

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE**

IN RE:

ENCLAVE BUSINESS PARK, L.P.

Debtor.

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No. 3:17-bk-33343 SHB
Chapter 11

DISCLOSURE STATEMENT

Comes the Debtor pursuant to 11 U.S.C. 1125 and submits this Disclosure Statement.

The debtor is a Tennessee limited partnership with its principal place of business in Knoxville, Tennessee. The company’s business is the ownership, development, and sale of 32 acres on undeveloped property within the city limits of Oak Ridge, Tennessee.

The limited partners of the debtor are Walter Wise who has a 23% interest and Wendy Ryan who has a 75% interest. The general partner is EBP, LLC, a Tennessee limited liability company. It owns 2% of the debtor. Walter Wise is the Chief Manager of EBP, LLC.

Walter Wise has been in the business world for sixty years. He began in the structural and ornamental iron business as a twenty-one year old. He eventually sold that business and became involved in the development of commercial real estate. His projects include business park development, shopping centers, storage, and the leasing and management of those properties. Wendy Ryan is Mr. Wise’s daughter. She is in the same business with her father and has an ownership interest in his other entities also. She is not active in the development of the debtor but relies upon the general partner to handle its business affairs. EBP’s sole function is as general partner for the debtor.

The debtor was formed in 2004 and acquired the Oak Ridge property from The Boeing Company. The property consisted of two tracts – the 32.32 tract which was undeveloped and the

8.23 acre tract which was improved with a building. The acquisition price for both tracts was \$2,511,000.00. The debtor financed the acquisition through GE Capital Business Asset Funding Corporation. In May 2009, the debtor sold the eight acre tract with the building for \$3,000,000.00.

Since acquiring both tracts, the debtor has made efforts to develop and/or sell the property. The recession commencing in 2007 had an impact on the process as has the ongoing uncertainty of funding for the numerous government projects in Oak Ridge. This has affected the office side of development. Because of its proximity to west Knoxville and west Knox County, Oak Ridge has experienced headwinds in development of retail properties. However, 2017 seems to have solidified the prospects for development and/or sales in retail, commercial, office, and residential in Oak Ridge. The housing stock in Oak Ridge is especially ripe for development as a significant number of residential properties were built in the 1940's and early 50's. Those homes were not built for the long haul and are now deteriorating quickly thus necessitating the need for affordable rental and owner occupied homes close in to Oak Ridge. The office market is also strong because of the pickup and direction of the economy both in east Tennessee and nationally. The government has funded ongoing nuclear cleanup which will continue for many years and both nuclear and non-nuclear research in Oak Ridge is being funded.

The debtor originally borrowed money from Commercial Bank in 2009 after selling the eight acre tract and building. The loan was subsequently renewed in 2011, 2014, and 2015 with the expectation that the renewals would continue as needed until the property was developed.

The debtor paid the note payments to Commercial Bank and expenses of the debtor through the borrowing of funds from other entities owned or controlled by Walter Wise. These

entities were Alcoa City Center, Horizon II, Panorama LP, and Walgo. At the time the petition was filed, the debtor owed these entities \$449,500.00.

Walter Wise and entities owned or controlled by him, Mid Park Development and Vista, LP, owe the debtor \$893,500.00. These sums will be repaid and the proceeds used to Commercial Bank its monthly payments and to use as paid for the marketing and development of the property.

The chain of events that led to the filing of this chapter 11 was the non-renewal of the Commercial Bank loan and subsequent notice of foreclosure on the debtor's property. At the same time as the debtor was hoping to renew the loan, Commercial Bank was suing Walter Wise personally for a note he guaranteed on a related entity – Groves Park Commons. Commercial Bank has subsequently foreclosed on that entity's real property securing that loan.

As previously stated, there is no operation currently generating income. The debtor is a real estate development project in which there is significant equity in the realty. The property is centrally located in Oak Ridge. See the map attached as Exhibit A.

The Plan is based upon debtor's belief that this reorganization is in the best interest of its creditors.

The Plan, as proposed, will pay the claims of all secured and unsecured creditors in full as detailed below.

There are four classes of creditors –

Class One is the taxing authorities for Anderson County and Oak Ridge, Tennessee. This class is impaired.

Class One	Estimated Amount Owed	Impaired Or Not	Treatment
Oak Ridge	5,800.00	Impaired	2 Payments of \$2,900.00 First payment 04/01/18 Second payment 07/01/18 Interest to be added Interest Rate % 12%
Anderson County	12,300.00	Impaired	2 Payments of \$6,150.00 First payment 04/01/18 Second payment 07/01/18 Interest to be added Interest Rate % 12%

Class Two consists of the secured claim of Commercial Bank:

Description	Insider	Impaired or Not	Treatment
Secured claim of: Commercial Bank Collateral Description= Real Property: 32 acres in Oak Ridge Allowed secured amount= \$1,300,000.00 Priority of lien= First Mortgage	No	Impaired	Payments \$7,790.00 Payments begin 2-1-18 Balloon payment 12-31-24 Interest rate 5.25% Treatment of lien Retain

Commercial Bank is a secured creditor of the Debtor. It holds a secured claim in the amount of approximately \$1,300,000.00 pursuant to its filed proofs of claim. The debtor does not dispute this amount. As the debtor purchased the property for development, it will continue to both prepare and implement a development plan for the property and to sell the property. To the extent that better financing can be obtained from a different lender, the debtor will pursue that.

The secured value is based upon the appraisal performed by Mike Smith in November 2017 which valued the property at \$3,200,000.00. It has previously been appraised in excess of \$8,000,000.00. The lower appraised value is based upon a going concern value and is significantly less than the appraisal from several years ago. The debtor believes the true value of the property is between \$3,200,000.00 and \$4,000,000.00. Commercial Bank shall be paid at an interest rate of 5.25% amortized over twenty five (25) years commencing on February 1, 2018, with a balloon payment on December 31, 2024, for the remaining principal balance. Commercial Bank shall retain its lien on the debtor's property. Additionally, the debtor will also seek to refinance the property. The interest rate proposed by the Debtor is within the range of rates on other properties. The debtor believes that the rate proposed is within the range of reasonable commercial market rates.

In the event of default under the Plan, Commercial Bank shall have all of the rights under its security agreement with the debtor. The debtor shall remain liable to the covenants under the security agreement requiring insurance and the maintenance of Commercial Bank's collateral. All real property taxes shall be paid pursuant to the terms of the plan. Post-petition real property taxes shall be kept current. Commercial Bank shall retain its lien on the real property. Neither Walter Wise nor any entity owned or controlled shall be paid until Commercial Bank has been paid in full.

Class Three are the unsecured creditors owed greater than \$1,500.00. These claims are all related companies owned and/or controlled by Walter Wise. These creditors are listed on Exhibit B. This class is impaired and will subordinate its claims to all other creditors.

Class Four are the equity security holders of the debtor – Walter Wise, Wendy Ryan, and EBP, LLC. They shall retain their interests through additional capital investments into the debtor

that are necessary for the debtor to meet its obligations under the plan and for development of the property. Should there be any shortfall on payments, the equity security holders shall fund the shortfall through additional capital investment. Additionally, Walter Wise has guaranteed the debt of Class Two. Mr. Wise will continue the management and oversight of the company.

The Debtor shall fund the eventual reorganization and payment of Commercial Bank and the other creditors by developing and selling the real property.

Should there be a default under the payments scheduled in the plan to any creditor(s), that creditor(s) may pursue its remedies at law without the necessity of seeking any type of relief in the bankruptcy court.

The debtor will make and file a Final Decree within 45 days of confirmation. Pending confirmation of any plan by the Court, the debtor will escrow all proposed monthly payments to creditors commencing with the February 1, 2018, payments by January 25, 2018.

Within five days of the Order confirming the debtor's Plan, the debtor shall distribute any accumulated payments to respective creditors. A quarterly fee shall be paid to the United States trustee until a Final Decree is entered. The fee amount shall be in compliance with 28 U.S.C §1930(a)(6) of the U.S. Bankruptcy Court of the Eastern District of Tennessee. The fee shall be payable on the last day of the calendar month following the calendar quarter for which the fee is owed. It is anticipated the U.S. Trustee and counsel for the debtor will submit an agreed Final Decree. In accordance with Local Rule 2015-2 of the U.S. Bankruptcy Court of the Eastern District of Tennessee, the debtor will file verified monthly reports no later than the 15th day of each month until a Final Decree is entered. The only requirements that will need to be satisfied before the debtor can file an application for Final Decree shall be:

1. Confirmation Order has become final;

2. Payments proposed under the Plan have commenced.
3. There are no pending Motions, contested matters, or adversary proceedings.
4. All U.S. Trustee quarterly fees have been paid.

This Court shall retain jurisdiction over any and all matters arising from and/or under this plan including, but not limited to, any claims objections, equitable subordination claims, avoidance actions and subrogation claims as set out above. No statements or information concerning the debtor or its assets or securities are authorized other than those set forth in the Disclosure Statement.

It is anticipated that total professional fees for the debtor will not exceed \$30,000.00, which will consist of attorney fees, plus the appraiser fee. This fee will be paid only after application to and approval by the Court. The U.S. Trustee fee will be paid within thirty (30) days of confirmation as will the claim of the Tennessee Department of Revenue.

ENCLAVE BUSINESS PARK, L.P.

By: *Walter B. Hix*
Its: Chief Manager

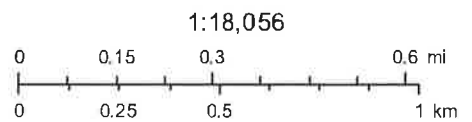
/s/Lynn Tarpy

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Anderson County - Parcel: 106A C 005.01



Date: January 23, 2018
County: Anderson
Owner: ENCLAVE BUSINESS PARK LLP
Address: MITCHELL RD
Parcel Number: 106A C 005.01
Deeded Acreage: 32.32
Calculated Acreage: 0
Date of Imagery: 2015



TN Comptroller - OLG
Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

EXHIBIT A

The property lines are compiled from information maintained by your local county Assessor's office but are not conclusive evidence of property ownership in any court of law.

Class Three

Panorama, LP	\$74,217.00
Walgo Partners	64,000.00
Alcoa City Center	320,000.00
Horizon II	2,400.00

EXHIBIT B