

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

IN RE:

TELLICO LANDING, LLC,

Debtor.

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No. 11-33018
Chapter 11

SECOND PLAN OF REORGANIZATION

A. Definitions.

(1) Bankruptcy Code shall mean Title 11, United States Code.

(2) Debtor shall mean Tellico Landing, LLC.

(3) Court shall mean the United States Bankruptcy Court for the Eastern District of Tennessee.

(4) Effective date of the Plan shall mean ten days after the date of the Final Order confirming the Plan.

(5) Plan shall mean this Plan, together with any amendments or modifications thereof.

(6) Creditors shall mean all creditors of the Debtor holding claims for debts, liabilities, demands or claims of any character whatsoever.

(7) Claim shall mean a duly listed or timely filed claim which is allowed by the Court.

B. Plan of Reorganization.

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

The Debtor has created ten classes of creditors in its plan. Those classes are:

Class One – Loudon County, Tennessee.

Class Two – Tennessee Department of Revenue – impaired.

Class Three - Heritage Solutions, LLC – impaired.

Class Four – WindRiver Investment, LLC – impaired.

Class Five – Unsecured creditors - impaired.

Class Six – Administrative claims – impaired.

Class Seven - Insider unsecured claims – impaired.

Class Eight - Equity security holders - impaired.

Class Nine – TVA – impaired.

Class Ten – Rarity Pointe lot owners having filed claims - impaired.

Class One will be paid its priority claim from the proceeds of the Debtor in Possession financing from Heritage Solutions, LLC, immediately upon funding by Heritage Solutions, LLC. It is anticipated that this will occur prior to confirmation of the plan upon application to and approval by the Court.

Class Two consists of tax claim of the Tennessee Department of Revenue. Its claim is for \$129,280.99. It will be paid in 60 equal monthly payments of principal and interest at 4%. The payment will be \$2,380.91. Payments will commence on the first day of the month following confirmation of the plan and on the first day of each month thereafter until paid in full. The tax claim shall retain its status as tax obligations after confirmation of the plan and will not be discharged until paid in full. Should the debtor default on its tax payments, then the entire tax payment still owed to the Tennessee Department of Revenue shall become due and payable immediately and the Department may collect these unpaid tax liabilities through its administrative collection provisions.

Class Three is Heritage Solutions, LLC, which is the DIP lender for the debtor. It has committed to providing up to \$2,750,000.00 in secured super priority lending to the debtor. Its loan

will be secured by a first lien on all of the debtor's real property and further secured by those members of the debtor who personally guarantee the debt. It will be repaid within three years of its first advance of funds. It will accrue interest on its loan at 8%. Repayment will come for the sale of the real property of the debtor. It will pay the accrued real property taxes of the debtor upon approval of the DIP financing by the Court.

Class Four consists of the WindRiver Investments, LLC, which holds a first mortgage on the real property of the debtor. This claim will be paid in full in five years from the date of confirmation through sales of lots at Rarity Pointe. The amount owed is approximately \$7,400,000.00. This amount will accrue interest at the rate of 4.25%. Interest payments will be made on a monthly basis starting ten (10) days from the date of confirmation or ten (10) days from the approval of the DIP funding. Payment of any principal will be subordinated to the DIP financing provided by Heritage Solutions, LLC. Should lot sales at the end of the five year term not have been enough to pay WindRiver, the debtor will refinance the remaining debt and pay the remaining balance, if any, within fifteen (15) days of the end of the five year period.

Upon the payment in full of WindRiver, the debtor shall transfer the Rarity Pointe golf course to LTR. The debtor is contractually obligated to make the transfer.

Class Five consists of the unsecured non-insider creditors listed on Schedule F of the debtor's schedules and on Exhibit 1 attached hereto. These creditors are owed \$92,071.13. They will be paid their claim in full over 60 months at 4% interest with monthly payments of \$1,695.63. The principals of the debtor to the extent they wish to retain their interests in the debtor shall fund these payments.

Class Six are the administrative claims which consist of the United States Trustee and counsel for the debtor. Their claims shall be paid in full within 30 days of the date of confirmation.

Class Seven are the unsecured insiders of the debtor listed on Exhibit 2. They are owed approximately \$1,353,980. These claims shall be paid only after all other creditors are paid in full and

in no event before 66 months following the date of confirmation. These claims shall not accrue interest.

Class Eight are the principals of the debtor, LTR Properties, Inc. ("LTR"), Robert Stooksbury, and Ward Whelchel. They shall retain their respective interests in the debtor only to the extent to which they provide new value to the debtor. LTR has agreed to guarantee the repayment of the funds provided by the DIP lender and to repay the unsecured members of Class Five. Should any principal decline to advance either his pro rata share of the funds for repayment of Class Five or his unlimited personal guarantee to the DIP lender, his share of ownership shall be divided amongst those principals who advance and guarantee. Additionally, LTR shall contribute the 12% of sales to which it is entitled towards the overhead and administrative costs of the debtor, if needed. To the extent that any member does not contribute his proportionate share of any costs contemplated to be paid by the principals, that members share shall be forfeited to those members who do fund the obligations.

Class Nine is the Tennessee Valley Authority. The debtor has a contractual obligation to build a trailhead on the property for the benefit of the general public. This obligation arose at the time the development began and was a condition for the allowance of the development. As part of the new value that the members are to contribute, the members shall pay for this and it shall be constructed within two years.

Class Ten are those lot owners having filed a proof of claim in the debtor's case. The debtor will object to those claims as it has no contractual obligation to the class. The claims are for the construction of amenities. The construction of those amenities is addressed herein. Pending the construction the class has now and always had the option to use the Rarity Bay amenities. The members of Class Ten are listed on Exhibit 3.

The debtor's plan is based upon the Court approving its motion for approval to obtain debtor in possession financing from Heritage Solutions, LLC ("Heritage") or if the DIP financing is not obtained

by selling the lots through an events marketing organization. As soon as possible upon that approval being made or not made, the debtor will commence the sale of the property at Rarity Pointe. The proceeds from those sales will be used as set out in the DIP motion currently before the Court. To further enhance the transition of the sale process, RPL and LC shall transfer the real property each owns to the debtor for all sales to be made directly by the debtor. Any costs associated with the transfer shall be borne by those members wishing to retain their equity interests in the debtor. The transfer shall be made in exchange for the obligations that RPL and LC have to the debtor. LTR has committed to bear all of the costs should the other members not wish to participate.

The debtor projects sales of lots and tracts over the next 48 to 60 months to exceed \$22,000,000.00 based upon current market conditions, new pricing, and the marketing effort that will be put in place. Sales are planned to start upon approval of the proposed DIP financing or, if not approve, by the event marketing company within 45 days of the denial of the DIP financing. A copy of the cash flow plan is attached hereto as Exhibit 4.

The debtor is still exploring its potential claim against one of its members Robert Stooksbury. A determination has not yet been made. Should the debtor proceed, any recovery will be first used to pay the senior secured debt of Classes Three and Four.

As part of the development and the fees associated with lot sales, LTR is entitled to a membership fee per lot. Upon a sale being made, any membership fee shall be placed in escrow until the funds are available to complete the amenities. Current lot owners have an option to use the amenities at Rarity Bay but few, if any, have chosen to do so. However, that option remains available upon the owner's request and payment of the current monthly dues. No dues have been collected as of the date of filing and none have been tendered.

A liquidation analysis is relatively simple. Were the debtor to be liquidated, it is not expected that the development would bring more than what is owed the secured creditor in Class Four and the

DIP lender. The Chief Manager has stated that in the ordinary course of business, the development would generate approximately \$22,000,000.00 in sales which would pay all creditors in full and provide the necessary funds to complete all of the amenities in the development. The Chief Manager also has stated that he believes the golf course to have a \$10,000,000.00 value. However at forced sales, golf courses sell at steep discounts. The Rarity Pointe golf course would be no different. Golf courses are like airplanes, it is the ongoing maintenance and cost of operations that are expensive. Thus, there is a very limited number of golf course investors for East Tennessee.

Confirmation of the plan is in the best interest of all of the creditors. The ongoing economic turmoil in the country weighs heavily on real estate and especially developments like Rarity Pointe. There are ongoing re-sales of home sites but there are nowhere near as many as new sales in 2006 and 2007 as shown in the Disclosure Statement. Funding for the sales effort necessary for the plan is available through the DIP lender and will jump start the development.

In addition to the filing fee paid to the clerk, 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.

It is anticipated that total professional fees for the debtor will not exceed \$60,000.00, which will consist of attorney fees. These fees 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.

TELLICO LANDING, LLC

/s/Mike Ross

By: Mike Ross
Its: Chief Manager

/s/Lynn Tarpy

Lynn Tarpy #006017
2100 Riverview Tower
900 South Gay Street
Knoxville, Tennessee 37902
865-525-7313

Class Five Schedule F Creditors

APAC Atlantic, Inc.

Long Ragsdale & Waters, PC

Sun Sign Graphics



Unsecured Inside Creditors

LTR Properties, LLC

Michael L. Ross

Robert Stooksbury

Tellico Lake Properties

Ward Welchel



Class Ten

Bill & Ann Addison
George & Brenda Fisher
Sheryl Thompson
Bobby L. & JoAnn Toney
Dennis M. & Patricia R. Terry
Pamela W. Snider
Gary W. & Nancy M. Scott
Keith & Nancy McGarr
Stephen & Kaye Maynard
William H. & Stacey D. Baumhauer
James E. & Boni Head
Stanley E. & Sheila C. Goehring, Trustees
Dana C. & Betsy V. Christensen
Lemuel E. Wiggins, III
Frank & Marla Mashuda
Brad & Kimberly Blackwell
Karen B. Wright, Trustee
Bruce & Elaine Baltzell
Gary L. Connie J. Konst
Kenneth & Carol Holland
James & Linda Krone
Edward C. Leddy
John & Betsy Quinn
Gregory & Susan Schaaf
Peter & Catherine Liard
David & Ethelyn Humenansky
Gary & Debra Wilkin
Randy C. Elliott
Fred & Barbara Becker, Trustees
Everett & Phyllis Wessner
Jerry & Anne Hand
Jerry & Anne Hand
Robert & Susan Daniel
Thomas & Virginia Spencer
Mark & Marla Lazzaro
William & Kathleen Witwer
Daniel & Susan Kelly



Cash Flow Plan for Tellico Landing, LLC

		2012				
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total 2012
DIP Funding	0	1,499,626	113,243	79,743	22,962	1,715,573
Principals of Tellico Landing, LLC		5,088	5,088	5,088	5,088	20,352
Gross Sales Revenue		1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
Release Payments		454,600	454,600	454,600	454,600	1,818,400
Net Inflow of Cash		2,050,114	663,731	630,231	573,450	3,917,525
Outflow of Capital						
Sales, Marketing, & Advertsing		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,200,000
DIP Fee	5%	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
Interest Expense - Heritage Solutions	8%	\$ 22,336	\$ 16,856	\$ 9,415	\$ 1,514	\$ 50,121
Interest Expense - Wind River - Prime +1	4.25%	\$ 71,593	\$ 71,593	\$ 71,593	\$ 71,229	\$ 286,008
LTR Mgmt Fee(12% Net Sales - Comm)	12%	\$ 111,600	\$ 111,600	\$ 111,600	\$ 111,600	\$ 446,400
Unsecured Creditors 4%	\$92,071	\$ 5,088	\$ 5,088	\$ 5,088	\$ 5,088	\$ 20,352
Property Taxes		\$ 1,060,452	\$ -	\$ -	\$ -	\$ 1,060,452
Franchise & Excise Taxes (Prior)		\$ 7,143	\$ 7,143	\$ 7,143	\$ 7,143	\$ 28,571
Franchise & Excise Taxes (Current)		\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000
Miscellaneous		\$ 50,019	\$ 49,999	\$ 49,999	\$ 24,999	\$ 175,016
Commitment Fee		\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Oliver Smith		\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000
Professional Fees		\$ 21,334	\$ 2,001	\$ 2,001	\$ 2,001	\$ 27,337
Total Cost Outlay		\$ 1,849,564	\$ 639,279	\$ 606,839	\$ 573,574	\$ 3,669,257
Net Cash Flow		\$ 200,549	\$ 24,451	\$ 23,392	\$ (124)	\$ 248,268
Culm. Cash Flow		\$ 225,001	\$ 248,393	\$ 248,268		
DIP Funding						
Release Payments - HS		\$ (454,600)	\$ (454,600)	\$ (454,600)	\$ (351,773)	\$ (1,715,573)
Heritage Solutions Loan Balance	8%	\$ 1,045,026	\$ 703,668	\$ 328,811	\$ 0	
Heritage Solutions Interest Expense		\$ 22,336	\$ 21,401	\$ 19,131	\$ 16,856	\$ 79,723
Wind River Release Payments		\$ -	\$ -	\$ -	\$ (102,827)	\$ (102,827)
Wind River Loan Balance	6,738,160	\$ 6,738,160	\$ 6,738,160	\$ 6,738,160	\$ 6,635,333	
Wind River Interest Rate	4.25%					
Wind River Interest Expense		\$ 71,593	\$ 71,593	\$ 71,593	\$ 71,229	\$ 286,008



Cash Flow Plan for Tellico Landing, LLC

	2013					Total 2013
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
DIP Funding	0	154,381	0	0	0	154,381
Principals of Tellico Landing, LLC		5,088	5,088	5,088	5,088	20,352
Gross Sales Revenue		1,250,000	1,250,000	1,250,000	1,250,000	5,000,000
Release Payments		568,250	568,250	568,250	568,250	2,273,000
Net Inflow of Cash		841,219	686,838	686,838	686,838	2,901,733
Outflow of Capital						
Sales, Marketing, & Advertsing		\$ 337,500	\$ 337,500	\$ 337,500	\$ 337,500	\$ 1,350,000
DIP Fee	5%	\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500	\$ 250,000
Interest Expense - Heritage Solutions	8%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Expense - Wind River - Prime +1	4.25%	\$ 67,569	\$ 62,078	\$ 56,040	\$ 50,003	\$ 235,690
LTR Mgmt Fee(12% Net Sales - Comm)	12%	\$ 139,500	\$ 139,500	\$ 139,500	\$ 139,500	\$ 558,000
Unsecured Creditors 4%	\$92,071	\$ 5,088	\$ 5,088	\$ 5,088	\$ 5,088	\$ 20,352
Property Taxes		\$ 180,978	\$ -	\$ -	\$ -	\$ 180,978
Franchise & Excise Taxes (Prior)		\$ 7,143	\$ 7,143	\$ 7,143	\$ 7,143	\$ 28,571
Franchise & Excise Taxes (Current)		\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
Miscellaneous		\$ 24,999	\$ 24,999	\$ 24,999	\$ 24,999	\$ 99,996
Commitment Fee		\$ -	\$ -	\$ -	\$ -	\$ -
Oliver Smith		\$ -	\$ -	\$ -	\$ -	\$ -
Professional Fees		\$ 2,001	\$ 2,001	\$ 2,001	\$ 2,001	\$ 8,004
Total Cost Outlay		\$ 827,277	\$ 660,809	\$ 634,771	\$ 628,733	\$ 2,751,590
Net Cash Flow		\$ 13,942	\$ 26,029	\$ 52,067	\$ 58,105	\$ 150,143
Culm. Cash Flow		\$ 262,210	\$ 288,240	\$ 340,307	\$ 398,411	
DIP Funding						
Release Payments - HS		\$ (154,381)	\$ -	\$ -	\$ -	\$ (154,381)
Heritage Solutions Loan Balance	8%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Heritage Solutions Interest Expense		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Wind River Release Payments		\$ (413,869)	\$ (568,250)	\$ (568,250)	\$ (568,250)	\$ (2,118,619)
Wind River Loan Balance	6,738,160	\$ 6,221,464	\$ 5,653,214	\$ 5,084,964	\$ 4,516,714	
Wind River Interest Rate	4.25%					
Wind River Interest Expense		\$ 67,569	\$ 62,078	\$ 56,040	\$ 50,003	\$ 235,690

Cash Flow Plan for Tellico Landing, LLC

	2014					Total 2014
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
DIP Funding	0	0	0	0	0	0
Principals of Tellico Landing, LLC	5,088	5,088	5,088	5,088		20,352
Gross Sales Revenue	1,375,000	1,375,000	1,375,000	1,375,000		5,500,000
Release Payments	625,075	625,075	625,075	625,075		2,500,300
Net Inflow of Cash	755,013	755,013	755,013	755,013		3,020,052
Outflow of Capital						
Sales, Marketing, & Advertsing	\$ 356,250	\$ 356,250	\$ 356,250	\$ 356,250		\$ 1,425,000
DIP Fee 5%	\$ 68,750	\$ 68,750	\$ 68,750	\$ 68,750		\$ 275,000
Interest Expense - Heritage Solutions 8%	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0
Interest Expense - Wind River - Prime +1 4.25%	\$ 43,562	\$ 36,921	\$ 30,280	\$ 23,638		\$ 134,401
LTR Mgmt Fee(12% Net Sales - Comm) 12%	\$ 153,450	\$ 153,450	\$ 153,450	\$ 153,450		\$ 613,800
Unsecured Creditors 4% \$92,071	\$ 5,088	\$ 5,088	\$ 5,088	\$ 5,088		\$ 20,352
Property Taxes	\$ 141,846	\$ -	\$ -	\$ -		\$ 141,846
Franchise & Excise Taxes (Prior)	\$ 7,143	\$ 7,143	\$ 7,143	\$ 7,143		\$ 28,571
Franchise & Excise Taxes (Current)	\$ -	\$ 15,000	\$ -	\$ -		\$ 15,000
Miscellaneous	\$ 24,999	\$ 24,999	\$ 24,999	\$ 24,999		\$ 99,996
Commitment Fee	\$ -	\$ -	\$ -	\$ -		\$ -
Oliver Smith	\$ -	\$ -	\$ -	\$ -		\$ -
Professional Fees	\$ 2,001	\$ 2,001	\$ 2,001	\$ 2,001		\$ 8,004
Total Cost Outlay	\$ 803,089	\$ 669,602	\$ 647,960	\$ 641,319		\$ 2,761,970
Net Cash Flow	\$ (48,076)	\$ 85,411	\$ 107,053	\$ 113,694		\$ 258,082
Culm. Cash Flow	\$ 350,335	\$ 435,747	\$ 542,799	\$ 656,493		
DIP Funding						
Release Payments - HS	\$ -	\$ -	\$ -	\$ -		\$ -
Heritage Solutions Loan Balance 8%	\$ 0	\$ 0	\$ 0	\$ 0		\$ -
Heritage Solutions Interest Expense	\$ 0	\$ -	\$ -	\$ -		\$ -
Wind River Release Payments	\$ (625,075)	\$ (625,075)	\$ (625,075)	\$ (625,075)		\$ (2,500,300)
Wind River Loan Balance 6,738,160	\$ 3,891,639	\$ 3,266,564	\$ 2,641,489	\$ 2,016,414		
Wind River Interest Rate 4.25%						
Wind River Interest Expense	\$ 43,562	\$ 36,921	\$ 30,280	\$ 23,638		\$ 134,401

Cash Flow Plan for Tellico Landing, LLC

	2015					Total 2015
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
DIP Funding	0	0	0	0	0	0
Principals of Tellico Landing, LLC	5,088	5,088	5,088	5,088		20,352
Gross Sales Revenue	1,250,000	1,250,000	1,250,000	1,250,000		5,000,000
Release Payments	568,250	568,250	568,250	568,250		2,273,000
Net Inflow of Cash	686,838	686,838	686,838	686,838		2,747,352
Outflow of Capital						
Sales, Marketing, & Advertsing	\$ 337,500	\$ 337,500	\$ 337,500	\$ 337,500		\$ 1,350,000
DIP Fee 5%	\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500		\$ 250,000
Interest Expense - Heritage Solutions 8%	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0
Interest Expense - Wind River - Prime +1 4.25%	\$ 17,399	\$ 11,362	\$ 5,324	\$ 1,378		\$ 35,463
LTR Mgmt Fee(12% Net Sales - Comm) 12%	\$ 139,500	\$ 139,500	\$ 139,500	\$ 139,500		\$ 558,000
Unsecured Creditors 4% \$92,071	\$ 5,088	\$ 5,088	\$ 5,088	\$ 5,088		\$ 20,352
Property Taxes	\$ 96,191	\$ -	\$ -	\$ -		\$ 96,191
Franchise & Excise Taxes (Prior)	\$ 7,143	\$ 7,143	\$ 7,143	\$ 7,143		\$ 28,571
Franchise & Excise Taxes (Current)	\$ -	\$ 10,000	\$ -	\$ -		\$ 10,000
Miscellaneous	\$ 24,999	\$ 24,999	\$ 24,999	\$ 24,999		\$ 99,996
Commitment Fee	\$ -	\$ -	\$ -	\$ -		\$ -
Oliver Smith	\$ -	\$ -	\$ -	\$ -		\$ -
Professional Fees	\$ 2,001	\$ 2,001	\$ 2,001	\$ 2,001		\$ 8,004
Total Cost Outlay	\$ 692,321	\$ 600,092	\$ 584,055	\$ 580,109		\$ 2,456,577
Net Cash Flow	\$ (5,483)	\$ 86,746	\$ 102,783	\$ 106,729		\$ 290,775
Culm. Cash Flow	\$ 651,010	\$ 737,756	\$ 840,539	\$ 947,268		
DIP Funding						
Release Payments - HS	\$ -	\$ -	\$ -	\$ -		\$ -
Heritage Solutions Loan Balance 8%	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0
Heritage Solutions Interest Expense						
Wind River Release Payments	\$ (568,250)	\$ (568,250)	\$ (568,250)	\$ (181,964)		\$ (1,886,714)
Wind River Loan Balance 6,738,160	\$ 1,258,747	\$ 879,914	\$ 311,664	\$ 129,700		
Wind River Interest Rate 4.25%						
Wind River Interest Expense	\$ 17,399	\$ 11,362	\$ 5,324	\$ 1,378		\$ 35,463

Cash Flow Plan for Tellico Landing, LLC

	2016					Total 2016
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
DIP Funding	0	0	0	0	0	0
Principals of Tellico Landing, LLC	5,088	5,088	5,088	5,088		20,352
Gross Sales Revenue	769,925	769,925	769,925	769,925		3,079,700
Release Payments	271,257	0	0	0		271,257
Net Inflow of Cash	503,756	775,013	775,013	775,013		2,828,795
Outflow of Capital						
Sales, Marketing, & Advertsing	\$ 265,489	\$ 265,489	\$ 265,489	\$ 265,489		\$ 1,061,955
DIP Fee 5%	\$ 38,496	\$ 38,496	\$ 38,496	\$ 38,496		\$ 153,985
Interest Expense - Heritage Solutions 8%	\$ 0	\$ 0	\$ 0	\$ 0		\$ 0
Interest Expense - Wind River - Prime +1 4.25%	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378		\$ 5,512
LTR Mgmt Fee(12% Net Sales - Comm) 12%	\$ 85,924	\$ 85,924	\$ 85,924	\$ 85,924		\$ 343,695
Unsecured Creditors 4% \$92,071	\$ 5,088	\$ 5,088	\$ 5,088	\$ 5,088		\$ 20,352
Property Taxes	\$ 50,537	\$ -	\$ -	\$ 15,407		\$ 65,944
Franchise & Excise Taxes (Prior)	\$ 7,143	\$ 7,143	\$ 7,143	\$ 7,143		\$ 28,571
Franchise & Excise Taxes (Current)	\$ -	\$ 5,000	\$ -	\$ -		\$ 5,000
Miscellaneous	\$ 24,999	\$ 24,999	\$ 24,999	\$ 24,999		\$ 99,996
Commitment Fee	\$ -	\$ -	\$ -	\$ -		\$ -
Oliver Smith	\$ -	\$ -	\$ -	\$ -		\$ -
Professional Fees	\$ 2,001	\$ 2,001	\$ 2,001	\$ 1,981		\$ 7,984
Total Cost Outlay	\$ 481,055	\$ 435,517	\$ 430,517	\$ 445,904		\$ 1,792,994
Net Cash Flow	\$ 22,702	\$ 339,496	\$ 344,496	\$ 329,109		\$ 1,035,802
Culm. Cash Flow	\$ 969,970	\$ 1,309,465	\$ 1,653,961	\$ 1,983,070		\$ 3,018,871
DIP Funding						
Release Payments - HS	\$ -	\$ -	\$ -	\$ -		\$ -
Heritage Solutions Loan Balance 8%	\$ 0	\$ 0	\$ 0	\$ 0		\$ -
Heritage Solutions Interest Expense						
Wind River Release Payments	\$ -	\$ -	\$ -	\$ -		\$ -
Wind River Loan Balance 6,738,160	\$ 129,700	\$ 129,700	\$ 129,700	\$ 129,700		\$ 518,799
Wind River Interest Rate 4.25%						
Wind River Interest Expense	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378		\$ 5,512

Cash Flow Plan for Tellico Landing, LLC

	<u>Grand Total</u>
DIP Funding	0 1,869,954
Principals of Tellico Landing, LLC	101,760
Gross Sales Revenue	22,579,700
Release Payments	9,135,957
Net Inflow of Cash	<u>15,415,457</u>
Outflow of Capital	
Sales, Marketing, & Advertsing	\$ 6,386,955
DIP Fee	5% \$ 1,128,985
Interest Expense - Heritage Solutions	8% \$ 50,121
Interest Expense - Wind River - Prime +1	4.25% \$ 697,074
LTR Mgmt Fee(12% Net Sales - Comm)	12% \$ 2,519,895
Unsecured Creditors 4%	\$92,071 \$ 101,760
Property Taxes	\$ 1,545,411
Franchise & Excise Taxes (Prior)	\$ 142,854
Franchise & Excise Taxes (Current)	\$ 75,000
Miscellaneous	\$ 575,000
Commitment Fee	\$ 60,000
Oliver Smith	\$ 90,000
Professional Fees	\$ 59,333
Total Cost Outlay	<u>\$ 13,432,388</u>
Net Cash Flow	
Culm. Cash Flow	<u>\$ 3,018,871</u>
DIP Funding	
Release Payments - HS	<u>\$ (1,869,954)</u>
Heritage Solutions Loan Balance	8%
Heritage Solutions Interest Expense	
Wind River Release Payments	\$ (6,608,460)
Wind River Loan Balance	6,738,160 \$ 518,799
Wind River Interest Rate	4.25%
Wind River Interest Expense	\$ 697,074