

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF SOUTH CAROLINA**

IN RE: )  
GUP'S HILL PLANTATION, LLC, ) CHAPTER 11 PROCEEDING  
Debtor. ) CASE NO.: 15-04492-dd

**SECOND AMENDED DISCLOSURE STATEMENT**

COMES NOW, GUP'S HILL PLANTATION, LLC, Chapter 11 Debtor in Possession in  
the above-referenced matter, and hereby files its First Amended Disclosure Statement.

Dated: August 1, 2016.

/s/ Carl F. Muller, Jr.  
Carl F. Muller, Jr.  
Attorney for Debtor

Carl F. Muller, Attorney at Law, P.A.  
607 Pendleton Street, Suite 201  
Greenville, South Carolina 29601  
803-991-8904

## **I. INTRODUCTION**

This is the First Amended Disclosure Statement (the "Disclosure Statement") in the Chapter 11 case of GUP'S HILL PLANTATION, LLC ("Debtor"). This Disclosure Statement contains information about the Debtor and describes the PLAN OF REORGANIZATION (the "Plan") filed by the Debtor contemporaneously with this Disclosure Statement. A full copy of the Plan is attached to this Disclosure Statement as "Exhibit A." ***Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, then you may wish to consult one.***

The proposed distributions under the Plan are discussed in this Disclosure Statement. There are two classes of secured claims, one class of unsecured priority claims, and two classes of non-priority unsecured claims. To the extent that a class of claims is to be paid under this Plan, such classes of claims will be funded in full through deferred cash payments over time.

### **A. Purpose of This Document**

This Disclosure Statement describes:

- 1) The Debtor and significant events during the bankruptcy case; and
- 2) How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the Plan is confirmed); and
- 3) Who can vote on or object to the Plan; and
- 4) What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan; and
- 5) Why the Debtor believes the Plan to be feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation; and
- 6) The effect of confirmation of the Plan.

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

## **II. BACKGROUND**

### **A. Description and History of the Debtor's Business**

The Debtor is a South Carolina limited liability company, the interests of which are owned by Bettis C. Rainsford (100.00%). Historically, and through the date of filing, the Debtor has been in the business of (1) owning and operating a forty-six room hotel located at 702 Augusta Road, Edgefield, South Carolina, known as the Edgefield Inn, (2) owning and operating commercial and residential rental properties and (3) owning and operating timberlands. In most cases, the businesses of the Debtor, including the Edgefield Inn, the commercial and residential properties and the timberland properties have been owned and operated by the Debtor, its predecessor or its sole member for many years.

**Businesses and Assets:** Debtor's assets consist of its hotel, its commercial and residential real estate properties, and its timberland properties.

**The Hotel:** Historically, Debtor's hotel operations, the Edgefield Inn, have been cash flow profitable as a whole. It began operations with a secured mortgage loan of \$1,600,000 and was successful in paying down its loan to a balance of approximately \$780,000 until the recession caused its occupancy and revenue to drop precipitously. Up until the recession which followed the 2008 financial collapse, Debtor was current on all of its secured debt obligations on the hotel. The occupancy and revenue of the Inn improved markedly in 2013 and continued to do well through 2014 and 2015.

**The Commercial and Residential Rental Properties:** These commercial and residential properties of the Debtor are all located in the vicinity of Edgefield, South Carolina and most have been owned by the Debtor for several decades. They have historically been profitable, given their level of debt.

The most consistent performer among the commercial rental properties is the Edgefield Post Office, which has been leased to the U. S. Postal Service since 1967. Other commercial rental buildings include the Old Edgefield Grill, Carpenter's Stand, The Turner Building and the Penn Shop Building.

The residential rental properties include the Little House, the Gooding House, Bay Cottage and the Thomas/HARS Property.

Other commercial properties include the Rectory, the Industrial Park East Property, the Industrial Park West Property and the Mount Vintage Tract.

**Timberland Properties:** These timberland properties are located approximately four to eight miles south of the Town of Edgefield and are managed to produce pine and hardwood timber. The Debtor has owned most of these properties for several decades.

**Assets and Secured Liabilities:** As of the date of filing, the Debtor's scheduled assets total \$6,221,483. Debtor's secured liabilities total \$5,291,131.86. Debtor believes that the claims of the secured creditors are mostly secured.

**Unsecured Priority Claims:** It also has two unsecured priority claims: one from the Edgefield County Tax Collector for unpaid *ad valorem* real estate and personal property taxes in the amount of \$57,265.00, and a second one from the Internal Revenue Service in the amount of \$100.

**Other Unsecured Claims:** Debtor's general unsecured claims (other than any bifurcated portions of any secured debts) consist of (1) a Promissory Note in the amount of \$1,039,203.45 held by Kathryn S. Rainsford, ex-spouse of Bettis C. Rainsford, the sole member and owner of the limited liability company, (2) three relatively small trade claims. Debtor's Plan provides to pay all allowed unsecured claims in full with interest at 5.5% or at the contract rate. Debtor believes that in the event of a liquidation of the Debtor's assets, it is anticipated that there would be insufficient assets outside of the liens of the secured creditors which could be used to generate funds to pay general unsecured creditors in full.

#### **B. Insiders of the Debtor**

As set forth above, the Debtor is owned by Bettis C. Rainsford. Mr. Rainsford operates and manages the affairs of the Debtor. Mr. Rainsford is an insider of the Debtor as defined in §101(31) of the United States Bankruptcy Code (the "Code").

#### **C. Management of the Debtor Before and During the Bankruptcy**

The Debtor has been and continues to be managed by Bettis C. Rainsford, the sole Interest Holder of Debtor. The Interest Holder has not changed since or during the pendency of this Chapter 11 case.

After the Effective Date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor (collectively the "Post-Confirmation Managers") will be: Bettis C. Rainsford, who will continue to own 100% of the limited liability company. The responsibilities and compensation of this Post-Confirmation Manager are described in this Disclosure Statement.

#### **D. Events Leading to Chapter 11 Filing**

As set forth above, the hotel operations of the Debtor have historically been cash flow profitable, and up until the recession, Debtor was generally current in all of its debt obligations. When the secured debt obligation to the secured creditor of the hotel matured, and Debtor was unable to restructure the indebtedness or obtain refinancing elsewhere, the secured creditor, a predecessor of Apex Bank, initiated foreclosure proceedings.

Likewise, although the U. S. Postal Service, as the tenant of the Post Office, continued to pay its rent on that property, when the secured debt obligation on the Post Office matured, the Debtor was unable to restructure the indebtedness or obtain refinancing from a third party. The secured debt holder, Atlanta Postal Credit Union, through the assignment of rent, seized the entire rents from the Postal Service and then initiated foreclosure proceedings.

The secured creditor of the Turner and Penn Square Buildings, TD Bank, was also unwilling to extend its loan when it matured and the Debtor was unable to restructure the

indebtedness or obtain refinancing from a third party. TD Bank then initiated foreclosure proceedings.

The Debtor's timberland properties had more than \$3 million in debt as recently as 2011. Although it was able, through sales of property and timber, to reduce that debt to less than \$1 million, the secured creditor, AgSouth Farm Credit, ACA, was unwilling to extend the debt upon terms which the Debtor could meet and therefore initiated foreclosure proceedings.

Against this background, the Debtor filed for protection under Chapter 11 of the Bankruptcy code on August 18, 2015.

#### **E. Significant Events During the Bankruptcy Case**

There are few significant events since the filing of the instant Chapter 11 case,

1. The Debtor, with permission of the Court, has employed the law firm of Carl F. Muller, Attorney at Law, P.A. as Counsel for the Debtor.
2. No litigation is expected to be commenced by or against the Debtor (outside the normal parameters of a Chapter 11 reorganization) during the pendency of this Chapter 11 reorganization. (It is noted that a suit was filed in the South Carolina Court of Common Pleas by the sole member of the Debtor, Bettis C. Rainsford, against Apex Bank, as successor to SunTrust Bank, to enforce an agreement which he had reached with Apex Bank with respect to the SunTrust Bank judgment.)
3. The instant Plan of Reorganization proposes to reorganize its otherwise secured debts through the instant plan and fund the same with the performing assets of the Debtor.

#### **F. Projected Recovery of Avoidable Transfers or Other Accounts Receivable**

Neither the Debtor nor the Debtor's Plan contemplates pursuing any bankruptcy causes of action pursuant to 11 U.S.C. § 547, *et seq.* Debtor has, and continues to, proceed to collect any accounts receivable which it believes to be collectable, and if reasonably necessary, through litigation.

#### **G. Claims Objections**

The bar date for non-governmental claims passed on December 14, 2015. The bar date for governmental proofs of claim passed on February 16, 2016. As of the date of this filing, the only proofs of claim which have been filed are those filed by FB Acquisition Property I, LLC, predecessor of Apex Bank, AgSouth Farm Credit, ACA, TD Bank, Atlanta Postal Credit Union, Kathryn S. Rainsford, Southern First Bank and the Edgefield County Tax Collector. Apex Bank, as successor to SunTrust Bank, sought to extend the deadline for filing its claim and the Court approved the extension. Apex Bank then filed its proof of claim which the Debtor disputes. While the Debtor has not objected to any of the other claims, Debtor explicitly reserves the right to do so.

#### **H. Current and Historical Financial Conditions**

The identity and fair market value of the estate's assets as of the date of filing are listed in "Exhibit B." The real estate value and personal property value are the values asserted by Debtor. In certain cases, the Debtor now believes that the values of the assets may differ from those filed with the voluntary petition.

Debtor's Monthly Profit and Loss Statements for all months from the date of filing through May 31, 2016 are attached hereto as "Exhibit C."

### **III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS**

#### **A. What is the Purpose of the Plan of Reorganization?**

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, then your recovery will be limited to the amount provided by the Plan.

#### **B. Unclassified Claims**

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

##### **1. Administrative Expenses**

Debtor provides the following as an estimate of administrative expenses incurred and to be incurred in connection with confirmation of the Plan and closing of the Bankruptcy Estate.

Debtor's Bankruptcy Counsel Fees (Estimated):	\$ 100,000.00
Debtor's Accountant's Fees and Expenses (Estimated):	6,000.00
Debtor's Fees to Trustee	4,000.00
Other Miscellaneous Administrative Expenses (Estimated):	<u>10,000.00</u>
Total Administrative Expenses Claims in Connection with Confirmation and Closing (these expenses have not yet been approved by the United States Bankruptcy Court):	\$ 120,000.00

Approved administrative expenses will be paid in cash in full by the Debtor/Disbursing Agent under the order of this Bankruptcy Court or by terms of the Plan within ninety days of confirmation, or on such other terms as may be agreed upon between such professional and the Debtor (or by Order of this Court).

Payment of administrative expenses not subject to Court approval will be paid from cash of the Debtor on the Effective Date.

##### **2. Priority Tax Claims**

Class 3 Claims are unsecured priority claims. The claims in this Class are those of Edgefield County for delinquent *ad valorem* taxes in an amount believed to be \$57,264.83 and the claim of the Internal Revenue Service in the amount of \$100.00.

The Class 3 claim to the Edgefield County Tax Collector shall be paid the full amount of its claim, by making deferred monthly cash payments (with interest at the rate of 4% per annum and based upon amortized period of 4 years) for 47 months with a final balloon payment in the 48th month. Payments of principal and interest on the Edgefield County Tax Collector Class 3 claim shall be in the amount of \$1,297.97 and shall begin on the Effective Date.

The Class 3 Claim of the Internal Revenue Service shall be paid, for convenience sake, in full on the Effective Date.

### **C. Classes of Claims and Equity Interests**

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

#### **1. Classes of Secured Claims**

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, then the deficiency, if any, will be classified as a Class 5 general unsecured claim. All of the secured creditors are believed to be fully secured. There are two classes of secured claims:

**Class 1 Claims** – Class 1 Claims are Secured Claims in which the Debtor, or one of its predecessors, was the primary obligor and which are proposed to be repaid out of the income produced by the collateral. As the Plan alters the legal, equitable, or contractual rights of the members of the Class 1 Claims, the claims in this class are impaired.

**Apex Bank, as successor to FB Acquisition Property I, LLC (“Apex Bank I”):** Apex Bank I has a first position security interest and lien in certain real property of the Debtor generally described as 702 Augusta Road, Edgefield, South Carolina, which is hereinafter referred to as the “Edgefield Inn.” Debtor believes that the amount of the claim of Apex Bank I exceeds the value of the collateral, but the unsecured, or Class 5 claim by Apex Bank I will be minor.

Apex Bank I shall be paid the full amount of its claim of \$797,040.85 by making deferred monthly cash payments (with interest at the rate of 4.5% per annum and based upon an amortized period of 20 years) for 59 months with a final balloon payment in the 60th month. Monthly payments of principal and interest on this claim shall be in the amount of \$5,042.47 paid to Apex Bank and beginning on the first day of the month following the Effective Date of the confirmed reorganization plan.

**Internal Revenue Service:** The Internal Revenue Service has a secured claim pursuant to its lien filed against Edgefield Inn, LLC, predecessor to Gup's Hill Plantation, LLC on October 29, 2013. It has, by virtue of this lien, a second position security interest and lien in certain real

property of the Debtor generally described as 702 Augusta Road, Edgefield, South Carolina, which is hereinafter referred to as the "Edgefield Inn." When the Edgefield Inn, LLC merged with and into Gup's Hill Plantation, LLC, the lien of the Internal Revenue Service also attached to all of the other real property of the Debtor. Thus, Debtor believes that the value of the collateral of the Internal Revenue Service may exceed its claims, so that there will be no unsecured or Class 5 Claim by the Internal Revenue Service with respect to this secured claim.

The Internal Revenue Service shall be paid the Class 1 Claim to the value of its collateral position (as set forth in this Section 4.01) up to the full amount of its claim, by making deferred monthly cash payments (with interest at the rate of 4% per annum and based upon an amortized period of 4 years) for 47 months with a final balloon payment in the 48<sup>th</sup> month. Payments of principal and interest on the Internal Revenue Service Class 1 claim shall be in the amount of \$481.20 and shall begin on the Effective Date.

**AgSouth Farm Credit, ACA, ("AgSouth"):** After the post-petition release of certain property, AgSouth continues to have a first priority secured interest on the following real estate and timber in Edgefield County, South Carolina:

Tract 1: ALL that certain piece, parcel or tract of land, with any improvements thereon, situate, lying and being in the County of Edgefield, State of South Carolina, containing Nine and Ninety-Five Hundredths (9.95) total acres or Eight and Ninety-Nine Hundredths (8.99) net acres, more or less, and being shown and designated as Tract "B" on that plat by Ernest R. Bryan, Jr. R.L.S. dated October 25, 1989, and recorded in the Office of the Clerk of Court for Edgefield County, South Carolina, in Plat Book 31 at Page 8. Said plat is incorporated in, and made a part and parcel of the within description by reference thereto. Said tract is triangular in shape and is bounded generally in accordance with said plat on the NORTH by Road S-19-391 separating said tract from lands of J. Wight; on the EAST by Road S-19-76; and on the West by lands of Bettis C. Rainsford.

Tract 2: ALL that certain piece, parcel or tract of land, with all improvements thereon, situate, lying and being in the County of Edgefield, State of South Carolina, containing Four Hundred Ninety-Nine and Nine Hundredths (499.09) acres, more or less, as will more fully appear by reference to a plat thereof, prepared by Newby-Proctor & Associates, Land Surveyors, dated February 17, 1999, and recorded in the Office of the Clerk of Court for Edgefield County in Judgment Roll 33,015. Said plat is incorporated herein and made a part and parcel of this description by reference thereto. Said property is bounded generally in accordance with said plat on the NORTH by lands now or formerly of Bettis C. Rainsford; on the EAST by lands now or formerly of Wachovia Bank of Georgia, Champion International Paper Co. and Bettis C. Rainsford, on the SOUTH by Homs Creek and lands now or formerly of Julius Marshall Vann, Jr. and on the WEST by lands now or formerly of Martha R. Reiser and Bettis C. Rainsford. Tax Map No.: 119-00-00-004. A portion of this property, consisting of 126.13 acres was sold post petition. The portion that was sold is no longer under mortgage lien to AgSouth and is not part of the AgSouth Collateral, as that term is defined below.

Tract 3: ALL that certain piece, parcel or tract of land, with any improvements thereon, situated, lying and being in the County of Edgefield, State of South Carolina, containing Two Hundred Fifty (250) acres, more or less, and being known as the "Tillman Place". Said tract is bounded generally on the NORTHEAST by Highway #391 and by lands of G.E. and Brenda Cantelou; on



the EAST by lands of G.E. and Brenda Cantelou and by lands of Loblolly Timberlands Corp.; on the SOUTH by lands of H.A. Woodle Estate; on the WEST by lands of Tal and Clyde Mims and by lands of Bettis C. Rainsford; and on the NORTHWEST by lands of Bettis C. Rainsford.

This being the identical property conveyed to Albert E. Rainsford and Bettis C. Rainsford by deed of June Harrelson dated August 18, 1970, and recorded in the Office of the Clerk of Court for Edgefield County in Deed Book 57 at Page 126. Thereafter, Albert E. Rainsford conveyed his one-half (1/2) interest in said property to Bettis C. Rainsford by deed dated March 20, 1978, and recorded in Deed Book 75 at Page 211. Tax Map No.: 119-00-00-007

Tract 4: ALL that certain piece, parcel or tract of land, with any improvements thereon, situate, lying and being in the County of Edgefield, State of South Carolina, containing Sixty-Six (66) acres, more or less. Said tract is triangular in shape and is bounded generally on the NORTH by Highway #391; on the EAST and SOUTHEAST by lands of Bettis C. Rainsford; and on the WEST by Highway #34.

This being the identical property conveyed to Bettis C. Rainsford by deed of Rainsford & Sons, a General Partnership consisting of John Rainsford III and Thomas Benjamin Rainsford dated June 9, 1986, and recorded in the Office of the Clerk of Court for Edgefield County in Deed Book 105 at Page 80. Tax Map No.: 118-00-00-011

Tract 5: ALL that certain piece, parcel or tract of land, situate, lying and being in the County of Edgefield, State of South Carolina, containing One Hundred Twenty-Two and Five Hundredths (122.05) acres, more or less, as will more fully appear by reference to that certain plat prepared by C. Ashley Abel, R.L.S. dated May 2, 1986, and recorded in the Office of the Clerk of Court for Edgefield County, South Carolina in Plat Book 29, at Page 123. Said property is bounded on the NORTHWEST by lands of the H.A. Woodle Estate; on the NORTHEAST by lands of Thomas Talston Mims; and on the SOUTH by lands of Julius Marshall Vann, Jr.

This is the identical property conveyed to Bettis C. Rainsford by deed of Lawrence William Vann, Sr. dated August 31, 1994, and recorded in the Office of the Court for Edgefield County in Deed Book 152 at page 125. Also see Deed Book 152 at Page 124. Tax Map No.: 119-00-00-002.

Tract 6: ALL that certain piece, parcel or tract of land, together with any and all improvements thereon, situate, lying and being in the County of Edgefield, State of South Carolina, approximately four and one-half ( 4.5) miles south of the Town of Edgefield, approximately 500 feet west of the Old State Road, and on both sides of Tobler Creek; containing approximately One Hundred Fifteen (115) acres, more or less; being designated as parcel number 119-00-00-003 on the Tax Assessor's maps for Edgefield County, and being bounded on the NORTHWEST, NORTH, and NORTHEAST by lands of the H.A. Woodle Estate; on the EAST by lands of Champion International; and on the SOUTH by lands of Bettis C. Rainsford, formerly owned by I.W. Vann, Sr.

This is the identical property conveyed to Bettis C. Rainsford by deed of Thomas T. Mims and Clyde E. Mims, Jr. dated December 8, 1994, and recorded in the Office of the Clerk of Court for Edgefield County in Deed Book 154 at Page 60. Tax Map No.: 119-00-00-003

Tract 7: ALL that certain piece, parcel, or tract of land, with all improvements thereon, situate, lying and being in the County of Edgefield, State of South Carolina, containing fifty-four and nineteen hundredths (54.19) gross acres, more or less, and being shown and designated as part of Tract "A" on that plat by Ernest R. Bryan, Jr. R.L.S., dated September 13, 1984, and recorded in the Office of the Clerk of Court for Edgefield County in Plat Book 26 at Page 173. A portion of said tract is bounded generally now or formerly, of Pollard Lumber Company; on the SOUTHEAST by right-of-way of State Road #76; on the SOUTH by lands, now or formerly, of Boise Cascade Timberlands and lands of Champion International; on the WEST by lands, now or formerly, of Bettis C. Rainsford; and on the NORTHWEST by lands, now or formerly, of Rainsford & Sons.

This being a portion of the property conveyed unto Bettis C. Rainsford by deed of G.E. Cantelou, Jr. and Brenda T. Cantelou dated March 13, 1989, and recorded in the Office of the Clerk of Court for Edgefield County in Deed Book 120 at Page 74. Tax Map No.: 118-00-00-009

(collectively, the "AgSouth Collateral").

AgSouth shall have an allowed secured claim to the extent of the value of its collateral, with the balance of any amounts owing to AgSouth being treated as a general unsecured Class 5 Claim as set forth herein. Debtor believes that the value of the collateral exceeds the amount of the claim of AgSouth.

Pursuant to a settlement agreement (the "Settlement Agreement") reached by and between AgSouth and the Debtor, and authorized by Order of the Court filed on May 11, 2016, AgSouth (1) has received a payment of \$551,213.90 from the sale of some of the AgSouth Collateral, and (2) has received payment of \$199,500 from the sale of some of the timber located on the AgSouth Collateral. Upon receipt of this second payment, which brought the total post-petition payments to AgSouth to more than \$750,000.00, AgSouth released its lien on the 428 acre tract of timberland, being a part of Gup's Hill Plantation and known as "Rainsford Old Place."

Further, pursuant to the Settlement Agreement between AgSouth and Debtor, Debtor shall pay the remaining unpaid and accruing balance of the AgSouth claim on or before December 31, 2016. In the event that the Debtor fails to pay the entire remaining balance due to AgSouth by December 31, 2016, this shall constitute a post-petition default. In the event of such default, the automatic stay imposed by 11 U.S.C. § 362, if still in effect at the time of Debtor's default, will be immediately modified, upon filing of an affidavit of AgSouth's counsel and entry of an order, to allow AgSouth to pursue its state court remedies. If the automatic stay is no longer in effect as of December 31, 2016, and the Debtor fails to pay the entire remaining balance due to AgSouth, then AgSouth shall be entitled to immediately pursue its state court remedies. Debtor reaffirms the validity of the pre-petition loan documents with AgSouth to the extent that those documents do not conflict with the terms of the Disclosure Statement, Plan, or Settlement Agreement. All terms of the Settlement Agreement and pre-petition loan documents are incorporated into the Disclosure Statement and Plan, and all amendments thereto, and shall remain in full force and effect unless modified herein.

**TD Bank, NA, "TD Bank":** TD Bank has a first position security interest and lien in certain real property of the Debtor generally described as two commercial buildings at 101 Court House Square and 312 Simkins Street, Edgefield, South Carolina and a first mortgage security interest

in a tract of timberland containing approximately 428 acres and known as “Rainsford Old Place.” Debtor believes that the value of the collateral exceeds the amount of the claim of TD Bank, so that there will be no unsecured or Class 5 claim by TD Bank.

TD Bank shall be paid the Class 1 Claim to the value of its collateral (as set forth in this Section 4.01) up to the full amount of its claim (1) by the payment to it soon after July 1, 2016 of approximately \$217,000.00 in escrowed funds from the proceeds of a sale of certain timber from the Rainsford Old Place tract authorized by Order of the Court and consummated on June 3, 2016, and (2) by making deferred monthly cash payments (with interest at the rate of 4.5% per annum and based upon an amortized period of 20 years) for 59 months with a final balloon payment in the 60th month. Payments of principal and interest on this Class 1 Claim of TD Bank shall be in the amount of \$948.97 and shall begin on first day of the month following the Effective Date of the confirmed reorganization plan. Debtor shall retain all monthly rental proceeds from TD Bank’s collateral over and above the afore-described monthly payments for the payment of maintenance, taxes and insurance on the collateral.

**Atlanta Postal Credit Union, “APCU”:** APCU has a first position security interest and lien in certain real property of the Debtor generally described as 325 Bacon Street, Edgefield, South Carolina and known as “the Edgefield Post Office.”

APCU’s loan was originally made to the Debtor’s sole member, Bettis C. Rainsford, before he transferred the collateral to the Debtor. However, the Debtor will repay the loan as set forth below. Under Section 10.11 of the Plan, APCU shall stay any collection action against Rainsford as long as the Debtor is timely paying all claims as proposed in the Plan.

Pursuant to a settlement agreement (“the Settlement Agreement”) executed by and between APCU and Debtor dated July 29, 2016, APCU shall be paid the Class 1 Claim by making deferred monthly cash payments (with interest at the rate of 5.3% per annum and based upon an amortized period of 20 years) for 59 months with a final balloon payment in the 60th month. Payments of principal and interest on this Class 1 claim of APCU shall be in the amount of \$3,604.72 and shall begin on the Effective Date. APCU shall continue to receive all rental payments from the U. S. Postal Service or other tenant(s), and shall deduct therefrom and pay to itself the afore-mentioned payments, and shall put all excess rental revenue above the monthly payment amount into the Debtor’s primary saving (share) account, which said savings account shall remain as additional security for APCU’s loan and be available to pay any payments in the event of any expired lease. These excess funds shall also be available to the Debtor for reasonable repairs, maintenance or improvements to the collateral as needed, and as approved in advance by APCU.

If Debtor fails to comply with any of the terms of the Settlement Agreement relative to payment of the monthly loan installment payment, payment of real estate taxes, maintenance of insurance, failure to maintain the property, etc. while the case is still open, the automatic stay shall be lifted by filing of an affidavit with the bankruptcy court, or, if the case is closed, APCU may proceed with its state court remedies, including foreclosure, without further court order, and Debtor shall not oppose the relief sought. The funds in the reserve account can be used first for meeting the obligations of the Debtor and only when those funds are depleted can APCU declare the Debtor in default.

**Real Estate, Property Taxes and Insurance:** As additional payments to be made pursuant to this Plan, Debtor shall further timely pay all future real estate and personal property taxes due on any collateral of the said Class 1 secured creditors prior to any such amounts becoming delinquent and provide proof of same to the said Class 1 secured creditors. Additionally, Debtor shall at all times keep the building collateral of the said Class 1 secured creditors insured under a policy of insurance, naming the Class 1 secured creditor as loss payee/additional insured under such policy. Upon reasonable request, Debtor shall provide the said Class 1 secured creditors with proof of such insurance.

**Inspection of Collateral:** At all times during the term of the Plan, the said Class 1 secured creditors shall have the right, upon reasonable notice and request, to inspect their collateral.

**Class 2 Claims** – Class 2 Claims are all other secured claims. As the Plan alters the legal, equitable, or contractual rights of the members of the Class 1 Claims, the claims in this class are also impaired. Those claims are as follows:

**Greg Anderson, “Anderson”:** Anderson has a first position security interest and lien in certain real property of the Debtor generally described as 6.05 acres of land, with improvements thereon, at 625 Augusta Road, Edgefield, South Carolina and known as “the Thomas/HARS Property.” Debtor believes that the value of the collateral exceeds the amount of the claim of Anderson, so that there may be no unsecured or Class 5 claim by Anderson.

The primary obligor of the Anderson claim is Bettis C. Rainsford (“B. Rainsford”), sole member of the Debtor. The secured interest held by Anderson was given to him prior to the time that B. Rainsford transferred the Thomas/HARS Property to the Debtor. The claim of Anderson shall be satisfied by B. Rainsford outside of the Plan, but the collateral shall remain as security to insure the payment of the obligation to Anderson if B. Rainsford fails to satisfy the claim. However, the claim of Anderson shall not be subject to execution or foreclosure for a period of two years from the Effective Date and the claim is therefore impaired.

**Kathryn S. Rainsford, “K. Rainsford”:** K. Rainsford has a security interest and lien in certain real properties of the Debtor in Edgefield County, South Carolina, as set forth on Exhibit A hereto. Debtor believes that the amount of the claim of K. Rainsford exceeds the value of the collateral, and therefore the claim is impaired.

The primary obligor of the K. Rainsford claim is B. Rainsford, sole member of the Debtor. The secured interest held by K. Rainsford was created prior to the time that B. Rainsford transferred the properties subject to her lien to the Debtor. The claim of K. Rainsford shall be satisfied by B. Rainsford outside of the Plan, but the collateral shall remain as security to insure the payment of the obligation to K. Rainsford if B. Rainsford fails to satisfy the claim. However, the claim of K. Rainsford shall not be subject to execution or foreclosure of this collateral for a period of two years from the Effective Date and the claim is therefore impaired.

**Southern First Bank, “Southern First”:** Southern First has a first position security interest and lien in certain real property of the Debtor generally described as 45.48 acres of unimproved land, located just east of the Town of Edgefield, South Carolina and known as “the Industrial Park East Property.” The security interest which was created by the mortgage of

Southern First is limited to \$250,000.00. Debtor believes that the value of the collateral exceeds the amount of the claim of Southern First, so that there may be no unsecured or Class 5 claim by Southern First.

The primary obligor of the Southern First Claim is Edgefield Fuel and Convenience, LLC, a company owned in part by B. Rainsford, sole member of the Debtor. The secured interest held by Southern First was given to it prior to the time that B. Rainsford transferred the property to the Debtor. The claim of Southern First shall be satisfied by Edgefield Fuel and Convenience, LLC, but the collateral shall remain as security to insure the payment of the obligation to Southern First if Edgefield Fuel and Convenience, LLC fails to satisfy the claim. However, the claim of Southern First shall not be subject to execution or foreclosure of this collateral for a period of ninety days from the Effective Date and the claim is therefore impaired.

**Apex Bank, as successor to SunTrust Bank, “Apex Bank II”:** Apex Bank II has asserted a claim against the Debtor, but the Debtor disputes this claim by reason of an agreement reached between Apex Bank and B. Rainsford, for which B. Rainsford has brought suit against Apex Bank in the South Carolina Court of Common Pleas to enforce the agreement. No payments will be made to Apex Bank II pursuant to the Plan.

**Real Estate and Property Taxes:** Debtor shall timely pay all future real estate and personal property taxes due on any collateral of the said Class 2 secured creditors prior to any such amounts becoming delinquent and provide proof of same to the said Class 2 secured creditors.

**Inspection of Collateral:** At all times during the term of the Plan, the said Class 2 secured creditors shall have the right, upon reasonable notice and request, to inspect their collateral.

2. Class of Priority Unsecured Claims

**Class 3 Claims** – Class 3 Claims are unsecured priority claims. The claims in this Class are those of the Edgefield County Tax Collector for delinquent *ad valorem* taxes in the amount of \$57,264.83 and the Internal Revenue Service for taxes in the amount of \$100.00. The Class 3 Claim of the Edgefield County Tax Collector shall be paid the full amount of its claim, by making deferred monthly cash payments (with interest at the rate of 4% per annum and based upon an amortized period of 4 years) for 47 months with a final balloon payment in the 48<sup>th</sup> month. Payments of principal and interest on the Edgefield County Tax Collector Class 3 claim shall be in the amount of \$1,292.97 and shall begin on the Effective Date. The Class 3 Claim of the Internal Revenue Service shall be paid, for convenience sake, in full on the Effective Date.

3. Classes of General Unsecured Claims

There are two classes of General Unsecured Claims.

**Class 4 Claims** – Class 4 claims are all unsecured non-priority claims evidenced by Promissory Notes. The sole claim in this Class is that of Kathryn S. Rainsford who is owed \$1,039,203.45 pursuant to a Promissory Note dated December 19, 2014 from the Edgefield Inn, LLC, predecessor of the Debtor. This claim shall not be paid until all Class 1 Claims have been

paid in full, but shall then be paid from the operating cash flow of the hotel, rental property and timber operations of the Debtor with interest at the contract rate. As this claim will not be paid until all Class 1 Claims are paid, it is impaired.

**Class 5 Claims** – Class 5 Claims are all other unsecured claims not otherwise embodied in Classes 3 and 4. Class 5 Claims shall be paid in full, with interest at 5.5%, in equal payments over 60 months, beginning on the effective date. For convenience sake, Debtor reserves the right to pay in full at any time any such Claim under \$1,000.00.

4. Class[es] of Equity Interest Holders

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a limited liability company, entities holding a membership interest are equity interest holders. In this case, the only such person is Bettis C. Rainsford (“The Interest Holder”). The equity interests of The Interest Holder shall be subordinated to the claims of all creditors of the estate. Such Interest Holder will redeem from the estate his ownership interest in the Debtor for the following consideration:

As Interest Holder, Bettis C. Rainsford, will make a capital contribution in the aggregate amount of \$1,000.00 to retain his equity positions in the Debtor. Further, Bettis C. Rainsford shall continue to guarantee the obligations of the Debtor to Creditors for whom he has guaranteed payment. The hearing on confirmation of the Plan shall constitute an opportunity for any creditor, party-in-interest, or other entity to submit a competing bid for the equity interest in the Debtor. The competing bid must exceed the sum of \$1,000.00 plus the payment of all debt that has been guaranteed by the Interest Holder. All competing bids shall be filed with the Bankruptcy Court and served upon the United States Trustee, the Debtor, and counsel for the Debtor within ten (10) days prior to the date set for confirmation by the Bankruptcy Court. Additionally, after the Debtor’s exclusivity period under 11 U.S.C. § 1121 has expired, any party-in-interest is free to propose an alternate plan of reorganization, thereby satisfying the requirements of Bank of Am. Nat’l Trust and Sav. Assoc. v. N. Lasalle St. P.’ship, 526 U.S. 434, 119 S. Ct. 1411 (1999).

The equity Interest Holder will retain his respective interests, unimpaired and as follows,

Bettis C. Rainsford	100% Membership Interest
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**D. Means of Implementing the Plan**

1. Source of Payments

Payments and distributions under the Plan will be funded by the continued operations of the Debtor of its hotel, its commercial and residential rental properties and its timberland and/or by the sale of selected assets.

2. Post-Confirmation Management

The Post-Confirmation Managers of the Debtor, and his compensation for the first term after confirmation, shall be as follows:

Name	Affiliations	Insider (yes or no)	Position	Monthly Mgmt. Fee
Bettis C. Rainsford		Yes	President/ Manager	\$ 3,750

#### **E. Executory Contracts and Unexpired Leases**

With the exception of the leases to the U. S. Postal Service, the South Carolina Department of Administration Guardian Ad Litem Program, and Stan Newsome for the Old Edgefield Grill which are assumed under the Plan, all other executory contracts or unexpired leases, if any, entered into prior to the Petition Date and not previously rejected by United States Bankruptcy Court Order (or provided to be expressly assumed herein) shall be rejected as of the Effective Date, unless assumption is provided by Order of the Bankruptcy Court or provided in this Plan.

Each party to an executory contract or unexpired lease not previously rejected by Debtor during the pendency of the Case but rejected pursuant to the Plan shall be entitled to file, not later than thirty (30) days after Confirmation, a proof of claim for damages alleged to arise from the rejection of such executory contract or unexpired lease to which such Person is a party which claim shall be treated as a general unsecured claim.

Consult your advisor or attorney for more specific information about particular contracts or leases.

***The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract Is Thirty Days Following Confirmation of the Plan.*** Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

#### **F. Tax Consequences of Plan**

***Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.***

The Debtor believes that there are no federal or state tax implications to creditors; however, creditors should consult their tax advisors as to whether the Plan provides any adverse tax implications.

As a limited liability company, the Debtor does not pay taxes directly, but the tax consequences are passed on to the company's Equity Interest Holder, Bettis C. Rainsford. Mr. Rainsford does not believe that any portion of the Plan will result in any tax consequences to him as a result of his tax loss carryforwards.

### **IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; under §§

1129(a) at least one impaired class of claims must accept the Plan without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

#### **A. Who May Vote or Object**

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

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

In this case, the Plan Proponent believes that all claims and Classes of Claims are impaired, and thus all non-insider creditors are entitled to vote to accept or reject the Plan.

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

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

***The deadline for filing a proof of claim in this case is December 16, 2015.***

***The deadline for Government entities to file a proof of claim is February 16, 2016.***

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

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

##### **3. Who is Not Entitled to Vote**

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

- holders of claims and equity interests that have been disallowed by an order of the Court;



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

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

4. Who Can Vote in More Than One Class

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

**B. Votes Necessary to Confirm the Plan**

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

1. Votes Necessary for a Class to Accept the Plan

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

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

2. Treatment of Non-accepting Classes

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

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

**C. Liquidation Analysis**

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a Chapter 7 liquidation. In the event of a liquidation, the Debtor anticipates that there would not be enough funds to pay general unsecured claims in full. Accordingly, Debtor's Plan proposes to pay all creditors in full.

#### **D. Feasibility**

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan. Debtor's plan is predicated entirely upon the successful operation of the hotel, the commercial and residential properties and the timberlands. Accordingly, further reorganization or liquidation is unlikely.

##### **1. Ability to Initially Fund Plan**

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

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

Debtor's plan is predicated upon funding the Plan from funds received by the Debtor in the operation and sales of the Debtor's ongoing businesses and assets, including its hotel, rental properties and timberlands.

#### **E. Cramdown Versus Unsecured Class:**

If this Plan is not accepted by each impaired class, then Section 1129(b) allows the Court to confirm the Plan anyway, provided several conditions are first met. One of the applicable conditions is that at least one of the impaired classes accepts the Plan. Other conditions are applicable based on whether the class rejecting the Plan is comprised of secured or unsecured creditors. If the unsecured class votes to reject the Plan, then there are two ways in which the Plan can nevertheless be confirmed. First, the Plan can be confirmed if the Plan requires payments over time to the unsecured class which have a present value, as of the Effective Date of the Plan, equal to the allowed amount of the claims in that class. In short, this requires that unsecured claims be paid with interest.

If the unsecured class rejects the Plan and the Plan does not provide for the payment of interest on unsecured claims, then the Plan may still be confirmed, but only if the Plan provides that creditors in a junior class do not receive or retain anything under the Plan unless senior classes are paid in full. See, 11 U.S.C. § 1129(b)(2)(B)(ii). This is called the "absolute priority rule." In the proposed Plan, the Interest Holder (as defined above) will make a capital contribution in the aggregate amount of \$1,000.00 to retain his equity position in the Debtor and continue to guarantee the obligations of the Debtor which have been personally guaranteed by him. The hearing on confirmation of the Plan shall constitute an opportunity for any creditor, party-in-

interest, or other entity to submit a competing bid for the equity interest in the Debtor. The competing bid must exceed the sum of \$1,000.00 plus the payment of all debt that has been guaranteed by the Interest Holder. All competing bids shall be filed with the Bankruptcy Court and served upon the United States Trustee, the Debtor, and counsel for the Debtor within ten (10) days prior to the date set for confirmation by the Bankruptcy Court. Additionally, after the Debtor's exclusivity period under 11 U.S.C. § 1121 has expired, any party-in-interest is free to propose an alternate plan of reorganization, thereby satisfying the requirements of Bank of Am. Nat'l Trust and Sav. Assoc. v. N. Lasalle St. P.'ship, 526 U.S. 434, 119 S. Ct. 1411 (1999).

The proposed Plan will allow the equity Interest Holder, Bettis C. Rainsford, to retain his equity interest in the Debtor by guarantying this Plan's contents as it pertains to the obligations to the secured creditors. You can vote to accept the proposed Plan even if the Plan does not comply with the absolute priority rule. If all impaired classes accept the Plan, it can then be confirmed by the Bankruptcy Court even though it does not comply with the absolute priority rule.

The contribution of the Interest Holder as set forth herein is called "new value." New value is the vehicle through which current equity holders purchase the equity interest of the reorganized debtor. However, in Bank of America National Trust and Savings Association v. 203 North LaSalle Street Partnership, 119 S.Ct. 1411, 143 L.Ed.2d 607 (1999), the United States Supreme Court ruled that the efforts of existing equity interest holders to purchase the equity interest of the reorganized debtor must be subject to competing bids from the marketplace. Therefore, you, or anyone else, can purchase the equity interest of the Reorganized Debtor by appearing at the confirmation hearing and submitting the highest bid for the equity interest. This bidding will not take place if all impaired classes have accepted the Plan.

At the confirmation hearing, because the current equity interest holder has agreed to guarantee the performance of the Plan as it pertains to secured creditors, if the Court conducts an auction for the equity interest, then interested bidders must be willing to guarantee the Plan as the sole principal guarantor. The highest and best bid will be accepted by the Bankruptcy Court. The successful bidder will become the owner of the reorganized debtor subject to the terms of any Plan of reorganization confirmed by the Bankruptcy Court.

## **V. EFFECT OF CONFIRMATION OF PLAN**

### **A. Discharge of Debtor**

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

### **B. Modification of Plan**

The Plan Proponent may modify the Plan at any time before confirmation of the Plan.

However, the Court may require a new Disclosure Statement.

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

**C. Final Decree**

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

**VI. OTHER PLAN PROVISIONS**

Forbearance Agreement. Some or all of the claims provided in the Plan may be subject to the personal guarantees of Bettis C. Rainsford and others. Prior to the filing of the Plan, a predecessor of Apex Bank I had secured judgments against Mr. Rainsford and Mr. Joseph K. Stertz seeking recovery against Mr. Rainsford and Mr. Stertz as co-debtors/guarantors on such obligations. **Confirmation of the Plan and acceptance of payments pursuant to this Plan shall constitute an agreement whereby the Creditor shall stay any collection action against all guarantors and/or co-debtors of any such obligations as long as the Debtor is timely paying all claims as proposed in the Plan.** This forbearance applies only to pre-petition claims that are to be paid pursuant to the provisions of this Plan, and shall not include any claims not provided in the Plan and absent any other default by the Debtor under the Plan, shall expire upon the Debtor's completion of the Plan. In the event the Debtor defaults under its payment obligations to a Creditor under the Plan, the Creditor may provide to the Debtor written notice of the default and intent to pursue collection actions against any co-debtor/guarantor (together with notice to Counsel for the Debtor). If the Debtor does not cure the payment default within thirty (30) days of the notice, then any forbearance/stay provision or agreement is waived, and the Creditor may pursue its available remedies against any such guarantor/co-debtor.

GUP'S HILL PLANTATION, LLC

By: /s/ Carl F. Muller  
Carl F. Muller  
Attorney for Debtor in Possession

/s/ Bettis C. Rainsford  
Bettis C. Rainsford,  
President/Manager  
Debtor in Possession

**(The signatures represented by '/s/' on this document conform to original signatures on the paper version of this document maintained by the Filing User.)**

**Exhibit A** ☐  
**Copy of Proposed Plan of Reorganization**

See Attachment

**Exhibit B**

**VALUES OF MATERIAL ASSETS AS OF AUGUST 18, 2015**

1.	U.S. Post Office, 325 Bacon Street, Edgefield, SC	\$700,000.00
2.	Old Edgefield Grill, 202 Bacon Street, Edgefield, SC	150,000.00
3.	Carpenter's Stand, 500 Main Street, Edgefield, SC	100,000.00
4.	Turner Building, 101 Court House Square, Edgefield, SC	150,000.00
5.	Penn Shop Building, 312 Simkins Street, Edgefield, SC	50,000.00
6.	The Rectory, 317 Simkins Street, Edgefield, SC	40,000.00
7.	Little House reversionary interest, 210 Wigfall Street, Edgefield, SC	75,000.00
8.	Goodin House, 1012 Jones Street, Edgefield, SC	50,000.00
9.	Bay Cottage, 244 Bausketts Street, Edgefield, SC	50,000.00
10.	Thomas/HARS Property, 625 Augusta Road, Edgefield, SC	150,000.00
11.	Industrial Park East Property, Rabbit Trail, Edgefield, SC	300,000.00
12.	Gup's Hill Plantation, Mays Way and Sweetwater Road, Edgefield, SC	3,448,965.00
13.	Edgefield Inn, 702 Augusta Road, Edgefield, SC	800,000.00
14.	Mount Vintage Tract, MV Plantation Drive, North Augusta, SC	25,000.00
15.	Petty Cash in Drawer	127.55
16.	Regions Bank Checking Account	(24.55)
17.	Furniture, Fixtures & Equipment in the Edgefield Inn	100,000.00

**Exhibit C**  
**MONTHLY PROFIT AND LOSS STATEMENTS POST FILING**

See Attached Schedules

**CERTIFICATE OF SERVICE**

This is to certify that the below-named parties have this day been served a copy of the foregoing "DISCLOSURE STATEMENT" via CM/ECF electronic mail:

Office of the United States Trustee  
E-mail:

This 1<sup>st</sup> day of August, 2016.

/s/ Carl F. Muller  
Carl F. Muller

Carl F. Muller, Attorney at Law, P.A.  
607 Pendleton Street, Suite 201  
Greenville, South Carolina 29601  
803-991-8904