

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
(Alexandria Division)**

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In re:

Hotel Park Regency LLC

Debtor

Case No. 16-13442  
Chapter 11

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**DISCLOSURE STATEMENT PURSUANT TO  
SECTION 1125 OF THE BANKRUPTCY CODE  
FILED BY DEBTOR HOTEL PARK REGENCY LLC**

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT SHALL CONSTITUTE AN ADMISSION OF FACT OR LIABILITY BY ANY PARTY OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY OR BE DEEMED CONCLUSIVE ADVICE ABOUT THE TAX OR THE LEGAL EFFECTS OF THE PLAN ON CREDITORS. ANY REPRESENTATIONS (OTHER THAN THOSE CONTAINED HEREIN) MADE TO INDUCE VOTING SHOULD BE REPORTED TO THE COURT AND OFFICE OF THE UNITED STATES TRUSTEE. CREDITORS ARE URGED TO CONSULT THEIR OWN LEGAL AND FINANCIAL ADVISORS CONCERNING THE CONSEQUENCES OF THE PLAN.

March 29, 2017

## ARTICLE I

### DISCLOSURE STATEMENT SUMMARY

The following is a brief summary of certain information contained in this Disclosure Statement (“Disclosure Statement”). This summary is incomplete and selective and is qualified in its entirety by more detailed information contained herein. Definitions of the capitalized terms are found in Article II.

1.01. Voting Procedure. An entity entitled to vote on the Plan must indicate its acceptance or rejection of the Plan on the ballot that accompanies the Disclosure Statement. In order for a vote to count, the ballot must be received no later than the 5:00p.m., Eastern Daylight Time, \_\_\_\_\_ at the address shown on the ballot.

For this Plan to be confirmed, it must be accepted by each class of Impaired Claims. Section 1124 of the Bankruptcy Code sets forth whether a Claim is Impaired. An Impaired class of Claims accepts the Plan if at least two-thirds in amount and more than one-half in number of the Allowed Claims in the class that are actually voted, are cast in favor of the Plan.

1.02 Approval of Disclosure Statement. This Disclosure Statement has been determined by the Bankruptcy Court to contain information of a kind and in sufficient detail to enable a reasonable, hypothetical investor typical of holders of Impaired Claims to make an informed judgement concerning the Plan. **THE APPROVAL BY THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION BY THE BANKRUPTCY COURT EITHER FOR OR AGAINST THE PLAN. BANKRUPTCY COURT APPROVAL MERELY CONFIRMS THAT THE INFORMATION CONTAINED HEREIN IS SUFFICIENT TO ALLOW YOU TO MAKE AN INFORMED JUDGEMENT IN CASTING YOUR BALLOT.**

**In the event of any inconsistencies between the Plan and contents of this Disclosure Statement, the Plan shall control.**

1.03 Information Regarding Disclosure Statement. No representations concerning the Debtors, the Debtors’ operations, the value of the Debtors’ property or the Plan are authorized unless they are in the Disclosure Statement. This Disclosure Statement is the only statement with respect to the Plan. No other representation concerning the Debtors, their business operations or the value of their property has been authorized. You should rely only on the representations or inducements contained in this Disclosure Statement. You should report any additional representations and inducements to the Court, counsel for the Debtors, or Office of the United States Trustee.

The Debtors have endeavored to be accurate in the Disclosure Statement in all respects. Although the Debtors believe that the contents of this Disclosure Statement are complete and accurate, the Debtors are not able to warrant or represent that the information contained herein is without inaccuracy.

**ARTICLE II**  
**DEFINITIONS**

As used in the Disclosure Statement and Plan, the following terms have the respective meanings specified below (such meanings to be equally applicable to both the singular and plural, and masculine and feminine forms of the terms defined):

***Administrative Bar Date*** means the date forty-five (45) days after the Confirmation Date.

***Administrative Claim*** means a Claim for payment of costs or expenses of administration specified in Sections 503(b) and 507(a)(1) and (b) of the Bankruptcy Code, other than a Fee Claim.

***Allowed*** means a Claim, Administrative Claim, or Priority Tax Claim: (a)(i) proof of which has been timely filed with the Bankruptcy Court or has been deemed timely filed by a Final Order, or if no such proof is filed, which has been scheduled by the Debtor in the Schedules other than as a disputed, contingent or unliquidated, and (ii) as to which no party in interest has timely filed an objection, filed a motion to equitably subordinate, or otherwise sought to limit recovery within the time limits specified in this Plan or permitted by the Bankruptcy Court, or (b) which is allowed by a Final Order of the Bankruptcy Court.

***Annandale Real Property*** means real properties, land, building and improvements thereon located at 7201 and 7203 Little River Tnpike Annandale VA 22003.

***Ballot*** means the form transmitted to Creditors for voting to accept or reject the Plan in accordance with Section 1126 of the Bankruptcy Code.

***Bankruptcy Code*** means Sections 101 et seq. of Title 11 of the United States Code, as now in effect or hereinafter amended.

***Bankruptcy Court*** means the United States Bankruptcy Court for the Eastern District of Virginia, Alexandria Division.

***Bankruptcy Rules*** means the Federal Rules of Bankruptcy Procedure, as amended from time to time, and the local rules of the Bankruptcy Court, as applicable to the Chapter 11 Cases.

***Business Day*** means any day other than Saturday, Sunday or a “legal holiday” as such term is defined in Bankruptcy Rule 9006(a).

***Cash*** means cash and cash equivalents in lawful currency of the United States of America, including, but not limited to, bank deposits, checks, and other similar items.

***Causes of Action*** means any and all claims, causes of action, demands, rights, actions, suits, damages, injuries, remedies, accounts, powers, privileges, licenses, and franchises of the

Debtors of any kind of character whatsoever, known, unknown, accrued or to accrue, contingent or non-contingent, , matured or unmatured, suspected or unsuspected, foreseen or unforeseen, whether arising before, on or after the Petition Date, in contract or in tort, in law or in equity, or under any other theory of law, whether asserted or assertable directly or derivatively in law or equity or otherwise by way of claim, counterclaim, cross-claim, third party action, action for indemnity or contribution or otherwise.

**Case** means this case (No. 16-13442-BFK) concerning the Debtors, which is being administered by the Bankruptcy Court under Chapter 11 of the Bankruptcy Code.

**Claim** means a claim against the Debtors, as such term is defined in Section 101(5) of the Bankruptcy Code.

**Class** means a Claim or group of Claims as classified under the Plan.

**Confirmation Date** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the Bankruptcy Court's docket.

**Confirmation Order** means the order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

**Creditor** means an entity that holds a Claim.

**Debtor** means Hotel Park Regency LLC.

**Disclosure Statement** means the Disclosure Statement respecting this Plan approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

**Disputed Claim** means a Claim (or any portion thereof) as to which: (a) an objection has been timely filed, and such objection has not been: (i) withdrawn, or (ii) overruled or denied in whole by a Final Order; (b) before the deadline for an objection to the Claim to be filed, the amount of the Claim specified in the applicable proof of Claim exceeds the amount of any corresponding Claim scheduled by the Debtors in their Schedules or such Claim is scheduled as disputed, contingent or unliquidated by the Debtors; (c) there is a dispute as to classification of the Claim; (d) there is a dispute as to the estimated amount of such Claim under Section 502(c) of the Bankruptcy Code; (e) the Claim is contingent or unliquidated ; (f) the Claim is subject to dispute, contest, offset, setoff, recoupment, defense, or counterclaim asserted in an adversary action or contested matter under the Bankruptcy Court at the time of any Distribution pursuant to Section 502(d) of the Bankruptcy Code or otherwise applicable law; or (g) the Claim is not otherwise an Allowed Claim.

**Distribution** means the distribution of Cash in accordance with the Plan.

**Distribution Address** means the last known address of a Creditor whether derived from the Schedules , a proof of Claim filed with the Bankruptcy Court, a notice of transfer of Claim filed pursuant to Bankruptcy Rule 3001(e), or other written notification to the Debtors concerning where a Distribution under the Plan is to be sent.

**Effective Date** means the date when the Confirmation Order becomes a Final Order.

**Executory Contract** means any executory contract or unexpired lease within the meaning of Section 365 of the Bankruptcy Code in effect between the Debtors and another entity as of the Petition Date.

**Final Order** means an order or judgment, as entered on the docket of the applicable court, that has not been reversed, modified or amended, is not stayed and as to which the time to appeal or to seek review or rehearing or petition for certiorari has expired without an appeal or application for review or rehearing or petition having been filed.

**Impaired** means any Class or any Claim in a Class, that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

**Initial Distribution Date** means the date of the first distribution to classified Creditors under the Plan, which shall occur ninety (90) days after the Effective Date.

**Lien** means "lien" as defined in Section 101(37) of the Bankruptcy Code.

**Plan** means this Plan under Chapter 11 of the Bankruptcy Code as the same may be altered, amended, or modified from time to time in accordance herewith (but after the Confirmation Date, such amendments or modifications being effective only if approved by order of the Bankruptcy Code.)

**Petition Date** means October 11, 2016.

**Practical** means feasible under the circumstances, but no later than thirty (30) days after the specified date or action.

**Pre-petition** means an event, occurrence or other thing first arising prior to the Petition Date.

**Priority Tax Claim** means any Unsecured Claim to the extent entitled to priority in payment under Section 507(a)(8) of the Bankruptcy Code.

**Projected Disposable Income** shall have the meaning set forth in Section 1325(b)(2) of the Bankruptcy Code, and for purposes of this Plan.

**Quarterly Fees** means the quarterly fees owed to the Office of the United States Trustee pursuant to 28 U.S.C. section 1930.

**Schedules** means the schedules, as may be amended from time to time, of assets and liabilities filed by the Debtors with the Bankruptcy Court in accordance with Sections 521 and 1106(a)(2) of the Bankruptcy Code.

**Secured Claim** means any Claim to the extent such claim constitutes a secured Claim pursuant to Sections 506 or 1111(b) of the Bankruptcy Code.

**Unsecured Claim** means any Claim which is not secured by property of the Debtors and which is not entitled to priority under the Bankruptcy Code.

Any term in this Disclosure Statement that is not defined herein, and that is used in the Bankruptcy Code, shall have the meaning assigned to such term in the Bankruptcy Code.

**ARTICLE III**  
**PURPOSE OF DISCLOSURE STATEMENT**  
**AND PROCEDURE FOR CONFIRMATION**

3.01. Introduction. This Disclosure Statement has been prepared by the Debtor and is intended for all known Creditors entitled to vote on their Plan. The purpose of this Disclosure Statement is to provide information that the Bankruptcy Court has determined to be materially important and necessary for Creditors to make informed decisions in voting to accept or reject the Plan. The Plan has been filed contemporaneously with the Disclosure Statement. The Plan sets forth the proposal of the Debtors for satisfying all pre-petition Claims and all post-petition Administrative Expenses.

The information contained herein has not been subject to an audit. No representation concerning the Debtors or the Plan are authorized other than as set forth in this Disclosure Statement. Any representations or inducements made by any person to secure your vote, other than those contained herein, should not be relied upon.

The Debtors have endeavored to be accurate in this Disclosure Statement in all material respects. Although the Debtors have used their best efforts to ensure that the contents of this Disclosure Statement are complete and accurate, the Debtors are not able to warrant or represent that the information contained herein is without inaccuracy.

3.02. Brief Explanation of Chapter 11. Chapter 11 is the principal reorganization chapter of the Bankruptcy Code, however, Chapter 11 does permit the liquidation of all or a portion of a Debtors' estate as part of a plan. Pursuant to Chapter 11, the Debtors have been authorized to reorganize their financial affairs for their own benefit and that of their Creditors and other interested parties. Attempts at collection of Claims arising before the Petition Date against the Debtors and attempts to foreclose upon their property have been stayed during the Case, and the Debtors have managed their financial affairs as Debtors-in-possession.

Formulation of a reorganization plan (or liquidation) is the principal purpose of a Chapter 11 case and the Debtors' Plan is the vehicle for settling all Claims against the Debtors.

3.03. Approval of Disclosure Statement. As required by the Bankruptcy Code, this Disclosure Statement has been presented to and approved by the Bankruptcy Court. This approval means that the Bankruptcy Court has determined that this Disclosure Statement contains adequate information to enable Creditors eligible to vote on the Plan to make informed judgements concerning the Plan, but approval does not constitute a judgement by the Bankruptcy Court about the desirability of the Plan or the value of any consideration offered pursuant to the Plan.

3.04. Confirmation of a Chapter 11 Plan. There are two methods by which the Plan to be confirmed: (1) the “acceptance” method, in which all Impaired classes of Claims have voted in the requisite amounts to accept the Plan and (2) the “nonacceptance” or “cramdown” method, in which at least one class of Impaired Claims has voted in the requisite amounts to accept the Plan and certain other requirements are met with respect to the Debtors and all other Impaired classes of Claims. One of these requirements is that the plan be “fair and equitable”.

A Claim that will not be repaid in full on the Effective Date or with respect to which the legal rights are altered, or an interest that is adversely affected, is “Impaired”. A holder of a Claim in an Impaired class under the Plan is entitled to vote to accept or reject the Plan if such Claim has been Allowed or is deemed Allowed under Section 502 of the Bankruptcy Code, or is temporarily Allowed for voting purposes under Rule 3018 of the Bankruptcy Rules. In order for a class of Claims to vote to accept the Plan, votes representing at least two-thirds in amount and more than one-half in number of Claims actually voted in that class must be for acceptance of the Plan.

3.05. Voting on the Plan. Each Impaired Creditor may vote on the Plan. Subject to the specific provisions of Section 1124 of the Bankruptcy Code, a Creditor with an Impaired Claim or Interest is deemed to include any Creditor that will receive less than full Cash payment for the allowed amount of its Claim on the Effective Date of the Plan. The holders of Claims that may be disputed by the Debtors may vote on the Plan only to the extent that their Claims are allowed by the Bankruptcy Court for the purpose of voting.

The Ballot attached to this Disclosure Statement is not a proof of Claim. This Schedules filed by the Debtors and proofs of claim filed by Creditors may be inspected at the Bankruptcy Court (or at its web site: [www.vaeb.uscourts.gov](http://www.vaeb.uscourts.gov)) and are also available from counsel for the Debtors. Only those votes that actually accept or reject the Plan will be counted.

In order to vote by mail, a Creditor must complete the ballot to accompanying this Disclosure Statement and send it to be received not later than 5:00pm., Eastern Time, on \_\_\_\_\_ at the following:

Mailing: Weon G Kim Law Office  
8201 Greensboro Drive #300  
McLean VA 22102

Electronic: [jkkchadol99@gmail.com](mailto:jkkchadol99@gmail.com)

Facsimile: 703-462-5437

PLEASE REVIEW THIS DISCLOSURE STATEMENT CAREFULLY AND COMPLETE AND RETURN THE ACCOMPANYING BALLOT. YOUR VOTE IS IMPORTANT.

3.06. Failure to Vote. If you are entitled to vote and do not, the ballots will be counted as though your Claim does not exist. If the Court approves the Plan, you will be bound by its terms regardless of how your Claim is treated or whether or not you voted if the Plan is confirmed.

3.07. The Confirmation Hearing. The Bankruptcy Court has scheduled a hearing on Confirmation on the Plan to commence on \_\_\_\_\_ at the Bankruptcy Court in Alexandria, Virginia. At that hearing, the Bankruptcy Court will consider whether the Plan satisfies the various requirements of the Bankruptcy Code, including whether it is feasible and whether the Plan is in the best interests of Creditors who are entitled to vote to accept or reject the Plan. The Bankruptcy Court also will receive and consider a summary of ballots concerning the votes cast for acceptance or rejection of the Plan by the Creditors entitled to vote on the Plan.

3.08. Effect of Confirmation. If the Court confirms the Plan, except as set forth in the Plan, Creditors may no longer pursue or enforce Claims against the Debtors that existed before the Petition Date.

#### **ARTICLE IV** **BACKGROUND INVESTIGATIONS**

4.01 The Pre-Petition Debtor:

The Annandale property was purchased by Mr Moon Sik Park and Hyon Bossere Chung as Husband and Wife on or about April 10, 2002 and the purchase price was \$4,200,000. Mr. Park since then established the Debtor, and subsequently on or about December 17, 2009 the ownership was transferred to the Debtor.

Mr. Moon Sik Park is the sole owner of the Debtor. He intended to construct a hotel complex on the real property and sought an investor. Rodriguez in the beginning provided a personal loan in the amount \$700,000 to Mr. Park.

4.02. Significant Events During the Chapter 11 Case:

4.02(a) Employment of Professionals:

Weon G Kim Law Office: By order entered on March 1, 2017 [docket #62], the Court approved the retention of Weon G Kim, esq at Weon G Kim Law Office as bankruptcy counsel for the Debtor. In addition, Richard G. Hall filed its attorney employment motion on or about February 10, 2017 [docket #53] Attorney fee application will be filed by



Weon G Kim and Richard Hall. Lawyers' fees and expenses through the Confirmation Date are expected in the amount of \$20, 000.

4.02(b) Motion for Adequate Protection

Rodriguez filed a motion for adequate protection on December 22, 2016 [docket #38]. This motion was denied after a hearing [docket #48].

**ARTICLE V**  
**DEBTORS' ASSETS**

5.01 Real Property: The Annandale Real Property with Land, Building, and Improvements thereon is located at 7201 and 7203 Little River Turnpike Annandale VA 22003. The Fairfax county in 2015 assessed the value for tax purpose as \$4,715,590. On or about November 13, 2015, the properties were appraised for \$6,000,000.

5.02 Personal Property: As of the filing date on October 11, 2016, Debtor maintained cash with its bank account in the amount of \$8,321.24 as of filing date.

**ARTICLE VI**  
**DEBTORS LIABILITIES**

6.01 Administrative Claims: The only known administrative claim is for fees and costs of Debtors' counsel. It is estimated that fees and expenses through confirmation will be approximately \$20,000.

6.02 Burke and Herbert Secured Claim: Burke and Herbert holds a first deed of trust on the Real Property which secures a claim in the principle amount of \$3,663,289.28 as of 09/23/2016. This claim is guaranteed by Moon Sik Park and Hyon Bossere Chung as Husband and Wife. Mr. Moon Sik Park is the sole owner of the Debtor LLC.

6.03 Rodriguez Claim—Under-secured, Bifurcated : While it is in dispute as to both the whole amount of underlying debt and the secured amount, the debtor provides this Plan based on assumption that the claimed amount by the Rodriguez is true. This Rodriguez claim is secured by the second deed of trust on the real property, but bifurcated. Assuming the underlying amount claimed by Rodriguez is true, this creditor is under-secured and therefore in part secured and the rest amount is unsecured.

The debtor intends to cram-down the Rodriguez secured claim and pay out of this plan the unsecured amount. The debtor anticipates the unsecured amount to be paid out of this Plan will be 10% of the unsecured amount.

6.04 Kalender Claim—wholly unsecured: As noted above, Mr. Burcin Kalender executed a deed of trust on the real property on or about September 5, 2012. By the priority of the record, Kalender claim is 3<sup>rd</sup> secured lien holder. This Kalender Claim was secured at the beginning; however, as the amount owed by Rodriguez have gone up, this claim degraded from secured to wholly unsecured. The debtor intends to pay out of its monthly disposable income the Kalender claim. This debt will be paid out of Debtor's disposable income on pro rata basis.

6.05 Other Unsecured Claims: Debtor is owed to EMSI Inc., an engineering company, for an engineering project on the Annandale real property in the amount of \$29,250 as of August 31, 2016 and is owed to James Wee, esq for the legal counseling fee in the amount of \$3,477.50. This debt will be paid out of Debtor's disposable income on pro rata basis.

6.06 Objection to Claims: As noted above, Debtor intends to file an objection to the claim raised by Rodriguez.

## **ARTICLE VII MISCELLANEOUS INFORMATION**

7.01 Operating Reports. Debtors have filed monthly operating reports. Income reflected in those reports is from operations of Debtor. Reports are available from the Bankruptcy Court.

7.02 Insider Claims. There are no Insider Claims.

7.03 Schedules and Disputed Claims. The Schedules of Assets and Liabilities and Statement of Financial Affairs have been filed in this Case. Copies are available from the Bankruptcy Court. Debtors do not anticipate that there will be any additional objections to Claims filed.

7.04 Future of Debtors. Debtors are individuals, who intend to continue their business operations during the term of the Plan.

## **ARTICLE IX SUMMARY OF PLAN**

8.01 Unclassified Claims: Administrative Expense Claims are not classified and will be paid in full on the earlier of the Effective Date and 30 days following

approval/allowance of the Claim. The following chart lists the Debtor's estimated administrative expenses, and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses arising in the Ordinary Course of Business After the Petition Date and not paid in the Ordinary Course on or prior to the effective date of the Plan	\$0.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees for lawyer, as approved by the Court	\$0.00	To be Paid according to court order.
Professional Fees for CPA, as approved by the Court	\$0.00	To be Paid according to court order.
Fairfax County Real Property Tax	\$0.00	Paid in full on the effective date of the Plan.
Office of U.S. Trustee Fees	\$0.00	Paid in full on the effective date of the Plan

### 8.02 Priority Tax Claims

Priority tax claims are unsecured income, employment, and other taxes described by §507(a)(8) of the Bankruptcy Code. Unless the holder of such §507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

To date IRS filed its proof of claim in the amount of \$500; however, amended its proof of claim to \$0.

The following chart lists the Debtor's priority tax claims, and their proposed treatment under the Plan:

Type	Objected	Estimated Amount Owed	Proposed Treatment
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IRS Tax	N/A	\$0	N/A
Fairfax County Business, Professional and Occupational license Tax	Allowed	\$7,329.82	<p>One time lump-sum payment for repayment = \$7,329.82</p> <p>Monthly Pmt = \$203.61</p> <p>Term: 5 years from 10-11-2016</p> <p>Pmts Begin = 05-01-17 or the first date of the first month after the Plan Effective Date</p> <p>Pmts End = 04-01-2020</p> <p>Interest Rate % = 0.0%</p>

8.02 Classes of Claims: For purposed of the Plan, pre-petition Claims are classified as follows:

8.02(a) *Class 1* shall consist of the Secured Claim of Burke and Herbert Bank.

8.02(b) *Class 2* shall consist of the Secured Claim of Rodriguez.

8.02(c) *Class 3* shall consist of the Unsecured Claim of Rodriguez.

8.02(d) *Class 4* shall consist of the Unsecured Claim of Kalender.

8.02(e) *Class 5* shall consist of the Other Unsecured Claims owed by EMSI Inc., an engineering company, for an engineering project on the Annandale real property and lawyer fee to be paid to James We, esq. for a legal counseling.

**ARTICLE IX**  
**TREATMENT OF CLASSES OF CLAIMS**

9.01 Class 1 – Burke and Herbert Bank will retain its lien on the real property to the extent of the value of that property, which is \$6,000,000. Burke and Herbert Bank will be paid outside the Plan by the Debtor pursuant to the terms of the Credit Line Deed of Trust made on September 5, 2012. It will receive no payments on its Class 1 Claim from the Debtor through the Plan.

Class #1	Description	Impairment	Treatment
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1	<p><i>Secured claim of:</i> Burke and Herbert Bank</p> <p>Collateral Description: Real Property located at 7201 and 7203 Little River Tnpike Annandale VA 22003</p> <p>Value: \$6,000,000 estimation</p> <p>Allowed Secured Amount = \$3,663,289.28 as of 09/23/2016</p> <p>Allowed Unsecured Portion: \$0</p> <p>Total claim= \$3,663,289.28</p> <p>Priority of lien = 1st</p>	Impaired	<p>One lump-sum payment for repayment = \$3,663,289.28</p> <p>Monthly Pmt = \$19,496.25</p> <p>Term = 25 years</p> <p>Interest Rate %= 3.85%</p> <p>Treatment of Lien = Retained up to amount of Allowed Secured Claim</p>
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9.02 *Class 2 – Cram Down Option:* Rodriguez will retain its lien on the Annandale real property to the extent of the value of that property, which is \$6,000,000, and receive deferred cash payments over 30 years with 4.75% yearly interest rate having a value at the effective date of the plan of at least the amount of its secured claim. The current Wall Street Journal prime rate is 3.75% and Debtor adds 1% additional interest rate reflecting risk factors. It will receive monthly payments of \$12,189.39 on its Class 2 Claim from the Debtor under the Plan over 30 years

Class #2	Description	Impairment	Treatment
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2	<p><i>Secured claim of:</i> Rodriguez</p> <p>Collateral Description: Real Property located at 7201 and 7203 Little River Tnpike Annandale VA 22003</p> <p>Value: \$6,000,000 estimation</p> <p>Allowed Secured Amount = \$2,336,710.72 as of 09/23/2016</p> <p>Allowed Unsecured Portion: \$0</p> <p>Total claim= \$2,336,710.72</p> <p>Priority of lien = 2nd</p>	Impaired	<p>One lump-sum payment for repayment = \$2,336,710.72</p> <p>Monthly Pmt = \$12,189.39</p> <p>Term: = 30 years</p> <p>Pmts Begin = 05-01-2017 [or the first date of the first month after the Plan Effective Date]</p> <p>Pmts End = 04-01-2047</p> <p>Interest Rate %= 4.75%</p> <p>Treatment of Lien = Retained up to amount of Allowed Secured Claim</p>
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*Class 3 and 4 – Unsecured Claims of Rodriguez and Kalender.* Debtor will pay to the Class 3 Creditors its monthly Projected Disposable Income. These funds will be held by counsel for the Debtors and will be distributed on a pro-rata basis each quarter out of disposable income of Debtor, commencing 90 days after the Effective Date.

*Class 5 – Unsecured Claims of EMSI engineering and Wee Claim.* Debtor will pay to the Class 3 Creditors its monthly Projected Disposable Income. These funds will be held by counsel for the Debtors and will be distributed on a pro-rata basis each quarter out of disposable income of Debtor, commencing 90 days after the Effective Date.

9.03 Avoidance of Liens. All deeds of trust on the Annandale Real Property, except the deed of trust held by the Class 1 Creditors, Berke and Herbert Bank, shall be released by the terms of the order confirming the plan.

9.04 Acceleration of Payments: Debtors reserves the right to accelerate payments under this Plan.

9.05 Classes Entitled to Vote. Creditors in all Classes are Impaired and are thus entitled to vote to accept or reject the Plan.

9.06 Unclassified Claims. Unclassified Claims consist of Administrative Claims. Holders of unclassified Claims will be paid in full on the later of the Initial Distribution Date or within 30 days of Allowance of their Claim (or such later date upon which the holder of the Allowed Administrative Claim may agree to).

**ARTICLE X**  
**EXECUTION AND IMPLEMENTATION OF THE PLAN**

10.01 Source of Funding. Funding for the Plan will come from amounts paid to the Debtor as monthly rental income from three tenants. In addition, prior to the Effective Date, Debtors will liquidate the life insurance and annuities, and the net proceeds will be used to pay Creditors, including Administrative Creditors.

10.02 Default. The following shall be events of default:

(a) Failure to make the payments set forth herein.

(b) Failure to comply with any other provisions of this Plan.

In the event of a default, Creditors shall have all rights available to them under State and contract law.

10.03 Executory Contracts. The Debtors are not party to any Executory Contracts.

10.04 Objection to Claims. Objections to Claims shall be filed within sixty (60) days of the Effective Date.

10.05 Further Documents and Actions. The Debtors are authorized to execute and file such agreements and other documents, and take or cause to be taken such action, as may be necessary or appropriate to effect and further evidence the terms and conditions of the Plan.

10.06 Additional Requirements of the United States Trustee. As required by the Bankruptcy Code and other applicable law, the Debtors shall (i) make all payments of Quarterly Fees, and (ii) file quarterly operating reports through the closing of the Case.

10.07 Post-confirmation Management. The Debtors will manage all other aspects of their business affairs.

10.08 Manner of Payment Under the Plan. Any distribution made under the Plan shall be made by check.

10.09 Time Bar to Cash Distribution Checks. Checks issued on account of an Allowed Claim shall be null and void if not negotiated within on hundred and twenty (120) days of issuance. Any claim with respect to a voided check must be made on or before six (6) months of issuance. After such a date, all Claims shall be discharged and the entitlement to a

distribution shall be barred. Funds from the voided check will be re-distributed pursuant to the terms of the Plan.

**ARTICLE XI**  
**EFFECT OF CONFIRMATION**

11.01 **Injunction.** Except as otherwise expressly provided in the Plan, the Confirmation Order shall provide, among other things that all entities that have held, hold or may hold Claims against the Debtors are permanently enjoined on and after the effective Date:

- a. From commencing or continuing in any manner, directly or indirectly, any action or other proceedings of any kind with respect to any such Claim against the Debtors or their assets with respect to such Claim;
- b. From the enforcement, attachment, collection or recovery by any manner or means, directly or indirectly, or any judgement, award, decree or order against the Debtors or their assets with respect to such Claim;
- c. From creating, perfecting or enforcing, directly or indirectly, any setoff, right of subrogation or recoupment of any kind against any obligation due to the Debtors, against their assets with respect to such Claim;
- d. From asserting, directly or indirectly, any setoff, right of subrogation or recoupment of any kind against any obligation due to the Debtors, against their assets with respect to such Claim; and
- e. From any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisos of the Plan relating to any Claim.

11.02 **Allowance of Claims.** Nothing contained in the Plan shall prohibit the holder of a timely filed Claim, to which the Debtors have fled an objection, from litigating its right to seek to have such Claim declared an Allowed Claim.

11.03 **Binding Nature.** Except as otherwise provided for in the Plan or in the Confirmation Order, upon Confirmation, as the Plan shall be binding on all Creditors, regardless of whether their respective Claims are Impaired or unimpaired and regardless of whether the Creditors have accepted the Plan.

11.04 **Discharge.** Upon completion of the payments set forth in the Plan, the Bankruptcy Court will enter a discharge order, discharging, or releasing the Debtors from their



legal liability to pay any remaining amounts owed on the Claims which are dealt with under the Plan.

**ARTICLE XII**  
**RETENTION OF JURISDICTION**

Notwithstanding Confirmation of the Plan or the Effective Date having occurred, the Bankruptcy Court shall retain sole jurisdiction of this Case for purposes of Sections 105(a), 362, 1127 and 1146(a) of the Bankruptcy Code and for the following purposes:

- a. To enforce and interpret the Plan, to resolve any disputed arising under or in connection with the Plan, to effectuate payments under the Plan, and to compel performance of any person in accordance with the provisions of the Plan;
- b. To determine all matters with respect to the subordination, allowance, or disallowance of Claims or any portion thereof;
- c. To determine all matters with respect to property of the Estate or the Debtors, including, but not limited to matters brought under Sections 506(c), 541, 542, 547, 548, 550, and 551 of the Bankruptcy Code;
- d. To determine any motions for assumption or rejection of Executory Contracts, to determine the amount of damages, if any, suffered by the non-debtor party to any rejected Executory Contract, and to fix the allowance of any Claim resulting from the rejection of the any Executory Contract.
- e. To determine such other matters and for such other purposed as my be provided for in the Confirmation Order to otherwise deemed appropriate to accomplish its purposes;
- f. To correct any defect, or cure any omission or to reconcile any inconsistency in the Plan or in the Confirmation Order, all as may be necessary or appropriate to carry out the intent and purpose of the Plan;
- g. To make orders as necessary or appropriate to carry out the provisions of the Plan;
- h. To classify, allow, or disallow Claims and Interests;
- i. To liquidate or estimate damages, or to determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated Claim;
- j. To determine any and all disputes among Creditors with respect to their Claims(s);

- k. To adjudicate all disputes with respect to Claims or any lien, consensual or otherwise, on any asset of the Debtors or proceeds thereof;
- l. To hear and determine any and all motions, applications, adversary proceedings, or other matters arising out of or relating to the Plan or the Case, including without limitation matters relating to the post-petition sale of the Property;
- m. To hear and determine matters covering state, local, and federal taxes pursuant to Sections 346, 505, 525, and 1146;
- n. To determine the final amounts allowable as compensation or reimbursement of expenses pursuant to Section 503(b) and 506(b);
- o. To allow fees and reimbursement of the expenses incurred prior to the Confirmation Date by professional persons employed during this Case or any other person or entity applying for compensation
- p. To enter or implement such orders as may be appropriate in the event the Order of Confirmation is for any reason modified, reversed, revoked or vacated.
- q. To confirm the Plan as modified pursuant to Section 1127(b) or to remedy any defect or omission or reconcile any inconsistency in the Confirmation Order; or
- r. To enter a Final Order closing the Case

## **ARTICLE XII**

### **CONSIDERATIONS IN ACCEPTING THE PLAN**

13.01 **Impairment.** A Class of Creditors is considered to be “Impaired” where its legal, equitable or contractual rights are being modified by the Plan. Where a Class is unimpaired, it is deemed to have accepted the Plan and is not entitled to vote. All Classes of Creditors to be paid under the Plan are Impaired, and are entitled to vote.

13.02 **Acceptance.** With certain exceptions not applicable here, a plan must be accepted by all Impaired Classes in order to be confirmed. A Class has accepted the plan if the plan is accepted by voting creditors who hold at least two thirds in amount and more than one half in number of the Allowed Claims in that Class. In computing acceptance, the votes of insiders are not counted.

13.03 **Absolute Priority Rule.** As set forth in section 4.02(f), Debtors sought confirmation of their original plan of reorganization under section 1129(b)(ii) of the Bankruptcy

Code, which allows a court to confirm a plan over the rejection of one class of creditors, providing the court finds that the plan is “fair and equitable”.

13.04 Other Requirements for Confirmation. If all classes have accepted the plan, the Court must still determine whether the plan complies with the requirements set forth in Section 1129 of the Bankruptcy Code. In general terms, and as it applies to this Plan, these requirements are as follows: (i) the Plan complies with all of the requirements of the Bankruptcy Code and of applicable non-bankruptcy law; (ii) the Plan has been proposed in good faith; (iii) the Plan proponent has disclosed the identity and affiliation of the post-confirmation management; (iv) the Plan is in the best interests of the Creditors; and (v) the Plan is feasible. In considering whether the Plan is in the best interests of creditors, the court looks at whether the plan provides creditors with at least as much as they would receive if the Debtors were liquidated in a Chapter 7 and the assets distributed to creditors. In determining feasibility, the court looks at whether the obligations under the plan can be performed.

13.05 Projected Disposable Income. In addition to the requirements set forth in 13.04, section 1129(a)(a5) provides that in the event an unsecured creditor files an objection to the plan, the court may confirm the plan only if “the value of the property being distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2) to be received during the 5-year period beginning on the date that he first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.” Section 1325(b)(2) defines disposable income as the current monthly income received by the debtor (and dependents) and charitable contributions.

#### **ARTICLE XIV** **RISK FACTORS**

This Plan, like most plans, involves risks, the most significant being that the revenues out of tenants’ monthly rental payment will decline and Debtors will not be able to make the payments required under the Plan.

#### **ARTICLE XV** **TAX CONSEQUENCES**

Confirmation of the Plan may modify, or affect the timing of the federal income tax treatment of Claims. In addition, state tax consequences may flow from the Plan. Differences among Creditors, including differences in form of organization, methods of accounting, prior tax related actions taken with respect to the Claims, may have a material effect on tax treatment of the Plan.

**CREDITORS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE PLAN IN THEIR PARTICULAR CIRCUMSTANCES.**

**ARTICLE XVI**  
**LIQUIDATION ANALYSIS**

Section 1129(a)(7(A) of the Bankruptcy Code requires that holders of Claims that are Impaired under the Plan who do not vote for the Plan must receive property under the Plan worth, as of the Effective Date, at least as much as the amount they would receive if the Debtor liquidated in a chapter 7 bankruptcy. In a hypothetical chapter 7, the chapter 7 Trustee is charged with reducing all Assets of the Debtors to Cash and distributing the cash to creditors. Debtor believes the Plan provides Creditors with a greater distribution than they would receive if the case were converted to chapter 7.

**CONCLUSION**

For these reasons, the Debtors believe that this Plan and payments proposed thereunder are in the best interest of their Estate and all Creditors holding Allowed Claims.

Respectfully submitted,

Hotel Park Regency LLC,  
by Counsel:

/s/ Weon Geun Kim

Weon G. Kim Office  
WEON G. KIM VSB #73104  
8200 Greensboro Dr. #900  
McLean VA 22102  
571-278-3728  
Fax 703-462-5437

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
(Alexandria Division)

In re:	)	
	)	
Debtors	)	
	)	
Hotel Park Regency LLC	)	Case No. 16-13442-BFK
	)	CHAPTER 11
	)	
	)	

CHAPTER 11 PLAN OF REORGANIZATION

Weon G Kim Law Office  
8201 Greensboro Drive. Ste 300  
McLean Va 22102  
(571) 278-3728

Attorney for the Debtors-in-Possession

**ARTICLE I**  
**DEFINITIONS**

As used in the Plan, the following terms have the respective meanings specified Below (such meanings to be equally applicable to both the singular and plural, and Masculine and feminine forms of the terms defined):

***Administrative Bar Date*** means the date forty-five (45) days after the Confirmation Date.

***Administrative Claim*** means a Claim for payment of costs or expenses of administration specified in Sections 503(b) and 507(a)(1) and (b) of the Bankruptcy Code, other than a Fee Claim.

***Allowed*** means a Claim, Administrative Claim, or Priority Tax Claim: (a)(i) proof of which has been timely filed with the Bankruptcy Court or has been deemed timely filed by a Final Order, or if no such proof is filed, which has been scheduled by the Debtor in the Schedules other than as a disputed, contingent or unliquidated, and (ii) as to which no party in interest has timely filed an objection, filed a motion to equitably subordinate, or otherwise sought to limit recovery within the time limits specified in this Plan or permitted by the Bankruptcy Court, or (b) which is allowed by a Final Order of the Bankruptcy Court.

***Annandale Real Property*** means real properties, land, building and improvements thereon located at 7201 and 7203 Little River Tnpike Annandale VA 22003.

***Ballot*** means the form transmitted to Creditors for voting to accept or reject the Plan in accordance with Section 1126 of the Bankruptcy Code.

***Bankruptcy Code*** means Sections 101 et seq. of Title 11 of the United States Code, as now in effect or hereinafter amended.

***Bankruptcy Court*** means the United States Bankruptcy Court for the Eastern District of Virginia, Alexandria Division.

***Bankruptcy Rules*** means the Federal Rules of Bankruptcy Procedure, as amended from time to time, and the local rules of the Bankruptcy Court, as applicable to the Chapter 11 Cases.

**Business Day** means any day other than Saturday, Sunday or a “legal holiday” as such term is defined in Bankruptcy Rule 9006(a).

**Cash** means cash and cash equivalents in lawful currency of the United States of America, including, but not limited to, bank deposits, checks, and other similar items.

**Causes of Action** means any and all claims, causes of action, demands, rights, actions, suits, damages, injuries, remedies, accounts, powers, privileges, licenses, and franchises of the Debtors of any kind of character whatsoever, known, unknown, accrued or to accrue, contingent or non-contingent, , matured or unmatured, suspected or unsuspected, foreseen or unforeseen, whether arising before, on or after the Petition Date, in contract or in tort, in law or in equity, or under any other theory of law, whether asserted or assertable directly or derivatively in law or equity or otherwise by way of claim, counterclaim, cross-claim, third party action, action for indemnity or contribution or otherwise.

**Case** means this case (No. 16-13442-BFK) concerning the Debtors, which is being administered by the Bankruptcy Court under Chapter 11 of the Bankruptcy Code.

**Claim** means a claim against the Debtors, as such term is defined in Section 101(5) of the Bankruptcy Code.

**Class** means a Claim or group of Claims as classified under the Plan.

**Confirmation Date** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the Bankruptcy Court’s docket.

**Confirmation Order** means the order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

**Creditor** means an entity that holds a Claim.

**Debtor** means Hotel Park Regency LLC.

**Disclosure Statement** means the Disclosure Statement respecting this Plan approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

**Disputed Claim** means a Claim (or any portion thereof) as to which: (a) an objection has been timely filed, and such objection has not been: (i) withdrawn, or (ii) overruled or denied in whole by a Final Order; (b) before the deadline for an objection to the Claim to be filed, the amount of the Claim specified in the applicable proof of Claim exceeds the amount of any corresponding Claim scheduled by the Debtors in their Schedules or such Claim is scheduled as disputed, contingent or unliquidated by the Debtors; (c) there is a dispute as to classification of the Claim; (d) there is a dispute as to the estimated amount of such Claim under Section 502(c) of the Bankruptcy Code; (e) the

Claim is contingent or unliquidated ; (f) the Claim is subject to dispute, contest, offset, setoff, recoupment, defense, or counterclaim asserted in an adversary action or contested matter under the Bankruptcy Court at the time of any Distribution pursuant to Section 502(d) of the Bankruptcy Code or otherwise applicable law; or (g) the Claim is not otherwise an Allowed Claim.

***Distribution*** means the distribution of Cash in accordance with the Plan.

***Distribution Address*** means the last known address of a Creditor whether derived from the Schedules , a proof of Claim filed with the Bankruptcy Court, a notice of transfer of Claim filed pursuant to Bankruptcy Rule 3001(e), or other written notification to the Debtors concerning where a Distribution under the Plan is to be sent.

***Effective Date*** means the date when the Confirmation Order becomes a Final Order.

***Executory Contract*** means any executory contract or unexpired lease within the meaning of Section 365 of the Bankruptcy Code in effect between the Debtors and another entity as of the Petition Date.

***Final Order*** means an order or judgment, as entered on the docket of the applicable court, that has not been reversed, modified or amended, is not stayed and as to which the time to appeal or to seek review or rehearing or petition for certiorari has expired without an appeal or application for review or rehearing or petition having been filed.

***Impaired*** means any Class or any Claim in a Class, that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

***Initial Distribution Date*** means the date of the first distribution to classified Creditors under the Plan, which shall occur ninety (90) days after the Effective Date.

***Lien*** means “lien” as defined in Section 101(37) of the Bankruptcy Code.

***Plan*** means this Plan under Chapter 11 of the Bankruptcy Code as the same may be altered, amended, or modified from time to time in accordance herewith (but after the Confirmation Date, such amendments or modifications being effective only if approved by order of the Bankruptcy Code.)

***Petition Date*** means October 11, 2016.

***Practical*** means feasible under the circumstances, but no later than thirty (30) days after the specified date or action.



*Pre-petition* means an event, occurrence or other thing first arising prior to the Petition Date.

*Priority Tax Claim* means any Unsecured Claim to the extent entitled to priority in payment under Section 507(a)(8) of the Bankruptcy Code.

*Projected Disposable Income* shall have the meaning set forth in Section 1325(b)(2) of the Bankruptcy Code.

*Quarterly Fees* means the quarterly fees owed to the Office of the United States Trustee pursuant to 28 U.S.C. section 1930.

*Schedules* means the schedules, as may be amended from time to time, of assets and liabilities filed by the Debtors with the Bankruptcy Court in accordance with Sections 521 and 1106(a)(2) of the Bankruptcy Code.

*Secured Claim* means any Claim to the extent such claim constitutes a secured Claim pursuant to Sections 506 or 1111(b) of the Bankruptcy Code.

*Unsecured Claim* means any Claim which is not secured by property of the Debtors and which is not entitled to priority under the Bankruptcy Code.

Any term in this Plan that is not defined herein, and that is used in Bankruptcy Code<sup>3</sup>, shall have the meaning assigned to such term in the Bankruptcy Code.

## **ARTICLE II**

### **TREATMENT OF UNCLASSIFIED CLAIMS**

2.01 Administrative Claims. Administrative Claims are unclassified under the Plan. Each holder of an Allowed Administrative Claim shall receive: (a) to the extent not already paid in full, payment in full in Cash, as soon as Practical after the later of the Effective Date and the date on which the Administrative Claim becomes an Allowed Administrative Claim; (b) to the extent such Claims are Administrative Claims of the United States Trustee for fees pursuant to 28 U.S.C 1930(a)(6), payment in full in Cash in accordance with the applicable schedule for payment of such fees; or (c) treatment on such other terms as may be mutually agreed upon in writing between the holder of such Allowed Administrative Claim and the Debtors; *provided, however*, that final payment of Allowed Administrative Claims approved by the Bankruptcy Court shall be paid at the time of and in accordance with such Bankruptcy Court approval. The only anticipated Administrative Claims are the Quarterly Fees (which are being paid as they become due) and fees and expenses incurred by Debtors' counsel.

2.02 Administrative Claim Bar Dates. Requests for payment of Administrative Claims that have arisen or will arise in the period from the Petition Date through and

including the Confirmation Date must be filed and served pursuant to the procedures set forth in the Confirmation Order no later than the Administrative Bar Date. *Any Entity that is required to but fails to file an Administrative Claim by the Administrative Bar Date shall be forever barred from asserting such Administrative Claim against the Debtors or the bankruptcy estate, and the holder thereof shall be enjoined from Commencing or continuing any action, employment of process or act to collect, offset or Recover such Administrative Claim.*

2.03 *Date for Payment to Holders of Administrative Claims.* Holders of Administrative Claims shall be paid on the later of the Initial Distribution Date and the date on which such claim is Allowed.

### **ARTICLE III** **CLASSIFICATION OF CLAIMS AND INTERESTS**

For purposes of the Plan, Claims are classified as follows:

3.01 *Class 1* shall consist of the Secured Claim of Burke and Herbert Bank.

3.02 *Class 2* shall consist of the Secured Claim of Rodriguez.

3.03 *Class 3* shall consist of the Unsecured Claim of Rodriguez.

3.04 *Class 4* shall consist of the Unsecured Claim of Kalender.

3.05 *Class 5* shall consist of the Other Unsecured Claims owed by EMSI Inc., an engineering company, for an engineering project on the Annandale real property and Wee for an attorney fee.

### **Article IV** **TREATMENT OF CLASSES OF CLAIMS**

4.01 *Class 1* – Burke and Herbert Bank will retain its lien on the real property to the extent of the value of that property, which is \$6,000,000. Burke and Herbert Bank will be paid outside the Plan by the Debtor pursuant to the terms of the Credit Line Deed of Trust made on September 5, 2012. It will receive no payments on its Class 1 Claim from the Debtor through the Plan.

Class #1	Description	Impairment	Treatment
1	<p><i>Secured claim of:</i> Burke and Herbert Bank</p> <p>Collateral Description: Real Property located at 7201 and 7203 Little River Tnpike Annandale VA 22003</p> <p>Value: \$6,000,000 estimation</p> <p>Allowed Secured Amount = \$3,663,289.28 as of 09/23/2016</p> <p>Allowed Unsecured Portion: \$0</p> <p>Total claim= \$3,663,289.28</p> <p>Priority of lien = 1st</p>	Unimpaired	<p>One lump-sum payment for repayment = \$3,663,289.28</p> <p>Monthly Pmt = \$19,496.25</p> <p>Term: = 25 years</p> <p>Interest Rate %= 3.85%</p> <p>Treatment of Lien = Retained up to amount of Allowed Secured Claim</p>

4.02 *Class 2 – Cram Down Option:* Rodriguez will retain its lien on the Annandale real property to the extent of the value of that property, which is \$6,000,000, and receive deferred cash payments over 30 years with 4.75% yearly interest rate having a value at the effective date of the plan of at least the amount of its secured claim. The current Wall Street Journal prime rate is 3.75% and Debtor adds 1% additional interest rate reflecting risk factors. It will receive monthly payments of \$12,189.39 on its Class 2 Claim from the Debtor under the Plan over 30 years

Class #2	Description	Impairment	Treatment
2	<p><i>Secured claim of:</i> Rodriguez</p> <p>Collateral Description: Real Property located at 7201 and 7203 Little River Tnpike Annandale VA 22003</p> <p>Value: \$6,000,000 estimation</p> <p>Allowed Secured Amount = \$2,336,710.72 as of 09/23/2016</p> <p>Allowed Unsecured Portion: \$0</p> <p>Total claim= \$2,336,710.72</p> <p>Priority of lien = 2nd</p>	Impaired	<p>One lump-sum payment for repayment = \$2,336,710.72</p> <p>Monthly Pmt = \$12,189.39</p> <p>Term: = 30 years</p> <p>Pmts Begin = 05-01-2017 [or the first date of the first month after the Plan Effective Date]</p> <p>Pmts End = 04-01-2047</p> <p>Interest Rate %= 4.75%</p> <p>Treatment of Lien = Retained up to amount of Allowed Secured Claim</p>

*Class 3 and 4 – Unsecured Claims of Rodriguez and Kalender.* Debtor will pay to the Class 3 Creditors its monthly Projected Disposable Income. These funds will be held by counsel for the Debtors and will be distributed on a pro-rata basis each quarter, commencing 90 days after the Effective Date.

*Class 5 – Unsecured Claims of EMSI engineering and Wee claim.*

4.03 Acceleration of Payments: Debtors reserves the right to accelerate payments under this Plan.

4.04 Classes Entitled to Vote. Creditors in all Classes are Impaired and are thus entitled to vote to accept or reject the Plan.

4.05 Unclassified Claims. Unclassified Claims consist of Administrative Claims. Holders of unclassified Claims will be paid in full on the later of the Initial Distribution Date or within 30 days of Allowance of their Claim (or such later date upon which the holder of the Allowed Administrative Claim may agree to).

4.06 Avoidance of Liens. All deeds of trust on the Annandale Real Property, except the deed of trust held by the Class 1 Creditors, Berke and Herbert Bank, shall be released by the terms of the order confirming the plan.

4.07 Acceleration of Payments: Debtors reserves the right to accelerate payments under this Plan.

4.08 Classes Entitled to Vote. Creditors in all Classes are Impaired and are thus entitled to vote to accept or reject the Plan.

4.09 Unclassified Claims. Unclassified Claims consist of Administrative Claims. Holder of unclassified Claims will be paid in full on the later of the Initial Distribution Date or within 30 days of Allowance of their Claim (or such later date which is agreed to by the Debtors and the claimant).

4.10 Discharge. The payment set forth above, shall be in full and final satisfaction of amounts owed to Creditors. Pursuant to 11 U.S.C. section 1141(d)(5), the Court shall grant Debtors a discharge upon completion of all payments under the Plan.

**ARTICLE V**  
**TERM AND MEANS OF IMPLEMENTATION OF THE PLAN**

5.01 *Term of the Plan.* The term of the Plan is five years from the Initial Distribution Date.

5.02 *Source of Payments Under the Plan.* Payments will be made from Distributions made by Debtors from Projected Disposable Income..

**ARTICLE VI**  
**ACCEPTANCE OR REJECTION OF THIS PLAN**

6.01 *Classes of Claims Entitled to Vote; Presumed Acceptance by Unimpaired Classes* Allowed Claims in all Classes are Impaired under this Plan. Under Section 1126(a) of the Bankruptcy Code, holders of Impaired Allowed Claims may vote to accept or reject the Plan.

6.02 *Acceptance by Voting Classes of Claims.* Each holder of an Impaired Allowed Claim will have accepted this Plan, if it votes to accept the Plan by: (a) appropriately marking the Ballot for the Class in which such Allowed Claim is placed under this Plan, and (b) timely returning such ballot as instructed on the face thereof.

Any Ballot, which is otherwise validly executed, but which does not clearly indicate acceptance or rejection of this Plan, shall be deemed to constitute a vote for acceptance of this Plan. Any Ballot not executed in accordance with the filing

instructions on the Ballot shall not be counted for voting purposes.

**ARTICLE VII**  
**TREATMENT OF CLAIMS AND DISTRIBUTIONS UNDER THE PLAN**

7.01 *Disputed Claims Reserve.*

A. *Establishment of a Disputed Claims Reserve.* If applicable, on or before the Initial Distribution Date, the Debtors shall establish a Disputed Claims Reserve, and Debtors shall deposit into the Disputed Claims Reserve Cash necessary to satisfy any Distributions under the Plan that would be made to holders of Disputed Claims, in the event such Claims were to become Allowed Claims.

B. *Distributions upon Allowance of Disputed Claims.* With respect to any Disputed Claim that subsequently becomes an Allowed Claim pursuant to a Final Order, the Debtors shall pay such Allowed Claim its Distribution from the Disputed Claims Reserve, such that it will receive the same distribution it would have received if the Claim had been allowed on the Effective Date. Payment shall be made within thirty (30) days of entry of the order allowing such Claim.

C. *Miscellaneous Distribution Provisions.*

(i) *Unclaimed Property.* If a Distribution under the Plan remains unclaimed (or a Distribution check is not cashed) for 120 days following the date of such Distribution, then the holder of the applicable Allowed Claim shall cease to be entitled to such Distribution, and such Distribution shall be returned to Debtors for distribution to Class 2 Creditors as provided under the terms of the Plan.

(ii) *Method of Cash Distributions.* Any Cash Distribution to be made pursuant to the Plan will be made by check.

(iii) *Disbursement Agent.* Debtors' counsel shall act as disbursement agent under the plan, and shall collect payments from the Debtors and distribute them to Creditors pursuant to the terms of this Plan.

(iv) *Objections to Claims.* Except as otherwise set forth in this Plan and unless otherwise ordered by the Bankruptcy Code, all objections to Claims shall be filed with the Bankruptcy Court and served on the applicable claimant on or prior to sixty (6) days after the later of (a) the Effective Date; and (b) the date a Claim is filed with the Bankruptcy Court and served on counsel for the Debtors. The Debtors may, by motion to the Bankruptcy Court extend the deadline to object to Claims.

(v) *Setoff and Recoupment.* Except as otherwise provided by This Plan, the Debtors may, but shall not be required to set off or recoup against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such

Claim, claims of any nature that the Debtors may have against the holder of such Allowed Claim; provided however, that neither the failure to effect such setoff or recoupment nor the allowance of any Claim against the Debtors shall constitute any waiver or release by the Debtors of any claim that either of the Debtors may possess against the holder.

**ARTICLE VIII**  
**EXECUTORY CONTRACTS**

Except for Executory Contracts which are the subject of a motion to assume, all Executory Contracts shall be rejected as of the Effective Date and any claim for rejection damages shall be treated as a Class 2 Claim. Debtors do not believe there are any Executory Contracts.

**ARTICLE IX**  
**ADMINISTRATIVE PROVISIONS**

9.01 Retention of Jurisdiction. Notwithstanding confirmation of the Plan or Occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction for the Following purposes, without limitation:

A. Determination of the allowability of Claims against, or the administrative expenses of the Debtors and the validity, extent, and priority of consensual and nonconsensual Liens and other encumbrances;

B. Determination of the Debtors' tax liability pursuant to Section 505 Of the Bankruptcy Code;

C. Approval, pursuant to Section 365 of the Bankruptcy Code, of all Matters related to the assumption of any Executory Contract or unexpired lease of the Debtors;

D. Resolution of controversies and disputed regarding the enforcement of interpretation of the Plan, the Confirmation Order, or the Bankruptcy Court's orders that survive confirmation of the Plan pursuant to the Plan or other applicable law;

E. Resolution of controversies and disputes relating to the granting of a deed of trust on or the sale of the Poland Road Property as set forth in section 4.05 of this Plan;

F. Modification of the Plan pursuant to Section 1127 of the Bankruptcy Code;

G. Commencement and adjudication of any Causes of Action that arose prior to the Confirmation Date or in connection with the implementation of the Plan and other actions against third parties brought or to be brought by the Debtors;

H. Entry of a Final Order closing the Chapter 11 Case;

I. Resolution of disputes concerning Disputed Claims;

J. Resolution of any disputes concerning whether any Entity had sufficient notice of, among other things (i) the Chapter 11 Case; (ii) the Bar Dates, the Administrative Bar Date, (iii) the hearing on the approval of the Disclosure Statement as containing adequate information; or (iv) the hearing on confirmation of the Plan for the purpose of determining whether a Claim is discharged hereunder;

K. Issuance of injunction, grant and implementation of other orders, or taking such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation or enforcement of the Plan;

L. Correction of any defect, cure of any omission or reconciliation of any inconsistency in the Plan, the Confirmation Order, or any other documents relating to the Plan, as may be necessary to carry out the purposes or intent of the Plan;

M. Adjudication of any pending adversary proceeding, or other Controversy or dispute, in the Chapter 11 Case, which arose pre-confirmation and over which the Bankruptcy Court had jurisdiction prior to confirmation of the Plan;

N. Entry and implementation of such orders as may become necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reserves, revoked, or vacated;

O. Resolution of Claims arising under Section 503(b) of the Bankruptcy Code.

10. *Plan Modification.* The Debtors may withdraw the Plan at any Time prior to the Confirmation Date.

11. *Severability.* Should any provision in the Plan be determined to be enforceable following the Confirmation Date, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of the Plan, so long as the modified Plan satisfies the requirements of the Bankruptcy Code, including, without limitation, Section 1127 of the Bankruptcy Code.

12. *Governing Law.* Except to the extent the Bankruptcy Code, the Bankruptcy Rules, or other federal laws apply, or as otherwise expressly provided in the Plan, the rights and obligations arising under the Plan shall be governed by the laws of the Commonwealth of Virginia without giving effect to principles of conflicts of law.



13. *Applicability of Section 1125 of the Bankruptcy Code.* The protection afforded by Section 1125(e) of the Bankruptcy Code with regard to solicitation of acceptances or rejections of the Plan shall apply to the fullest extent provided by law.

14. *Payment of Statutory Fees.* All fees payable pursuant to 28 U.S.C. Section 1930 due and payable through the Effective Date shall be paid by the Debtors. The Administrative Bar Date shall not apply to fees payable pursuant to Section 1930 of Title 28 of the United States Code.

15. *Continuation of Injunctions and Stays.* Unless otherwise provided, all injunctions or stays ordered in the Chapter 11 Case, pursuant to Section 105 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date shall remain in full force and effect unless or until subsequently modified or terminated.

16. *Notices.* Any notice required or permitted to be provided under this Plan shall be in writing and served by either (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery, or (iii) reputable overnight delivery service, freight prepaid, to be addressed as follows:

To the Debtor: Weon G Kim Law Office  
Counsel for Hotel Park Regency LLC  
8201 Greensboro Drive #300  
McLean VA 22102

To Creditors: At the address set forth in the proof of claim, Or if no proof of claim is filed, in the Debtors' Schedules.

17. *Interpretation.* The words "herein," "hereof," "hereto," "hereunder," and others of similar inference refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan unless otherwise specified herein. Except for the rule contained in Section 102(5) of the Bankruptcy Code, the rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the Plan.

The heading in the Plan are only for convenience of reference and shall not limit or otherwise affect the provisions of the Plan. A term used herein or elsewhere in the Plan that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code or Bankruptcy Rules. To the extent there is an inconsistency between any of the express provisions of the Plan and Disclosure Statement, the express provision of this Plan shall govern.

Respectfully submitted,

Hotel Park Regency LLC,  
by Counsel:

/s/ Kim Weon Geun

Weon G. Kim Office  
WEON G. KIM VSB #73104  
8201 Greensboro Dr. #300  
McLean VA 22102  
571-278-3728  
Fax 703-462-5437

Please see attached Exhibits

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

Exhibit B- Identity and Value of Material Assets of Debtor

	Asset	Value
1	Land, Building, and Improvements Three rental units at 7201 and 7203 Little River Turnpike Annandale VA 22003	\$6,000,000 appraised value as of November 13, 2015
2	Cash at Bank	\$8,321.24 deposited with BB&T

Exhibit D-Summary of Creditor Listing and Proposed Plan Payment

- Secured Creditor of Burke and Herbert Bank will be paid **\$19,496.25** per month for \_\_\_\_ years amortization sum of \$19,496.25 consists of principal \$7,744.56 and interest \$11,751.49 with interest rate 3.85% per annum.
  
- Administrative Creditors
  - (1) US Trustee fee \$975 quarterly estimated and **\$325.00** per month will be paid as scheduled
  
  - (2) Fairfax County Real Property Tax **\$60,000** per year will be paid **\$5,000** monthly
  
  - (3) Lawyer fees: estimated amount \$20,000 up to confirmation.
  
- Unsecured Priority Creditors
  - (1) IRS tax claim: \$0
  
  - (2) Fairfax County Business and License Tax: **\$7,329.82**

Exhibit E-Projection of Cash Flow with Earnings and Expenses for Post-Confirmation Period

**INCOME: Rental Income from three (3) tenants: \$35,906.69 per month**

Source: tenants	Monthly Rent	Square Feet	Security Deposit	Rent Starting Date	Business
Gennifer and Stephanie Inc	\$16,906.69	12,000	\$	11/01/2011	Club/Bar
Magill Enterprises	\$18,000	8,000	\$	09/30/2012	Pizza Buffet
Lee&Gho Inc	\$1,000	350	\$	04/01/2007	Beauty Salon

**Supplemental Income from the sole Owner Mr. Moon Sik Park**

Anticipated monthly net income out of owner Mr. Park's individual business composed of 1 drop-off store and 1 dry cleaner is **\$3,000 to \$5,000 per month**

**ADMINISTRATIVE EXPENSES: total \$5,325**

(1) U.S. Trustee Fee: \$975 /quarter

(2-1) Professional Fee: \$1,000 per month estimated fees for lawyers

(2-2) Professional Fee to be paid to a CPA: \$200 per month

(3) Real Estate Tax: \$60,000 per year, equivalent \$5,000 per month, to be paid twice per year.

Item	Monthly Expenses	Payment Terms	Payment Starting	Payment Ending
US Trustee Fee	\$325	\$975/every 3 months		
Professional (lawyer)	\$1,000			
Professional (CPA)	\$200			
Real Estate Taxes	\$5,000	\$60,000 Twice Per Year		



**EXPENSES: \$32,857.40**

Burke and Herbert Bank for secured loan payment: \$19,496.25/month

Insurance: \$1,171.76 per month

Items for Expenses	Balance	Terms	Interest	Principal	Monthly Payment
Burke and Herbert Bank	\$3,663,289.28 as of 09/23/2016		\$11,751.49	\$7,744.56	\$19,496.25
Rodriguez	\$2,336,710.72 as of 09/23/2016	30 years	Wall Street Journal Prime Rate 3.75% plus risk factor 1% =4.75%		\$12,189.39
Insurance					\$1,171.76
Maintenance and Repair	Tenant shall bear the maintenance and repair fee, including outside wall roof and building structures, according to the lease contract.				