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7 **UNITED STATES BANKRUPTCY COURT**
8 **FOR THE DISTRICT OF NEVADA**

9) Case No.: 18-15993-MKN
10 In re:)
11) Chapter 11
12 SYNTHESIS INDUSTRIAL HOLDINGS 1)
13 LLC,) **Hearing Date:** November 28, 2018
14) **Hearing Time:** 9:30 AM
15) **Location:** 300 Las Vegas Blvd South, 3rd
16) Floor, Courtroom 2, Las Vegas, Nevada
17) **Judge:** Honorable Judge Mike K.
18) Nakagawa
19)
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15 **FIRST DISCLOSURE STATEMENT**

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1 **I. INTRODUCTION**

2 **A. The Plan Generally.**

3 This is the First Disclosure Statement (the “Disclosure Statement”) in the chapter 11 case of
4 SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC (the “Debtor”). This Disclosure Statement contains
5 information about the Debtor and describes its First Plan of Reorganization (the “Plan”) filed by it on
6 October 9, 2018, in accordance with the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.*
(the “Bankruptcy Code”).

7 **YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THE PLAN AND THIS**
8 **DISCLOSURE STATEMENT CAREFULLY AND DISCUSS THEM WITH YOUR**
9 **ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT**
10 **ONE.**

11 **Unless otherwise defined herein, all capitalized terms contained in this Disclosure**
12 **Statement shall have the meanings ascribed to them in the Plan. Headings are for convenience of**
13 **reference and will not affect the meaning or interpretation of the Disclosure Statement.**

14 The Plan sets forth how the Debtor¹ assets and operations will be reorganized and how Claims
15 against the Debtors will be treated if the Plan is confirmed by the Bankruptcy Court and is thereafter
16 consummated. This Disclosure Statement describes certain aspects of the Plan and how it will be
17 implemented if confirmed, the Debtors operations, significant events leading to and occurring during
18 the Chapter 11 Case, and related matters. **FOR A COMPLETE UNDERSTANDING OF THE**
19 **PLAN, YOU SHOULD READ THIS DISCLOSURE STATEMENT AND ALL RELATED**
20 **EXHIBITS AND SCHEDULES IN THEIR ENTIRETY.**

21 Attached to this Disclosure Statement are copies of the following documents:

- 22 • Exhibit A - Liquidation Analysis
- 23 • Exhibit B -- Financial Information
- 24 • Exhibit C – Proposed Distributions
- 25 • Exhibit D – Appraisal of Property and Declaration of Appraiser

26 The Plan is filed contemporaneously herewith.

27 THE DEBTOR BELIEVES THAT THE PLAN COMPLIES WITH ALL PROVISIONS OF THE
28 BANKRUPTCY CODE AND WILL ENABLE THE DEBTOR TO RESTRUCTURE OR
OTHERWISE SATISFY ITS DEBT SUCCESSFULLY AND ACCOMPLISH THE OBJECTIVES
OF CHAPTER 11. THE DEBTOR THEREFORE BELIEVES THAT ACCEPTANCE OF THE

¹ All further references to “debtor” shall include and refer to both of the debtors in a case
filed jointly by two individuals, unless any information is noted as specifically applying to only
one debtor.

1 PLAN IS IN THE BEST INTERESTS OF THE DEBTOR, THE DEBTOR’S ESTATE AND ITS
2 CREDITORS.

3 **B. Purpose, Limitations and Structure of this Disclosure Statement.**

4 This Disclosure Statement describes:

- 5 • The Debtor and the significant events during the bankruptcy case;
- 6 • How the Plan proposes to treat claims of the type you hold (i.e., what you will receive for
7 your claim if the plan is confirmed);
- 8 • Who can vote on or object to the Plan;
- 9 • What factors the Bankruptcy Court (the “**Court**”) will consider when deciding whether to
10 confirm the Plan;
- 11 • Why the Debtor believes the Plan is feasible, and how the treatment of your claim under
12 the Plan compares to what you would receive on your claim in liquidation; and
- 13 • The effect of confirmation of the Plan.

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

15 **C. Summary of Classification and Treatment of Claims and Equity Interests Under the**
16 **Plan.**

17 As described more fully in this Disclosure Statement, the Plan provides for distributions on
18 account of certain Allowed Claims. The Plan distributions will be in various amounts and will take
19 various forms, depending on the classification and treatment of any particular Claim. The following
tables summarize the classification and treatment of Claims under the Plan. For a more detailed
description of the classification and treatment of Claims under the Plan, please see Section V below.

20 THE FOLLOWING CHART IS A SUMMARY OF THE CLASSIFICATION AND
21 TREATMENT OF CLAIMS AND THE POTENTIAL DISTRIBUTIONS UNDER THE PLAN. THE
22 AMOUNTS SET FORTH BELOW ARE ESTIMATES ONLY. ANY ESTIMATES OF CLAIMS OR
23 EQUITY INTERESTS IN THIS DISCLOSURE STATEMENT MAY VARY FROM THE FINAL
24 AMOUNTS ALLOWED BY THE BANKRUPTCY COURT. AS A RESULT OF THE
25 FOREGOING AND OTHER UNCERTAINTIES WHICH ARE INHERENT IN THE ESTIMATES,
26 THE ESTIMATED RECOVERIES IN THIS DISCLOSURE STATEMENT MAY VARY FROM
27 THE ACTUAL RECOVERIES RECEIVED. IN ADDITION, THE ABILITY TO RECEIVE
28 DISTRIBUTIONS UNDER THE PLAN DEPENDS UPON THE ABILITY OF THE PROPONENTS
TO OBTAIN CONFIRMATION OF THE PLAN AND MEET THE CONDITIONS TO
CONFIRMATION AND EFFECTIVENESS OF THE PLAN, AS DISCUSSED IN THIS
DISCLOSURE STATEMENT. THE RECOVERIES SET FORTH BELOW ARE PROJECTED
RECOVERIES ONLY AND MAY CHANGE BASED UPON CHANGES IN THE AMOUNT OF
ALLOWED CLAIMS AS WELL AS OTHER FACTORS RELATED TO THE DEBTOR’S
BUSINESS OPERATIONS AND GENERAL ECONOMIC CONDITIONS. REFERENCE SHOULD

1 BE MADE TO THE ENTIRE DISCLOSURE STATEMENT AND THE PLAN FOR A COMPLETE
2 DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF ALLOWED CLAIMS
3 AGAINST THE DEBTOR.

4 *Summary of Classification and Treatment of Classified Claims*

Class	Claim	Allowed Claim/ Total Claim Amount	Projected Recovery Under the Plan	Status	Voting Rights
1	US Bank, NA, as Trustee for the RMAC Trust, Series 2016-CTT 11604 Azul Celeste Place, Las Vegas, NV 89138	\$242,953.00/ \$242,953.00	100% SOL has run on enforcement of Note has expired. §502(b)(1) last payment made was 3/1/2009	Impaired	Entitled to Vote
2	Nevada Dept. Of Taxation 11604 Azul Celeste Place, Las Vegas, NV 89138	\$0.00/ \$136,849.57	0% Debt is not the debtors'	Impaired	Entitled to Vote
3	Summerlin West Com. Assoc. 11604 Azul Celeste Place, Las Vegas, NV 89138	\$600.00/ \$2,500.00	9 months of dues	Impaired	Entitled to Vote
4	Casa Rosa HOA. 11604 Azul Celeste Place, Las Vegas, NV 89138	\$600.00/ \$2,730.00	9 months of dues	Impaired	Entitled to Vote
5	Homeclub Wholesale, Inc. PMSI - Equipment	\$6,000.00/ \$12,500.00	50%	Impaired	Entitled to Vote
6	GENERAL UNSECURED CLAIM	\$7,000.00/ \$13,380.00	60%	Impaired	Entitled to Vote
7	OLD EQUITY INTEREST	\$0.00/ \$0.00	0%	Unimpaired	Not Entitled to Vote

17 **D. Voting on the Plan.**

18 The Disclosure Statement Order will approve certain procedures governing the solicitation of
19 votes on the Plan from holders of Claims against the Debtors, which procedures are described below.
20 Late filed Proof of Claims are not entitled to Vote or a Distribution. Bankr. Rule 3003.

21 **1. Classes Entitled to Vote**

22 Pursuant to the provisions of the Bankruptcy Code, only holders of claims or interests that are
23 members of a class that (a) is "impaired" within the meaning of section 1124 of the Bankruptcy Code
24 (an "**Impaired Class**") and (b) is not deemed to have rejected the plan under section 1126(g) of the
25 Bankruptcy Code are entitled to vote to accept or reject a plan of reorganization (each, a "**Voting**
26 **Class**"). Classes of claims or interests that are not impaired under Bankruptcy Code section 1124 are
27 conclusively presumed to have accepted the plan and are not entitled to vote to accept or reject the
28 plan. Impaired Classes consisting of members that will receive no recovery under the plan are deemed
to have rejected the plan under Bankruptcy Code section 1126(g) and are not entitled to vote to accept
or reject the plan.

Under the Plan, the Voting Classes are Class is Class 1 - 6.

Under the Plan, the non-voting classes are 7.

1 Las Vegas, NV 89103
2 (702) 686-9297
3 hunterparkerllc@gmail.com

4 TO BE COUNTED, YOUR EXECUTED BALLOT INDICATING ACCEPTANCE OR REJECTION
5 OF THE PLAN MUST BE RECEIVED AT THE ADDRESS ABOVE NO LATER THAN 5:00 P.M.
6 (PREVAILING PACIFIC TIME) ON NOVEMBER 15, 2018 (THE "VOTING DEADLINE"). ANY
7 BALLOT RECEIVED THAT IS NOT EXECUTED, DOES NOT INDICATE EITHER AN
8 ACCEPTANCE OR REJECTION OF THE PLAN, OR INDICATES BOTH ACCEPTANCE AND
9 REJECTION OF THE PLAN WILL BE DISREGARDED. DO NOT RETURN ANY OTHER
10 DOCUMENTS WITH YOUR BALLOT. FACSIMILE BALLOTS WILL BE ACCEPTED.
11 BALLOTS THAT ARE SCANNED AND EMAILED TO THE EMAIL ADDRESS ABOVE WILL
12 ALSO BE ACCEPTED. SEE ORDER CONDITIONALLY APPROVING.

10 **5. Inquiries**

11 If you are a holder of a Claim entitled to vote on the Plan and either did not receive a Ballot,
12 received a damaged Ballot, or lost your Ballot, or if you have questions about the procedures for
13 voting your Claim or about the packet of materials that you received, please contact Andrew J. Van
14 Ness, Esq., 3815 S Jones Blvd, STE 1A, Las Vegas, Nevada 89103, Tel: (702) 686-9297, email:
15 hunterparkerllc@gmail.com.

16 If you wish to obtain additional copies of the Plan, this Disclosure Statement, or the exhibits to
17 those documents, at your own expense unless otherwise specifically required by Bankruptcy Rule
18 3017(d), please contact the Proponents' counsel at the address set forth above.

17 **E. Confirmation Hearing.**

18 Pursuant to Bankruptcy Code section 1128, the Confirmation Hearing will commence on
19 November 28, 2018, beginning at 9:30 a.m. (prevailing Pacific time), before the Honorable Mike K.
20 Nakagawa, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of
21 Nevada, Courtroom 2, 300 Las Vegas Blvd South, Las Vegas, Nevada 89101. The Bankruptcy Court
22 has directed that objections, if any, to confirmation of the Plan be served and filed so that they are
23 received on or before November 15, 2018 at 5:00 p.m. (prevailing Pacific time). Pursuant to Local
24 Rule 3019, the Bankruptcy Court may consider modifications to the Plan at the Confirmation Hearing.
25 The Confirmation Hearing may be adjourned from time to time without further notice except for the
26 announcement of the adjournment date made at the Confirmation Hearing or at any subsequent
27 adjourned Confirmation Hearing. Subsequent to the Confirmation Hearing, the Bankruptcy Court may
28 issue an Order confirming the Plan (the "Confirmation Order"). The Combined hearing may be
continued from time to time without notice.

25 **F. Overview of Chapter 11 Process**

26 Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under
27 chapter 11 of the Bankruptcy Code, a debtor is authorized to reorganize its business for the benefit of
28 itself, its creditors, and its equity interest holders. In addition to permitting rehabilitation of a debtor,
another goal of chapter 11 is to promote equality of treatment for similarly situated creditors and
similarly situated equity interest holders with respect to the distribution of the debtor(s) assets.

1
2 The commencement of a chapter 11 case creates an estate that is comprised of all of the legal
3 and equitable interests of the debtor in property as of the Petition Date. The Bankruptcy Code provides
4 that a debtor may continue to operate its business and remain in possession of its property as a “debtor
5 in possession.”

6 The consummation of a plan of reorganization is the principal objective of a chapter 11
7 reorganization case. A plan of reorganization sets forth the terms for satisfying claims against the
8 debtors. Upon confirmation of a plan of reorganization, it is binding on the debtors and any creditor of
9 the debtor. Subject to certain limited exceptions, the confirmation order discharges the debtors from
10 any debts that arose prior to the date of confirmation of the plan and substitutes therefore the
11 obligations specified under the confirmed plan, except for debts that are not dischargeable under § 523
12 of the Bankruptcy Code.

13 After a chapter 11 plan has been filed, holders of certain claims against and equity interests in
14 a debtor are permitted to vote to accept or reject such plan. Before soliciting acceptances of the
15 proposed plan, however, a debtor is required under section 1125 of the Bankruptcy Code to prepare a
16 disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a
17 hypothetical reasonable investor to make an informed judgment about the plan.

18 The Proponents are submitting this Disclosure Statement to holders of Claims against the
19 Debtor to satisfy the requirements of section 1125 of the Bankruptcy Code. This Disclosure Statement
20 sets forth specific information regarding the pre-bankruptcy history of the Debtor, the nature and
21 progress of the Chapter 11 Cases, and the anticipated organizational and capital structure and
22 operations of the Reorganized Debtor after confirmation of the Plan and emergence from chapter 11.
23 This Disclosure Statement also describes the Plan, alternatives to the Plan, effects of confirmation of
24 the Plan, certain risk factors associated with the debt and equity securities that will be issued to
25 holders of certain Classes of Claims, and the manner in which distributions will be made under the
26 Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting
27 procedures that holders of Claims entitled to vote must follow in order for their votes to be counted.

19 **II. GENERAL INFORMATION ABOUT THE DEBTOR**

20 **A. Description and History of the Debtors Business.**

21 **1. Operations**

22 The Debtor’s current property portfolio consists of one property and all improvements thereto
23 located at 11604 Azul Celeste Place, Las Vegas, Nevada 89138.

24 The Debtor was formed on September 15, 2017 for the purpose of acquiring distressed
25 property with what appears to be unenforceable liens on the basis of the statute of limitations running.

26 The Debtor has only operated this property for one month before a squatter commandeered the
27 property and the Debtor has had a difficult time in removing from the premises. The Debtor has
28 limited operating history, however, the operations of the Debtor are not complex as the only asset is a
rental property that will generate approximately \$1,725 - \$2,200.00 per month.

1 **2. The Debtor's Capital Structure**

2 The Debtor is a Nevada LLC with two-members, which membership interest is held
3 individually by Christopher Craig and Mickey Griffin. The Debtor operates its rental property
4 business as a partnership. As of the Petition Date, there were four liens on this property, which all are
5 underwater. And the Debtor owes a debt of \$12,500.00, which was for air conditioning units and pool
6 equipment. The Debtor is not responsible per se on the liens, however, as a result of the grant deed,
7 the debtor takes the property subject to existing liens and encumbrances. The first trust deed is
8 believed to be unenforceable and underwater and the tax lien of \$136,849 is owed by a non-debtor
9 party, which is also underwater.

7 **Events Leading to the Debtors Bankruptcy**

8 The Debtor purchased the property subject to existing valid liens and encumbrances September
9 18, 2017. The Debtor made attempts to try to negotiate a short sale with no progress. The sole reason
10 for this case is to strip off wholly unsecured liens, and time barred, unenforceable first trust deed that
11 has not been paid in over 9 years and a tax lien that is not owed by the Debtor. These liens impair the
12 Debtor's ability to operate its rental property business and create uncertainty. Additionally, because
13 the Debtor is not liable for any debt, the Debtor is unable to speak with the First Trust Deed Holder
14 because it does not have previous borrower authorization. This filing will bring resolution, so the
15 Debtor can make payments and move on in its rental business.

13 **III. EVENTS DURING THE CHAPTER 11 CASE**

14 **A. Commencement of Chapter 11 Case.**

15 On October 5, 2018 (the "*Petition Date*") the Debtor filed a voluntary petition for relief under
16 chapter 11 of the Bankruptcy Code. The Debtor continues to operate its businesses and manage its
17 properties as Debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

18 **B. First Day Motions.**

19 On October 8, 2018, [ECF No. 5] the Debtor filed its Application to Employ Andrew J. Van
20 Ness of Hunter Parker LLC as its attorney. A hearing is set for November 7, 2018 at 9:30 AM.

21 **C. Budget and Cash Collateral Orders.**

22 None as of this date.

23 **D. Valuation of Properties.**

24 The Debtor's Plan will value the collateral as of the Plan confirmation date and treat all liens
25 and encumbrances in accordance with the Plan pursuant to § 506(a), as of the effective date of the
26 Plan.
27
28

1 **E. Other Events.**

2 The Debtor filed its First Disclosure Statement and Plan of Reorganization on November 11,
3 2017, which seeks conditional approval and a combined final hearing for final approval on November
4 28, 2018 at 9:30 AM.

5 The Debtor after conditional approval may stipulate with impaired creditors for treatment in
6 the Plan, which may be amended from time to time to reflect treatment of those creditors claims.

7 **IV. BAR DATE AND SCHEDULES**

8 **1. Schedules and Statements**

9 On October 5, 2018, the Debtor filed its schedules and statements of financial affairs.
(collectively, the “*Schedules*”).

10 **2. Bar Date**

11 On October 5, 2018, the Bankruptcy Court set February 6, 2019, as the date by which all
12 creditors (except governmental units) must file proofs of claim asserting claims against the Debtor,
13 and April 3, 2019, as the deadline for governmental units to file proofs of claim asserting claims
against the Debtor. These dates are defined as the “Bar Date” in the Plan. *See* ECF No. 3.

14 **V. THE PLAN**

15 **A. Administrative Claims and Priority Tax Claims.**

16 In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and
17 Priority Tax Claims are not placed in Classes under the Plan.

18 **1. Administrative Claims**

19 Administrative Claims are costs or expenses of administering the Debtors Chapter 11 case
20 which are allowed under section 507(a)(2) of the Bankruptcy Code. Administrative expenses also
21 include the value of any goods or services sold to the Debtors in the ordinary course of business. The
Bankruptcy Code requires that all administrative expenses be paid on the effective date of the Plan,
unless a particular claimant agrees to a different treatment.

22 (A) Professional Fee Claims and US Trustee Fees

23 All Professional Fee Claims shall be fully and completely satisfied solely from the DIP
24 account funds, or pursuant such other terms as the Holder of such claim may agree. Upon receipt by
25 all Professionals of their respective payments from the DIP account any and all Professional Fee
26 Claims are hereby deemed fully satisfied, released, and discharged as to the Debtor and Reorganized
27 Debtor. Notwithstanding anything contrary in the Plan, the outstanding professional fee claim is
estimated to be \$10,000.00, and expenses are estimated to be \$500.00 for postage, which will affect
distributions to unsecured creditors.

28 1. the Debtor shall pay, or cause to be paid, all accrued US Trustee Fees on or before the

1 Effective Date of the Plan; and following the Effective Date, the Reorganized Debtor
2 shall be responsible for timely payment of all US Trustee Fees until such time as the
3 Final Decrees closing this Chapter 11 Case are entered and all US Trustee Fees due are
4 paid in full.

- 5 2. the Debtor or Reorganized Debtor (as applicable) shall File with the Bankruptcy Court
6 and serve on the United States Trustee a quarterly financial report for each quarter (or
7 portion thereof) that the Chapter 11 Case remains open in such format as reasonably
8 may be required by the United States Trustee. Upon the filing of a Final Decree no
9 such reports shall futher be due.

8 **2. Priority/Secured Tax Claims**

9 ***Priority Tax Claims.*** The Debtor does not have any priority tax claims known against it.

10 Notwithstanding anything to the contrary in the Plan or in the Order confirming the Plan, a
11 governmental unit shall not be required to a file a request for payment of an expense described in
12 Bankruptcy Code § 503(b)(1)(B) or (C) as a condition of its being an allowed administrative expense,
13 and Debtor shall pay in full all such allowed administrative expenses, including any interest thereon,
14 when due.

13 **B. Classification and Treatment of Holders of Claims and Interest.**

14 One of the key concepts under the Bankruptcy Code is that only claims that are “allowed” may
15 receive distributions under a chapter 11 plan. In general, an “allowed” claim or simply means that the
16 debtor agrees, or in the event of a dispute, that the Bankruptcy Court or other court of appropriate
17 jurisdiction determines, that the claim, and the amount thereof, is in fact a valid obligation of the
18 debtor.

19 The Bankruptcy Code requires that, for purposes of treatment and voting, a chapter 11 plan
20 divides the different claims against the debtor into separate classes based upon their legal nature.
21 Claims of a substantially similar legal nature are usually classified together. If a class of claims or
22 interests is “impaired,” the Bankruptcy Code affords certain rights to holders of such claims or
23 interests, including the right to vote on the plan. Under section 1124 of the Bankruptcy Code, a class
24 of claims or interests is “impaired” unless the plan (i) does not alter the legal, equitable and
25 contractual rights of the holders or (ii) irrespective of the holders’ acceleration rights, cures all defaults
26 (other than those arising from the debtor’s insolvency, the commencement of the case or
27 nonperformance of a nonmonetary obligation), reinstates the maturity of the claims or interests in the
28 class, grants such holder a claim for damages incurred, and does not otherwise alter the holders’ legal,
equitable and contractual rights.

25 The categories of Claims listed below classify Claims for all purposes, including, without
26 limitation, voting, confirmation and distribution pursuant hereto and pursuant to Bankruptcy Code
27 sections 1122 and 1123(a)(1). The Plan deems a Claim to be classified in a particular Class only to the
28 extent that the Claim qualifies within the description of that Class and shall be deemed classified in a
different Class to the extent that any remainder of such Claim qualifies within the description of such
different Class. A Claim is in a particular Class only to the extent that any such Claim is allowed in

1 that Class and has not been paid, released or otherwise settled prior to the Effective Date. If there are
2 no Claims in a particular Class, then such Class of Claims shall not exist for all purposes of the Plan.

3 **1. Claims Against the Debtor and Debtor's Property**

4 **Class 1. Impaired.**

5 This Class 1 claim consists of an unenforceable Secured Claim in favor of US Bank, NA, as
6 Trustee for the RMAC Trust, Series 2016-CTT against the Debtor's rental property located at 11604
7 Azul Celeste Place, Las Vegas, Nevada 89138; APN: 137-35-416-061, which is secured by a First
Deed of Trust recorded on May 3, 2007 as instrument number 20070503-0003454.

8 (a) On the Effective Date, the Loan Documents shall remain in full force and effect, save and
9 except that: (i) without any further action by Debtor, Reorganized Debtor, or Secured Lender, all of
10 the Loan Documents shall be deemed to have been amended as follows; which will be effective on the
Effective Date and will generally incorporate the terms of the Secured Note as modified as follows:

11 (b) *Principal Balance.* The principal balance of the Class 1 claim shall be the Allowed Secured
12 Lender Claim in the amount that is the value, which is \$242,953.00. Based upon past recorded Notices
of Default from 2009 and 2010, the last payment was March 1, 2009, which renders under NRS
13 11.190(1)(b) an instrument in writing unenforceable. 11 U.S.C. § 502(b)(1). Thus, if there is no
objection by the Class 1 creditor the Allowed Secured claim will be \$50,000.00.

14 (c) *Lien.* From and after the Confirmation Date, the Holder of the Class 1 Claim shall retain its
15 Lien in the Collateral consistent with the applicable Loan Documents until the Class 1 claim is repaid
in accordance with the Plan.

16 (d) *Post-Effective Date Interest Rate.* Interest shall accrue on the Class 1 Holders Claim at an
17 interest rate of 4.00% per annum based upon a new thirty (30) year amortization schedule.

18 (e) *Monthly Payments.*

19 (i) Beginning on January 1, 2019, and on the first day of each subsequent month until
20 paid. Payments of principal and interest on the Class 1 claim shall be delivered to lender in the
amount of \$1,160.00 per month until paid. If the Class 1 creditor does not object payments will
21 be \$239.00 per month of principal and interest until paid.

22 (f) *Maturity Date.* The unpaid balance of the Class 1 claim shall be due and payable on or
23 before May 3, 2037.

24 (g) *Prepayment.* There shall be no penalty for prepayment for all or part of the Class 1 claim
25 prior to the Maturity Date.

26 (h) *Property Taxes & Insurance.* In addition to the monthly principal and interest payment the
27 Debtor shall be responsible for maintaining and paying taxes and insurance on the subject property.
The Debtor rejects and shall not be responsible for any further mortgage insurance, if applicable. The
28 debtor shall be responsible for any post-petition advances for property taxes and insurance and shall
cure such amounts within 12 months after confirmation of the Debtor's Chapter 11 Plan.

1 (i) *Refinancing and Sale Options.* Prior to the Maturity Date, Reorganized Debtor shall have
2 the absolute right to act as follows:

3 (i) Refinance; provided, however, that the proceeds of such refinancing loan are
4 sufficient to pay the amount of the claim in paragraph (b) above, and are utilized to pay, all
5 sums due and owing under the Class 1 claim at the time of closing of such refinancing minus
any payments made, unless Secured Lender otherwise agrees; or

6 (ii) Sell the Real Property free and clear of Secured Lender's Liens; provided, however,
7 that the proceeds of such sale are sufficient at the time of closing of such sale to pay, and are
8 utilized to pay, all sums due and owing under the Class 1 claim in paragraph (b) minus any
9 payments made, unless Secured Lender otherwise agrees. The Debtor may sell this property at
any time after the confirmation order is entered, without approval from the Court. The Debtor
may owner carry or finance at its discretion.

10 (j) *Default.* On the Effective Date, Payments are due on the first (1st) day of each month and
are delinquent after the fifteenth (15th) day of each month.

11 (k) *Valuation.* The Class 1 Secured Claim shall be revalued on the effective date of this Plan,
12 pursuant to sections 1123 and 506 of the Bankruptcy Code, in accordance with the valuation of such
13 property as set forth on paragraph (b) above of this Plan. The confirmation order approving the plan
14 shall set forth the values of each secured creditors lien claims as of the effective date of the Plan. The
15 value of this property is \$242,953.00. See attached appraisal. Based upon past recorded Notices of
Default from 2009 and 2010, the last payment was March 1, 2009, which renders under NRS
11.190(1)(b) an instrument in writing unenforceable. 11 U.S.C. § 502(b)(1). Thus, if there is no
16 objection by the Class 1 creditor the Allowed Secured claim shall be \$50,000.00.

17 (l) *Unsecured Portion of the Claim:* Any amount of a Class 1 claim that is deemed to be
18 unsecured in accordance with paragraph (b) above shall be afforded the treatment set forth in Class 6
19 below. Class 1 shall have an unsecured claim of \$0.00. Based upon past recorded Notices of Default
from 2009 and 2010, the last payment was March 1, 2009, which renders under NRS 11.190(1)(b) an
instrument in writing unenforceable. 11 U.S.C. § 502(b)(1).

20 If an 1111(b) election is made by Creditor, Debtor will tender the allowed amount of the claim
21 at 0.00% interest in equal installments over 360 months.

22 Any Adequate Protection payments paid by the Debtor towards the Class 1 Claim will reduce
23 the allowed amount of the claim dollar for dollar against the Principal amount of the stipulated value
in paragraph (b) above.

24 ***Impairment and Voting:*** Class 1 is impaired. Holders of the Class 1 claim is entitled to vote to accept
25 or reject this Plan.

26 **Class 2. Impaired.**

27 This Class 2 claim consists of a wholly unsecured Claim in Nevada Department of Taxation,
28 Acct# 1014521378 against the Debtor's rental property located at 11604 Azul Celeste Place, Las
Vegas, Nevada 89138; APN: 137-35-416-061, which are secured by wholly unsecured Tax Liens

1 recorded on December 1, 2014 as instrument number 20141201-0001108, and on July 11, 2017, as
2 instrument number 20170711-0001175.

3 (a) On the Effective Date, the liens shall not remain or have any force or effect against the
4 debtor's property.

5 (b) *Principal Balance.* The principal balance of the Class 2 claim shall be the Allowed Claim
6 in the amount of \$0.00.

7 (c) *Lien.* From and after the Confirmation Date, the Holder of the Class 2 wholly unsecured
8 Claim shall be fully released. Recording of the Confirmation Order shall suffice to release the Tax
9 Liens in the real property records of Clark County, Nevada recorded on December 1, 2014 as
10 instrument number 20141201-0001108, and on July 11, 2017, as instrument number 20170711-
11 0001175.

12 (d) *Post-Effective Date Interest Rate.* Interest shall accrue on the Class 2 Holders Claim at an
13 interest rate of 0.00%.

14 (e) *Valuation.* The Class 2 Secured Claim shall be revalued on the effective date of this Plan,
15 pursuant to sections 1123 and 506 of the Bankruptcy Code, in accordance with the valuation of such
16 property as set forth in Class 1 of this Plan. The confirmation order approving the plan shall set forth
17 the values of each secured creditors wholly unsecured junior lien claims as of the effective date of the
18 Plan. The value of this property is \$242,953.00. See attached appraisal.

19 (f) *Unsecured Portion of the Claim:* Any amount of a Class 2 wholly unsecured claim that is
20 deemed to be unsecured in accordance with Class 1 above. The unsecured portion of this claim may be
21 treated in Class 6 below. Recording of the Confirmation Order shall suffice to release the tax liens in
22 the real property records of Clark County, Nevada recorded on December 1, 2014 as instrument
23 number 20141201-0001108, and on July 11, 2017, as instrument number 20170711-0001175. This
24 claim is not enforceable against the Debtor because the Debtor is not responsible for this claim.

25 ***Impairment and Voting:*** Class 2 is impaired. Holders of the Class 2 claim are entitled to vote to
26 accept or reject this Plan.

27 **Class 3. Impaired.**

28 This Class 3 claim consist of a Super-Priority Secured Claim in favor of *Summerlin West
Community Association*, (HOA Lien) against the Debtor's rental property located at 11604 Azul
Celeste Place, Las Vegas, Nevada 89138; APN: 137-35-416-061, which is secured by a super-priority
lien consisting of the last Nine (9) Months of HOA Dues as well as any "maintenance or nuisance-
abatement charges.

(a) On the Effective Date, the Lien as Instrument Number 201712190000297 shall be treated
as a partially secured and the partially unsecured claim shall be reclassified to a General Unsecured
Claim in Class 6 pursuant to sections 1123 and 506 of the Bankruptcy Code.

(b) *Valuation.* The Class 3 Secured Claim shall be revalued on the effective date of this Plan,
pursuant to sections 1123 and 506 of the Bankruptcy Code, in accordance with the valuation of such

1 property as set forth in Class 1 above of this Plan. The confirmation order approving the plan shall set
2 forth the values of each secured creditors lien claims as of the effective date of the Plan.

3 (c) *Unsecured Portion of the Claim*: Any amount of a Class 3 claim that is deemed to be
4 unsecured in accordance with Class 1 above shall be afforded the treatment set forth in Class 6 below.
This amount of the unsecured claim is \$1,900.00.

5 (d) *Principal Balance*. The principal balance of the Class 3 claim shall be the Allowed Secured
6 Claim consisting of the last nine months of the HOA dues in the estimated amount of \$600.00 (\$66.66
7 x 9 months). The Debtor shall pay the allowed claim no later than 90 days after the entry of the
confirmation order. Or such other amount as the court may determine.

8 (e) *Lien and Lien Release*. From and after the Confirmation Date, the Holder of the Class 3
9 Claim shall retain its Lien until it has received payment of \$600.00 or the last nine months of dues.
10 Upon the recording of the Order Confirming the Debtor's Plan shall be sufficient to release the HOA
Lien filed in the Office of the Clark County Recorder on December 19, 2017, Instrument Number
20171219-0000297 from the Debtor's property and no further action is needed by the HOA.

11 ***Impairment and Voting***: Class 3 is impaired. Holders of the Class 3 claim are entitled to vote to
12 accept or reject this Plan.

13 **Class 4. Impaired.**

14 This Class 4 claim consist of a Super-Priority Secured Claim in favor of *Casa Rosa*
15 *Homeowners Association*, (HOA Lien) against the Debtor's rental property located at 11604 Azul
16 Celeste Place, Las Vegas, Nevada 89138; APN: 137-35-416-061, which is secured by a super-priority
17 lien consisting of the last Nine (9) Months of HOA Dues as well as any "maintenance or nuisance-
abatement charges.

18 (a) On the Effective Date, the Lien as Instrument Number 20171026-0000894 shall be treated
19 as a partially secured and the partially unsecured claim shall be reclassified to a General Unsecured
Claim in Class 6 pursuant to sections 1123 and 506 of the Bankruptcy Code.

20 (b) *Valuation*. The Class 4 Secured Claim shall be revalued on the effective date of this Plan,
21 pursuant to sections 1123 and 506 of the Bankruptcy Code, in accordance with the valuation of such
22 property as set forth in Class 1 above of this Plan. The confirmation order approving the plan shall set
forth the values of each secured creditors lien claims as of the effective date of the Plan.

23 (c) *Unsecured Portion of the Claim*: Any amount of a Class 4 claim that is deemed to be
24 unsecured in accordance with Class 1 above shall be afforded the treatment set forth in Class 6 below.
This amount of the unsecured claim is \$2,130.00.

25 (d) *Principal Balance*. The principal balance of the Class 4 claim shall be the Allowed Secured
26 Claim consisting of the last nine months of the HOA dues in the estimated amount of \$600.00 (\$66.66
27 x 9 months). The Debtor shall pay the allowed claim no later than 90 days after the entry of the
confirmation order. Or such other amount as the court may determine.

28 (e) *Lien and Lien Release*. From and after the Confirmation Date, the Holder of the Class 4

1 Claim shall retain its Lien until it has received payment of \$600.00 or the last nine months of dues.
2 Upon the recording of the Order Confirming the Debtor's Plan shall be sufficient to release the HOA
3 Lien filed in the Office of the Clark County Recorder on October 26, 2017, Instrument Number
20171026-0000894 from the Debtor's property and no further action is needed by the HOA.

4 ***Impairment and Voting:*** Class 4 is impaired. Holders of the Class 4 claim are entitled to vote to
5 accept or reject this Plan.

6 **Class 5. Impaired.**

7 This Class 5 claim consist of a Purchase Money Security Interest in favor of Homeclub
8 Wholesale, Inc. against the Debtor's equipment.

9 (a) On the Effective Date, the Loan Documents shall remain in full force and effect, save and
10 except that: (i) without any further action by Debtor, Reorganized Debtor, or Secured Lender, all of
11 the Loan Documents shall be deemed to have been amended as follows; which will be effective on the
Effective Date and will generally incorporate the terms of the Secured Note as modified as follows:

12 (b) *Principal Balance.* The principal balance of the Class 5 claim shall be the Allowed Secured
Lender Claim in the amount that is the value, which is \$6,000.00.

13 (c) *Lien.* From and after the Confirmation Date, the Holder of the Class 5 Claim shall retain its
14 Lien in the Collateral consistent with the applicable Loan Documents until the Class 5 claim is repaid
in accordance with the Plan.

15 (d) *Post-Effective Date Interest Rate.* Interest shall accrue on the Class 1 Holders Claim at an
16 interest rate of 4.00% per annum.

17 (e) *Payment.* Thirty days after the Effective date, the Debtor's members shall make
18 contributions of new value to pay this claim in full.

19 (k) *Valuation.* The Class 1 Secured Claim shall be revalued on the effective date of this Plan,
20 pursuant to sections 1123 and 506 of the Bankruptcy Code, in accordance with the valuation of such
property as set forth on paragraph (b) above of this Plan. The confirmation order approving the plan
21 shall set forth the values of each secured creditors lien claims as of the effective date of the Plan. The
value of this property is \$6,000.00.

22 (l) *Unsecured Portion of the Claim:* Any amount of a Class 5 claim that is deemed to be
23 unsecured in accordance with paragraph (b) above shall be afforded the treatment set forth in Class 6
24 below. Class 5 shall have an unsecured claim of \$6,500.00.

25 ***Impairment and Voting:*** Class 5 is impaired. Holders of the Class 5 claim is entitled to vote to accept
or reject this Plan.

26 The Class 1 Secured creditor, or its agents shall within 30 days provide the Debtor with an updated
27 monthly mortgage statement, or account statements reflecting the correct balance, payment and any
further upcoming payment due dates and proper escrow amounts, if any, consistent with the Plan
28 following entry of the Confirmation Order, which shall be mailed to the debtor every month thereafter.

1 The Debtor may take any actions under § 524(a) or (i) or bankruptcy Rule 9020 for failure to do so.
2 Upon entry of the Confirmation Order all Notices of Defaults and Notices of Trustee's Sale shall be
3 rescinded. Recording of the Confirmation Order shall suffice to rescind any Notice of Default and
4 Notice of Trustee's Sale.

4 **Class 6 - General Unsecured Claims.**

5 Class 6 Claims consist of the General Unsecured Claims against the Debtor.

6 *Treatment:* Holders of Class 6 General Unsecured Claims on the Effective Date shall, in full
7 satisfaction, settlement, release and exchange for such Allowed General Unsecured Claims, shall
8 receive 1 payment of \$7,000.00 in their pro rata share. All portions of allowed Class 6 unsecured
9 claims that remain unpaid, and at the conclusion of the single payment required under this Plan (the
10 "Plan Term"), will cease 1 month after the Effective Date and shall be forever discharged and
11 rendered non-collectable against the Debtor. The Debtor's single Plan Payment under the Plan shall be
12 \$7,000.00, which shall be made from the members contribution.

11 **Class 4 – Equity Interest of the Debtor**

12 (a) *Treatment.* The Equity Interest of the Debtor are unimpaired by the Plan and conclusively
13 deemed to have accepted the Plan, pursuant to Bankruptcy Code section 1126(f) to the extent the
14 Debtor's members make the required contribution of \$7,000.00. No solicitation is required.

14 **C. Means for Implementation of the Plan.**

15 **1. Source of Payments**

16 (a) On the Effective Date payments to Creditors' in Classes 1 and 6 shall be funded from the
17 Debtor's rental income and equity interest holder contributions should the rental income not be
18 sufficient.

19 (b) Payments to Class 6 creditors required under the Plan will be funded by the Debtor's
20 members as a single contribution of \$7,000.00. This single payment shall be paid within 30 days from
21 the entry of the confirmation order.

22 In addition, the Debtor will utilize all funds remaining in the DIP account post confirmation as
23 a contingency reserve for vacancies, emergency and general repairs, tenant turnover, advertising and
24 for foreseeable increases in property taxes and insurance and income taxes on rental income.

25 A contingency reserve is a sound and reasonable justification to hold the above funds back as a
26 major plumbing problem can easily cost \$1,700.00. To paint the interior of any property and replace
27 carpet generally costs \$20,000.00 or more when a tenant vacates. A reserve will further ensure that the
28 Debtor will not have to reorganize because of vacancies and repairs.

26 **2. Transfers Under the Plan**

27 The implementation of the Plan will not include any transfers under the Plan. No such
28 transferee or any of its subsidiaries, creditors or equity holders shall be or be deemed to be a successor
of any of the Debtor by reason of any theory of law or equity and shall not have any successor or

1 transferee liability of any kind, nature or character, including liabilities arising or resulting from or
2 relating to the transactions contemplated hereby, except for the Secured Lenders Claims described in
section 4.1 of the Plan.

3 After the Effective Date, the Debtor will own the assets conveyed to it and operate its business
4 and manage its affairs free of any restrictions contained in the Bankruptcy Code.

5 **3. New Value & Absolute Priority Rule**

6 In this Chapter 11 Case, the Debtor is a limited liability company. Upon the Effective Date of
7 the Plan, the Debtor's members will retain their equity interests to the extent that such equity interest
8 holders make an equity contribution to the Debtor's Plan (the "Equity Contribution") in an amount
equal to satisfy the secured claims of the Clark County Taxing Authority.

9 In order for the Debtor's Equity Interest Holders to comply with the Bankruptcy Code and
10 Ninth Circuit Court of Appeal case law, the Equity Contribution must be: (1) new; (2) substantial; (3)
11 money or money's worth; (4) necessary for a successful reorganization; and (5) reasonably equivalent
to the value of interest received.

12 Here, the Equity Contribution satisfies these requirements because the Equity Contribution to
13 be submitted: (1) constitutes new contributions; (2) is substantial is so much as it is necessary to make
confirmation feasible; (3) is money or money's worth; (4) is necessary for a successful reorganization;
14 and (5) is equal to or greater than the value to be received. In addition, the Debtor is paying its
creditors in full, so the need for an equity infusion into the Debtor is minimal.

15 Therefore, the Debtor's Equity Interests are Impaired to the extent that they must make the
16 Equity Contribution to retain their Equity Interests and will be entitled to vote to accept or reject the
Plan. Should the Debtor's Equity Interest Holders fail to make any portion of their respective Equity
17 Contribution, such Equity Interest Holders shall not retain any Equity Interests in the Reorganized
18 Debtor.

19 As a result of the Debtor members contributing to paying the Class 1 claim and paying 60% of
20 the Class 6 claims, the Debtor believes it has satisfied the new value exception and absolute priority
rule, absent a written objection by a claim holder.

21 **D. Disposition of Assets and Properties.**

22 **1. Reorganized Debtor**

23 On the Effective Date (as more fully set forth in Article 13 of the Plan), without any further
24 action, the Reorganized Debtor, will be vested with all of the Property in Class 1, free and clear of all
Claims and Liens (except for Liens provided or authorized pursuant to this Plan in section 4.1). The
25 Debtor may transfer any of its Real Property anytime after the final decree is entered and it has
satisfied the payments to Class 6 claim holders.

27 **2. Secured Lenders**

28 On or after the Effective Date (as applicable), and in accordance with the Confirmation Order,
any Property transferred to a Secured Lender pursuant to the Plan will be irrevocably and indefeasibly

1 transferred and assigned (and the Estate's title to each of the Properties shall pass) to the applicable
2 Secured Lender, free and clear of all Claims, Liens (other than Senior Liens) and interests of Creditors
3 and interests of all Interest Holders in accordance with the applicable provisions of the Bankruptcy
4 Code. Any Claims and Liens not provided for and/or specifically addressed under the Plan, including,
5 but not limited to, Liens of record for Claims, which are disputed based upon such Claims being
6 reflected in the Debtors books and records as having been paid and satisfied and for which no proof of
7 claim has been filed, shall be deemed satisfied and shall be discharged of record.

6 **E. Comprehensive Settlement and Releases.**

7 As expressly set forth in the Plan, pursuant to Bankruptcy Code section 1123 and Bankruptcy
8 Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the
9 provisions of the Plan, including the exculpation and release provisions contained in Article 13 of the
10 Plan, constitute a good faith compromise and settlement of all Claims or controversies relating to the
11 rights that a Holder of a Claim or Interest may have with respect to any Claim or Interest against the
12 Debtor, any distribution to be made pursuant to the Plan on account of any such Claim or Interest, and
13 any and all claims or causes of action of any party against the Releasees arising out of the Chapter 11
14 Case or relating and all transactions relating thereto. The entry of the Confirmation Order constitutes
15 the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such
16 Claims, Interests or controversies and the Bankruptcy Court's finding that all such compromises or
17 settlements are in the best interests of (x) the Debtor and its Estate, and any of their respective
18 property, and (y) Claim and Interest Holders, and are fair, equitable and reasonable. Any distributions
19 to be made pursuant to the Plan shall be made on account of and in consideration of this
20 comprehensive settlement, which, upon the Effective Date, the settlement shall be binding on all
21 Persons, including the Debtor and its Estate, all Holders of Claims or Interests (whether or not
22 Allowed), and all Persons entitled to receive any payments or other distributions under the Plan.

17 **F. Provisions for Resolving and Treating Disputed Claims.**

18 If any portion of a Claim is disputed, no payment or distribution provided under the Plan will
19 be made on account of that Claim unless and until, and only to the extent, such Claim becomes
20 Allowed. At the time that a Disputed Claim becomes an Allowed Claim, the holder of that Allowed
21 Claim will be entitled to receive a distribution equal in percentage of recovery to the distribution(s)
22 made to date on previously-allowed Allowed Claims of the same priority without interest. The Plan
23 will be treated as an objection to Claims and those claims that fail to object or file claims are
24 disallowed to the extent the claim is allowed in the Plan and subsequent identified distributions.

22 **1. Objections**

23 As of the Effective Date, the Reorganized Debtor will have the right, to the exclusion of all
24 others (except as to applications for allowances of compensation and reimbursement of expenses
25 under sections 328, 330, 331 and 503 of the Bankruptcy Code), to make, file and prosecute objections
26 to Claims. The Reorganized Debtor will serve a copy of each objection upon the holder of the Claim
27 to which the objection is made as soon as practicable (unless such Claim was already the subject of a
28 valid objection by the Debtor).

2. Estimation of Claims

The Reorganized Debtor may, at any time, request the Bankruptcy Court to estimate any Claim, pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Reorganized Debtor previously has objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim, at any time, including during litigation concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount may constitute either the Allowed amount of such Claim or a maximum limitation on the Allowed amount of such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the Allowed amount of such Claim, the Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. The Plan shall be considered a motion to estimate claims and the confirmation order shall set forth the distribution of each claim whether filed or not filed.

3. Other Provisions Relating to Disputed Claims

If, on or after the Effective Date, any Disputed Claim (or portion thereof) becomes an Allowed Claim, the Reorganized Debtor or Distribution Agent will, as soon as practicable following the date on which the Disputed Claim becomes an Allowed Claim, except as otherwise provided in the Plan, distribute to the Holder of such Allowed Claim an amount, without any interest thereon, that provides such holder with the same percentage recovery, as of the Effective Date, as Holders of Claims in the class that were Allowed on the Effective Date.

To the extent that a Disputed Claim is expunged or reduced, the holder of such Claim will not receive any distribution on account of the portion of such Claim that is disallowed. Any Disputed Claim, for which a proof of claim has not been deemed timely, filed as of the Effective Date, will be disallowed, unless treated in accordance with the Plan.

G. Treatment of Executory Contracts and Unexpired Leases.

The Bankruptcy Code grants the Reorganized Debtor the power, subject to the approval of the Bankruptcy Court, to assume or reject executory contracts and unexpired leases. If an executory contract or unexpired lease is rejected, the counterparty to such executory contract or unexpired lease may file a claim for damages incurred by reason of the rejection. In the case of rejection of leases of real property, damage claims are subject to certain limitations imposed by the Bankruptcy Code. To assume an executory contract or an unexpired lease, the Reorganized Debtor may be required cure all outstanding defaults (a "Cure Amount") (subject to certain exceptions) and provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code). If there is a dispute regarding (i) the nature or size of any Cure Amount; (ii) the ability of the Reorganized Debtor or any assignee to provide adequate assurance of future performance under the contract or lease to be assumed; or (iii) any other matter pertaining to assumption, the Cure Amount will occur following the entry of a Final Order resolving the dispute and approving the assumption (or assumption and assignment, as the case may be).

If you object to the assumption of your unexpired lease or executive 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 sets an earlier time.

1 All executory contracts and unexpired leases that are not expressly assumed will be rejected
2 under the Plan. Consult your advisor or attorney for more specific information about particular
contracts or leases.

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

5 The Debtor rejects any purported lease agreement of the unknown squatter/tenant.

6 **H. Effect of Confirmation of the Plan on the Debtor.**

7 **1. Discharge**

8 IN CONJUNCTION WITH BANKRUPTCY CODE SECTION 1141, EXCEPT AS
9 OTHERWISE PROVIDED FOR IN THE PLAN, THE RIGHTS AFFORDED IN THE PLAN AND
10 THE TREATMENT OF ALL CLAIMS AND EQUITY INTERESTS IN THE PLAN SHALL BE IN
EXCHANGE FOR AND IN COMPLETE SATISFACTION, DISCHARGE AND RELEASE OF
11 CLAIMS AND EQUITY INTERESTS OF ANY NATURE WHATSOEVER AGAINST THE
DEBTOR, AND OF THE ASSETS OR PROPERTIES OF THE ESTATE, INCLUDING ANY
12 INTEREST ACCRUED ON SUCH CLAIMS FROM AND AFTER THE PETITION DATE AND
ANY PROPERTIES TRANSFERRED TO SECURED LENDERS.

13
14 THE DEBTOR WILL NOT BE DISCHARGED FROM ANY DEBT EXCEPTED FROM
DISCHARGE UNDER SECTION 523 OF THE BANKRUPTCY CODE, EXCEPT AS PROVIDED
15 IN RULE 4007(C) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE. THE
DEBTORS SHALL BE DISCHARGED AND RELEASED, AND ANY CLAIM AVOIDED THAT
16 WAS SCHEDULED AND DISPUTED THAT FAILED TO TIMELY FILE A PROOF OF CLAIM.

17
18 WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS
PROVIDED IN THE CONFIRMATION ORDER, CONFIRMATION WILL DISCHARGE THE
19 DEBTOR AND THE REORGANIZED DEBTOR FROM ALL CLAIMS, OR OTHER DEBTS
THAT AROSE BEFORE THE EFFECTIVE DATE, AND ALL DEBTS OF THE KIND SPECIFIED
20 IN SECTIONS 502(G), 502(H) OR 502(I) OF THE BANKRUPTCY CODE, WHETHER OR NOT:
(X) A PROOF OF CLAIM BASED ON SUCH A DEBT HAS BEEN FILED, OR DEEMED TO
21 HAVE BEEN FILED, UNDER BANKRUPTCY CODE SECTIONS 501 OR 1111(A); (Y) A CLAIM
BASED ON SUCH DEBT IS ALLOWED UNDER BANKRUPTCY CODE SECTION 502 OF THE
22 BANKRUPTCY CODE; OR (Z) THE HOLDER OF A CLAIM BASED ON SUCH DEBT HAS
ACCEPTED THE PLAN.

23
24 EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, (I) ON THE EFFECTIVE DATE,
ALL CLAIMS AGAINST THE DEBTOR WHICH AROSE BEFORE THE EFFECTIVE DATE
25 SHALL BE SATISFIED, DISCHARGED AND RELEASED IN FULL, (II) ON THE EFFECTIVE
DATE, THE RIGHTS AND INTERESTS OF ALL HOLDERS OF OLD EQUITY INTERESTS
26 SHALL BE TERMINATED, CANCELED AND OF NO FORCE AND EFFECT, AND (III) ALL
PERSONS SHALL BE PRECLUDED FROM ASSERTING AGAINST THE DEBTOR, THE
27 PROPONENTS, THE REORGANIZED DEBTOR, ANY SECURED LENDER THAT IS A
TRANSFEREE OF A PROPERTY, OF THEIR SUCCESSORS, OR ANY OF THEIR ASSETS OR
28 PROPERTIES, ANY OTHER OR FURTHER CLAIMS OR EQUITY INTERESTS BASED UPON

1 ANY ACT OR OMISSION, TRANSACTION OR OTHER ACTIVITY OF ANY KIND OR
2 NATURE THAT OCCURRED BEFORE THE EFFECTIVE DATE, AS WELL AS ANY DEBT OF
3 A KIND SPECIFIED IN BANKRUPTCY CODE SECTIONS 502(G), 502(H), OR 502(I),
4 IRRESPECTIVE OF WHETHER (X) A PROOF OF CLAIM BASED ON SUCH A DEBT HAS
5 BEEN FILED, OR DEEMED TO HAVE BEEN FILED, UNDER BANKRUPTCY CODE
6 SECTIONS 501 OR 1111(a), (Y) SUCH CLAIM IS ALLOWED UNDER BANKRUPTCY CODE
7 SECTION 502, OR (Z) THE HOLDER OF THE CLAIM HAS ACCEPTED THE PLAN.

2. Binding Effect of Plan/Injunction

7 UPON THE EFFECTIVE DATE, BANKRUPTCY CODE SECTION 1141 SHALL
8 BECOME APPLICABLE WITH RESPECT TO THE PLAN AND THE PLAN SHALL BE
9 BINDING ON ALL PARTIES TO THE FULLEST EXTENT PERMITTED BY BANKRUPTCY
10 CODE SECTION 1141(A). IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1141,
11 ALL OF THE DEBTORS PROPERTY SHALL BE VESTED IN THE REORGANIZED DEBTOR
12 FREE AND CLEAR OF ALL CLAIMS, LIENS AND INTERESTS OF CREDITORS, EXCEPT AS
13 TO THOSE CREDITORS CLAIMS LISTED IN SECTION 4.1 OF THE PLAN. ALL PROPERTY
14 TRANSFERRED TO SECURED LENDERS PURSUANT TO THE PLAN SHALL BE VESTED IN
15 THE RESPECTIVE SECURED LENDER FREE AND CLEAR OF ALL CLAIMS, LIENS AND
16 INTERESTS OF CREDITORS.

13 UPON THE EFFECTIVE DATE, ALL PERSONS AND ENTITIES SHALL BE
14 PERMANENTLY ENJOINED BY THE PLAN FROM (I) COMMENCING OR CONTINUING
15 ANY ACTION, EMPLOYING ANY PROCESS, ASSERTING OR UNDERTAKING AN ACT TO
16 COLLECT, RECOVER, OR OFFSET, DIRECTLY OR INDIRECTLY, ANY CLAIM, RIGHTS,
17 CAUSES OF ACTION, LIABILITIES, OR INTERESTS IN OR AGAINST ANY PROPERTY
18 DISTRIBUTED OR TO BE DISTRIBUTED UNDER THE PLAN, OR VESTED IN THE
19 REORGANIZED DEBTOR OR ANY SECURED LENDER, BASED UPON ANY ACT,
20 OMISSION, TRANSACTION, OR OTHER ACTIVITY THAT OCCURRED BEFORE THE
21 EFFECTIVE DATE, (II) CREATING, PERFECTING OR ENFORCING ANY LIEN OR
22 ENCUMBRANCE AGAINST ANY PROPERTY DISTRIBUTED OR TO BE DISTRIBUTED
23 UNDER THE PLAN OTHER THAN AS PERMITTED UNDER THE PLAN IN SECTION 4.1,
24 AND (III) WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSERTING ANY
25 CLAIMS AGAINST THE REORGANIZED DEBTOR, OR REORGANIZED DEBTOR PARENT
26 BASED ON SUCCESSOR LIABILITY OR SIMILAR OR RELATED THEORY, EXCEPT TO THE
27 EXTENT A PERSON OR ENTITY HOLDS AN ALLOWED CLAIM UNDER THE PLAN AND IS
28 ENTITLED TO A DISTRIBUTION AND/OR LIEN UNDER THE PLAN IN ACCORDANCE
WITH ITS TERMS, AND TO ENFORCE ITS RIGHTS TO DISTRIBUTION UNDER THE PLAN,
AND MAY ENFORCE ITS RIGHTS POST-CONFIRMATION SHOULD THE DEBTOR
DEFAULT ON ITS POST-EFFECTIVE DATE OBLIGATIONS.

25 ON AND AFTER THE EFFECTIVE DATE, EACH HOLDER OF ANY CLAIM AGAINST
26 OR INTEREST IN THE DEBTOR IS PERMANENTLY ENJOINED FROM TAKING OR
27 PARTICIPATING IN ANY ACTION THAT WOULD INTERFERE OR OTHERWISE HINDER
28 DEBTOR FROM IMPLEMENTING THE PLAN, THE CONFIRMATION ORDER OR ANY
OPERATIVE DOCUMENTS IN ACCORDANCE WITH THE TERMS THEREOF.

3. Exculpation

None of the Releasees, nor any of their respective Representatives shall have or incur any liability to any Holder of a Claim against the Debtor, or any other party-in-interest, or any of their Representatives, or any of their successors or assigns, for any act, omission, transaction or other occurrence in connection with, relating to, or arising out of the Chapter 11 Case, the pursuit of confirmation of the Plan, or the consummation of the Plan, except and solely to the extent such liability is based on fraud, gross negligence or willful misconduct. The Releasees shall be entitled to reasonably rely upon the advice of counsel with respect to any of their duties and responsibilities under the Plan or in the context of the Chapter 11 Case. No Holder of a Claim against the Debtor, or any other party-in-interest, including their respective Representatives, shall have any right of action against the Releasees or any of their Representatives, for any act, omission, transaction or other occurrence in connection with, relating to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan, except to the extent arising from fraud. Nothing in Section 13.3 of the Plan shall be deemed an exculpation by any Releasor of any Releasee or any of its Representatives for any acts, omissions, transactions, events or other occurrences taking place after the Effective Date or an exculpation by Secured Lenders or any other party in connection with any obligations with respect to the Refinanced Secured Loans or any amounts owed under any Refinanced Secured Loan Documents (if and where applicable).

4. Injunctions

Injunctions Against Releasors. All of the Releasors, along with any of their successors or assigns, are permanently enjoined, from and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind against the Releasees or any of their respective Representatives in respect of any Released Liabilities, (ii) enforcing, attaching, collecting or recovering by any manner or means of any judgment, award, decree or order against the Releasees or any of their respective Representatives in respect of any Released Liabilities, (iii) creating, perfecting, or enforcing any encumbrance of any kind against the Releasees or any of their respective Representatives in respect of any Released Liabilities, or (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Releasees or any of their respective Representatives or against the property or interests in property of the Releasees or any of their respective Representatives, in respect of any Released Liabilities; provided, however, that nothing contained in the Plan shall preclude such Releasors from exercising their rights pursuant to and consistent with the terms of the Plan and the contracts, instruments, releases and other agreements and documents delivered under or in connection with the Plan; provided, further, that nothing contained in the Plan shall be deemed to enjoin any Releasor from taking any action against any Releasee or any of its Representatives based on the release exceptions contained in Section 13.4 of the Plan.

Injunction Protecting Exculpation of Releasees and Debtors. All Holders of Claims against the Debtor and any other parties-in-interest, along with any of their Representatives and any of their successors or assigns are permanently enjoined, from and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind against Releasees or any of their respective Representatives in respect of any potential liability for which exculpation is granted pursuant to Section 11.3 of the Plan, (ii) enforcing, attaching, collecting or recovering by any manner or means of any judgment, award, decree or order against Releasees or any of their respective Representatives in respect of any potential liability for which exculpation is granted pursuant to Section 11.3 of the Plan, (iii) creating, perfecting, or enforcing any encumbrance of any

1 kind against Releasees or any of their respective Representatives in respect of any potential liability
2 for which exculpation is granted pursuant to Section 13.3 of the Plan, or (iv) asserting any right of
3 setoff, subrogation or recoupment of any kind against any Releasee or any of their respective
4 Representatives or against the property or interests in property any Releasee or any of their respective
5 Representatives, in respect of any potential liability for which exculpation is granted pursuant to
6 Section 13.3 of the Plan; provided, however, that nothing contained in the Plan shall preclude any
7 Holder or other party-in-interest from exercising its rights pursuant to and consistent with the terms
8 hereof and the contracts, instruments, releases and other agreements and documents delivered under or
9 in connection with the Plan.

10 *Injunction Against Interference With the Plan.* Upon the Effective Date, all Holders of Claims
11 against the Debtor and their respective Representatives and any of their successors or assigns shall be
12 enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

13 **5. Adequate Protection Liens; Cash Collateral Orders**

14 As of the Effective Date, any replacement Liens granted as adequate protection pursuant to the
15 terms of any Cash Collateral Orders shall be deemed to be terminated, discharged, eliminated and of
16 no further force and effect, if any.

17 As of the Effective Date, the Debtors obligations under all Cash Collateral Orders shall be
18 deemed to be fully satisfied, released, discharged and terminated, and such Cash Collateral Orders
19 shall be of no further force and effect, if any.

20 **6. Termination of Debt Instruments, Liens, Tax Liens & Notices of Default and 21 Trustee's Sale**

22 On the Effective Date, all instruments evidencing indebtedness of the Debtor held by Holders
23 of Claims that are Impaired by this Plan or have been paid in full pursuant thereto shall be deemed
24 canceled or modified consistent with this Plan against the Debtor. And all Notices of Breach &
25 Election to Sell and Notices of Trustee's Sale shall be canceled and/or rescinded against any of the
26 Debtor's properties treated under the Plan. Recording of the Confirmation Order shall serve as a
27 rescission of any such notice. More specifically, the Tax Lien of Nevada Department of Taxation
28 recorded on December 1, 2014 as instrument number 20141201-0001108, and on July 11, 2017, as
instrument number 20170711-0001175, shall be stripped off and of no force or effect. Any Trustee's
Deed Upon sale recorded in the real property records shall be void if recorded after the petition date.

29 **7. Judgments Void**

30 Any judgment obtained before or after the Effective Date in any court other than the
31 Bankruptcy Court shall be null and void as a determination of liability of the Debtor and/or the
32 Reorganized Debtor with respect to any debt treated by the Plan, except any creditor treated under the
33 Amended Plan may enforce its rights and pursue its remedies should the Debtor and/or Reorganized
34 Debtor default post-confirmation after the post-effective date.

35 **8. Revesting of Assets in Reorganized Debtor**

36 Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the
37 Effective Date, but retroactive to the Confirmation Date, without any further action, the Reorganized
38 Debtor shall be deemed to have received all of its assets and property as of the Effective Date.

1 Debtor will be vested with all of the property of the Estate, wherever situated, free and clear of all
2 Claims, Liens (except for Liens provided or authorized pursuant to the Plan and Permitted
3 Encumbrances in Section 4.1 of the Plan); provided, however, that the Properties to be transferred to
4 Secured Lenders pursuant to the terms of the Plan shall be transferred to the applicable Secured
5 Lender by the Reorganized Debtors. Without limiting the generality of the foregoing, on and after the
6 Effective Date, the Reorganized Debtors shall be vested with all of the property of the Estate,
7 wherever situated, free and clear of any Claims based on any form of successor liability or similar or
8 related theory of liability. On and after the Effective Date, (i) the Reorganized Debtor shall be free of
9 any restrictions imposed by the Bankruptcy Code or Bankruptcy Court, may operate its business and
10 may use, acquire or dispose of its assets (including the Properties) free of any restrictions imposed by
11 the Bankruptcy Code and the Bankruptcy Rules and without supervision or approval by the
12 Bankruptcy Court, other than the obligations set forth in the Plan, or the Confirmation Order. Without
13 limiting the generality of the foregoing and except as otherwise expressly provided herein or in the
14 Confirmation Order, any Causes of Action, will be preserved and retained solely for the Reorganized
15 Debtors commencement, prosecution, use and benefit.

10 **9. Preservation of Causes of Action**

11 Pursuant to Bankruptcy Code section 1123(b), the Debtor as Reorganized Debtor shall retain
12 and reserve the right to enforce all rights to commence and pursue Causes of Action (which includes,
13 among other things, avoidance actions commenced, or that may be commenced, before or after the
14 Effective Date, pursuant to Bankruptcy Code sections 544, 545, 547, 548, 550 or 551) whether arising
15 prior to or after the Petition Dates, and whether pending as of or Filed after the Effective Date, in any
16 court or other tribunal. Unless a Cause of Action is expressly waived, relinquished, released,
17 compromised or settled in the Plan, or any Final Order, the Debtor on behalf of themselves and as the
18 Reorganized Debtor expressly reserve all Causes of Action for later adjudication and, therefore, no
19 preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel,
20 issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to
21 any Causes of Action upon Confirmation or the Effective Date. No entity may rely on the absence of a
22 specific reference in the Plan, or the Disclosure Statement to any Cause of Action against them as an
23 indication that the Debtor, or the Reorganized Debtor, will not pursue any and all available Causes of
24 Action against them. The Debtor and the Reorganized Debtor, expressly reserve all rights to prosecute
25 any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.

21 **10. Maintenance of Administrative Claim Status Post Discharge**

22 Notwithstanding any discharge granted to the Debtor, Allowed Administrative Claims shall
23 maintain their administrative priority status under Bankruptcy Code section 507(a)(2) until paid in
24 full.

24 **11. No Limitation on Effect of Confirmation**

25 Nothing contained in the Plan or the Disclosure Statement will limit, waive or restrict in any
26 way the effect of Confirmation as set forth in Bankruptcy Code section 1141. Confirmation will bind
27 the Debtor, all Creditors and other parties in interest to the provisions of the Plan, whether or not the
28 Claim of such Creditor Holder is Impaired under the Plan and whether or not such Creditor Holder has
accepted the Plan and whether or not a proof of Claim has been filed or deemed to have been filed
under Bankruptcy Code sections 501 or 1111(a), or such is allowed under Bankruptcy Code section
502.

1 **I. Plan Provisions Concerning Plan Distributions.**

2 **1. Distributions on Account of Claims Allowed as of the Effective Date**

3 Distributions under the Plan on account of Claims Allowed on or before the Effective Date
4 shall be made on the Effective Date, or on the first date thereafter as is reasonably practicable.

5 **2. Distributions on Account of Claims Allowed After the Effective Date**

6 *Distributions to Holders of Disputed Claims.* Except as otherwise provided in the Plan and
7 except as otherwise agreed by the relevant parties: (i) no partial payments and no partial Distributions
8 shall be made with respect to a Disputed Claim until all such disputes in connection with such
9 Disputed Claim have been resolved by settlement or Final Order, and (ii) any Entity that holds both an
10 Allowed Claim and a Disputed Claim shall not receive any Distribution on the Allowed Claim unless
11 and until all objections to the Disputed Claim have been resolved by settlement or Final Order and the
12 Claims have been Allowed.

13 **3. Manner of Payment Under the Plan**

14 Distributions of Cash to be made by the Distribution Agent pursuant to the Plan must be made,
15 at the discretion of the Distribution Agent, by check drawn on the Distribution Agent's bank account
16 or by wire transfer from a domestic bank. Any other provision of the Plan to the contrary
17 notwithstanding, no payments of cents will be made. Whenever any payment of cents would otherwise
18 be called for, the actual payment may reflect a rounding of such fraction to the nearest whole dollar
19 (up or down).

20 **4. Unclaimed Property**

21 Any security, money, or other property remaining unclaimed at the expiration of the time
22 allowed in a case under chapter 9, 11, or 12 of this title for the presentation of a security or the
23 performance of any other act as a condition to participation in the distribution under any plan
24 confirmed under section 943 (b), 1129, 1173, or 1225 of this title, as the case may be, becomes the
25 property of the debtor or of the entity acquiring the assets of the debtor under the plan, as the case may
26 be.

27 **5. Delivery of Distributions**

28 *Record Date for Distributions.* On the Distribution Record Date, the Claims Register shall be
closed and any Person responsible for making Distributions shall be authorized and entitled to
recognize only those record Holders listed on the Claims Register as of the close of business on the
Distribution Record Date. Notwithstanding the foregoing, if a Claim is transferred twenty or fewer
days before the Distribution Record Date, the Distribution Agent shall make Distributions to the
transferee only to the extent practical and in any event only if the relevant transfer form contains an
unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

Distribution Agent. The Distribution Agent shall make all Distributions required under the
Plan. The Distribution Agent in this case will be the Debtor's managing members.

1 *Delivery of Distributions in General.* Except as otherwise provided in the Plan, and
2 notwithstanding any authority to the contrary, Distributions to all Holders of Allowed Claims shall be
3 made to Holders of record as of the Distribution Record Date by the Distribution Agent: (a) in
4 accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy
5 Rule 7004; (b) to the signatory set forth on any of the Proofs of Claim Filed by such Holder or other
6 representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is
7 Filed or if Debtor has been notified in writing of a change of address); (c) at the addresses set forth in
8 any written notices of address changes delivered to the Debtor after the date of any related Proof of
9 Claim; (d) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the
10 Distribution Agent has not received a written notice of a change of address; or (e) on any counsel that
11 has appeared in the Chapter 11 Case on the Holder's behalf. Except as otherwise provided in the Plan,
12 Distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment,
13 attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the
14 benefit of the Distributions in the manner set forth in the Plan. Absent willful misconduct or gross
15 negligence, Debtors, the Debtor, the Reorganized Debtor, or any Secured Lender that is a transferee of
16 a Property, and Distribution Agent, as applicable, shall not incur any liability on account of any
17 Distributions made under the Plan.

18 *Returned Distributions.* In the case of Distributions to the Holders of Allowed Claims that are
19 returned to the Distribution Agent due to an incorrect or incomplete address, the Distribution Agent
20 shall retain any such returned Distribution in a segregated account established by the Distribution
21 Agent to keep track of any returned Distributions. Unless the Holder of the Allowed Claim relating to
22 any such returned Distribution contacts the Distribution Agent (or its designee) within three (3)
23 months from the date on which such Distribution was returned and provides the Distribution Agent (or
24 its designee) with acceptable proof of identity and an accurate address, such Holder shall forfeit all
25 rights thereto, and to any and all future Distributions or rights under the Plan. In such event, the Claim
26 for which such Distributions was issued shall be treated as a Disallowed Claim and the Distribution on
27 account of such Disallowed Claim shall promptly be distributed Reorganized Debtor.

28 *Disputed Distributions.* In the event of any dispute between or among Holders of Claims as to
the right to any Holder of a Claim to receive or retain any Distribution to be made to such Holder
under the Plan, the Distribution Agent, in lieu of making such Distribution to such Holder, may make
it instead into an escrow account for payment as ordered by the Bankruptcy Court or as the interested
parties to such dispute may otherwise agree among themselves. Any such Holder who fails to raise
such dispute by filing an appropriate request for relief with the Bankruptcy Court prior to the issuance
of such disputed Distribution by the Distribution Agent shall be deemed to have forever waived any
right to dispute such Distribution or to enjoin, impair or otherwise restrict the use of any such
Distribution.

Setoffs. The Distribution Agent may, but shall not be required to, set-off against any
Distributions to be made pursuant to the Plan to a Holder of an Allowed Claim, Claims of any nature
whatsoever that Debtor may have, or may have had, against such Holder that have not been previously
released, but neither the failure to do so, nor the allowance of any Claim held by such Holder shall
constitute a waiver or release by the Distribution Agent of any such Claim Debtor may have, or may
have had, against such Holder.

1 *Withholding Taxes.* The Distribution Agent shall be entitled to deduct any applicable federal or
2 state withholding taxes from any payments made with respect to Allowed Claims, as appropriate, and
shall otherwise comply with Bankruptcy Code section 346.

3 *Allocation of Distributions.* Distributions on account of Allowed Claims shall, for tax
4 purposes, be treated as allocated first to principal, and thereafter to interest only to the extent that the
entire principal amount has been recovered, if applicable.

5 **J. Procedures for Resolving Disputed Claims.**

6 **1. Objection to and Resolution of Claims**

7
8 Except as to applications for allowance of compensation and reimbursement of expenses under
9 Bankruptcy Code sections 330, 331 and/or 503, the Reorganized Debtor shall, on and after the
Effective Date, have the exclusive right to make and file objections to Claims (“Disputed Claims”).
10 On and after the Effective Date, the Reorganized Debtor shall have the authority to compromise,
settle, otherwise resolve or withdraw any objections to any Claims and compromise, settle or
11 otherwise resolve Disputed Claims without approval of the Bankruptcy Court. Unless otherwise
ordered by the Bankruptcy Court, the Debtor and, on and after the Effective Date, the Reorganized
12 Debtor, shall file all objections to Claims that are the subject of proofs of Claim or requests for
payment filed with the Bankruptcy Court (other than applications for allowances of compensation and
13 reimbursement of expenses with respect to Professional Fee Claims) and serve such objections upon
the Holder of the Claim as to which the objection is made as soon as is practicable, but in no event
14 later than one (1) year after the Effective Date or such later date as may be approved by the
Bankruptcy Court.

15 **2. Payments**

16
17 Payments and Distributions to each Holder of a Disputed Claim that ultimately becomes an
18 Allowed Claim shall be made in accordance with the provision of the Plan with respect to the Class of
Creditors to which the respective Holder of an Allowed Claim belongs. Without limiting the
19 generality of the foregoing, the Debtor shall not be required to object to any Claim irrespective of
whether such Claim is Allowed or Disputed, whether in whole or in part.

20 **3. Contingent Claims**

21 Until such time as a contingent Claim or a contingent portion of an Allowed Claim becomes
22 fixed or absolute or is Disallowed, such Claim will be treated as a Disputed Claim for all purposes
related to Distributions under the Plan. The Holder of a contingent Claim will only be entitled to a
23 Distribution under the Plan when and if such contingent Claim becomes an Allowed Claim.

24 **4. Estimation of Claims**

25 The Debtor, prior to the Effective Date, and the Reorganized Debtor, after the Effective Date,
26 shall be permitted, at any time, to request that the Bankruptcy Court estimate any contingent or
unliquidated Claim pursuant to section Bankruptcy Code 502(c), regardless of whether the Debtor
27 previously had objected to such Claim or whether the Bankruptcy Court had ruled on such objection,
and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during any
28 litigation concerning any objection to such Claim, including during the pendency of any appeal

1 relating to such objection. In the event that the Bankruptcy Court estimates any contingent or
 2 unliquidated Claim, the amount so estimated shall constitute either the Allowed amount of such Claim
 3 or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If such estimated
 4 amount constitutes a maximum limitation on the amount of such Claim, the Debtor may elect to
 5 pursue any supplemental proceedings to object to the allowance of such Claim. The Plan shall be
 6 considered a motion to estimate claims and the confirmation order shall set forth the distribution of
 7 each claim whether filed or not filed.

5. Reserve for Disputed Claims

7 On and after the Effective Date, the Distribution Agent shall hold in segregated reserve
 8 accounts (the "Reserve"), Cash in an aggregate amount sufficient to make Distributions to each
 9 Holder of a Disputed Claim at the time distributions are made pursuant to the Plan in the amount that
 10 such Holder would have been entitled to receive if such Claim had been an Allowed Claim on the
 11 Effective Date. Nothing contained herein shall be deemed to entitle the Holder of a Disputed Claim to
 12 post-Petition Date interest on such Claim. Any funds remaining in the Reserve after all Distributions
 13 on account of Allowed Claims have been made shall be promptly distributed to Reorganized Debtor.

K. Summary of Other Provisions of the Plan

12 The following subsections summarize certain other significant provisions of the Plan. The Plan
 13 should be referred to for the complete text of these and other provisions.

1. Management

14 Following the Effective Date, the Reorganized Debtor will be managed by Christopher Craig
 15 and Mickey Griffin, which are the managing members of the Debtor.

2. Modification of Plan

17 11 U.S.C. § 1127 –

- 18
- 19 (a) The proponent of a plan may modify such plan at any time before confirmation, but may not
 20 modify such plan so that such plan as modified fails to meet the requirements of sections 1122
 21 and 1123 of this title. After the proponent of a plan files a modification of such plan with the
 22 court, the plan as modified becomes the plan.
- 23 (b) The proponent of a plan or the reorganized debtor may modify such plan at any time after
 24 confirmation of such plan and before substantial consummation of such plan, but may not
 25 modify such plan so that such plan as modified fails to meet the requirements of sections 1122
 26 and 1123 of this title. Such plan as modified under this subsection becomes the plan only if
 27 circumstances warrant such modification and the court, after notice and a hearing, confirms
 28 such plan as modified, under section 1129 of this title.
- (c) The proponent of a modification shall comply with section 1125 of this title with respect to the
 plan as modified.

- 1 (d) Any holder of a claim or interest that has accepted or rejected a plan is deemed to have
2 accepted or rejected, as the case may be, such plan as modified, unless, within the time fixed
3 by the court, such holder changes such holder's previous acceptance or rejection.
- 4 (e) If the debtor is an individual, the plan may be modified at any time after confirmation of the
5 plan but before the completion of payments under the plan, whether or not the plan has been
6 substantially consummated, upon request of the debtor, the trustee, the United States trustee, or
7 the holder of an allowed unsecured claim, to—
- 8 (1) increase or reduce the amount of payments on claims of a particular class provided for by
9 the plan;
- 10 (2) extend or reduce the time period for such payments; or
- 11 (3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to
12 the extent necessary to take account of any payment of such claim made other than under the
13 plan.
- 14 (f)
- 15 (1) Sections 1121 through 1128 and the requirements of section 1129 apply to any modification
16 under subsection (e).

17 The plan, as modified, shall become the plan only after there has been disclosure under section 1125
18 as the court may direct, notice and a hearing, and such modification is approved.

19 **3. Withdrawal or Revocation of Plan**

20 The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date
21 and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if
22 Confirmation of the Plan or the Effective Date does not ultimately occur, then: (1) the Plan shall be
23 null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the
24 fixing or limiting to an amount certain of any Claim or Class of Claims), assumption or rejection of
25 executory contracts or unexpired leases effected by the Plan, and any document or agreement executed
26 pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (a)
27 constitute a waiver or release of any Claims or Interests by or against the Debtor or any Person or
28 Entity; (b) prejudice in any manner the rights of the Debtor or any other Person or Entity in any
further proceedings involving the Debtor; or (c) constitute an admission, acknowledgment, offer, or
undertaking of any sort by the Debtor, the Debtors, or any other Person or Entity.

4. Exemption from Certain Transfer Taxes and Further Transitions

Pursuant to Bankruptcy Code section 1146(a), the issuance or exchange of any security, or the
making or delivery of any instrument of transfer under, in furtherance, or in connection with the Plan,
including, but not limited to, any deeds, bills of sale, assignments or other instruments of transfer
(including those with respect to the Properties), shall not be subject to any stamp tax, real estate
transfer tax or similar tax.

1 **5. Severability**

2 If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to
 3 be invalid, void, or unenforceable, the Bankruptcy Court shall have the power, at the request of
 4 Debtors and subject to the consent of any party adversely affected thereby, to alter and interpret such
 5 term or provision to make it valid or enforceable to the maximum extent practicable, consistent with
 6 the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term
 7 or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding,
 8 alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full
 9 force and effect and will in no way be affected, Impaired, or invalidated by such holding, alteration, or
 interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that
 each term and provision of the Plan, as it may have been altered or interpreted in accordance with the
 foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be
 deleted or modified without the consent of Debtors and any other Person or Entity affected by such
 provision; and (c) non-severable and mutually dependent.

10 **VI. CONFIRMATION AND CONSUMMATION PROCEDURES**

11 **A. Confirmation of the Plan**

12 **1. Bankruptcy Code Section 1129(a)**

13 In order to meet the requirements for confirmation, the Plan (among other things) must: (i) be
 14 accepted by all Impaired Classes of Claims, or if rejected by an Impaired Class, not “discriminate
 15 unfairly” and be “fair and equitable” as to such class; (ii) be “feasible,” and (iii) be in the “best
 interests” of holders of Claims in Impaired Classes.

16 At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies
 17 the requirements of chapter 11 of the Bankruptcy Code. Specifically, in addition to other applicable
 18 requirements, the Proponents believe that the Plan satisfies or will satisfy the following requirements
 of section 1129 of the Bankruptcy Code:

- 19 • The Plan complies with the applicable provisions of the Bankruptcy Code.
- 20 • The Proponents have complied with the applicable provisions of the Bankruptcy Code.
- 21 • The Plan has been proposed in good faith and not by any means forbidden by law.
- 22 • Any payment made or promised by the Reorganized Debtor by a person acquiring
 23 property under the Plan for services or for costs and expenses in, or in connection with,
 24 the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11
 25 Case, has been disclosed to the Bankruptcy Court, and any such payment: (i) made
 26 before the confirmation of the Plan is reasonable; or (ii) is subject to the approval of the
 27 Bankruptcy Court as reasonable, if such payment is to be fixed after confirmation of
 the Plan.
- 28 • The Proponents have disclosed the identity and affiliations of any individual proposed

1 to serve, after confirmation of the Plan, as managers of the Reorganized Debtors, and
2 the appointment to, or continuance in, such office of such individual is consistent with
3 the interests of creditors and with public policy.

- 4 • The Proponents have disclosed the identity of any insider that will be employed or
5 retained as or by the Reorganized Debtor and the nature of any compensation for such
6 insider.
- 7 • Each holder of an impaired Claim or Interest either has accepted the Plan or will
8 receive or retain under the Plan, on account of such holder's Claim or Interest, property
9 of a value as of the Effective Date that is not less than the amount such holder would
10 receive or retain if the Debtor was liquidated on the Effective Date under chapter 7 of
11 the Bankruptcy Code.
- 12 • The starting point in determining whether the Plan meets the "best interests" test is a
13 determination of the amount of proceeds that would be generated from the liquidation
14 of the Debtor's assets in the context of a chapter 7 liquidation (such amount, the
15 "***Liquidation Proceeds***"). The Liquidation Proceeds must then be reduced by the costs
16 of such liquidation, including costs incurred during the Chapter 11 Case and allowed
17 under chapter 7 of the Bankruptcy Code (such as professionals' fees and expenses, a
18 chapter 7 trustee's fees, and the fees and expenses of professionals retained by the
19 chapter 7 trustee). The potential chapter 7 liquidation distribution in respect of each
20 Class must be reduced further by costs imposed by the delay caused by conversion to
21 chapter 7. In addition, inefficiencies in the claims resolution process in a chapter 7
22 would negatively impact the recoveries of creditors. The net present value of a
23 hypothetical chapter 7 liquidation distribution in respect of an impaired claim is then
24 compared to the recovery provided by the Plan for such impaired claim.
- 25 • Based on the Proponents' liquidation analysis set forth as Exhibit A hereto (the
26 "***Liquidation Analysis***"), the Proponents believe that each Class of Creditors and
27 Interest Holders will receive under the Plan a recovery at least equal in value to the
28 recovery such Impaired Class would receive pursuant to a liquidation of the Debtor
under chapter 7 of the Bankruptcy Code.
- Except to the extent the Plan meets the requirements of section 1129(b) of the
Bankruptcy Code, each Class of Claims either has accepted the Plan or is not an
Impaired Class under the Plan.
- Except to the extent that the holder of a particular Claim has agreed to a different
treatment of such Claim, the Plan provides that Administrative Claims, Priority Tax
Claims and Priority Claims will be paid in full or otherwise treated in accordance with
Bankruptcy Code section 1129(a)(9) as required by the Bankruptcy Code.

- 1 • At least one Impaired Class has accepted the Plan, determined without including any
- 2 acceptance of the Plan by any insider holding a Claim in such Impaired Class.
- 3 • Confirmation of the Plan is not likely to be followed by the liquidation or the need for
- 4 further financial reorganization of the Reorganized Debtor This requirement is
- 5 commonly referred to as the “feasibility test.”
- 6 • All fees of the type described in 28 U.S.C. § 1930, including the fees of the U.S.
- 7 Trustee will be paid as of the Effective Date.

8 **2. Bankruptcy Code Section 1129(b)**

9 Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a chapter 11
 10 plan of reorganization even if not all impaired classes have accepted the plan; provided that such plan
 11 has been accepted by at least one impaired class. The Proponents seek to confirm the Plan
 12 notwithstanding its rejection by any of the Impaired Classes. In order to obtain such nonconsensual
 confirmation (or “cramdown”) of the Plan, the Proponents must demonstrate to the Bankruptcy Court
 that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to each Impaired
 Class that voted to reject the Plan (each such Impaired Class, a “*Non-Accepting Class*”).

13 **(a) Fair and Equitable Test**

14 The Bankruptcy Code provides a non-exclusive definition of the phrase “fair and equitable,”
 15 and includes the general requirement that no class receive more than 100% of the amount of
 16 the allowed claims in such class. The “fair and equitable” test sets different standards for
 secured creditors, unsecured creditors, and equity holders, as follows:

17 **(i) Secured Creditors**

18 With respect to Non-Accepting Classes of Secured Claims, the “fair and equitable” test
 19 requires that (i) each impaired secured creditor retains the liens securing its allowed
 20 secured claim and receives on account of that claim deferred cash payments having a
 21 present value equal to the amount of its allowed secured claim; (ii) the property
 22 securing the claim is sold free and clear of liens, with such liens to attach to the
 proceeds of the sale and the treatment of such liens on proceeds to be as provided in
 clause (i) above; or (iii) each impaired secured creditor realizes the “indubitable
 equivalent” of its allowed secured claim.

23 The Debtor believes that the “fair and equitable” test is satisfied with respect to the
 24 Secured Lenders holding Impaired Secured Claims. The Plan provides that such
 25 Secured Lenders will, depending on the Secured Lender, either retain its liens securing
 26 its Allowed Secured Claim and receive on account of that claim deferred cash
 payments having a present value equal to the amount of its allowed secured claim, or
 will receive title to the property that secured such Secured Lender’s Claim.

27 **(ii) Unsecured Creditors**

28 With respect to Non-Accepting Classes of Unsecured Claims, the “fair and equitable”

1 test requires that (i) each impaired unsecured creditor receives or retains under the Plan
2 property of a value equal to the amount of its allowed claim; or (ii) the holders of any
3 claims that are junior to the Non-Accepting Class will not receive any property under
4 the Plan. (This provision is often referred to as the “absolute priority” rule.)

5 The Debtor believes that the fair and equitable test is satisfied with respect to the
6 general unsecured class, the only class of unsecured creditors, as the Plan strictly
7 adheres to the absolute priority rule as nowhere does the Plan provide for distributions
8 to the holders of any Claims or Interests that are junior to any Non-Accepting Class of
9 Claims or Interests of the Debtor.

10 **Equity Interest**

11 The “fair and equitable” test requires that (i) each holder of an Equity Interest will
12 receive or retain under the Plan property of a value equal to the greatest of the fixed
13 liquidation preference to which such holder is entitled, the fixed redemption price to
14 which such holder is entitled, or the value of the interest; or (ii) the holder of an interest
15 that is junior to the Non-Accepting Class will not receive or retain any property under
16 the Plan. Class 7 is deemed to have rejected the Plan. However, as no class junior to
17 Class 7 will receive any recovery, the “fair and equitable test” is satisfied with respect
18 to the Holders of the Equity Interests.

19 **(b) No Unfair Discrimination**

20 A plan does not “discriminate unfairly” with respect to a Non-Accepting Class if the value of
21 the cash and/or securities to be distributed to the Class is equal to, or otherwise fair when compared to,
22 the value of the distributions to other Classes whose legal rights are the same as those of the Non-
23 Accepting Class. There is no disparity in such rights in the Plan; the Plan therefore does not
24 discriminate unfairly.

25 The Debtor will establish at the Confirmation Hearing that each of these requirements has been
26 satisfied under the Plan.

27 **B. Conditions to Effective Date**

28 **1. Conditions to Occurrence of Effective Date**

Each of the following are conditions to be met on or before the Effective Date, which
conditions must be satisfied or waived in writing by the Proponents:

- (a) The Confirmation Order shall be entered by the Bankruptcy Court and shall have become a Final Order;
- (b) The required amount of Confirmation Funds have been paid and turned over to the Distribution Agent for Distribution in accordance with this Plan;
- (c) The Confirmation Order authorizes the assumption and assignment of all Assumed Contracts;

- 1
- 2 (d) To the extent Confirmation Funds are insufficient to satisfy the Allowed Administrative
- 3 Claims and Allowed Priority Claims (other than Professional Fee claims, if any) in full, the
- 4 Reorganized Debtor has assumed or will pay the remaining amounts unless otherwise
- 5 agreed by the Holder of such Allowed Administrative and Allowed Priority Claims Claim,
- 6 which are to be paid solely from the DIP Account and rental income;
- 7
- 8 (e) All Properties that this Plan requires to be transferred to Secured Lenders have been
- 9 transferred to the applicable Secured Lender by the Reorganized Debtor;
- 10
- 11 (f) All conditions precedent to the closing of any Refinanced Secured Loan Documents have
- 12 been satisfied or waived in accordance with the terms hereof; and
- 13
- 14 (g) Any outstanding US Trustee Fees shall have been paid in full.

15 Any condition precedent for the occurrence of the Effective Date set forth in Section 10.1 of

16 the Plan may be waived by the Proponents in their sole discretion, without notice, leave, or order of

17 the Bankruptcy Court or any other formal action.

18 2. Effect of Failure of Conditions Precedent

19 In the event that the Effective Date does not occur: (i) the Confirmation Order shall be vacated

20 without further order of the Bankruptcy Court; (ii) no distributions under the Plan shall be made, (iii)

21 the Debtors and all holders of Claims shall be restored to the status quo ante as of the day immediately

22 preceding the Confirmation Date as though the Confirmation Date never occurred; and (iv) the

23 Debtors obligations with respect to Claims shall remain unchanged and nothing contained in the Plan

24 shall constitute or be deemed a waiver or release of any Claims by or against the Debtors or any other

25 Person or will prejudice in any manner the rights of the Debtors or any Person in any further

26 proceedings involving the Debtors.

27 VII. FINANCIAL INFORMATION

28 A. Reorganized Debtor.

29 Exhibit B to this Disclosure Statement contain certain financial projections (collectively, the

30 “*Financial Projections*”) for the Debtors. The projections are based upon the rental property income

31 and personal income of the Debtors provided for under the Plan and are subject to the assumptions and

32 limitations contained in Exhibit B, as well as any business, operational, strategic or financial decisions

33 that the Debtors may make with respect to the operations of the Debtors in the future. Subject to those

34 limitations and assumptions and to the Risk Factors set forth in this Disclosure Statement, the Debtors

35 believe that Exhibit B demonstrates that the Debtors have a reasonable prospect of success in their

36 future operations post-Consummation of the Plan.

37 VIII. RISK FACTORS

38 PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS

AGAINST THE DEBTOR SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET

1 FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS
2 DISCLOSURE STATEMENT, THE DOCUMENTS DELIVERED TOGETHER WITH THIS
3 DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT. THE RISK FACTORS SET
4 FORTH BELOW SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS
5 INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

6 **A. General.**

7 **1. Information Presented is Based on the Debtors Books and Records, and is Unaudited**

8 While the Debtors have endeavored to present information fairly in this Disclosure Statement,
9 there is no assurance that the Debtors books and records upon which this Disclosure Statement is
10 based are complete and accurate. The financial information contained herein has been produced based
11 upon the Debtors books and records as they are maintained in the ordinary course of business and in
12 accordance with the Debtors ordinary and customary accounting practices. The financial information
13 contained herein, however, has not been audited.

14 **2. Projections and Other Forward Looking Statements Are Not Assured, And Actual 15 Results Will Vary**

16 Certain information in this Disclosure Statement is, by nature, forward looking, and contains
17 estimates and assumptions which might ultimately prove to be incorrect, and projections which may
18 differ materially from actual future results. There are uncertainties associated with all assumptions,
19 projections and estimates, and they should not be considered assurances or guarantees of the amount
20 of funds that will be distributed or the amount of Claims in the various Classes that will be allowed.
21 The allowed amount of Claims in each Class, as well as Administrative Claims, could be significantly
22 more than projected, which in turn, could cause the value of Distributions to be reduced substantially.

23 **3. Certain Tax Implications of the Plan**

24 Holders of Allowed Claims should carefully review Section X herein, "Material United States
25 Federal Income Tax Considerations," to determine how the tax implications of the Plan and the
26 Chapter 11 Case may affect Holders of Allowed Claims and the Debtors. The contents of this
27 Disclosure Statement should not be construed as legal, business or tax advice. Each holder of an
28 Allowed Claim should consult his, her or its own legal counsel and accountant as to legal, tax and
other matters concerning its Claim.

29 **B. Certain Bankruptcy Considerations**

30 **1. Risk of Non-Conformation of the Plan**

31 In order for the Reorganized Debtor to implement the Plan, the Debtors, like any other chapter
32 11 plan Debtors, must obtain approval of the Plan from their creditors and confirmation of the Plan
33 through the Bankruptcy Court, and then successfully implement the Plan. The foregoing process
34 requires the Debtors to: (a) meet certain statutory requirements with respect to the adequacy of this
35 Disclosure Statement; (b) solicit and obtain creditor acceptances of the Plan; and (c) fulfill other
36 statutory conditions with respect to the confirmation of the Plan.

37 The Debtors may not receive the requisite acceptances to confirm the Plan. If the requisite

1 acceptances of the Plan are received, the Debtors will seek confirmation of the Plan by the Bankruptcy
2 Court. If the requisite acceptances are not received, the Debtors will nevertheless seek confirmation of
3 the Plan pursuant to the “cramdown” provisions of the Bankruptcy Code as long as at least one
4 Impaired Class has accepted the Plan (determined without including the acceptance of any “insider” in
5 such Impaired Class).

6 Even if the requisite acceptances of the Plan are received, or the Debtors are able to seek a
7 “cramdown” confirmation, the Bankruptcy Court may not confirm the Plan as proposed. A holder of a
8 Claim in a Non-Accepting Class could challenge the balloting procedures and results as not being in
9 compliance with the Bankruptcy Code. Even if the Bankruptcy Court determined that the balloting
10 procedures and results were appropriate, the Bankruptcy Court could decline to confirm the Plan if it
11 found that any of the statutory requirements for confirmation had not been met. See Section VI.A
12 above for a discussion of these requirements.

13 The Bankruptcy Court may determine that the Plan does not satisfy one or more of these
14 applicable requirements, in which case the Plan could not be confirmed by the Bankruptcy Court. If
15 the Plan is not confirmed by the Bankruptcy Court, it is unclear whether the Debtor would be able to
16 reorganize its business and what, if any, distributions holders of Claims ultimately would receive with
17 respect to their Claims. In addition, there can be no assurance that the Debtors will be able to
18 successfully develop, prosecute, confirm, and consummate an alternative plan of reorganization with
19 respect to the Chapter 11 Case that is acceptable to the Bankruptcy Court and the holders of Claims.

20 **2. Risk of Non-Occurrence of Effective Date**

21 Although the Proponents anticipate that the Effective Date will occur soon after the
22 Confirmation Date, there can be no assurance as to such timing. If each of the conditions precedent are
23 not satisfied or duly waived, the Confirmation Order will be vacated without further order of the
24 Bankruptcy Court, in which event the Plan would be deemed null and void.

25 **3. Risk that Claims Will Be Higher Than Estimated**

26 The projected distributions and recoveries set forth in this Disclosure Statement and the
27 Liquidation Analysis are based on the Proponents’ initial estimate of Allowed Claims, without having
28 undertaken a substantive review of all filed Claims. The Plan allows for the establishment of reserves
(the “Reserve”) for the purposes of satisfying the Disputed Claims, as necessary or appropriate. The
Proponents and the Reorganized Debtor reserve the right to seek estimation of such Disputed Claims
pursuant to section 502(c) of the Bankruptcy Code. The actual amount at which such Disputed Claims
are ultimately allowed may differ from the estimates. Holders of Disputed Claims are entitled to
receive distributions under the Plan upon allowance of such Claims solely from the Reserve. If
insufficient Plan consideration is available for distribution from the Reserve at the time of allowance
of a Disputed Claim, the distributions on account of such Allowed Claim will be limited to such
available amounts and the holder of such Allowed Claim will have no recourse against the Debtor for
any deficiency that may arise. The Proponents project that the Claims asserted against the Debtor will
be resolved in and reduced to an amount that approximates their estimates. There can be no assurance,
however, that the Proponents’ estimates will prove accurate. If claims are ultimately allowed in
amounts higher than estimated, for example, distributions and recoveries on account of claims may be
lower than estimated.

1 **C. Risks Related to the Reorganized Debtors Significant Indebtedness.**

2 **1. Continuing Leverage and Ability to Service Debt**

3 Although the consummation of the Plan will significantly reduce the debt service obligations
4 of the Debtor, the Debtor will remain significantly leveraged. The Debtor believes that, following
5 consummation of the Plan, it will be able to meet anticipated future operating expenses, capital
6 expenditures and debt service obligations. However, the ability of the Debtor to meet its debt service
7 obligations will depend on a number of factors, including future market performance of its rental
property. These factors will be affected by general economic, financial, competitive, business and
other factors beyond the control of the Debtor.

8 The Financial Projections for the Debtor attached as Exhibit B reflect the data that the Debtor
9 provided and which is represented by their Monthly Operating Reports filed in this Chapter 11 Case.
10 The projections rely upon the success of the Debtors business strategy and assumes revenue sources
11 will be stable over the course of the Plan Term. However, there can be no assurance that such strategy
will be successful. Although the Debtors believe that the financial projections are achievable if all
assumptions are met, and that those assumptions are reasonable, there can be no assurance that the
results set forth in such financial projections will be obtained.

12 **D. Business Risks**

13 **1. Risks Related to the Chapter 11**

14 During the Chapter 11 Case, the Debtors operations are subject to the risks and uncertainties
15 associated with bankruptcy, but not limited to, the following:

- 16 • The Chapter 11 Case may adversely affect the Debtors business prospects and/or the
17 Debtors ability to operate during the reorganization.
- 18 • The Chapter 11 Case and attendant difficulties of operating the Debtors Properties
19 while attempting to reorganize the business in bankruptcy may make it more difficult to
20 maintain and promote the Debtors Properties and attract customers to, and lessees of,
the Debtors Properties.
- 21 • The Chapter 11 Case may cause the Debtors vendors and service providers to require
22 stricter terms and conditions.
- 23 • The Chapter 11 Case will cause the Debtor to incur substantial costs for professional
24 fees and other expenses associated with the bankruptcy.
- 25 • The Chapter 11 Case will prevent the Debtor from continuing to grow its business
26 through acquisitions and may restrict the Debtor's ability to pursue other business
27 strategies. Among other things, the Bankruptcy Code limits the Debtor's ability to
28 incur additional indebtedness, make investments, sell assets, consolidate, merge or sell
or otherwise dispose of all or substantially all of the Debtor's assets or grant liens.

1 These restrictions may place the Debtor at a competitive disadvantage.

- 2 • The Chapter 11 Case may adversely affect the Debtors ability to maintain, expand,
3 develop and remodel its properties.
- 4 • Transactions by the Debtor outside the ordinary course of business are subject to the
5 prior approval of the Bankruptcy Court.
- 6 • Transactions by the Debtors that are in the ordinary course of the business are not
7 subject to approval by the court.

8 **2. Tenants May be Unable to Meet Rent Terms**

9 The Debtors results of operation will depend on their ability to continue to lease their property
10 on economically favorable terms. Further, tenants' ability to pay minimum rents and expense recovery
11 charges depends on their ability to achieve a certain level of sales. Therefore, substantially all of the
12 Debtors income will be derived from rentals of real property and personal income. Thus, the cash
13 available for debt service or operations would be adversely affected if a number of tenants are unable
14 to meet their obligations.

13 **3. Tenant Bankruptcies May Have Material Effect on the Properties**

14 The bankruptcy of a tenant may have a material adverse effect on the Property affected and the
15 income produced by these properties. In the event of such a bankruptcy, there can be no assurances
16 that the Debtors could enter into new leases with tenants on the same or better terms. Consequently, it
17 is important the Debtors be allowed to establish a sufficient Rental Reserve or Contingency Account
18 for these unforeseen matters.

18 **4. Factors Affecting the Economy May Harm the Debtor's Operating Results**

19 During periods of economic contraction such as the current period, the Debtors revenues may
20 decrease while some of its costs remain fixed or even increase, resulting in decreased earnings.
21 Furthermore, other uncertainties, including national and global economic conditions, other global
22 events, or terrorist attacks or disasters in or around Nevada could have a significant adverse effect on
23 the Reorganized Debtors business, financial condition and results of operations.

22 **5. The Debtor Depends on Key Markets and May Not Be Able to Continue to Attract a 23 Sufficient Number of Tenants to Make the Debtors Operations Profitable**

24 The Debtors operating strategies relies on the vitality of the region in where their properties are
25 located. There can be no assurance that the Debtor will be able to successfully adapt to the current
26 economic downturn or any further economic slowdown.

27 **E. Risks Relating to the New Equity Interest (if applicable)**

28 **1. A Liquid Trading Market for the New Equity Interest is Unlikely to Develop**

1 A liquid trading market for the New Equity Interests is unlikely to develop. As of the Effective
2 Date, the New Equity Interests will not be listed for trading on any stock exchange or trading system.
3 The future liquidity of the trading market for the New Equity Interests will depend, among other
4 things, upon the number of holders of the New Equity Interests and whether the New Equity Interests
5 are listed for trading on an exchange. Furthermore, the New Equity Interests are subject to restrictions
6 on transfer and may not be resold or transferred except as permitted under the Securities Act and
7 regulations promulgated thereunder and applicable state securities laws. Prospective purchasers of
8 New Equity Interests should be aware that they will be required to bear the financial risks of the
9 investment for an indefinite period of time. Any such purchaser must represent that the securities are
10 being acquired for investment purposes only, and not with a view to or present intention of
11 distribution.

8 **2. Potential Dilution of the New Equity Interest**

9 The ownership of the New Equity Interests will be subject to dilution in the event of the
10 issuance of additional equity in the Reorganized Debtor. In the future, additional equity financings or
11 other issuances of equity by the Reorganized Debtor could adversely affect the market price of the
12 New Equity Interests. (Not Applicable in this case).

12 **3. Restriction on Transfer**

13 The New Equity Interests will be sold without registration under the Securities Act and
14 without qualification or registration under state securities laws, pursuant to exemptions from such
15 registration and qualification contained in section 4(2) of the Securities Act and Regulation D
16 promulgated thereunder. As such, the New Equity Interests will be “restricted securities” as defined
17 under Rule 144 of the Securities Act. Therefore, subsequent sales, exchanges, transfers, or other
18 dispositions of such securities or any interest therein will not be permitted except pursuant to (i) an
19 effective registration of such securities under the Securities Act and under equivalent state securities
20 or “blue sky” laws or (ii) the provisions of Rule 144 under the Securities Act or another available
21 exemption from registration requirements. In addition, the organizational documents of the
22 Reorganized Debtor may set forth other transfer restrictions applicable to the New Equity Interests.

20 **4. Speculative Investment**

21 Investment in the New Equity Interests is a speculative investment. New Equity Interests may
22 only be sold to “accredited investors” as defined under Regulation D of the Securities Act. There is no
23 assurance that the Reorganized Debtor’s operations will be profitable, and any purchaser of the New
24 Equity Interests must be able to bear a complete loss of such investment. There is limited information
25 available about the prospects for the future performance of the Reorganized Debtor, and any
26 prospective purchaser must perform its own investigation of the Debtor prior to purchasing any New
27 Equity Interests.

25 **IX. MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

26 **Creditors Concerned with How the Plan May Affect Their Tax Liability Should Consult**
27 **with their own Accountants, Attorneys, and/or Advisors.**

28 The Debtors do not anticipate any adverse tax consequences to their estate from the Plan. To
the extent the Debtors receives any debt forgiveness income related to this Chapter 11 case, such

1 income would not be taxable under Section 108(a)(1) of the Internal Revenue Code, 26 U.S.C. §§ 1, *et*
2 *seq.*

3 *The foregoing summary has been provided for informational purposes only. All holders of*
4 *Claims receiving a distribution under the Plan are urged to consult their tax advisors concerning the*
federal, state, local and foreign tax consequences applicable under the Plan.

5 **X. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN**

6 If the Plan is not confirmed and consummated, the Debtors alternatives include (i) liquidation
7 of the Debtors under chapter 7 of the Bankruptcy Code and (ii) the preparation and presentation of an
8 alternative plan or plans of reorganization.

9 **A. Liquidation Under Chapter 7**

10 If the Plan or any other chapter 11 plan for the Debtor cannot be confirmed under section
11 1129(a) or (b) of the Bankruptcy Code, the Chapter 11 Case may be converted to cases under chapter
12 7 of the Bankruptcy Code, in which case a trustee would be elected or appointed to liquidate any
13 remaining assets of the Debtor for distribution to creditors pursuant to chapter 7 of the Bankruptcy
Code. In that event, all creditors most likely would receive distributions of a lesser value on account of
their Allowed Claims and would have to wait a longer period of time to receive such distributions than
they would under the Plan.

14 **B. Alternative Plans of Reorganization**

15 If the Plan is not confirmed, the Debtors, or any other party in interest, may attempt to
16 formulate an alternative chapter 11 plan, which might provide for the liquidation of the Debtors
17 remaining assets other than as provided by the Plan. Any attempt to formulate an alternative chapter
18 11 plan would necessarily delay creditors' receipt of distributions and, due to the incurrence of
19 additional administrative expenses during such period of delay, may provide for smaller distributions
to holders of Allowed Claims than are currently provided for under the Plan. Accordingly, the Debtors
believe that the Plan will enable all creditors to realize the greatest possible recovery on their
respective Claims with the least delay.

20 **XI. SECURITIES LAW MATTERS**

21 **A. U.S. Securities Law Matters**

22 Except as set forth below, all debt instruments, to the extent they constitute securities, and
23 equity securities to be issued in conjunction with the Plan, will be issued without registration under the
24 Securities Act or any similar federal, state, or local law in reliance upon the exemptions set forth in
25 section 1145 of the Bankruptcy Code or in the case of the New Equity Interests, in reliance on the
26 exemption set forth in section 4(2) of the Securities Act or Regulation D promulgated thereunder.

27 **B. Section 1145 of the Bankruptcy Code**

28 Section 1145(c) of the Bankruptcy Code provides that securities issued pursuant to a

1 registration exemption under section 1145(a)(1) of the Bankruptcy Code are deemed to have been
2 issued pursuant to a public offering. Therefore, the securities issued pursuant to a section 1145
3 exemption may generally be resold by any holder thereof without registration under the Securities Act
4 pursuant to the exemption provided by section 4(1) thereof unless the holder is an “underwriter” with
5 respect to such securities, as such term is defined in section 1145(b)(1) of the Bankruptcy Code. In
6 addition, such securities generally may be resold by the recipients thereof without registration under
7 state securities or “blue sky” laws pursuant to various exemptions provided by the respective laws of
the individual states. However, recipients of securities issued under the Plan are advised to consult
with their own counsel as to the availability of any such exemption from registration under federal
securities laws and any relevant state securities laws in any given instance and as to any applicable
requirements or conditions to the availability thereof.

8 Section 1145(b)(1) of the Bankruptcy Code defines an “underwriter” for purposes of the
9 Securities Act as one who, subject to certain exceptions, (a) purchases a claim with a view to
10 distribution of any security to be received in exchange for such claim, or (b) offers to sell securities
11 offered or sold under the plan for the holders of such securities, or (c) offers to buy securities issued
12 under the plan from the holders of such securities, if the offer to buy is made with a view to
distribution of such securities, and if such offer is under an agreement made in connection with the
plan, with the consummation of the plan or with the offer or sale of securities under the plan, or (d) is
an issuer, as used in section 2(11) of the Securities Act, with respect to such securities.

13 The term “issuer,” as used in section 2(11) of the Securities Act, includes any person directly
14 or indirectly controlling or controlled by, an issuer of securities, or any person under direct or indirect
15 common control with such issuer.” Control” (as defined in Rule 405 under the Securities Act) means
16 the possession, direct or indirect, of the power to direct or cause the direction of the policies of a
17 person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an
18 officer or director of a reorganized debtor or its successor under a plan of reorganization may be
19 deemed to be “in control” of such debtor or successor, particularly if the management position or
directorship is coupled with ownership of a significant percentage of the Reorganized Debtor’s or its
successor’s voting securities. Moreover, the legislative history of section 1145 of the Bankruptcy
Code suggests that a creditor who owns at least ten percent (10%) of the voting securities of a
reorganized debtor may be presumed to be a “control person.”

20 To the extent that persons deemed “underwriters” receive securities under the Plan, resale of
21 such securities would not be exempted by section 1145 of the Bankruptcy Code from registration
22 under the Securities Act or other applicable law, Holders of such restricted securities may, however,
23 be able, at a future time and under certain conditions described below, to sell securities without
24 registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act.

24 **C. Section 4(2) of the Securities Act/Regulation D**

25 Section 4(2) of the Securities Act provides that the issuance of securities by an issuer in
26 transactions not involving any public offering are exempt from registration under the Securities Act.
27 Regulation D is a non-exclusive safe harbor promulgated by the United States Securities and
28 Exchange Commission under the Securities Act related to, among others, section 4(2) of the Securities
Act.

The term “issuer,” as used in section 4(2) of the Securities Act, means, among other things, a

1 person who issues or proposes to issue any security.

2 Securities issued pursuant to the exemption provided by section 4(2) of the Securities Act or
3 Regulation D promulgated thereunder are considered “restricted securities.” As a result, resale of such
4 securities may not be exempt from the registration requirements of the Securities Act or other
5 applicable law. Holders of such restricted securities may, however, be able, at a future time and under
6 certain conditions described below, to sell securities without registration pursuant to the resale
7 provisions of Rule 144 and Rule 144A under the Securities Act.

8 **D. Rule 144 and Rule 144A**

9 Under certain circumstances, affiliates and holders of restricted securities may be entitled to
10 resell their securities pursuant to the limited safe harbor resale provisions of Rule 144. Generally, Rule
11 144 provides that if certain conditions are met (e.g., that the availability of current public information
12 with respect to the issuer, volume limitations, and notice and manner of sale requirements), specified
13 persons who resell restricted securities or who resell securities which are not restricted but who are
14 “affiliates” of the issuer of the securities sought to be resold, will not be deemed to be “underwriters”
15 as defined in section 2(11) of the Securities Act. Rule 144 provides that: (i) a non-affiliate who has not
16 been an affiliate during the preceding three months may resell restricted securities after a six-month
17 holding period if at the time of the sale there is current public information regarding the issuer and
18 after a one-year holding period if there is not current public information regarding the issuer at the
19 time of the sale; and (ii) an affiliate may sell restricted securities after a six-month holding period if at
20 the time of the sale there is current public information regarding the issuer and after a year holding
21 period if there is not current public information regarding the issuer at the time of the sale, provided
22 that in each case the affiliate otherwise complies with the volume, manner of sale and notice
23 requirements of Rule 144.

24 Rule 144A provides a non-exclusive safe harbor exemption from the registration requirements
25 of the Securities Act for resale to certain “qualified institutional buyers” of securities that are
26 “restricted securities” within the meaning of the Securities Act, irrespective of whether the seller of
27 such securities purchased its securities with a view towards reselling such securities, if certain other
28 conditions are met (e.g., the availability of information required by paragraph 4(d) of Rule 144A and
certain notice provisions). Under Rule 144A, a “qualified institutional buyer” is defined to include,
among other persons, “dealers” registered as such pursuant to section 15 of the Exchange Act, and
entities that purchase securities for their own account or for the account of another qualified
institutional buyer and that, in the aggregate, own and invest on a discretionary basis at least \$100
million in the securities of unaffiliated issuers. Subject to certain qualifications, Rule 144A does not
exempt the offer or sale of securities that, at the time of their issuance, were securities of the same
class of securities then listed on a national securities exchange (registered as such pursuant to section 6
of the Exchange Act) or quoted in a United States automated inter-dealer quotation system.

Any holder of securities issued under the Plan may transfer such securities to a new holder at
such times as (i) such securities are sold pursuant to an effective registration statement under the
Securities Act or (ii) such holder delivers to the issuer an opinion of counsel reasonably satisfactory to
the issuer, to the effect that such shares are no longer subject to the restrictions applicable to
“underwriters” under section 1145 of the Bankruptcy Code or (iii) such holder delivers to the issuer an
opinion of counsel reasonably satisfactory to the issuer to the effect that such shares are no longer
subject to the restrictions pursuant to an exemption under the Securities Act and such shares may be

1 sold without registration under the Securities Act, in which event the certificate issued to the
2 transferee will not bear such legend.

3 IN VIEW OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF
4 WHETHER A RECIPIENT OF SECURITIES MAY BE AN UNDERWRITER OR AN AFFILIATE
5 OF THE ISSUER, THE PROPONENTS MAKE NO REPRESENTATIONS CONCERNING THE
6 RIGHT OF ANY PERSON TO TRADE ANY SECURITIES TO BE DISTRIBUTED PURSUANT
7 TO THE PLAN. ACCORDINGLY, THE PROPONENTS RECOMMEND THAT POTENTIAL
8 RECIPIENTS OF SECURITIES UNDER THE PLAN CONSULT THEIR OWN COUNSEL
9 CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES. SEE "RISK
10 FACTORS -- RISKS RELATING TO THE NEW EQUITY INTERESTS."

11 XII. CONCLUSION AND RECOMMENDATION

12 The Debtors believe that confirmation and implementation of the Plan is preferable to any of
13 the alternatives described above because it will provide the greatest recoveries to holders of Claim.
14 Other alternatives would involve significant delay, uncertainty and substantial additional
15 administrative costs. The Debtors urge holders of impaired Claims entitled to vote on the Plan to
16 accept the Plan and to evidence such acceptance by returning their Ballots so that they will be received
17 no later than 5:00 p.m., prevailing Pacific time, on November 15, 2018.

18 Dated: October 9, 2018

19 /s/ Christopher Craig
20 Christopher Craig
21 Managing member

22 /s/ Andrew J. Van Ness, Esq.
23 Andrew J. Van Ness, Attorney for Debtor
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EXHIBITS

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Exhibit A - Liquidation Analysis

Exhibit B - Financial Projections

Exhibit C – Proposed Claims Distributions

Exhibit D – Appraisal and Declaration of Appraiser

EXHIBIT A

LIQUIDATION ANALYSIS²

A. OVERVIEW

A chapter 11 plan cannot be confirmed unless the bankruptcy court determines that the plan is in the “best interests” of all holders of claims and interests that are impaired by the plan and that have not accepted the plan. The “best interests” test requires a bankruptcy court to find either that (i) all members of an impaired class of claims or interests have accepted the plan or (ii) the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the Debtor was liquidated under chapter 7 of the Bankruptcy Code. The property in question here would have a liquidated value equal to its appraised value, less foreclosure costs and fees.

B. UNDERLYING ASSUMPTIONS AND DISCLAIMER

This liquidation analysis (the “**Liquidation Analysis**”) was prepared in connection with the filing of the Debtor’s Disclosure Statement and Plan.

The Debtor has prepared this Liquidation Analysis based on a hypothetical liquidation under chapter 7 of the Bankruptcy Code. The determination of the costs of, and proceeds from, the hypothetical liquidation of the Debtor’s assets in a Chapter 7 case is an uncertain process involving the extensive use of estimates and assumptions that, although considered reasonable by the Debtor, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtor and his legal advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual Chapter 7 liquidation, and unanticipated events and circumstances could affect the ultimate results in an actual Chapter 7 liquidation.

It is assumed, among other things, that the hypothetical liquidation under Chapter 7 would commence under the direction of a court-appointed trustee and would continue for a period of time, during which time all of the Debtor’s major assets would be sold or surrendered to his respective lien holders, and the cash proceeds, if any, net of liquidation related costs, would then be distributed to creditors in accordance with relevant law.

THE LIQUIDATION ANALYSIS IS NOT INTENDED AND SHOULD NOT BE USED FOR ANY OTHER PURPOSE. THE LIQUIDATION ANALYSIS DOES NOT PURPORT TO BE A VALUATION OF THE DEBTOR’S ASSETS AS A GOING CONCERN, AND THERE MAY BE A SIGNIFICANT DIFFERENCE BETWEEN THE LIQUIDATION ANALYSIS AND THE VALUES THAT MAY BE REALIZED IN AN ACTUAL LIQUIDATION. THIS ANALYSIS ASSUMES

² All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Disclosure Statement. To the extent that a definition of a term in the text of this Exhibit C to the Disclosure Statement and the definition of such term in the Disclosure Statement is inconsistent, the definition included in the Disclosure Statement shall control.

1 “LIQUIDATION VALUES” BASED ON APPRAISALS, WHERE AVAILABLE, AND THE
2 DEBTOR’S BUSINESS JUDGEMENT, WHERE APPRAISALS ARE NOT AVAILABLE.

3 THE UNDERLYING FINANCIAL INFORMATION IN THE LIQUIDATION ANALYSIS
4 WAS NOT COMPILED OR EXAMINED BY ANY INDEPENDENT ACCOUNTANTS. NEITHER
5 THE DEBTOR NOR HIS ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT
6 THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND
7 ASSUMPTIONS REPRESENTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS
8 COULD VARY MATERIALLY.

9 THIS ANALYSIS ASSUMES “LIQUIDATION VALUES” BASED ON APPRAISALS, WHERE
10 AVAILABLE AND WHEN APPLICABLE, AND THE DEBTOR’S BUSINESS JUDGMENT,
11 WHERE APPRAISALS ARE NOT AVAILABLE.

12 **C. SUMMARY NOTES TO THIS LIQUIDATION ANALYSIS**

13 The Liquidation Analysis should be read in conjunction with the following notes and
14 assumptions:

- 15 1. Dependence on Unaudited Financial Statements. This Liquidation Analysis contains estimates
16 that are still under review and it remains subject to further legal and accounting analysis.
- 17 2. Preference or Fraudulent Transfers. No recovery or related litigation costs attributed to any
18 potential avoidance actions under the Bankruptcy Code, including potential reference or
19 fraudulent transfer actions are assumed within this analysis due to, among other issues,
20 anticipated disputes about these matters.
- 21 3. Duration of the Liquidation Process. The Debtor has assumed that the liquidation would
22 involve very little operations. Thus, this Liquidation Analysis assumes the liquidation would
23 be completed within twelve (12) months. In an actual liquidation the wind down process and
24 time period(s) could vary thereby impacting recoveries. For example, the potential for priority,
25 contingent and other claims, litigation, rejection costs and the final determination of allowed
26 claims could substantially impact both the timing and amount of the distribution of the asset
27 proceeds to the creditors. Accordingly, there can be no assurance that the values reflected in
28 this Liquidation Analysis would be realized if the Debtor was, in fact, to undergo such
liquidation.

1 **D. SUMMARY OF LIQUIDATION ANALYSIS**

2 **Chapter 7 Liquidation Costs:** Pursuant to section 726 of the Bankruptcy Code, the allowed
 3 administrative expenses incurred by a Chapter 7 trustee, including, but not limited to, expenses
 4 affiliated with selling the Debtor's assets, will be entitled to payment in full prior to any distribution to
 5 Chapter 11 administrative and other priority claims. As the Debtor is an individual and does not
 6 operate a business, it is anticipated that any potential creditors' recoveries would be extinguished by
 7 the secured claims of the Debtor's first lien holders, leaving no recovery for unsecured creditors.

8 **LIQUIDATION SUMMARY**

Description	Total Amount	Real Property	Personal Property
Total Property Value	242,953.00	242,953.00	0.00
Less:			
Schedule D. Secured Claims	248,953.00	242,953.00	6,000.00
Schedule C. Exemptions	0.00	0.00	0.00
Interest in Nonexempt Property	0.00	0.00	-6,000.00
Less:			
Estimated Chapter 7 Admin Expenses	0.00		
Schedule E. Priority Claims	0.00		
Available to General Unsecured	-6,000.00		
Total General Unsecured	151,430.41		
Percent Distribution	0%		
Details:			
Unsecured from Schedule D	148,930.41	142,430.41	6,500.00
Unsecured from Schedule E	0.00		
Unsecured from Schedule F	2,500.00		

EXHIBIT B

Dependence on Assumptions. The Cash Flow Analysis is based on a number of estimates and assumptions that, although developed and considered reasonable by the Debtors advisors, are inherently subject to significant economic, business and competitive uncertainties and contingencies beyond the control of the Debtors. The Cash Flow Analysis is also based on the Debtors best judgment of how likely it is that they will be able to retain the same level of income throughout the life of their Plan and not have their workload and income reduced. Accordingly, there can be no assurance that the cash flow estimates reflected in this Cash Flow Analysis would be realized if the Debtors are unable to maintain their current income and actual results could vary materially and adversely from those contained herein.

DEBTORS FINANCIAL PROJECTIONS

<u>INCOME AND EXPENSES:</u>		<u>CURRENT</u>
<u>Monthly Income:</u>		
Current Gross Rental Income:		\$ 2,000.00
<u>Total Current Income:</u>		<u>\$ 2,000.00</u>
<u>Monthly Investment Property Expenses:</u>		<u>\$ 1,915.00</u>
<u>Total Average Personal Expenses:</u>		<u>\$ -</u>
<u>Monthly Disposable Income:</u>		<u>\$ 85.00</u>
<u>Quarterly Disposable Income Available for Distribution for Plan Term:</u>		<u>\$ 255.00</u>

Property Income & Expense Analysis

Monthly Investment Prop. Income & Expenses:	<u>P & I Payment</u>	<u>Insurance</u>	<u>Taxes</u>	<u>Maint Reserve*</u>	<u>HOA</u>	<u>Rent</u>
<u>Property Address:</u>						
11604 Azul Celeste Place, Las Vegas, NV 89138	1,160.00	\$ 160.00	\$ 250.00	\$ 250.00	\$ 95.00	\$ 2,000.00
Total:	<u>\$ 1,160.00</u>	<u>\$ 160.00</u>	<u>\$ 250.00</u>	<u>\$ 250.00</u>	<u>\$ 95.00</u>	<u>\$ 2,000.00</u>
Total Property Expenses:				<u>\$ 1,915.00</u>		
Net Profit:						<u>\$ 85.00</u>
*Maintenance Reserve includes funds for advertising, utilities, Property management fees						
increases in property taxes, increase in insurance, repair and property turnover, vacancies reserve and income taxes on rental income.						

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**EXHIBIT C
CLAIMS**

<u>Proof of Claim No.</u>	<u>Creditor</u>	<u>Claim Amount</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Priority</u>
	**US Bank, NA, as Trustee for the RMAC Trust, Series 2016-CTT	\$ 242,953.00	\$ 50,000.00	\$ -	
	Nevada Dept. of Taxation	\$ 136,849.00			
	Summerlin West Community Assoc.	\$ 2,500.00	\$ 600.00	\$ 1,900.00	
	Casa Rosa HOA	\$ 2,730.00	\$ 600.00	\$ 2,130.00	
	Homeclub Wholesale Inc	\$ 12,500.00	\$ 6,000.00	\$ 6,500.00	
	Republic Services	\$ 350.84		\$ 350.84	
	DCI Investments LLC	\$ 2,500.00		\$ 2,500.00	
	Totals:	\$ 400,382.84	\$ 57,200.00	\$ 13,380.84	\$ -
	Debtor Members				
	Contributions:	\$17,500.00			
	Total Distribution Amount:		\$ 17,500.00		
	Administrative Claims		\$ 10,500.00		
	Total Amount for Distribution to Allowed Unsecured Claims:		\$ 7,000.00		

** If no objections is made. If objection is made, then secured claim will be \$242,953

EXHIBIT D

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1 Andrew J. Van Ness, Esq.
2 Nevada Bar No. 9709
3 HUNTER PARKER LLC
4 3815 S Jones Blvd, STE 1A
5 Las Vegas, Nevada 89103
6 (702) 686-9297
7 hunterparkerllc@gmail.com
8 *Attorney for Debtor*

9
10 **UNITED STATES BANKRUPTCY COURT**
11 **DISTRICT OF NEVADA**
12

<p>13 In re:</p> <p>14 SYNTHESIS INDUSTRIAL HOLDINGS 1 15 LLC,</p> <p>16 Debtor</p>	<p>17 Case No.: 18-15993-MKN</p> <p>18 Chapter 11</p>
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19
20 **DECLARATION OF RICHARD J. POTTER**
21 **CERTIFIED RESIDENTIAL APPRAISER**
22 **IN SUPPORT OF VALUE FOR**
23 **11604 AZUL CELESTE PLACE, LAS VEGAS, NV 89138**
24

25 I declare, under penalty of perjury:

26 1. I have personal knowledge of the facts set forth in this Declaration, except to those
27 facts stated on information and belief, which I believe to be true. If called as a witness, I would be
28 competent to testify to the facts set forth in this Declaration.

1. I am a State Certified Nevada Appraiser, State Certification Number A.0003476-CR.

3. I conducted an exterior inspection of the property on October 4, 2018.

4. The subject property is a single family residential property, which is currently occupied
by a squatter(s).

1 5. My final opinion of market value of the subject property “AS IS” for the reasons stated
2 in the attached appraisal as of October 5, 2018, which was signed by me on October 5, 2018 is
3 **\$242,953.00**. See attached appraisal as **Exhibit A**.

4
5 6. I declare under penalty of perjury under the laws of the State of Nevada that the
6 foregoing is true and correct.

7 Dated: October 9, 2018

8 /s/ Richard J. Potter
9 Richard J. Potter
10 Ram Appraisal, Inc.
11 Appraiser
12 State Cert. #A.0003476-CR
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EXHIBIT A

Certification

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE REAL ESTATE DIVISION NOT TRANSFERABLE

This is to Certify That : RICHARD J POTTER Certificate Number: A.0003476-CR

Is duly authorized to act as a CERTIFIED RESIDENTIAL APPRAISER from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.

Issue Date: December 5, 2017 Expire Date: January 31, 2020

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in it by Chapter 645C of the Nevada Revised Statutes, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.



FOR: RAM APPRAISAL
560 E OAKEY BLVD
LAS VEGAS, NV 89104
REAL ESTATE DIVISION

SHARATH CHANDRA
Administrator

E & O Insurance

301 E. Fourth Street, Cincinnati, OH 45202

DECLARATIONS
for
REAL ESTATE APPRAISERS
ERRORS & OMISSIONS INSURANCE POLICY

THIS IS BOTH A CLAIMS MADE AND REPORTED INSURANCE POLICY.

THIS POLICY APPLIES TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD.

Insurance is afforded by the company indicated below: (A capital stock corporation)

 Great American Assurance CompanyNote: The Insurance Company selected above shall herein be referred to as the **Company**.Policy Number: **RAP4115682-18**Renewal of: **RAP4115682-17**

Program Administrator: **Herbert H. Landy Insurance Agency Inc.**
75 Second Ave Suite 410 Needham, MA 02494-2876

Item 1. **Named Insured:** **Richard J. Potter**Item 2. **Address:** **560 E Oakey Boulevard**City, State, Zip Code: **Las Vegas, NV 89104**

Item 3. **Policy Period:** From 02/20/2018 To 02/20/2019
(Month, Day, Year) (Month, Day, Year)

(Both dates at 12:01 a.m. Standard Time at the address of the **Named Insured** as stated in Item 2.)Item 4. **Limits of Liability:**A. \$ 500,000 **Damages** Limit of Liability – Each ClaimB. \$ 500,000 **Claim Expenses** Limit of Liability – Each ClaimC. \$ 1,000,000 **Damages** Limit of Liability – Policy AggregateD. \$ 1,000,000 **Claim Expenses** Limit of Liability – Policy AggregateItem 5. **Deductible** (Inclusive of **Claim Expenses**):A. \$ 0.00 Each ClaimB. \$ 0.00 AggregateItem 6. **Premium:** \$ **679.00**Item 7. **Retroactive Date** (if applicable): **02/20/2004**Item 8. **Forms, Notices and Endorsements attached:****D42100 (03/15) D42300 NV (05/13) IL7324 (08/12)****D42413 (06/17) D42412 (03/17) D42408 (05/13) D42402 (05/13)**

Authorized Representative

Resume

Richard J. Potter
Certified Residential Appraiser
Nevada License A.0003476-CR

Ram Appraisal Inc.
560 E Oakey Blvd,
Las Vegas, Nevada 89104
Direct (702) 375-7052
Office (702) 870-2189
Fax (702) 870-9524
Ramappraisal@gmail.com

Designations: Certified Residential Appraiser, Nevada License A.0003476-CR
Veterans Affairs ID #5002873, Active FHA Registered Appraiser

Employment History: January 31, 2000 to present date, Ram Appraisal Inc.,
Las Vegas, Nevada

January 27, 1997 to January 31, 2000 Real Estate Appraisal Inc.,
Las Vegas, Nevada

Appraisal Education and Training: January 1998 to present date

USPAP-Appraisal Standards, Principles, Appraisal Practices and Review.
Residential appraisal practice, Cost approach, Financial income and analysis,
Vacant land appraisal, Complex property, Nevada law and ethics, Condominium,
PUD and Co-operative units, Fha Standards and requirements

Appraisal experience:

During the past 17 years I have operated an intense residential appraisal practice in Las Vegas, Nevada. During this time, I have completed more than 10,000 residential appraisal assignments. I have unlimited experience in the valuation of single family residences, condominiums, PUD, vacant land, 1-4 multi-family dwellings, custom homes and complex property assignments. My experience includes development and reporting employment relocation, desk reviews, field reviews, desktop analysis reports, mediation, probate, divorce, date of death, alternate valuation, bankruptcy, short sales, Reo bank owned foreclosures and retrospective analysis.

RESTRICTED APPRAISAL REPORT

File No.: AZUL CELESTE

Property Address: 11604 Azul Celeste Pl	City: Las Vegas	State: NV	Zip Code: 89138
County: CLARK	Legal Description: CASA ROSA PLAT BOOK 112 PAGE 48 LOT 84 BLOCK 1		
Assessor's Parcel #: 137-35-416-061			
Tax Year: 2017	R.E. Taxes: \$ 2,969.04	Special Assessments: \$ 0.00	Borrower (if applicable): SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC
Current Owner of Record: SYLVIA DEANN & ERIC J YUGAR	Occupant: <input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing		
Property Type: <input checked="" type="checkbox"/> SFR <input type="checkbox"/> 2-4 Family <input type="checkbox"/>	# of Units: 1	Ownership Restriction: <input type="checkbox"/> None <input checked="" type="checkbox"/> PUD <input type="checkbox"/> Condo <input type="checkbox"/> Coop	
Market Area Name: CASA ROSA	Map Reference: 34-36-4J	Census Tract: 0058.22	<input type="checkbox"/> Flood Hazard

The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe) CHAPTER 11 FILING IN US BANKRUPTCY COURT
This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective
Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input checked="" type="checkbox"/> Income Approach <input type="checkbox"/> Other:
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)
Intended Use: THE INTENDED USE OF THE APPRAISAL IS TO ASCERTAIN "MARKET VALUE" FOR CHAPTER 11 FILING IN US BANKRUPTCY COURT.
Under USPAP Standards Rule 2-2(b), this is a Restricted Appraisal Report, and is intended only for the sole use of the named client. There are no other intended users. The client must clearly understand that the appraiser's opinions and conclusions may not be understood properly without additional information in the appraiser's work file.
Client: HUNTER PARKER LLC Address: 3815 S JONES BLVD, STE 1A, LAS VEGAS, NV 89103
Appraiser: RICHARD J. POTTER Address: 560 E OAKY BLVD., LAS VEGAS, NV 89104


FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	11604 Azul Celeste Pl Las Vegas, NV 89138	964 Bonitos Suenos St Las Vegas, NV 89138		11221 Sheffield Abbot Ct Las Vegas, NV 89138		11649 Royal Derwent Ave Las Vegas, NV 89138	
Proximity to Subject		0.04 miles S		0.96 miles NE		0.12 miles W	
Sale Price	\$ N/A	\$ 400,000		\$ 395,000		\$ 395,000	
Sale Price/GLA	\$ /sq.ft.	\$ 195.50 /sq.ft.		\$ 196.22 /sq.ft.		\$ 195.84 /sq.ft.	
Data Source(s)	PUBLIC RECORD	DOC.#2017112802347		DOC.#2018071602779		DOC.#2018080601052	
Verification Source(s)		MLS#1944783, DOM 4		MLS#1999076, DOM 11		MLS#1980503, DOM 9	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Sales or Financing Concessions		CONV		CONV		CASH	
		\$0		\$0		\$0	
Date of Sale/Time		11/28/2017		07/16/2018		08/06/2018	
Rights Appraised	FEE SIMPLE	FEE SIMPLE		FEE SIMPLE		FEE SIMPLE	
Location	GATED/RESIDENTIAL	GATED/RESIDENTIAL		RESIDENTIAL	+2,500	RESIDENTIAL	+2,500
Site	6,534 SF	4,792 SF		6,970 SF		4,792 SF	
View	RESIDENTIAL	RESIDENTIAL		RESIDENTIAL		RESIDENTIAL	
Design (Style)	2 STORY	2 STORY		2 STORY		2 STORY	
Quality of Construction	GOOD	GOOD		GOOD		GOOD	
Age	12	12		15		14	
Condition	POOR	EXCELLENT		GOOD		GOOD	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	6 3 2.5	6 3 2.5		6 3 2.0	+3,500	7 4 3.0	-2,500
Gross Living Area	2,046 sq.ft.	2,046 sq.ft.		2,013 sq.ft.		2,017 sq.ft.	
Basement & Finished Rooms Below Grade							
Functional Utility	AVERAGE	AVERAGE		AVERAGE		AVERAGE	
Heating/Cooling	FAU/CAC	FAU/CAC		FAU/CAC		FAU/CAC	
Energy Efficient Items	DUAL PANE WINDOWS	DUAL PANE WINDOWS		DUAL PANE WINDOWS		DUAL PANE WINDOWS	
Garage/Carport	2 CAR GARAGE	2 CAR GARAGE		2 CAR GARAGE		2 CAR GARAGE	
Porch/Patio/Deck	L/S/C.PATIO	L/S/C.PATIO		L/S/C.PATIO		L/S/C.PATIO	
	NO FIREPLACE	NO FIREPLACE		1 FIREPLACE	-3,000	NO FIREPLACE	
	BLK/POOL/SPA	BLK/POOL	+5,000	BLK/POOL/SPA		BLK/POOL/SPA	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 5,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 3,000	<input type="checkbox"/> + <input type="checkbox"/> -	\$
Adjusted Sale Price of Comparables		Net 1.3 %		Net 0.8 %		Net %	
		Gross 1.3 %	\$ 405,000	Gross 2.3 %	\$ 398,000	Gross 1.3 %	\$ 395,000

Summary of Sales Comparison Approach THE SUBJECT PROPERTY AND THREE COMPARABLES ARE FROM WITHIN THE SAME LAS VEGAS SUB MARKET AND ARE SIMILAR OF DESIGN AND GOOD QUALITY CONSTRUCTION VARYING IN DEGREES OF LOCATION, AGE, CONDITION, FUNCTIONAL UTILITY AND IMPROVEMENTS. STABLE SALE PRICE AND LIST PRICE TRENDS DEMONSTRATED WITHIN THIS LAS VEGAS SUB MARKET DURING THE PAST YEAR. ALL SALES WITH CONDITIONS OF "SELLER UNDER COMPULSION" WERE ISOLATED SELECTING THE NEAREST MOST RECENT SIMILAR "TRADITIONAL" CLOSED SALES FROM WITHIN THE SAME LAS VEGAS SUB MARKET. COMPARABLE #1 IS THE NEAREST MOST RECENT MATCH MODEL "TRADITIONAL" CLOSED SALE FROM THE SUBJECT DEVELOPMENT WITHIN THE PAST 10 MONTHS OF THE EFFECTIVE DATE OF THE APPRAISAL. COMPARABLE #2 IS THE MOST RECENT SIMILAR "TRADITIONAL" CLOSED SALE FROM NEAREST COMPETING ADJACENT DEVELOPMENT WITHIN THE PAST 90 DAYS OF THE EFFECTIVE DATE OF THE APPRAISAL. COMPARABLE #3 IS THE MOST RECENT SIMILAR "TRADITIONAL" CLOSED SALE FROM NEAREST COMPETING ADJACENT DEVELOPMENT WITHIN THE PAST 120 DAYS OF THE EFFECTIVE DATE OF THE APPRAISAL. COMPARABLES #1 AND #3 ARE 10 AND 4 MONTH OLD SALES, BUT DEEMED RELIABLE FROM A STABLE MARKET WITH PRICES SLIGHTLY INCREASING. ALL THREE COMPARABLES WERE EXPOSED, SOLD AND CLOSED ON THE OPEN MARKET WITHIN THE PAST YEAR. AFTER ADJUSTMENTS A TIGHT RANGE IS INDICATED FROM \$395,000 TO \$405,000 SUPPORTING THE FINAL OPINION OF MARKET VALUE AT THE MEDIAN OF \$398,000.



RESTRICTED APPRAISAL REPORT

File No.: AZUL CELESTE

TRANSFER HISTORY	My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
	Data Source(s): CLARK COUNTY PUBLIC RECORDS	
	1st Prior Subject Sale/Transfer Date: 05/03/2007 Price: 517,000 Source(s): PUBLIC TAX RECORDS	Analysis of sale/transfer history and/or any current agreement of sale/listing: THE SUBJECT PROPERTY WAS EXPOSED TO THE OPEN MARKET VIA MLS#2029628 ON SEPTEMBER 6, 2018, LISTED AS AN APPROVED "SHORT SALE" FORECLOSURE TRANSACTION IN THE AMOUNT OF \$375,000. THERE IS NO RECORDED SALES OR TRANSFER OF THE SUBJECT PROPERTY WITHIN THE PAST 11 YEARS. ALL THREE COMPARABLES WERE "TRADITIONAL" CLOSED SALES, SOLD ONLY ONCE INSIDE THE PAST YEAR. ALL THREE COMPARABLES PROVIDED WERE ANALYZED AND CONSIDERED ARMS LENGTH SALE TRANSACTIONS.
MARKET	Subject Market Area and Marketability: THIS LAS VEGAS SUB MARKET KNOWN AS SUMMERLIN, EXTENDS NORTH TO LAKE MEAD BLVD, SOUTH TO CHARLESTON BLVD, EAST TO DURANGO DRIVE AND WEST TO RED ROCK CANYON CONSERVATION AREA. THIS LAS VEGAS SUB MARKET IS COMPRISED OF MOSTLY ONE AND TWO STORY TRACT STYLE HOMES OF GOOD AND VERY GOOD QUALITY CONSTRUCTION WITHIN CLOSE PROXIMITY TO SCHOOLS, SHOPPING, WORK CENTERS AND RECREATIONAL FACILITIES. THE 215 BELTWAY IS LESS THAN 1 MILE. AVERAGE MARKET CONDITIONS PREVAIL IN THIS AREA WITH LESS THAN 3 MONTHS MARKETING TIME FOR HOMES PRICED COMPETITIVELY. TYPICAL EXPOSURE TIME FOR THIS TYPE OF PROPERTY WITHIN THIS LAS VEGAS SUB MARKET IS ESTIMATED BETWEEN 0 TO 90 DAYS. CURRENT INVENTORY SHORTAGE OF SIMILAR ACTIVE LISTINGS WITHIN THIS LAS VEGAS SUB MARKET. PREVAILING INTEREST RATES BETWEEN 3.5% AND 5% FOR CONVENTIONAL, FHA/VA FINANCING AVAILABLE. EXTENDED MARKETING TIMES DUE TO FORECLOSURES AND APPROVED "SHORT SALE" TRANSACTIONS. SHORTER MARKETING TIMES WITH SIGNIFICANT DISCOUNTS IN PRICE NOTED.	
	Site Area: 6,534 SF Site View: RESIDENTIAL Topography: GEN.LEVEL Drainage: APPEARS ADEQUATE Zoning Classification: P-C Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning Description: PLANNED COMMUNITY DISTRICT	
SITE	Highest & Best Use: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)	
	Actual Use as of Effective Date: DETACHED SINGLE FAMILY RESIDENCE Use as appraised in this report: DETACHED SINGLE-FAMILY RESIDENCE	
	Opinion of Highest & Best Use: AS VACANT, THE SUBJECT PROPERTY IS LEGALLY, FEASIBLY AND REASONABLY "BUILT TO SUIT" FOR A DETACHED SINGLE-FAMILY RESIDENCE. FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone x FEMA Map # 32003C2150E FEMA Map Date 9/27/2002	
IMPROVEMENTS	Site Comments: THE LATEST FEMA MAP INDICATES THE SUBJECT PROPERTY IS NOT LOCATED IN A FLOOD ZONE. TYPICAL SITE FOR THIS LAS VEGAS SUB MARKET. NO ADVERSE INFLUENCES NOTED. THIS APPRAISER IS FAMILIAR WITH THE MARKET AREA AND IS NOT AWARE OF ANY ENVIRONMENTAL CONDITIONS WHICH MIGHT ADVERSELY AFFECT THE SUBJECT PROPERTY.	
	Improvements Comments: THE SUBJECT PROPERTY IS OCCUPIED BY SQUATORS; WITHOUT THE BENEFIT OF ACCESS TO THE EXTERIOR REAR AND FULL ACCESS TO OBSERVE THE INTERIOR, THE FINAL OPINION OF MARKET VALUE IS MADE SUBJECT TO AN INSPECTION OF THE INTERIOR AND A COST TO CURE PROVIDED BY A NEVADA STATE CONTRACTOR.	
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 398,000	
	Indicated Value by: Cost Approach (if developed) \$ _____ Indicated Value by: Income Approach (if developed) \$ 242,953	
	Final Reconciliation IN THE TYPICAL APPRAISAL OF A SINGLE FAMILY RESIDENCE FOR THIS AREA, THE SALES COMPARISON APPROACH TO VALUE IS REGARDED THE MOST RELIABLE. THE COST APPROACH WAS CONSIDERED, BUT NOT REQUIRED BY THE CLIENT IN THIS RESTRICTED APPRAISAL REPORT. DUE TO THE NATURE OF THE OCCUPANTS, AND THE INABILITY TO HAVE FULL ACCESS TO THE EXTERIOR AND INTERIOR, AN INCOME APPROACH IS DEVELOPED WITH A MONTHLY RENTAL INCOME PROPOSED OF \$1,725 PER MONTH, \$96.00 PER MONTH IN ASSOCIATION FEES, \$56.66 PER MONTH FOR SPECIAL IMPROVEMENTS DISTRICT, \$247.00 PER MONTH IN TAXES, \$200.00 PER MONTH FOR HOMEOWNERS INSURANCE, PROPOSED NET INCOME \$15,792 WITH A .065% CAP RATE AT \$242,953.	
ATTACHMENTS	This appraisal is made <input type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input checked="" type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: THE INDICATED VALUE BY THE SALES COMPARISON APPROACH IS "SUBJECT TO" A HYPOTHETICAL CONDITION THAT THE SUBJECT PROPERTY IS WELL MAINTAINED. AT MINIMUM, A FULL INSPECTION OF THE REAR EXTERIOR, SITE IMPROVEMENTS AND INTERIOR IS REQUIRED.	
	<input type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.	
	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 242,953, as of: 10/04/2018, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.	
SIGNATURES	A true and complete copy of this report contains 16 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.	
	Attached Exhibits: <input checked="" type="checkbox"/> Invoice <input checked="" type="checkbox"/> Resume <input checked="" type="checkbox"/> Addendum <input checked="" type="checkbox"/> Aerial Map <input checked="" type="checkbox"/> Flood Map <input checked="" type="checkbox"/> Certification <input checked="" type="checkbox"/> General Purpose Appraisal <input checked="" type="checkbox"/> Statement limiting conditions <input checked="" type="checkbox"/> Location Map <input checked="" type="checkbox"/> Subject Photos <input checked="" type="checkbox"/> E & O Insurance <input checked="" type="checkbox"/> Market Conditions Addenda <input checked="" type="checkbox"/> Location map <input checked="" type="checkbox"/> Plat Map <input checked="" type="checkbox"/> Comparable Sales Photos	
	Client Contact: CHRISTOPHER CRAIG, MBA, LL.M, CIRA E-Mail: 4982144@GMAIL.COM	Client Name: HUNTER PARKER LLC Address: 3815 S JONES BLVD, STE 1A, LAS VEGAS, NV 89103
SIGNATURES	APPRaiser	
	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)	
SIGNATURES	 Appraiser Name: RICHARD J. POTTER Company: RAM APPRAISAL INC Phone: (702) 870-2189 Fax: (702) 870-9524 E-Mail: RAMAPPRAISAL@GMAIL.COM Date of Report (Signature): 10/05/2018 License or Certification #: A.0003476-CR State: NV Designation: CERTIFIED RESIDENTIAL APPRAISER Expiration Date of License or Certification: 01/31/2020 Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input checked="" type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 10/04/2018	
	Supervisory or Co-Appraiser Name: _____ Company: _____ Phone: _____ Fax: _____ E-Mail: _____ Date of Report (Signature): _____ License or Certification #: _____ State: _____ Designation: _____ Expiration Date of License or Certification: _____ Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: _____	



Market Conditions Addendum to the Appraisal Report

File No. AZUL CELESTE

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 11604 Azul Celeste Pl City Las Vegas State NV ZIP Code 89138

Borrower SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	75	34	37	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	12.50	11.33	12.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	8	22	22	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.6	1.9	1.8	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	380,000	418,500	400,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	22	12	19	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	441,450	420,000	439,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	72	72	39	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	98%	100%	98%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). THE SELLER CONCESSIONS TREND FOR THE PAST 12 MONTHS APPEARS TO BE STABLE AT THIS TIME WITH MOST FHA TRANSACTIONS ALLOWING UP TO 3% SELLER CONTRIBUTIONS TOWARDS BUYER'S CLOSING COSTS. CONVENTIONAL AND VA LENDING SELLER CONCESSION TRENDS APPEAR STABLE ALLOWING UP TO 3% SELLER CONTRIBUTIONS DEPENDING ON THE TYPE OF ARMS LENGTH SALE TRANSACTION.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties). THE MAJORITY OF ACTIVE LISTINGS, PENDING SALES, CONTINGENT SALES AND MARKET TESTED "TRADITIONAL" CLOSED SALES WITHIN THIS LAS VEGAS SUB MARKET CONSIST OF MOSTLY TRADITIONAL SALES, INVESTOR (FLIPS) PURCHASES. APPROVED SHORT SALE TRANSACTIONS AND BANK OWNED, REO, FORECLOSURE SALES APPEAR ON A RANDOM BASIS.

Cite data sources for above information. PUBLIC RECORD/TAXSTAR AND LOCAL MULTIPLE LISTING SERVICE.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions. THIS LAS VEGAS SUB MARKET CURRENTLY DEMONSTRATES STABLE SALE PRICE AND LIST PRICE TRENDS DURING THE PAST 12 MONTHS. APPROVED SHORT SALE TRANSACTIONS, BANK OWNED, REO FORECLOSURE SALES AND OTHER SALES WITH CONDITIONS OF "SELLER UNDER COMPULSION" REMAIN EXPOSED TO THE OPEN MARKET. VARIOUS NEW CONSTRUCTION DEVELOPMENTS ARE PROPOSED OR UNDERWAY.

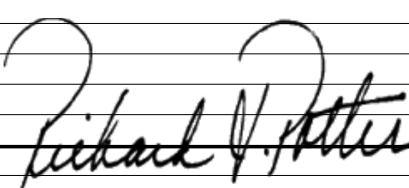
If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature 	Signature
Appraiser Name RICHARD J. POTTER	Supervisory Appraiser Name
Company Name RAM APPRAISAL INC	Company Name
Company Address 560 E OAKLEY BLVD, LAS VEGAS, NEVADA 89104	Company Address
State License/Certification # A.0003476-CR State NV	State License/Certification # State
Email Address RAMAPPRAISAL@GMAIL.COM	Email Address

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

Addendum

File No. AZUL CELESTE

Borrower	SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC		
Property Address	11604 Azul Celeste Pl		
City	Las Vegas	County	CLARK
		State	NV
		Zip Code	89138
Lender/Client	HUNTER PARKER LLC		

"IN COMPLIANCE WITH THE ETHICS RULE OF USPAP, I HEREBY CERTIFY THAT THIS APPRAISER HAS NOT PERFORMED APPRAISAL SERVICES REGARDING THE SUBJECT PROPERTY WITHIN THE THREE YEAR TIME PERIOD IMMEDIATELY PRECEDING ACCEPTANCE OF THIS ASSIGNMENT, AS AN APPRAISER OR IN ANY OTHER CAPACITY."

THE COMPARABLE PROPERTY DATA USED IN THIS REPORT IS OBTAINED FROM THIRD-PARTY SOURCES, MAINLY THE GREATER LAS VEGAS ASSOCIATION OF REALTORS MULTIPLE LISTING SERVICE.

SALES COMPARISON COMMENTS:

A SEARCH OF THE LAS VEGAS SUBJECT'S SUB MARKET WAS CONDUCTED AND THE SALES ELECTED ARE CONSIDERED THE MOST COMPARABLE AVAILABLE AT THE TIME OF THIS ANALYSIS. THE SALES PRICES SHOWN ON MLS/BROKER SOURCE COMPARABLES HAVE BEEN VERIFIED BY THE UNDERSIGNED THROUGH PUBLIC RECORDS. ALL ADJUSTMENTS MADE IN THE SALES COMPARISON ANALYSIS ARE BASED ON WHAT THE LOCAL MARKET IS WILLING TO PAY FOR THESE ITEMS, DETERMINED THROUGH MARKET EXTRACTION, AS OPPOSED TO THEIR REPLACEMENT COST. THE CONDITION, QUALITY OF CONSTRUCTION, UPGRADES AND SITE IMPROVEMENT ADJUSTMENTS ARE BASED ON THE REALTOR'S REPORT AND EXTERIOR INSPECTION.

ALL ELECTRONIC SIGNATURES ON THIS REPORT HAVE A SECURITY FEATURE MAINTAINED BY INDIVIDUAL PASSWORDS FOR EACH SIGNING APPRAISER. NO PERSON CAN ALTER THE APPRAISAL WITH THE EXCEPTION OF THE ORIGINAL SIGNING APPRAISER.

File No. AZUL CELESTE

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

This is a restricted appraisal report for non-lending purposes.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is valued on the basis of it being under responsible ownership.
2. Any sketch provided in the appraisal report may show approximate dimensions of the improvements and is included only to assist the reader of the report in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. Any distribution of valuation between land and improvements in the report applies only under the existing program of utilization. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
5. The appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. This appraisal report must not be considered an environmental assessment of the subject property.
6. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
8. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
9. The appraiser must provide his or her prior written consent before the lender/client specified in the restricted appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
10. The appraiser is not an employee of the company or individual(s) ordering this report and compensation is not contingent upon the reporting of a predetermined value or direction of value or upon an action or event resulting from the analysis, opinions, conclusions, or the use of this report. This assignment is not based on a required minimum, specific valuation, or the approval of a loan.

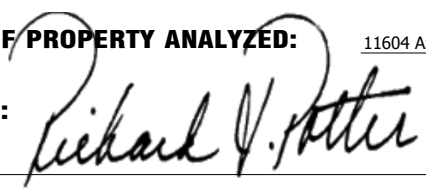
File No. AZUL CELESTE

CERTIFICATION: The appraiser certifies and agrees that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
9. Unless otherwise indicated, I have made, at a minimum, an interior and exterior observation of the property that is the subject of this report.
10. Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report). Significant professional assistance provided by Nevada Appraiser Intern, Jared Aldan, A.0207469-INTR in the collection of market data, subject property photos and comparable sales images.

ADDRESS OF PROPERTY ANALYZED: 11604 Azul Celeste Pl, Las Vegas, NV 89138

APPRAISER:

Signature: 
Name: RICHARD J. POTTER
Title: CERTIFIED RESIDENTIAL APPRAISER
State Certification #: A.0003476-CR
or State License #: _____
State: NV Expiration Date of Certification or License: 01/31/2020
Date Signed: 10/05/2018

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: _____
Name: _____
Title: _____
State Certification #: _____
or State License #: _____
State: _____ Expiration Date of Certification or License: _____
Date Signed: _____
 Did Did Not Inspect Property

Aerial Map

Borrower	SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC						
Property Address	11604 Azul Celeste Pl						
City	Las Vegas	County	CLARK	State	NV	Zip Code	89138
Lender/Client	HUNTER PARKER LLC						



Comparable sales map

Borrower	SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC				
Property Address	11604 Azul Celeste Pl				
City	Las Vegas	County	CLARK	State	NV
Zip Code	89138				
Lender/Client	HUNTER PARKER LLC				



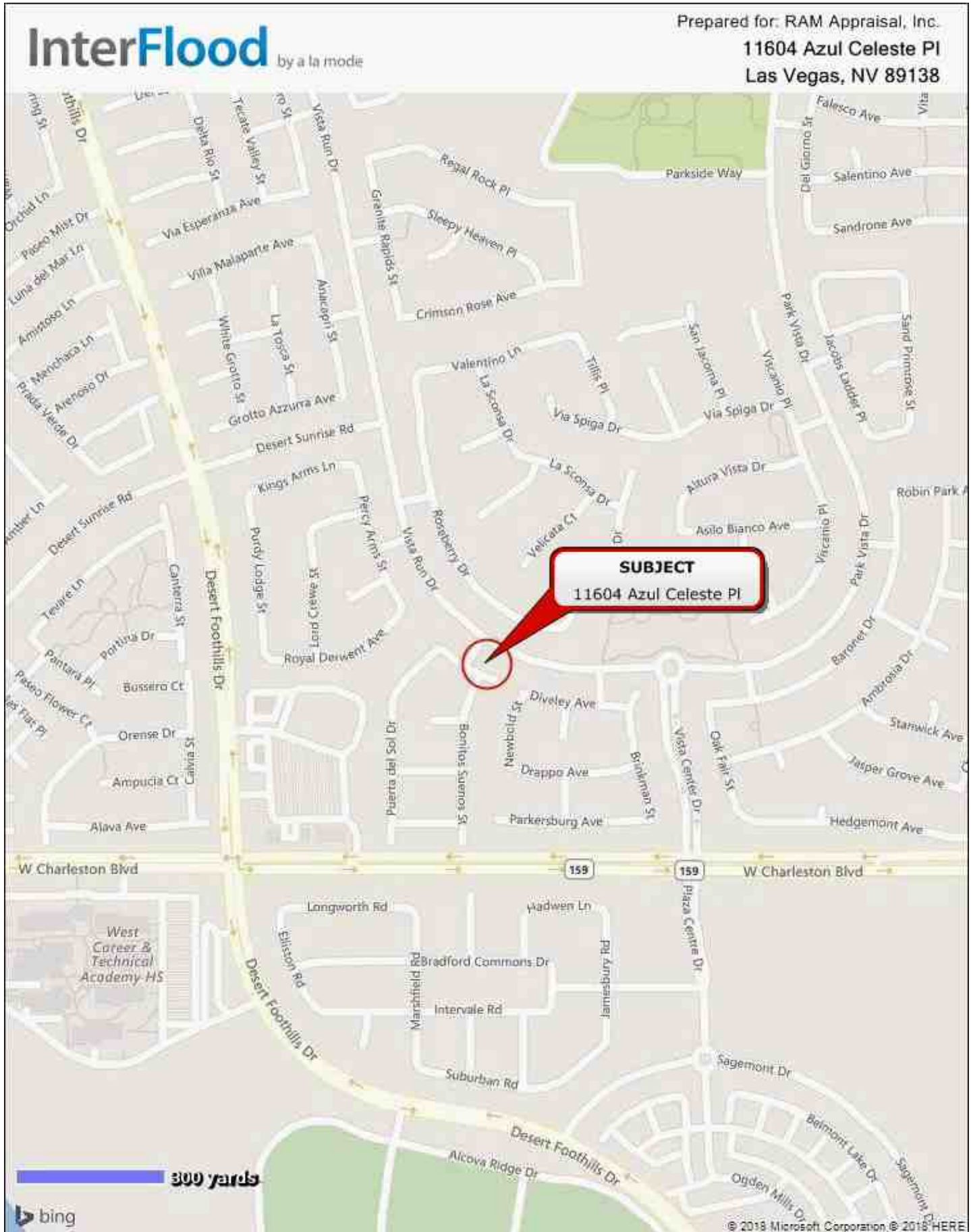
Plat map

Borrower	SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC		
Property Address	11604 Azul Celeste Pl		
City	Las Vegas	County	CLARK
Lender/Client	HUNTER PARKER LLC	State	NV
		Zip Code	89138



Flood Map

Borrower	SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC				
Property Address	11604 Azul Celeste PI				
City	Las Vegas	County	CLARK	State	NV
Lender/Client	HUNTER PARKER LLC				
				Zip Code	89138



MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **32003C2150E**
 Zone: **X**
 Map Date: **September 27, 2002**
 FIPS: **32003**

MAP LEGEND

- | | |
|--------------------------------------|-----------------|
| Areas inundated by 500-year flooding | Protected Areas |
| Areas inundated by 100-year flooding | Floodway |
| Velocity Hazard | Subject Area |

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THE SUBJECT PROPERTY

Borrower	SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC				
Property Address	11604 Azul Celeste Pl				
City	Las Vegas	County	CLARK	State	NV Zip Code 89138
Lender/Client	HUNTER PARKER LLC				



Subject Front

11604 Azul Celeste Pl
 Sales Price N/A
 Gross Living Area 2,046
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location GATED/RESIDENTIAL
 View RESIDENTIAL
 Site 6,534 SF
 Quality GOOD
 Age 12



Opposite front view



Subject Street

Photograph Addendum

Borrower	SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC						
Property Address	11604 Azul Celeste Pl						
City	Las Vegas	County	CLARK	State	NV	Zip Code	89138
Lender/Client	HUNTER PARKER LLC						



OPPOSITE FRONT AND SIDE VIEW



OPPOSITE STREET SCENE



ELECTRONIC SECURITY GATED ENTRANCE

Comparable sales photos

Borrower	SYNTHESIS INDUSTRIAL HOLDINGS 1 LLC				
Property Address	11604 Azul Celeste Pl				
City	Las Vegas	County	CLARK	State	NV
				Zip Code	89138
Lender/Client	HUNTER PARKER LLC				



Comparable 1

964 Bonitos Suenos St
 Prox. to Subject 0.04 miles S
 Sale Price 400,000
 Gross Living Area 2,046
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location GATED/RESIDENTIAL
 View RESIDENTIAL
 Site 4,792 SF
 Quality GOOD
 Age 12



Comparable 2

11221 Sheffield Abbot Ct
 Prox. to Subject 0.96 miles NE
 Sale Price 395,000
 Gross Living Area 2,013
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location RESIDENTIAL
 View RESIDENTIAL
 Site 6,970 SF
 Quality GOOD
 Age 15



Comparable 3

11649 Royal Derwent Ave
 Prox. to Subject 0.12 miles W
 Sale Price 395,000
 Gross Living Area 2,017
 Total Rooms 7
 Total Bedrooms 4
 Total Bathrooms 3.0
 Location RESIDENTIAL
 View RESIDENTIAL
 Site 4,792 SF
 Quality GOOD
 Age 14