form 1125-E and its separate instructions is at www.irs.gov/form1125e.

OMB No. 1545-0123

Name

Employer identification number

Mikeys Fuel Mart Inc

Note: Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

(a) Name of officer	(b) Social security number (see instructions)	(c) Percent of time devoted to business	Percent of stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 Mohamad Berro		25.000 %	100.000 %	%	13,250
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					2 13,250
3 Compensation of officers claimed on Form 1125-A or elsewhere on return					3
4 Subtract line 3 from line 2. Enter the result here and on Form 1120, page 1, line 12 or the appropriate line of your tax return					4 13,250

For Paperwork Reduction Act Notice, see separate instructions.

Form 1125-E (Rev. 10-2016)

Federal Statements

FYE: 12/31/2016

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income (Loss)

<u>Description</u>	<u>Amount</u>
Lottery Commission	\$ 10,731
Cigarette Com	1,182
Total	<u>\$ 11,913</u>

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
Store Supplies	\$
Telephone	
Truck & Auto	
Bank Charges	
Utilities	
Insurance	
Cleaning	
Alarm & Security	554
Insurance General	2,804
Store Supplies	32
Office Expenses	286
Telephone	2,713
Utilities	12,972
Contract Labor	42,988
Truck & Auto	1,191
Bank Charges	11,129
Merchant Fees	16,807
Trash	675
50% of Meals & Entertainment	126
Total	<u>\$ 92,277</u>

Statement 3 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Federal W/H Payable	\$ 362	\$
State Withholding Tax Pay.	64	
MESC Tax Payable	57	
FUTA Payable	9	
Federal Withholding Tax Payab		1,263
MESC Tax Payable		562
FUTA Tax Payable		62
Total	<u>\$ 492</u>	<u>\$ 1,887</u>

Federal Statements

FYE: 12/31/2016

Statement 4 - Form 1120S, Page 5, Schedule M-2, Line 5(a) - Other Reductions

<u>Description</u>	<u>Amount</u>
Meals & Entertainment	\$ 126
Total	\$ 126

Federal Statements

FYE: 12/31/2016

Mohamad Berro

Schedule K-1, Box 16, Code C - Nondeductible Expenses

<u>Description</u>	<u>Shareholder Amount</u>
Page 1 Meals/Entertainment	\$ 126
Total	<u>\$ 126</u>

GAS SERVICE CENTER/MINI MART

DESCRIPTION	SALES AREA	BACKROOM	TOTAL	%	STORE USE
GROCERY "INC" DAIRY, CANDY, GUM, (no tax)			1975.25	32	1343.17
BEVERAGE "INC" POP, JUICE, WATERS			2156.90	35	1401.98
SPCC			2158.50	30	1510.95
CIGARETTES RETAIL <input checked="" type="checkbox"/> COST <input type="checkbox"/>			2781.90	10	7003.71
CIGARS & TOBACCO			3273.52	20	2618.01
AUTOMOTIVE "INC" OIL, SOLVENTS, FLUIDS			2110.01	40	1266.00
LAUNDRIES, NON-FOOD, DRUG, H.B.A. (TAX)			3475.75	40	2085.45
LOTTERY			6600.00	6	6204.00
PHONE CARDS			0		
MOUNTAIN/BAG IN BOX (cost)			320.50	0	320.50
MISCELLANEOUS (cost)			325.00	0	325.00
Deposits (cost)			350.40	0	350.40
TOTAL		(RETAIL)	30526.73		(COST) 24429.17

Time Started 9:00 A.M. Time Finished 11:00 A.M. No. of People 2 Total Inventory \$24,429.17 (Cost)

A.I.S. Signature *Melvin Lott* Signature Buyer _____ Signature Seller _____

ESTABLISHED 1956

BUSINESS PROPERTY LEASE GAS STATION and CONVENIENCE STORE 700 S. WAVERLY, LANSING, MICHIGAN

- (1) This Lease Made this 1ST day of November, 2017, by and between Cheerview Enterprises, Inc, the Lessor, hereinafter designated as the Landlord, and Waverly Food Service, Inc, the Lessee, hereinafter designated as the Tenant.
- (2) Description: WITNESSETH: The Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed by the Tenant, does hereby lease unto the Tenant 700 S. Waverly, Lansing, MI
- (3) Term & Rent: For the term of 3 Years from and after the 1st day of November, 2017. Tenant yielding and paying during the continuance of this lease unto the Landlord for rent of said premises for said term, in lawful money of the United States payable in monthly installments in advance, upon the first day of each and every month the sum of \$ 1,700.00 per month, triple net, which shall be adjusted on a periodic basis based on the obligations of Landlord, it being the intent of the parties that the rent payments shall be in essence pass through payments from Tenant to pay the obligations of Landlord, including with respect to its ongoing obligations and with respect to any obligations pursuant to a chapter 11 plan or otherwise.
- (4) Rent: The Tenant hereby hires the said premises for the said term as above mentioned and covenants well and truly to pay, or cause to be paid unto the Landlord at the dates and times above mentioned, the rent above reserved.
- (5) Insurance: In addition to the rentals hereinbefore specified, the Tenant agrees to pay as additional rental any increase in premiums for insurance against loss by fire that may be charged during the term of this lease on the amount of insurance now carried on the premises and on the improvements situated on said premises, resulting from the business carried on in the leased premises by the Tenant or the character of its occupancy, whether or not the Landlord has consented to the same.
- (6) If the tenant shall default in any payment or expenditure other than rent required to be paid or expended by the Tenant under the terms hereof, the Landlord may at her option make such payment or expenditure, in which event the amount thereof shall be payable as rental to the landlord by the Tenant on the next ensuing rent day together with interest at 12% per annum from the date of such payment or expenditure by the Landlord and on default in such payment the Landlord shall have the same remedies as a default in payment of rent.
- (7) All payments of rent or other sums to be made to the Landlord shall be made at such place as the Landlord shall designate in writing from time to time, and every payment required to be made by Tenant under this Lease shall be made without any set-off or deduction whatsoever.
- (8) Assignment: The Tenant covenants not to assign or transfer this lease or hypothecate or mortgage the same or sublet said premises or any part thereof without the written consent of the Landlord. Any assignment, transfer, hypothecation, mortgage, or subletting without said written consent of the Landlord shall give the Landlord the right to terminate her lease and to reenter and repossess the leased premises. Landlord agrees not to unreasonably withhold consent.
- (9) Bankruptcy and Insolvency: The Tenant agrees that if the estate created hereby shall be taken in execution, or by other process of law, or if the Tenant shall be declared bankrupt or insolvent, according to law, or any receiver be appointed for the business and property of the Tenant, or if any assignment shall be made of the Tenant's property for the benefit of creditors, then and in such event this lease may be canceled at the option of the Landlord.
- (10) Right to Mortgage: The Landlord reserves the right to subject and subordinate this lease at all times to the lien of any mortgage or mortgages now or hereafter placed upon the Landlord's interest in the said premises and on the land and buildings of which the said premises are a part or upon any buildings hereafter placed upon the land of which the leased premises form a part. And the Tenant covenants and agrees to execute and deliver upon demand such further instrument or instruments subordinating this lease to the lien of any such mortgage or mortgages as shall be desired by the Landlord and any mortgagees or proposed mortgagees and hereby irrevocably appoints the Landlord the attorney-in-fact of the Tenant to execute and deliver any such instrument or instruments for and in the name of the Tenant. This clause shall be self operative and no further instrument required.
- (11) Use and Occupancy: It is understood and agreed between the parties hereto that said premises during the continuance of this lease shall be used and occupied for a gasoline station and convenience store and for no other purpose or purposes without the written consent of the Landlord, and that the Tenant will not use the premises for any purpose in violation of any law, municipal ordinance or regulation, and that on any breach of this agreement the Landlord may at her option

terminate this lease forthwith and reenter and repossess the leased premises.

- (12) Fire: It is understood and agreed that if the premises hereby leased be damaged or destroyed in whole or in part by fire or other casualty during the term hereof, the Landlord will repair and restore the same to good tenable condition with reasonable dispatch, and that the rent herein provided for shall abate entirely in case the entire premises are untenable and pro rata for the portion rendered untenable, in case a part only is untenable, until the same shall be restored to a tenable condition; provided, however, that if the Tenant shall fail to adjust her own insurance or to remove her damaged good, wares, equipment or property within a reasonable time, and as a result thereof the repairing and restoration is delayed, there shall be no abatement of rental during the period of such resulting delay, and provided further that there shall be no abatement of rental if such fire or other cause damaging or destroying the leased premises shall result from the negligence or willful act of the Tenant, her agents or employees, and provided further that if the Tenant shall use any part of the leased premises for storage during the period of repair a reasonable charge shall be made therefore against the Tenant, and provided further that in case the leased premises, or the building of which they are a part, shall be destroyed to the extent of more than one-half of the value thereof, the Landlord may at her option terminate their lease forthwith by a written notice to the tenant. If the damage or destruction is due to the fault or neglect of Tenant, the debris shall be removed at the expense of Tenant.
- (13) Repairs: The Tenant at its own expense and at all times shall be responsible for all maintenance of the entire premises inside and out including the electrical wiring, plumbing and heating installations, roof and outer walls.
- (14) Tenant to Indemnify: The Tenant agrees to indemnify and hold in, on or about said leased premises from any cause whatsoever; and Tenant will procure and keep in effect during the term hereof public liability and property damage insurance for the benefit of the landlord in the sum of One Million (\$1,000,000.00) dollars combined single limit, bodily injury and property damage, per occurrence and aggregate. Tenant shall deliver said policies to the landlord and upon Tenant's failure to do so the Landlord may at her option obtain such insurance and the cost thereof shall be paid as additional rent due and payable upon the next ensuing rent day.
- (15) Repairs and Alterations: The Tenant further covenants and agrees that she will, at her own expense, during the continuation of this lease, keep the said premises and every part thereof including all electrical, heating/cooling and plumbing, in as good repair and at the expiration of the term yield and deliver up the same in like condition as when taken, reasonable use and wear thereof and damage by the elements excepted. The Tenant shall not make any alterations, additions or improvements to said premises without the Landlord's written consent, and all alteration, additions or improvements made by either of the parties hereto upon the premises, except movable office furniture and trade fixtures put in at the expense of the Tenant, shall be the property of the landlord, and shall remain upon and be surrendered with the premises at the termination of this lease, without molestation or injury. Tenant shall cause to be discharged of record, any liens that may be filed against the demised premises resulting from Tenant. The Tenant covenants and agrees that if the demised premises consists of only a part of a structure owned or controlled by the landlord, the landlord may enter the demised premises at reasonable times and install or repair pipes, wires and other appliances or make any repairs deemed by the Landlord essential to the use and occupancy of other parts of the Landlord's building.
- (15) Eminent Domain: All damages awarded for taking under the power of eminent domain shall belong to the Landlord.
- (16) Reservation: The Tenant shall not erect any structure for storage or any aerial, or use the roof for any purpose without the consent in writing of the Landlord.
- (17) Care of Premises: The Tenant shall not perform any act or carry on any practices which may injure the building or be a nuisance and shall keep premises under her control (including adjoining drives, streets, alleys or yards) clean and free from rubbish, dirt, snow and ice at all times, and it is further agreed that in the event the Tenant shall not comply with these provisions, the Landlord may enter upon said premises and have rubbish, dirt and ashes removed and the sidewalks cleaned, in which event the Tenant agrees to pay all

- charges that the Landlord shall pay for hauling rubbish, ashes and dirt, or cleaning walks. Said charges shall be paid to the Landlord by the Tenant as soon as bill is presented to it and the Landlord shall have the same remedy as is provided in paragraph 6 of this lease in the event of Tenant's failure to pay.
- (18) The Tenant shall at its own expense under penalty of forfeiture and damages promptly comply with all lawful laws, orders, regulations or ordinances of all municipal, County and State authorities affecting the premises hereby leased and the cleanliness, safety, occupation and use of same. Plumbing facilities shall be used for the purposes for which they were constructed; any breakage, stoppage and or damage and the resultant repair cost shall be the responsibility of the Tenant. Tenant shall at its expense all required licenses and permits for a gasoline service station and convenience store.
- (19) Condition of Premises at Time of Lease: The Tenant further acknowledges that it has examined the said leased premises prior to the making of this lease, and knows the condition thereof, and that no representations as to the condition or state of repairs thereof have been made by the Landlord, or his agent, which are not herein expressed, and the Tenant hereby accepts the leased premises in their present condition at the date of the execution of this lease.
- (20) The Landlord shall not be responsible or liable to the Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises hereby leased or any part of the building of which the leased premises are a part or for any loss or damage resulting to the Tenant or its property from bursting, stoppage or leaking of water, gas, sewer or steam pipes.
- (21) Re-Renting: The Tenant hereby agrees that for a period commencing 90 days prior to the termination of this lease, the landlord may show the premises to prospective Tenants, and 60 days prior to the termination of this lease, may display in and about said premises and in the windows thereof, the usual and ordinary "TO RENT" signs.
- (22) Holding Over: It is hereby agreed, at the option of the landlord, that in the event of the Tenant herein holding over after the termination of this lease, thereafter the tenancy shall be from month to month in the absence of a written agreement to the contrary and it is also agreed that the monthly rent shall increase 10% during the holding over period unless there is a new written agreement to the contrary.
- (23) Gas, Water, Heat, Electricity: The Tenant will pay all charges made against said leased premises for gas, water, heat and electricity during the continuance of this lease, as the same shall become due, commencing the date landlord tenders possession to Tenant.
- (24) Advertising Display: It is further agreed that all signed and advertising displayed in and about the premises shall be such only as advertise the business carried on upon said premises.
- (25) Access to Premises: The Landlord shall have the right to enter upon the leased premises at all reasonable hours for the purpose of inspecting the same. If the Landlord deems repairs necessary he may demand that the Tenant make the same and if the Tenant refuses or neglects forthwith to commence such " and complete the same with reasonable dispatch the Landlord may make or cause to be made such repairs and shall not be responsible to the Tenant for any loss or damage that may accrue to her stock or business by reason thereof, and if the Landlord makes or causes to be made such repairs the Tenant agrees that he will forthwith on demand pay to the Landlord the cost thereof with interest at 11% per annum, and if he shall make default in such payment the landlord shall have the remedies provided in Paragraph 6 hereof.
- (26) Reentry: In case any rent shall be due and unpaid or if default be made in any of the covenants herein contained, or if said leased premises shall be deserted or vacated, then it shall be lawful for the Landlord, her certain attorney, heirs, representatives and assigns, to reenter into, repossess the said premises and the Tenant and each and every occupants to remove and put out.
- (27) Quiet Enjoyment: The Landlord covenants that the said Tenant, on payment of all the aforesaid installments and performing all the covenants aforesaid, shall and may peacefully enjoy quiet enjoyment and possession of the Property.
- (28) Delay of Possession: It is understood that if the Tenant shall be unable to enter into and occupy the premises hereby leased at the time above provided, by reason of the said premises not being ready for occupancy, or by reason of the holding over of any previous occupant of said premises, or as a result of any cause or reason beyond the direct control of the Landlord, the Landlord shall not be liable in damages to the Tenant, therefore, but during the period the Tenant shall be unable to occupy said premises as herein before provided, the rental therefore shall be abated and the Landlord is to be the sole judge as to when the premises are ready of occupancy.
- (29) Notices: Whenever under this lease a provision is made for notice of any kind it shall be deemed sufficient notice and service thereof if such notice to the Tenant is in writing addressed to the Tenant at her last known Post Office address.
- (30) It is agreed that in this lease the word "he" shall be used synonymous with the word "she," "it" and "they", and the word "her" synonymous with the words "her", "its" and "their".
- (31) The covenants, conditions and agreements made and entered into by the parties hereto are

declared binding on their respective heirs, successors, representatives and assigns.

(32) Tenant shall open for business within 30 days of the start of their lease and continually operate the demised premises during all reasonable business hours, a minimum of forty hours per week.

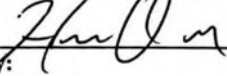
(33) SECURITY PROVISION - THERE IS NO SECURITY DEPOSIT

(34) Provided Tenant is not in default under this lease Tenant shall have 5 options to renew this lease for an additional period of 3 years each upon the same terms and conditions except the rent shall be increased 2% per month for each 3-year option period. The option shall be exercised by written notice given to Landlord not less than sixty days prior to the expiration of this lease.

TENANT


LANDLORD

Waverly Food Service, Inc

By: 

Its President

Cheerview Enterprises, Inc


Mohamad Berro
Its President
Its President

FIDELITY PROOF OF LOSS

Employee's full name MOHAMMAD MAAN Social Security No _____

Last known address 1124 BENNINGTON DR LANSING MI 48917
Street City State

Position held CASHIER & STOCK POSITION

Date employed 1/2016 Date Terminated 11/25/16

Reason for termination CAUGHT STEALING CASH & LOTTERY

Date loss first discovered 11/21/17 By whom MOHAMAD BERRO

Date loss first reported to surety / agent _____ Amount of loss \$ 105,835.21
Itemize on page 2

Loss occurred between 3/2016 and 11/25/16
Month-Day-Year Month-Day-Year

State briefly the manner in which the loss occurred: The loss was caught on video and seen live footage on phone which showed cash being removed and also cigarettes cartons.

Date employee's accounts were previously checked on Monthly Basis Risk System

By whom and result: Mohamed Berro

Has employee ever been short before? Yes If so, state amount, whether cash or stock and how the shortage was adjusted More stock was purchased

Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and / or confinement in state prison.

State of Michigan
County of Oakland

The facts and details of loss stated herein are subject to verification and it is understood that the filing with, or retention of, this form by Technoloty Insurance Company, Inc. does not constitute a waiver of any stipulation or condition of the bond or policy, or an admission of liability thereunder.

_____ being duly sworn, deposes and says:

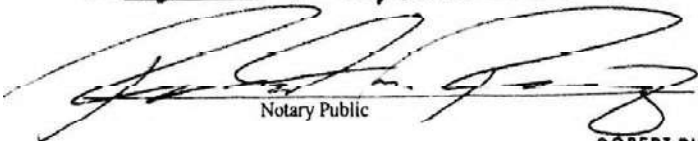
That (he)(she) is the President of Mike's Fuel Mart
(Title)

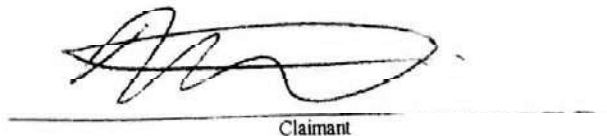
the claimant herein, having its main office at 700 S. Waverly Lansing, Michigan 48917
(Number, Street, City and State)

that the claimant's former employee named herein has dishonestly converted to his (her) own use and misappropriated funds of the claimant equal to the net amount of claim indicated in this statement; that the statements above and on the reverse side hereof constitute a complete and truthful recital of all the facts as now known, and nothing material has been suppressed or withheld by the claimant.

Sworn to and subscribed before me

this 8th day of Feb 2017


Notary Public


Claimant

ROBERT RINGEL JR.
Notary Public, State of Michigan
County of Oakland
My Commission Expires 2018
Acting in the County of Wayne

12/16/2017

Bero, Mohammad Ali-Salah
700 S Waverly Rd,
Lansing MI 48917

Dear Mr. Jesi Husan

I fully understand my mistake and am very sorry because of it. I really hope you forgive me for my childish act of taking lotto tickets from your store. I have learned my lesson and will not be careless again and I am very thankful for the kind offer of this diversion.

But again please accept my sincere apology.

Yours truly,

Maan, Muhammad Talhah

