

UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

In Re:)
)
Greater Cleveland Avenue Christian Church,) Case No.: 18-50410 C-11
)
Debtor.)

DISCLOSURE STATEMENT FOR THE PLAN OF REORGANIZATION
DATED DECEMBER 3, 2018

TO: Hon. Catharine R. Aron
United States Bankruptcy Judge

Greater Cleveland Avenue Christian Church (hereinafter referred to as “Debtor” or “Church”) hereby submits this Disclosure Statement to all of its known creditors in order to provide the information deemed by the Debtor to be material, important, and necessary for its creditors to arrive at a reasonably informed decision in exercising their right to vote regarding the acceptance of the Debtor’s Plan of Reorganization Dated December 3, 2018 (hereinafter referred to as “Plan” or “Plan of Reorganization”). A copy of the Plan accompanies this Disclosure Statement. Pursuant to 11 U.S.C. §1125 of the United States Bankruptcy Code, the Debtor prepared and filed this Disclosure Statement along with the Plan for the Court’s approval for submission to the holders of claims of interest with respect to the Debtor and its assets. **Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.**

The proposed distributions under the Plan are discussed at pages 8-15 of this Disclosure Statement. General unsecured creditors are classified in Class X and will receive a distribution of One Hundred Percent (100%) of their allowed claims, to be distributed over a maximum of eighty-four months.

NO REPRESENTATIONS CONCERNING THE DEBTOR (PARTICULARLY AS TO FUTURE OPERATIONS OR AS TO THE VALUE OF ITS PROPERTY OR THE AMOUNTS ANTICIPATED TO BE RECEIVED IN THE COLLECTION, SALE AND LIQUIDATION OF CERTAIN ASSETS) ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE TO THE PLAN WHICH ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR WHO IN TURN SHALL

DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. REPORTS KEPT BY THE DEBTOR ARE DEPENDENT UPON INTERNAL ACCOUNTING. FOR THE FOREGOING REASON, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE.

A. Purpose of This document

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case;
- How the Plan proposes to treat claims or equity interests of the type you hold;
- Who can vote on or object to the Plan;
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan;
- Why the Church believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation; and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed. You will be sent a notice or notices setting forth the time and place of hearing or hearings to approve this Disclosure Statement and confirm the Plan including the deadline for voting to accept or reject the Plan and to file objections to the adequacy of the Disclosure Statement and confirmation of the Plan.

If you want additional information about the Plan, you should contact Samantha K. Brumbaugh at 100 S. Elm St. Suite 500, Greensboro, NC 27401.

BACKGROUND

A. Introduction

Greater Cleveland Avenue Christian Church is an unincorporated, tax exempt entity located in Winston Salem, NC. The Church was founded in 1893, having just celebrated its 125th

anniversary this year. Bishop Sheldon McCarter is the acting Pastor of the Church, having been in his position for 30 years. The Church is governed by a Board of nine that oversees the finances, among other things, of the Church. The Church serves the Piedmont Triad and surrounding areas and is one of the largest and oldest African American churches of its kind in Winston-Salem.

The Church holds three regular weekly services, two on Sundays and one on Wednesday evenings. Other services are held throughout the year for special events and to host visiting pastors and speakers. The Church has strong community support and ties and has a significant community outreach program, ministering to a wide demographic. The Church currently has over 1,500 members, with 900 of these members in regular attendance. In addition, the Church hosts numerous visiting parishioners, who contribute to the Church regularly.

The Church operates from funds received in the form of offerings and tithes from members and visiting parishioners. In the years prior to the filing of this bankruptcy the Church experienced a decrease in membership due to normal attrition. Members were relocated due to job change or loss, older members no longer had the physical ability to attend the Church, and members passed away. During the past two years the Church has seen a steady increase in its membership, with a younger demographic committing to the Church and taking a more active role. This has led to an uptick in tithing and offerings, which the Pastor and the Church's Board believe will be sustained for the foreseeable future. With the Church's continued existence and ministry the Church expects for its congregation, membership and offerings to increase.

The Church owns and occupies real property located at 5095 Lansing Drive, Winston Salem, NC (the "Property"). The Property consist of two approximate 30,000 square foot buildings, one of which houses the sanctuary, classrooms, a fellowship hall and church offices. The other building consists of a gymnasium, fitness/gym area, church offices and family life center. The Property is encumbered by a Deed of Trust in favor of Apex Bank ("Apex"), who also holds a valid first lien by way of note and UCC filing on all tangible, personal property owned by the Church.

Due to the attrition issues experienced by the Church and a decrease in offerings in previous years, the Church was unable to meet its monthly debt service obligation to Apex. In September 2018 Apex agreed to accept the sum of \$2,700,000.00 in full satisfaction of the debt; however, the Church was unable to close on its refinancing opportunity at that time. Apex thereafter began a foreclosure proceeding. The Church filed this Chapter 11 proceeding due to the impending foreclosure to halt that process in order to reorganize the Apex debt or, in the alternative, to obtain take-out financing of the same.

B. Insiders of the Debtor

There are no insiders of the Debtor.

C. Projected Recovery of Avoidable Transfers

At this time, the Debtor is investigating as to whether all payments or transfers prior to the filing of the petition were done in the ordinary course of business and received in the ordinary course of business. To the extent that the Debtor determines that actions are appropriate, it will institute the appropriate proceedings. At this time, the Debtor does not anticipate filing any actions, however, to the extent any funds are recovered, the net funds (after payment of expenses incurred in the recovery) will be used by the Debtor as an additional source of funds to supplement the Plan of Reorganization.

D. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article VIII of the Plan.

E. Executory Contracts and Unexpired Leases

The Plan, in Sections 5.2 and 5.3, lists all executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. Section 5.2 lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Section 5.2 and 5.3, or have been previously assumed, will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

The deadline for filing a proof of claim based on a claim arising from the rejection of a lease or contract is thirty (30) days from the Effective Date of the Plan. Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

F. Tax Consequences of Plan

Creditors and equity interest holders concerned with how the Plan may affect their tax liability should consult with their own accountants, attorneys and/or advisors.

CHAPTER 11 OPERATIONS

During the course of this Chapter 11 proceeding the Church has concentrated on decreasing expenses, increasing contributions and offerings, and has sought refinancing of its secured debt.

Prior to the filing of this Chapter 11 the Church was renting space in High Point, North Carolina where it was offering a weekly service. The decision was made to vacate the High Point location, as the cost of providing that service was no longer in the best interest of the Church. By doing so the Church cut expenses by just under \$3,000.00 per month.

Pastor Bishop McCarter's compensation package consists of a salary, housing allowance, car allowance and health insurance benefits. During this proceeding the Board, with the consent of Bishop McCarter, made the decision to decrease Bishop McCarter's compensation package by eliminating his salary, in turn decreasing monthly expenses by approximately \$6,000.00 per month.

Members and parishioners often give additional, voluntary offerings known as Love Offerings to Bishop McCarter, which they specially identify as such on their tithing envelopes. Bishop McCarter continues to receive Love Offerings from the Church's members and parishioners.

Throughout this proceeding the Church has sought financing through other lenders to refinance the debt owed to Apex. The Church has been successful in obtaining a commitment for take-out financing in the amount of \$2,700,000.00, as of the date of this Plan. The Church continues to negotiate with Apex as to an acceptable settlement of the debt.

In October the Church announced a Capital Campaign to its member and parishioners whereby the Church requested that 200 of its members commit to an additional \$100.00 per month offering, to begin in January 2019, for the purpose of assisting with the refinance and payoff of the Apex debt. To date, the Church has commitments from 126 of its members.

FINANCIAL INFORMATION

A. Monthly Reports

A monthly report for each month that the Debtor has been in possession under the supervision of the United States Bankruptcy Court has been filed with the Bankruptcy Court. With the filing of the voluntary petition in the bankruptcy herein, the Debtor was required to file and did file Statements of Financial Affairs and Schedules of Assets and Liabilities. The monthly

reports, Schedules of Assets and Liabilities and Statements of Financial Affairs may be inspected by all interested parties in order to obtain a broader financial picture of the Debtor and the Debtor's estate. These documents may be examined in the Office of the Clerk of the United States Bankruptcy Court, 101 S. Edgeworth St., Greensboro, NC.

B. Funding of the Plan of Reorganization

This Plan of Reorganization contemplates payments to the various classes of creditors from Offerings received from its parishioners and members. Attached hereto and incorporated herein by reference as Exhibit A is a schedule of the actual monthly income and expenses of the Debtor for the period beginning April 20, 2018 through October 2018. Attached hereto and incorporated herein by reference as Exhibit B-1 is a schedule of the projected Offerings and expenses and resulting cash flow by month for the Church for the period February 2019 through January 2020 assuming the Church is successful in refinancing the Apex debt. Attached hereto and incorporated herein by reference as Exhibit B-2 is a schedule of the projected Offerings and expenses and resulting cash flow by month for the Church for the period February 2019 through January 2020 assuming the Church is unable to finance the Apex debt and continues operations from leased facilities. Attached hereto and incorporated herein by reference as Exhibit C is a schedule of the projected annual Offerings and expenses and resulting cash flow for the Church for the periods from 2019 through 2024. The Debtor has been actively working to increase Offerings and decreasing expenses. With the cash generated from the Capital Campaign the Church anticipates that it will have adequate cash available to make all periodic payments which are required by the Plan of Reorganization on a timely basis. Exhibit D illustrates the annual cash requirements for payment to each class of creditors for five years in accordance with the terms of the Plan, assuming Plan payments commence in April 2019. Exhibits A, B-1, B-2, C and D are used to illustrate the feasibility of the Plan of Reorganization.

THE PROJECTION OF NET OFFERINGS OF THE DEBTOR IS BASED UPON EXISTING CONDITIONS AFFECTING THE DEBTOR AND DOES NOT REFLECT THE UNKNOWN EFFECTS OR POSSIBLE FUTURE DETRIMENTAL ECONOMIC CONDITIONS WHICH MAY AFFECT THE CHURCH IN THE FUTURE.

TERMS AND DEFINITIONS

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

For purposes of this Plan and accompanying Disclosure Statement, the following definitions shall apply and, unless otherwise indicated, the singular shall include the plural:

Available Cash: Monies held in the trust account of Ivey, McClellan, Gatton & Siegmund, LLP estimated to be \$55,000.00 on the Effective Date of the Plan, plus any funds held in the Debtor's debtor-in-possession bank account on the Effective Date of the Plan.

Bankruptcy Code: Provisions of Title 11, United States Code, as amended by the Bankruptcy Reform Act of 1978, and as may be hereinafter amended from time to time.

Capital Campaign Contributions: Offerings received as part of the campaign to raise additional funds to assist in the refinance and payoff of the Apex debt.

Cash: Cash, cash equivalent, or other available market securities or instruments.

Collateral: Property of the Debtor which has been pledged to a creditor to secure an indebtedness.

Claim: A duly scheduled Allowed Claim or timely allowed filed Proof of Claim, or any Debtor obligation which would be an allowed administrative expense claim under 11 U.S.C. §503 or 11 U.S.C. § 507.

Confirmation of the Plan: The entry by this Court of an Order confirming the Plan in accordance with Title 11, Chapter 11, of the United States Bankruptcy Code.

Consummation of the Plan: The consummation of all things contained in or provided for in this Plan, and the entry of an Order of Consummation or Final Decree finally dismissing this Reorganization case.

Court: The United States Bankruptcy Court for the Middle District of North Carolina, Winston-Salem Division.

Debtor: The Debtor in this proceeding is Greater Cleveland Avenue Christian Church.

Effective Date of the Plan: Fourteen days after entry of an Order confirming this Plan.

Estate: The property belonging to the Debtor on the date this case was commenced and as defined by §541 of the Bankruptcy Code and other applicable law.

Lien: A mortgage, judgment lien, materialmen's lien, statutory lien, security interest, charging order, or other charge or encumbrance on the Debtor's property, effective under applicable laws as of the date of Debtor's petition for reorganization or thereafter as authorized by Order of the Bankruptcy Court.

Notice and Hearing: Notice and Hearing as defined by § 102(1) of the United States Bankruptcy Code.

Offerings: Tithes, offerings and Capital Campaign Contributions received from members, parishioners and visitors of Greater Cleveland Avenue Christian Church.

Plan: The Plan of Reorganization dated December 3, 2018, and any modification thereof as approved by the Court.

Property: 5095 Lansing Drive, Winston-Salem, North Carolina.

Per Annum: An interest rate to be determined on an annual, full calendar year basis, calculation beginning on the Effective Date of the Plan.

Pro Rata: The proportion that each Allowed Claim in a particular class of creditors bears to the aggregate of all Allowed Claims in that class on that date.

Reorganized Debtor: Greater Cleveland Avenue Christian Church after entry of an Order confirming this Chapter 11 Plan and as revested with properties that were formerly property of the Estate as provided in § 1141(b) of the United States Bankruptcy Code.

Secured Claim: An Allowed Claim under 11 U.S.C. § 506(a) secured by identified Collateral, properly perfected, and not avoidable under applicable law.

Substantial Consummation: The date at which the Debtor has commenced the distribution of initial Plan payments, has issued promissory notes as required under the Plan and has otherwise materially implemented the Plan.

Unsecured Creditor: A creditor with an Allowed Claim that arose or accrued prior to April 20, 2018, which is unsecured and is not entitled to priority under § 507(a) of the United States Bankruptcy Code.

ARTICLE I **CLASSIFICATION AND TREATMENT OF CLAIMS**

1.1a Class I - Administrative Claims

1.1b Description: All administrative expenses, fees and allowances of compensation as determined by the Bankruptcy Court, exclusive of the Claims provided for in Class II, shall constitute Class I. It is anticipated that there will be approximately \$27,500.00 of Allowed Class I Administrative Claims, which include estimated attorney fees through confirmation and compensation for Byron M. Clark, EA and the firm of BMC Income Tax & Financial Services, Inc.

1.1c Treatment: The Claims of Class I shall be paid in Cash, in full, from Available Cash, on the Effective Date of the Plan or at such later date as agreed upon by all parties concerned.

1.1d Impairment: This Class is not impaired.

1.2a Class II - Administrative Operating Expenses

1.2b Description: All expenses incurred by the Debtor in the operation of its business under Chapter 11, except as otherwise provided for in this Plan, shall constitute Class II. The Debtor does not anticipate any Allowed Class II Administrative Operating Expense Claims.

1.2c Treatment: All unpaid post-petition Class II expenses and contracts not heretofore or herein rejected by the Debtor shall be assumed by the Reorganized Debtor in accordance with the terms and conditions of said contracts and shall be paid in the continued ordinary course of the Reorganized Debtor's business.

1.2d Impairment: This Class is not impaired.

1.3a Class III - Tax Claims of the Internal Revenue Service Having Priority Under §507(a)(8) of the Bankruptcy Code ("IRS")

1.3b Description: This Class consists of all prepetition priority taxes owed to the Internal Revenue Service as of the date of filing by the Debtor. The IRS filed a Proof of Claim asserting an unsecured priority claim in the amount of \$52,451.64. However, it appears that the liabilities for tax periods ending March 31, 2018 and June 30, 2018 were paid post-petition. It is therefore anticipated that the IRS will have an Allowed Claim of \$41,351.34.

1.3c Treatment: Class III shall be paid in full within sixty (60) months from the date of the order for relief with interest at the legal rate of interest prevailing at the Effective Date of the Plan, which is currently set at three percent (3%) Per Annum. Class III shall receive equal quarterly payments due on the 20th day of the month that follows the end of a quarter (i.e., January 20th, April 20th, July 20th, Oct 20th). The quarterly payment shall be \$ 2,746.00. The first quarterly payment shall be made on or before April 20, 2019.

The Debtor reserves the right to prepay said Claims in the event the funds are available for this purpose prior to payments becoming due.

The Debtor shall fully and timely pay all post-petition, pre-confirmation taxes, including those taxes for which a return is not yet due.

The Debtor shall continue to segregate and hold separate and apart from all other funds all moneys withheld from employees or collected from others for taxes pursuant to applicable internal revenue laws. All statutes of limitation on the collection of any federal taxes due from the Debtor and the responsible individual shall be suspended during the pendency of the Plan and for such further time as any part of the aforementioned taxes remain unpaid, and for one year thereafter. Any refunds or other credits to which the Debtor may become entitled for any reason before completion of the payment of the federal taxes under the Plan may be credited to apply to the last payment or payments required to be made under the Plan.

It shall be an event of default of the Reorganized Debtor if it:

1. fails to make any payment required under the Plan within twenty-one days after the due date of such installment;
2. fails to make any deposit of any currently accruing employment tax liability to the separate bank account or fails to make any payment of any tax to the IRS within ten days of the due date of such deposit or payment;

3. fails to file any required federal tax return by the due date of such return; and/or
4. violates any other provisions of the Plan, including, but not limited to Section 4.1 herein.

In the event of a default, the Internal Revenue Service Insolvency Manger, or his/her delegate, may, in his/her sole discretion, declare that Debtor is in default of the Plan and issue the required NOTICE OF DEFAULT (See Article IV, herein). Failure to declare that Debtor is in default does not constitute a waiver by the Insolvency Manager, or his/her delegate, of the right to declare that Debtor is in default.

If the Insolvency Manager declares Debtor to be in default of its obligations under the Modified Plan, the entire unpaid liability under the Plan, together with any unpaid current liabilities, shall become immediately due and payable upon demand, in writing and pursuant to Article IV, herein.

1.3d Impairment: This Class is impaired.

1.4a Class IV - Tax Claims of the North Carolina Department of Revenue Having Priority Under § 507(a)(8) of the Bankruptcy Code

1.4b Description: This Class consists of all prepetition priority taxes owed to the North Carolina Department of Revenue as of the date of filing by the Debtor. The Debtor does not anticipate any Allowed Class IV Tax Claims.

1.4c Treatment: Each Claim of Class IV shall be paid in equal quarterly installments over a period of sixty (60) months following the Effective Date of the Plan, with interest at the legal rate of interest prevailing at the Effective Date of the Plan, which is currently set at three percent (3%) Per Annum. Class IV shall receive equal quarterly payments due on the 20th day of the month that follows the end of a quarter (i.e., January 20th, April 20th, July 20th, Oct 20th). The first quarterly payment shall be made on or before April 20, 2019.

The Debtor reserves the right to prepay said Claims in the event the funds are available for this purpose prior to payments becoming due. All statutes of limitation on the collection of any state taxes due from Debtor are suspended during the pendency of the Plan, and for one year thereafter.

1.4d Impairment: This Class is impaired.

1.5a Class V - Tax Claims of Forsyth County Having Priority Under § 507(a)(8) of the Bankruptcy Code

1.5b Description: This Class consists of all prepetition priority taxes owed to Forsyth County, North Carolina as of the date of filing by the Debtor. The Debtor does not anticipate any Allowed Class V Tax Claims.

1.5c Treatment: Each Claim of Class V shall be paid in equal quarterly installments over a period of sixty (60) months following the Effective Date of the Plan, with interest at the legal rate of interest prevailing at the Effective Date of the Plan. As of the date of the filing of this Plan, the current legal rate of interest was set at nine percent (9%). Class V shall receive equal quarterly payments due on the 20th day of the month that follows the end of a quarter (i.e., January 20th, April 20th, July 20th, Oct 20th). The first quarterly payment shall be made on or before April 20, 2019.

The Debtor reserves the right to prepay said Claims in the event the funds are available for this purpose prior to payments becoming due. All statutes of limitation on the collection of any county taxes due from Debtor are suspended during the pendency of the Plan, and for one year thereafter.

1.5d Impairment: This Class is impaired.

1.6a Class VI - Tax Claims of the Employment Security Commission Having Priority Under § 507(a)(8) of the Bankruptcy Code

1.6b Description: This Class consists of all prepetition priority taxes owed to the Employment Security Commission as of the date of filing by the Debtor. The Debtor does not anticipate any Allowed Class VI Tax Claims.

1.6c Treatment: Each Claim of Class VI shall be paid in equal quarterly installments over a period of sixty (60) months following the Effective Date of the Plan, with interest at the legal rate of interest prevailing at the Effective Date of the Plan. Class VI shall receive equal quarterly payments due on the 20th day of the month that follows the end of a quarter (i.e., January 20th, April 20th, July 20th, Oct 20th). The first quarterly payment shall be made on or before April 20, 2019.

The Debtor reserves the right to prepay said Claims in the event the funds are available for this purpose prior to payments becoming due. All statutes of limitation on the collection of any Employment Security Commission debt due from Debtor are suspended during the pendency of the Plan, and for one year thereafter.

1.6d Impairment: This Class is impaired.

1.7a Class VII - Tax Claims Having Priority Under § 507(a)(8) of the Bankruptcy Code

1.7b Description: This Class consists of all taxes, excepting those set forth in Classes III through Class VII owed as of the date of filing by the Debtor. The Debtor does not anticipate any Allowed Class VII Tax Claims.

1.7c Treatment: Each Claim of Class VII shall be paid in equal quarterly installments over a period of sixty (60) months following the Effective Date of the Plan, with interest at the legal rate of interest prevailing at the Effective Date of the Plan. Class VII shall receive equal

quarterly payments due on the 20th day of the month that follows the end of a quarter (i.e., January 20th, April 20th, July 20th, Oct 20th). The first quarterly payment shall be made on or before April 20, 2019.

The Debtor reserves the right to prepay said Claims in the event the funds are available for this purpose prior to payments becoming due. All statutes of limitation on the collection of any taxes having priority under 11 U.S.C. § 507(a)(8) due from Debtor are suspended during the pendency of the Plan, and for one year thereafter.

1.7d Impairment: This Class is impaired.

SECURED CLAIMS

1.8a Class VIII -Secured Claim of Apex Bank (“Apex”)

1.8b Description: Apex holds an Allowed Secured Claim against the bankruptcy estate in the prepetition amount of \$3,300,299.35. Apex’s claim is secured by a Deed of Trust recorded at Book 2882 at Page 235, as amended by amendments recorded in Book 3062 at Page 1212, and in Book 3178 at Page 3039 of the Office of the Register of Deeds of Forsyth County. Said Deed of Trust constitutes a first priority lien against the Property. Pursuant to a UCC-1 financing statement filed with the North Carolina Secretary of State, File No. 20090026930B, Apex also has a first-priority lien against the Debtor’s equipment and furniture.

1.8c Treatment: On the Effective Date of the Plan the Debtor shall tender and deliver to Apex a Deed in Lieu of Foreclosure. Such Deed in Lieu of Foreclosure shall tender clear, fee simple title of the Property to Apex and shall be in full satisfaction of all monetary obligations owing by the Debtor to Apex, but shall be held in trust by Apex until April 30, 2019, pursuant to the terms of the Plan.

Upon delivery of the Deed in Lieu of Foreclosure, Apex will allow the Debtor to remain in the Property until April 30, 2019, subject to the terms of this Plan, and subject to Debtor tendering monthly lease payments to Apex. Beginning on December 15, 2018 and continuing on the 15th day of each month through April 15, 2019, the Debtor shall tender to Apex monthly lease payments in the amount of \$13,000.00. For all periods while the Debtor occupies the Property, the Debtor shall pay all utility expenses, maintain insurance on all Church property and pay for such insurance expense.

The Debtor shall have the option on or before April 30, 2018 of satisfying the Secured Claim of Apex by paying to Apex, the then full payoff amount, including but not limited to all post-petition interest, costs and fees owed pursuant to Section 506(b) of the Bankruptcy Code, at which time Apex shall return the Deed in Lieu of Foreclosure to the Church.

In its sole discretion, should the Church not have paid the Claim of Apex in full on or before April 1, 2019, Apex may reject the delivery of the Deed in Lieu of Foreclosure and may initiate foreclosure proceedings against the Property. However, no foreclosure sale may be held

prior April 20, 2019. To the extent that such foreclosure sale results in Apex holding a deficiency claim, Apex shall hold an Allowed Secured Claim up to the value of the Debtor's equipment and furniture (with the exception of titled vehicles) as such equipment and furniture is valued in the Debtor's bankruptcy petition. Such remaining Allowed Secured Claim shall be amortized over a period of sixty months at 6% interest and payable monthly. Apex shall have up to and including October 31, 2019 to file a deficiency claim with the Church.

On or before April 30, 2019, if the Debtor is unable to satisfy the Apex debt, as set forth herein, the Debtor shall voluntarily vacate the Property and shall leave the Property in a "broom cleaned" condition. Should Apex elect to file the Deed in Lieu of Foreclosure Apex shall immediately terminate the existing UCC filing. Should Apex elect to return the Deed in Lieu to the Church, the Church shall allow Apex to inventory the fixtures, furniture, and equipment upon request.

At present, the Property is encumbered by a judgment lien in favor of De Lage Financial Services ("De Lage"). De Lage filed proof of claim No. 6 against the bankruptcy estate asserting a prepetition claim in the amount of \$30,916.18. The proof of claim filed by De Lage does not purport to assert a Secured Claim against the Debtor or the bankruptcy estate. That notwithstanding, the judgment records of Forsyth County reflect that De Lage holds a judgment against the Debtor in the approximate outstanding amount of \$37,290.65. Such judgment constitutes a lien against the Church Property. In order to convey clear title to the Property to Apex by way of a Deed in Lieu of Foreclosure, the judgment lien of De Lage shall be satisfied in full, pursuant to the terms of this Plan.

Except as specifically provided herein, Apex shall retain its liens against the Property and all of the Debtor's fixtures, equipment, and furniture.

1.8d Impairment: This Class is impaired.

1.9a Class IX-Secured Claim of De Lage Financial Services ("De Lage")

1.9b Description: This Class consists of the Secured Claim of De Lage. The Property is encumbered by a judgment lien in favor of De Lage. De Lage filed proof of claim No. 6 against the bankruptcy estate asserting a prepetition claim in the amount of \$30,916.18. The proof of claim filed by De Lage does not purport to assert a Secured Claim against the Debtor or the bankruptcy estate. That notwithstanding, the judgment records of Forsyth County reflect that De Lang holds a judgment against the Debtor in the approximate outstanding amount of \$37,290.65.

1.9c Treatment: De Lage shall receive a lump sum payment from Available Cash on the Effective Date of the Plan in the amount of \$10,000.00 in full satisfaction of its judgment/lien and shall file a satisfaction of judgement with the Forsyth County Register of Deeds and Clerk of Court within ten days of the receipt of the \$10,000.00 payment.

1.9d Impairment: This Class is impaired.

GENERAL UNSECURED CLAIMS

1.10a Class X - General Unsecured Creditors

1.10b Description: This Class consists of all creditors holding Allowed General Unsecured Claims, including the portion of any priority or secured claim listed in this proceeding which may be determined to be unsecured by Order of this Court. It is estimated that there will be approximately \$100,625.66 of Allowed Class X General Unsecured Claims.

1.10c Treatment: Each holder of an Allowed Unsecured Claim, exclusive of insiders, shall receive a Promissory Note which provides that each holder shall receive 100% of its claim, to be paid quarterly over a period of eighty-four months with interest to be paid at an annual rate of three percent (3.0%) Per Annum. Quarterly payments are estimated to be \$3,988.80, in the aggregate.

The Debtor reserves the right to prepay said Claims in the event the funds are available for this purpose prior to payments becoming due. Any prepayments shall be made to all Allowed Claims on a prorated basis and at the same time. The first (1st) quarterly payment shall be made on or before the twentieth (20th) day of the month following the first quarter following confirmation of this Plan. All remaining payments shall be made in equal quarterly payments due on the 20th day of the month that follows the end of a quarter (i.e., January 20th, April 20th, July 20th, Oct 20th). The first quarterly payment shall be made on or before April 20, 2019.

1.10d Impairment: This Class is impaired.

INSIDER CLAIMS

1.11a Class XI - Insider Claims

1.11b Description: This Class consists of the claims of all insiders which hold any claim against the Debtor. The Debtor does not anticipate any Class XI insider claims.

1.11c Treatment: The Class XI Insider Claims shall receive no payment until the Class X General Unsecured Creditors have been paid in full.

1.11d Impairment: This Class is impaired.

EQUITY SECURITY HOLDERS

1.12a Class XII - Equity Security Holders

1.12b Description: Class XII shall consist of the governing Board of the Church, on behalf of the members of the Church, who hold an ownership interest in the Debtor on the day immediately preceding the date of Confirmation of the Plan.

1.12c Treatment: The Equity Security Holders shall retain their ownership interest in the Debtor with all rights and interest as of the date of the Order confirming the Chapter 11 Plan subject to the terms and conditions of the Plan of Reorganization as confirmed. The Class XII Equity Security Holder shall receive no payment or dividends until the Class X General Unsecured Creditors have been paid in full. To the extent that funds are available for the distribution to Equity Security Holders, said funds shall be paid to the governing Board of the Church to be distributed pursuant to applicable state law.

1.12d Impairment: This Class is impaired.

ARTICLE II **MEANS FOR EXECUTION OF THE PLAN**

2.1 General Information: The provisions of the Plan call for the restructuring of certain indebtedness and extensions of time in which to meet those obligations, the potential surrendering of collateral in satisfaction of debt and the potential refinancing of certain secured obligations. The obligation being restructured hereunder is primarily a secured debt obligation.

2.2 Source of Funds: The Debtor anticipates, based upon projected Offerings and the restructuring of current indebtedness, as is more fully explained in Exhibits B-1, B-2, C and D attached to the Disclosure Statement to the Plan of Reorganization, that the Reorganized Debtor will have sufficient funds to pay debt obligations pursuant to the terms specified in this Plan. The Offerings are anticipated to be sufficient to pay all debt obligations as a result, in part, as the Church has taken steps to reduce its monthly outgoing expenses. In addition, Capital Campaign Contributions are expected to be sufficient to make payments on the restructured debt of Apex or the monthly debt service obligation of any take-out financing lender. The Church anticipates that even after the Capital Campaign has expired that a majority of contributing members will continue with their increased giving.

2.3 Asset Retention: The Reorganized Debtor shall retain all personal property. In the event that the Debtor is unable to obtain take out financing of the Apex debt, the Church shall surrender the Property pursuant to the terms of the Plan and seek other space from which to operate the Church. This Asset Retention paragraph does not prevent the Reorganized Debtor from selling assets where such is carried out in the normal operation of its business.

2.4 Document Execution: The Reorganized Debtor will execute those documents necessary to properly evidence the restructured debt obligation for the classes of creditors as set out herein.

2.5 Orders in Aid of Consummation: In the event that any Claim amounts in the classes set forth herein have not yet been determined or allowed, or in the event there are any disputes which would interfere with substantial consummation, the Court may enter an Order after notice and hearing and upon the application of any interested party to establish reasonable escrows or issue such other Orders modifying estimated claim amounts set forth herein or shall enter such other Orders as in the discretion of the Court would aid in Substantial Consummation. The Court

shall further issue Orders in aid of consummation as it deems necessary for the purpose of carrying out the terms, conditions and intent of this Plan of Reorganization. Furthermore, the Court shall determine in its own discretion what further notice, if any, is required for the Court to issue an Order in Aid of Consummation.

2.6 Causes of Action: At this time, the Debtor is investigating as to whether all payments or transfers prior to the filing of the petition were done in, and received in, the ordinary course of business. To the extent that the Debtor determines that actions are appropriate it will institute the appropriated proceedings. To the extent any funds are recovered, the net funds (after payment of expenses incurred in the recovery) shall be distributed to allowed general unsecured nonpriority creditors on a pro rata basis.

2.7 Inter-Creditor Agreements: To the extent that inter-creditor agreements have been entered into by and between the creditors in this case, it is not the intent of this Plan to alter or otherwise modify such agreements and such agreements shall remain in full force and effect.

ARTICLE III **MANAGEMENT AND ADMINISTRATION**

3.1 Management of the Reorganized Debtor: The Church shall continue to be governed by its nine person Board of Directors, with Pastor Bishop McCarter as the acting Pastor.

3.2 By Laws: It will not be necessary to amend the By Laws of the Reorganized Debtor in order to implement this Plan and to protect the rights of the creditors or shareholders. Nothing contained herein shall prohibit or limit any future amendment to the operating agreement of the Reorganized Debtor not inconsistent with the provisions of this Plan and as may be adopted or applicable under the provisions of the law after Substantial Consummation.

3.3 Loans: Debtor is attempting to refinance the indebtedness to Apex Bank. Nothing contained herein shall prohibit the Debtor during the ordinary course of its operations from obtaining said financing to the extent that said transaction does not detrimentally impact existing creditors and will not need additional Court approval to obtain the same.

3.4 Capital Improvements: The Reorganized Debtor shall expend funds for capital improvements or capital expansion only where reasonably necessary to maintain the existing capital structure of the Church or to enhance the existing capital structure of the Church where it is reasonably expected to increase the feasibility of the Plan.

ARTICLE IV **CHAPTER 7, STRAIGHT LIQUIDATION ALTERNATIVE**

A recent appraisal of the Property assigns an appraised value of approximately \$6,000,000.00. Said appraisal is based on the going concern value of the Church. It is the Church's opinion, that should the Church be forced to liquidate the Property, due to the unique nature of the same, as well as the location of the Property, the value received would be equal to the first lien

held by Apex. Further, it is the opinion of the Debtor that payments to General Unsecured Claims, if this reorganization proceeding were converted to Chapter 7 liquidation, would be equal to those set forth in the Plan of Reorganization. If the assets which are pledged as security to the secured creditors identified herein were sold in a Chapter 7 proceeding along with all other unencumbered assets, it is anticipated that such liquidation would generate equity for the unsecured creditors of approximately one hundred percent (100%) of debts owed. Attached hereto and incorporated herein by reference as Exhibit E is a list of all remaining assets owned by the Debtor which could be liquidated, showing any liens that may be attached. Exhibit E also sets forth a schedule illustrating the distribution, according to applicable priorities under the law, of the Debtor's equity assuming Chapter 7 liquidation. The proceeds generated from a sale in a Chapter 7 proceeding would first be used to pay all expenses of administration in the Chapter 7 and Chapter 11 proceedings before any payment is made on pre-petition priority claims. Based on Exhibit E it appears that the Debtor's equity derived from the liquidation of its assets in a Chapter 7 proceeding would be sufficient to pay a 100% dividend on the alleged unsecured claims.

ARTICLE V **SPECIAL CONSIDERATIONS**

The Plan of Reorganization is being proposed in an attempt to provide the maximum recovery and dividend to creditors on their claims and to allow the continued operation of the Church. As such, the Church has elected to submit this Plan of Reorganization to creditors to allow payments on their claims rather than allow the Church to be liquidated. However, in the event that the Church is unable to refinance its debt with Apex the Church is prepared to lease space from which it can continue its operations.

ARTICLE VI **RISK FACTORS**

As with most religious organizations, the Church receives its income from voluntary contributions from its members, parishioners and visitors. These pledges are made on a monthly basis and while membership has been growing there is no guarantee of continued growth, or insurance that all Offerings, as promised, will be paid. Additionally, Debtor has instituted a Capital Campaign in order to meet capital costs associated with the Plan. While parishioners' initial response to the Capital Campaign has been positive there is no guarantee of future pledges. Additionally, projections of revenue from operations, as set forth in Exhibits B-1, B-2, C and D result from estimates of the Debtor's future revenues received. The projections of revenue are also subject to a degree of error due to the Debtor relying on historical costs of operations for future projections.

While proponents of the Plan of Reorganization have attempted to be accurate and realistic in making the projections contained herein, there may be variables that exist other than those set out in the Risk Factors stated herein (such as market conditions, expenses, and interest rates) which make these projections subject to a certain amount of speculation, and therefore, subject to a degree of error.

While future economic trends cannot be predicted, it is believed that the Plan will afford the secured and unsecured creditors an opportunity of realizing the maximum amount of money on their claims in the shortest period of time.

ARTICLE VII
CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that classes are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. *What Is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was August 30, 2018.

2. *What Is an Impaired Claim or Impaired Equity Interest?*

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is impaired under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. *Who is Not Entitled to Vote*

The holders of the following six types of claims and equity interests are not entitled to vote:

- Holders of claims and equity interests that have been disallowed by an order of the Court;
- Holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests” (as discussed above), unless they have been “allowed” for voting purposes;
- Holders of claims or equity interests in unimpaired classes;
- Holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code;
- Holders of claims or equity interests in classes that do not receive or retain any value under the Plan; and
- Administrative expenses.

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan [and to the Adequacy of the Disclosure Statement].

4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless: (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by a cram down on non-accepting classes, as discussed later in Section B.2.

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. *Treatment of Nonaccepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a cramdown plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not discriminate unfairly, and is fair and equitable toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a cramdown confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

C. **Feasibility**

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

1. *Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date.

2. *Ability to Make Future Plan Payments And Operate Without Further Reorganization*

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent has provided projected financial information. Those projections are listed in Exhibits B-1, B-2, C and D.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

ARTICLE VIII
EFFECT OF CONFIRMATION OF PLAN

A. Discharge of Debtor

On the Effective Date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the Effective Date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

B. Modification of Plan

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

C. Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rule of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT IS OFFERED AS A WARRANTY OR GUARANTEE BY THE DEBTOR OF ANY OPTIONS CONTAINED HEREIN, AND SHOULD NOT BE RELIED UPON AS SUCH BY CREDITORS OR OTHER INTERESTED PARTIES IN EVALUATING THIS MODIFIED PLAN.

RESPECTFULLY SUBMITTED, this 3rd day of December, 2018.

GREATER CLEVELAND AVENUE CHRISTIAN CHURCH

By: *s/ Bishop Sheldon McCarter*
Bishop Sheldon McCarter

s/ Samantha K. Brumbaugh
Samantha K. Brumbaugh
Attorney for the Debtor-in-Possession
North Carolina State Bar No. 32379
Ivey, McClellan, Gatton & Siegmund, LLP
Post Office Box 3324
Greensboro, North Carolina 27402
Telephone: (336) 274-4658
Facsimile: (336) 274-4540

Greater Cleveland Avenue Christian Church

Exhibit A

Cash Basis

Results April - October 2018

	<u>April 20-30</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>
Non-Fixed Costs							
Advertising	0.00	0.00	500.00	1,548.00	500.00	500.00	0.00
Church Supplies	307.30	253.20	373.97	304.15	492.03	0.00	447.92
Contributions	0.00	0.00	0.00	4,000.00	0.00	0.00	0.00
Honariums	5,330.52	4,759.41	2,470.70	7,250.00	2,000.00	700.00	4,500.00
Florist	0.00	0.00	109.00	0.00	0.00	1,850.00	0.00
Hotel	413.07	269.22	0.00	2,836.69	1,038.26	0.00	312.00
Laundry	0.00	0.00	0.00	112.50	0.00	94.00	0.00
Main/Repairs	2,247.13	1,157.84	96.88	4,509.84	7,781.44	5,447.24	2,537.23
Meals/Entertain	0.00	76.22	809.95	387.59	206.95	222.74	148.38
Membership	0.00	0.00	0.00	0.00	0.00	100.00	0.00
Mission Exp	736.00	150.00	4,510.00	0.00	1,000.00	76.67	160.00
Office Exp	0.00	0.00	0.00	0.00	0.00	0.00	312.33
Postage	184.23	29.20	44.15	36.00	49.40	14.20	0.00
Printing	0.00	0.00	0.00	82.14	0.00	0.00	0.00
Rental	106.75	0.00	470.00	0.00	0.00	0.00	0.00
Travel		1,642.80	880.50	1,892.90	398.51	3,345.81	7,008.47
Ministry	268.29	2,651.83	1,044.36	2,267.72	200.00	855.00	1,475.00
Gift	0.00	57.00	0.00	47.94	3,000.00	0.00	0.00
Catering	600.00	0.00	0.00	0.00	2,000.00	3,871.25	640.00
Janatorial Supplies	266.42	0.00	0.00	0.00	0.00	149.92	222.44
Bank Fees	16.00	1,705.49	288.55	466.50	342.80	120.00	271.04
Love Offerings	0.00	0.00	1,539.67	0.00	0.00	0.00	0.00
Bankruptcy Court Fees	0.00	0.00	0.00	0.00	1,625.00	0.00	1,950.00
Medical	0.00	0.00	0.00	700.00	0.00	0.00	0.00
Apex Payment	0.00	0.00	0.00	10,000.00	0.00	25,000.00	15,000.00
CC Payments							
Sams	117.00	0.00	0.00	0.00	0.00	0.00	0.00
Office Depot	152.99	0.00	0.00	0.00	0.00	0.00	0.00
BB&T	173.01	0.00	0.00	0.00	0.00	0.00	0.00
HP Property							
Rental	2,000.00	2,000.00	0.00	0.00	0.00	0.00	0.00
PNG	441.51	864.33	0.00	0.00	0.00	0.00	0.00
Love Offerings	0.00	2,830.01	0.00	0.00	0.00	0.00	0.00
Total Expenses	31,616.29	69,920.98	69,721.12	86,969.68	71,116.09	87,592.97	76,198.53
Net Cash Flow	2,544.16	22,213.99	623.78	4,634.57	4,187.04	(33,965.09)	9,965.74

Greater Cleveland Avenue Christian Church
Forecast Feb 2019 - Jan 2020

Exhibit B-1
With Refinancing

	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan
Bank Card - Merch	80	80	80	80	80	80	80	80	80	80	80	80
Carolina Alarm	0	90	0	0	90	0	0	90	0	0	90	0
L Williams Media	500	500	500	500	500	500	500	500	500	500	500	500
Non-Fixed Costs												
Advertising	700	700	700	700	700	700	700	700	700	700	700	700
Church Supplies	450	450	450	450	450	450	450	450	450	450	450	450
Honariums	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Florist	100	100	100	100	100	100	100	100	100	100	100	100
Hotel	500	500	500	500	500	3,000	500	500	500	500	500	500
Laundry	100	100	100	100	100	100	100	100	100	100	100	100
Main/Repairs	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Meals/Entertain	350	350	350	350	350	350	350	350	350	350	350	350
Mission Exp	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Office Exp	100	100	100	100	100	100	100	100	100	100	100	100
Postage	50	50	50	50	50	50	50	50	50	50	50	50
Rental	100	100	100	100	100	100	100	100	100	100	100	100
Travel	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Ministry	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Catering	500	500	500	500	500	500	500	500	500	500	500	500
Janatorial Supplies	100	100	100	100	100	100	100	100	100	100	100	100
Bank Fees	50	50	50	50	50	50	50	50	50	50	50	50
Total Expenses	64,420	65,510	64,470	65,420	65,010	68,620	64,920	66,210	64,220	65,420	64,510	65,620
Available Cash for Plan	32,080	25,990	24,030	31,080	23,490	19,880	23,580	22,290	37,280	26,080	26,990	30,880
Admin Expense	27,500	0	0	0	0	0	0	0	0	0	0	0
Mtg Payment 1	13,000	13,000	13,000	21,954	21,954	21,954	21,954	21,954	21,954	21,954	21,954	21,954
IRS	0	0	2,746	0	0	2,746	0	0	2,746	0	0	2,746
NCDOR	0	0	0	0	0	0	0	0	0	0	0	0
De Lage	0	0	10,000	0	0	0	0	0	0	0	0	0
Unsecured Plan PMT	0	0	3,989	0	0	3,989	0	0	3,989	0	0	3,989
Bankruptcy Court Fees	0	0	1,950	0	0	0	0	0	0	0	0	0
Beginning Cash 2	95,000	86,580	99,570	91,915	101,041	102,577	93,768	95,394	95,730	104,321	108,447	113,483
Ending Cash	86,580	99,570	91,915	101,041	102,577	93,768	95,394	95,730	104,321	108,447	113,483	115,674

1 Assumes \$3,300,000 amortized over 30 years at 7% interest.

2 Includes \$55,000 of funds held in Trust by the Debtor's attorney.

Greater Cleveland Avenue Christian Church
Forecast Feb 2019 - Jan 2020

Exhibit B-2
Leasing Property

	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan
Bank Card - Merch	80	80	80	80	80	80	80	80	80	80	80	80
Carolina Alarm	0	90	0	0	90	0	0	90	0	0	90	0
L Williams Media	500	500	500	500	500	500	500	500	500	500	500	500
Non-Fixed Costs												
Advertising	700	700	700	700	700	700	700	700	700	700	700	700
Church Supplies	450	450	450	450	450	450	450	450	450	450	450	450
Honariums	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Florist	100	100	100	100	100	100	100	100	100	100	100	100
Hotel	500	500	500	500	500	3,000	500	500	500	500	500	500
Laundry	100	100	100	100	100	100	100	100	100	100	100	100
Main/Repairs	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Meals/Entertain	350	350	350	350	350	350	350	350	350	350	350	350
Mission Exp	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Office Exp	100	100	100	100	100	100	100	100	100	100	100	100
Postage	50	50	50	50	50	50	50	50	50	50	50	50
Rental	100	100	100	100	100	100	100	100	100	100	100	100
Travel	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Ministry	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Catering	500	500	500	500	500	500	500	500	500	500	500	500
Janatorial Supplies	100	100	100	100	100	100	100	100	100	100	100	100
Bank Fees	50	50	50	50	50	50	50	50	50	50	50	50
Total Expenses	65,620	65,510	65,670	65,420	66,210	68,620	66,120	66,210	65,420	65,420	65,710	65,620
Available Cash for Plan	30,880	25,990	22,830	31,080	22,290	19,880	22,380	22,290	36,080	26,080	25,790	15,880
Admin Expense	27,500	0	0	0	0	0	0	0	0	0	0	0
Lease Payment	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Moving Costs	0	0	25,000	25,000	0	0	0	0	0	0	0	0
IRS	0	0	2,746	0	0	2,746	0	0	2,746	0	0	2,746
NCDOR	0	0	0	0	0	0	0	0	0	0	0	0
DeLage	0	0	10,000	0	0	0	0	0	0	0	0	0
Unsecured Plan PMT	0	0	3,989	0	0	3,989	0	0	3,989	0	0	3,989
Bankruptcy Court Fees	0	0	1,950	0	0	0	0	0	0	0	0	0
Beginning Cash 1	95,000	85,380	98,370	64,515	57,595	66,885	67,030	76,410	85,700	102,045	115,125	127,915
Ending Cash	85,380	98,370	64,515	57,595	66,885	67,030	76,410	85,700	102,045	115,125	127,915	124,060

1 Includes \$55,00 of funds held in Trust by the Debtor's attorney.

Exhibit C

Greater Cleveland Avenue Christian Church

Assumes Refinancing

Five Year Forecast

	2019	2020	2021	2022	2023
Income					
Tithes/ Offerings	910,000	955,500	1,003,275	1,053,439	1,106,111
Love Offerings	18,000	18,900	19,845	20,837	21,879
Capital Campaign 1	180,000	180,000	180,000	180,000	180,000
Total Income	1,108,000	1,154,400	1,203,120	1,254,276	1,307,990
Expenses					
Utilities					
Power	49,000	51,450	54,023	56,724	59,560
Phone	18,000	18,900	19,845	20,837	21,879
Water	7,200	7,560	7,938	8,335	8,752
Internet	5,184	5,443	5,715	6,001	6,301
Trash	4,536	4,763	5,001	5,251	5,514
Natural Gas	1,200	1,260	1,323	1,389	1,459
Insurance					
Vehicle	5,400	5,670	5,954	6,251	6,564
Property	14,820	15,561	16,339	17,156	18,014
Payroll/Benefits					
1099 EE's	180,000	189,000	198,450	208,373	218,791
Salary	72,000	75,600	79,380	83,349	87,516
Taxes	66,000	69,300	72,765	76,403	80,223
Love Offerings	18,000	18,900	19,845	20,837	21,879
Housing Allowance	52,620	55,251	58,014	60,914	63,960
Car Allowance	22,260	23,373	24,542	25,769	27,057
Health Insurance	33,540	35,217	36,978	38,827	40,768
Dental Insurance	2,328	2,444	2,567	2,695	2,830
Leases					
US Bank / Delong	8,700	9,135	9,592	10,071	10,575
Canteen	1,260	1,323	1,389	1,459	1,532
Apple Financial	3,912	4,108	4,313	4,529	4,755
NEC Financial	1,740	1,827	1,918	2,014	2,115
Pitney Bowes	2,400	2,520	2,646	2,778	2,917
Other Fixed Costs					
NewTek Tech	1,020	1,071	1,125	1,181	1,240
TruGodTV	600	630	662	695	729
Post Office Box-rental	250	263	276	289	304
BMC Financial	3,000	3,150	3,308	3,473	3,647
Chitwood & Chitwood	4,800	5,040	5,292	5,557	5,834
Digital	7,560	7,938	8,335	8,752	9,189
Bank Card - Merch	960	1,008	1,058	1,111	1,167
Carolina Alarm	360	378	397	417	438
L Williams Media	6,000	6,300	6,615	6,946	7,293
Non-Fixed Costs					

Exhibit C

Greater Cleveland Avenue Christian Church

Assumes Refinancing

Five Year Forecast

	2019	2020	2021	2022	2023
Advertising	8,400	8,820	9,261	9,724	10,210
Church Supplies	5,400	5,670	5,954	6,251	6,564
Honariums	48,000	50,400	52,920	55,566	58,344
Florist	1,200	1,260	1,323	1,389	1,459
Hotel	8,500	8,925	9,371	9,840	10,332
Laundry	1,200	1,260	1,323	1,389	1,459
Main/Repairs	48,000	50,400	52,920	55,566	58,344
Meals/Entertain	4,200	4,410	4,631	4,862	5,105
Mission Exp	12,000	12,600	13,230	13,892	14,586
Office Exp	1,200	1,260	1,323	1,389	1,459
Postage	600	630	662	695	729
Rental	1,200	1,260	1,323	1,389	1,459
Travel	24,000	25,200	26,460	27,783	29,172
Ministry	18,000	18,900	19,845	20,837	21,879
Catering	6,000	6,300	6,615	6,946	7,293
Janatorial Supplies	1,200	1,260	1,323	1,389	1,459
Bank Fees	600	630	662	695	729
Total Expenses	784,350	823,568	864,746	907,983	953,382
Available Cash for Plan	323,650	330,833	338,374	346,293	354,607
Administrative Expense	27,500	0	0	0	0
Mortgage Payment	263,448	263,448	263,448	263,448	263,448
IRS	8,238	10,984	10,984	10,984	2,746
NCDOR	0	0	0	0	0
DeLage	10,000	0	0	0	0
Unsecured Plan PMT	11,966	15,955	15,955	15,955	15,955
Bankruptcy Court Fees	1,950	0	0	0	0
Beginning Cash	95,000	95,548	135,993	183,980	239,885
Ending Cash	95,548	135,993	183,980	239,885	312,344

1 Assumes the Debtor refinances existing Debt and continues Capital Campaign for the foreseeable future.

Payments Under Plan

		Projected <u>Claim</u>	Annual <u>Payment</u>
I	Administrative Claims		0
II	Administrative Operating Expenses	0	0
III	Internal Revenue Service	52,452	10,984
IV	NC Department of Revenue	0	0
V	Forsyth County	0	0
VI	Employment Security Commission	0	0
VII	Tax Claims undr 507(a)(8)	0	0
VIII	Apex Bank	3,300,299	0
IX	De Lage Financial	35,800	0
X	General Unsecured	121,855	15,955
XI	Insider Claims	0	0
XII	Equity Security Holders	0	0

Exhibit E

Greater Cleveland Church
Chpt 7 Liquidation Analysis

Assets

	<u>Value</u>	<u>Lien Holders</u>	<u>Lien Amount</u>	<u>Equity</u>
Real Property	6,267,100	1 Apex Bank	3,300,299	2,966,801
Furniture	207,644			207,644
Vehicles	6,500			6,500
Cash	20,933			20,933
Equipment	154,044			154,044
Misc	12,471			12,471
Total	6,668,692			3,368,393

Chapter 7 Liquidation Analysis

		<u>Claim</u>	<u>Payout</u>	<u>%</u>
Cost of Administration	3	23,330	23,330	100%
I	Administrative Claims	27,500	27,500	100%
II	Administrative Operating Expenses	0	0	0%
III	Internal Revenue Service	52,452	52,452	100%
IV	NC Department of Revenue	0	0	0%
V	Forsyth County	0	0	0%
VI	Employment Security Commission	0	0	0%
VII	Tax Claims undr 507(a)(8)	0	0	0%
VIII	Apex Bank	3,300,299	3,300,299	100%
IX	De Lage Financial	35,800	35,800	100%
X	General Unsecured	121,855	121,855	100%
XI	Insider Claims	0	0	0%
XII	Equity Security Holders	0	0	0%

1 Apex has a lien on the Debtor's real property, furniture and equipment.

The value reflected for the real property is appraised value; however, it is doubtful the real property it would bring this amount at liquidation. The assumption is made that at liquidation the real property would pay Apex in full with no other resulting funds.

2 De Lage holds a judgment lien as against the real property. At liquidation it is assumed that De Lage would not receive funds the sale of the real property and would be a general unsecured creditor.

3 Assumes Trustee has estate of \$401,592 to liquidate.

4 Consists of post-petition, unpaid attorney fees and tax professional fees.