

APPENDIX A
ORDER APPROVING DISCLOSURE STATEMENT

UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO

In Re:) Chapter 11
) Case No. 10-42241-JDP
Gables Management, LLC,)
)
Debtor.)
)
)
)

**ORDER APPROVING DISCLOSURE STATEMENT AND FIXING TIME FOR FILING
ACCEPTANCES OR REJECTIONS OF PLAN,
COMBINED WITH NOTICE THEREOF**

The Chapter 11 Trustee of Gables Management, LLC filed a Disclosure Statement on May __, 2012 (Docket No. ____). It having been determined that the Disclosure Statement contains adequate information:

IT IS ORDERED, and notice is hereby given that:

1. The Disclosure Statement filed by The Chapter 11 Trustee of Gables Management, LLC is approved.
2. _____ is fixed as the last day for filing written acceptances or rejections of the Plan of Reorganization.
3. _____ is fixed for the hearing on confirmation of the Plan of Reorganization at the U.S. Bankruptcy Court located at 801 E. Sherman St., Pocatello, Idaho.
4. _____ is fixed as the last day for filing and serving pursuant to Rule 3020(b)(1) written objections to confirmation of the Plan of Reorganization and any objections must be sent to the U.S. Bankruptcy Court, 801 E. Sherman St., Pocatello, Idaho 83201 and to Joseph M. Meier, Cosho Humphrey, LLP, PO Box 9518, Boise, Idaho 83707, and to the U.S. Trustee, 720 E. Park Blvd., Ste. 220, Boise, ID 83712.//end text//

Submitted by Joseph M. Meier, of Cosho Humphrey, LLP, attorneys for Debtor-in-Possession.

APPENDIX C

BALLOT

JOSEPH M. MEIER ISB No. 3314
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UNITED STATES BANKRUPTCY COURT

DISTRICT OF IDAHO

In Re:)	
)	Case No. 10-42241-JDP
Gables Management, Inc.,)	
)	Chapter 11
)	
Debtor.)	BALLOT FOR ACCEPTING OR
)	REJECTING PLAN OF
)	REORGANIZATION

The Chapter 11 Trustee filed a Plan of Reorganization dated the ____ day of May, 2012, (the "Plan") in this case. The Disclosure Statement provides information to assist you in deciding how to vote your ballot. That Disclosure Statement is being sent to you. The approval of the Disclosure Statement by the Court does not indicate approval of the Plan by the Court.

You should review the Disclosure Statement and Plan before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. Your claim has been placed in the class described in the Plan. If you hold claims or equity interests in more than one class you should submit a ballot for each class wherein you are classified, as you are entitled to vote in each class.

If your ballot is not received by the clerk of the court on or before the date specified below your vote will not count as either an acceptance or rejection of the Plan.

If the Plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the plan if the court finds that the plan accords fair and equitable treatment to the class rejecting it and otherwise satisfies the requirement of § 1129(b) of the Code.

ACCEPTANCE OR REJECTION OF THE PLAN

The undersigned, an ☐ unsecured, ☐ secured creditor of the above named debtors in the unpaid principal amount of \$ _____,

☐ Accepts

☐ Rejects

the Plan of the above named debtors.

Print or type name of business: _____

Signed: _____

By: (if appropriate) _____

as _____

Address: _____

THIS BALLOT MUST BE RETURNED TO THE FOLLOWING ADDRESS ON OR BEFORE _____.

U.S. Bankruptcy Court
801 E. Sherman St.
Pocatello, ID 83201

APPENDIX D
PROJECTED INCOME AND EXPENSES

GABLES REORGANIZATION PLAN PRO FORMA FINANCIALS

	PLAN YEAR ONE												PLAN YEAR TWO											
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Beginning Cash balance	53,000	53,038	53,076	53,114	53,151	53,190	53,228	53,266	53,304	53,342	53,380	53,418	53,456	53,494	53,532	53,570	63,608	83,646						
CASH RECEIPTS																								
Gross Receipts	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000						
TOTAL CASH RECEIPTS	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000						
Operating Expenses																								
Advertising and Promotion	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500						
Automobile Expenses	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250						
Bank Service Charges	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15						
Computer and Internet Expenses	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000						
Food & Supplies for Residents	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800						
Inspection/Monitoring	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212						
Insurance Expense	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920						
Office Rent	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550						
Office Supplies	570	570	570	570	570	570	570	570	570	570	570	570	570	570	570	570	570	570						
Overnight Nursing	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150						
Payroll Expenses	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450						
Property Taxes	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000						
Repairs and Maintenance	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500						
Resident Refunds	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500						
Telephone Expense	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650						
US Trustee Fees	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625						
Utilities	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700						
Total Operating Expenses	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542	79,542						
Plan Payments																								
Debt Service	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720						
Pre-Petition Property Taxes	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000						
Pre-Petition IRS	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000						
Small General Unsecured Creditors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Fees for Trustee and Counsel	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700						
TOTAL PAYMENTS/DISBURSEMENTS	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962	129,962						
NET CASH FLOW	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38						
Ending Cash Balance (Reserve)	53,038	53,076	53,114	53,152	53,190	53,228	53,266	53,304	53,342	53,380	53,418	53,456	53,494	53,532	53,570	63,608	83,646	108,009						

*Assumptions: (i) the Idaho Falls properties are not included and (ii) occupancy remains at historical levels. Fees and expenses relating to adversary proceedings brought by the Trustee to recover funds will be first charged against those recoveries. In all cases, fees and expenses will be subject to Court approval.

Created 3/28/12, revised 4/25/12 by WHICH based on average operating expenses from Aug 2011 to Mar 2012.

APPENDIX B
PLAN OF REORGANIZATION

APPENDIX E
SUMMARY OF PAST INCOME AND EXPENSES

3:54 PM
05/14/12
Cash Basis

GABLES MANAGEMENT LLC
Profit & Loss
January through December 2009

	<u>Jan - Dec 09</u>
Ordinary Income/Expense	
Income	
PRIVATE PAY INCOME	1,286,112.41
MEDICAID INCOME	163,341.81
MISC. INCOME	250.00
REFUNDS & RETURNS	-741.64
Total Income	<u>1,448,962.58</u>
Expense	
ADVERTISING	2,332.67
AUTO & TRUCK EXPENSES	4,691.65
AUTO MILEAGE	2,658.13
BANK FEES	4,560.52
CONSULTING	4,860.68
CONTRACT NURSING	7,476.00
DUES & SUBSCRIPTIONS	1,579.56
FINANCE CHARGES	409.58
FOOD EXPENSE	61,981.50
INSURANCE - BUSINESS	18,978.21
INSURANCE - HEALTHCARE	6,776.30
INTEREST EXPENSE	208,129.03
INTERNET/CABLE/WEB	5,758.09
LICENSES	1,136.70
MEALS & ENTERTAINMENT	1,681.00
OFFICE EXPENSE	1,868.76
OUTSIDE CONTRACT LABOR	591.00
PAYROLL MAINTENANCE	6,501.50
PAYROLL EXPENSES -	578,003.14
PAYROLL TAXES -	57,758.30
POSTAGE	344.18
PRINTING & COPIES	272.48
PROFESSIONAL FEES	28,524.13
PROMOTIONAL	1,669.84
PROPERTY TAXES	44,078.04
DEBT SERVICE / RENT BUILDINGS	317,909.00
RENT - EQUIPMENT	1,134.85
REPAIRS	6,338.77
SUPPLIES - HOUSEKEEPING/NURSI...	9,689.63
SUPPLIES - ACTIVITIES	1,751.12
SUPPLIES - MAINTENANCE	4,936.70
TELEPHONE	10,701.99
TITLE WORK	85.00
TRAINING & CERTIFICATIONS	1,073.42
UTILITIES	47,962.34
WORKER COMP. INS.	13,946.00
Total Expense	<u>1,468,149.81</u>
Net Ordinary Income	<u>-19,187.23</u>
Other Income/Expense	
Other Expense	
DEPRECIATION	75,150.00
Total Other Expense	<u>75,150.00</u>
Net Other Income	<u>-75,150.00</u>
Net Income	<u><u>-94,337.23</u></u>

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Cash Basis

GABLES MANAGEMENT LLC
Profit & Loss
January through December 2010

	<u>Jan - Dec 10</u>
Ordinary Income/Expense	
Income	
Uncategorized Income	0.00
PRIVATE PAY INCOME	1,339,723.97
MEDICAID INCOME	182,480.16
Total Income	<u>1,522,204.13</u>
Expense	
OVERDUE PAYROLL TAXES	47,500.00
RETURNED CHECK	573.74
INSPECTIONS	2,469.00
Reconciliation Discrepancies	0.43
ADVERTISING	1,936.04
AUTO & TRUCK EXPENSES	23,520.75
AUTO MILEAGE	1,540.67
BANK FEES	11,976.29
COMPUTER EXPENSES	924.31
CONTRACT NURSING	7,197.42
CONVENIENCE FEE	63.64
DONATIONS	100.00
DUES & SUBSCRIPTIONS	1,086.10
FINANCE CHARGES	243.51
FOOD EXPENSE	71,877.51
INSURANCE - BUSINESS	23,815.67
INSURANCE - HEALTHCARE	13,250.32
INSURANCE - LIFE	13,508.64
INTEREST EXPENSE	150,542.47
INTERNET/CABLE/WEB	10,841.14
LATE FEE	84.81
LICENSES	880.00
MEALS & ENTERTAINMENT	1,093.76
MISC. EXPENSE	1,769.14
OFFICE EXPENSE	4,838.68
OUTSIDE CONTRACT LABOR	5,164.00
PAYROLL MAINTENANCE	24,183.50
Payroll Expenses	658.00
PAYROLL EXPENSES -	553,507.17
PAYROLL TAXES -	68,079.86
PENALTIES/FEES	1,847.66
POSTAGE	590.78
PRINTING & COPIES	185.20
PROFESSIONAL FEES	50,900.00
PROMOTIONAL	1,178.21
PROPERTY TAXES	9,896.38
DEBT SERVICE / RENT BUILDINGS	215,137.35
REPAIRS	16,519.65
SUPPLIES - HOUSEKEEPING/NURSI...	13,601.59
SUPPLIES - ACTIVITIES	5,728.68
SUPPLIES - MAINTENANCE	15,543.96
TELEPHONE	16,027.78
TITLE WORK	1,855.49
TRAINING & CERTIFICATIONS	19.00
TRAVEL	235.53
UTILITIES	45,061.51
WORKER COMP. INS.	22,441.88
Total Expense	<u>1,459,997.22</u>
Net Ordinary Income	<u>62,206.91</u>
Other Income/Expense	
Other Expense	
DEPRECIATION	68,750.00
Total Other Expense	<u>68,750.00</u>
Net Other Income	<u>-68,750.00</u>
Net Income	<u><u>-6,543.09</u></u>

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Cash Basis

GABLES MANAGEMENT, LLC
Profit & Loss
January through December 2011

	<u>Jan - Dec 11</u>
Ordinary Income/Expense	
Income	
Medicaid Income	185,263.00
Pre-Petition Income	1,672.60
Private Pay Income	1,327,249.74
Total Income	<u>1,514,185.34</u>
Expense	
Advertising and Promotion	7,945.35
Automobile Expense	20,751.47
Bank Service Charges	96.69
Computer and Internet Expenses	12,734.11
Debt Service	233,684.70
Dues and Subscriptions	852.32
Inspections	1,512.33
Insurance Expense	70,125.47
Meals and Entertainment	477.32
OMBUDSMAN	1,342.50
Oversight Nursing	4,857.50
Payroll Expenses	564,959.48
Payroll Expenses - Maintenance	24,087.00
Payroll - Officer Salaries	52,500.00
Pre-petition that cleared Bank	3,943.96
Professional Fees	27,993.35
Property Taxes	50,736.14
Rent Expense	9,906.46
Repairs and Maintenance	45,663.61
Resident Refunds	5,101.01
Supplies - Activities	4,646.37
Supplies - Food	66,131.70
Supplies - Furnishings	3,304.86
Supplies - Housekeeping	13,350.01
Supplies - Nursing	5,512.32
Supplies - Office	9,898.66
Systems Monitoring	1,080.00
Telephone Expense	16,769.30
US Trustee Fees	12,350.00
Utilities	47,953.26
Keith Personal	22,581.75
Management Expenses Split 1/3	0.00
Total Expense	<u>1,342,848.00</u>
Net Ordinary Income	<u>171,337.34</u>
Net Income	<u><u>171,337.34</u></u>

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Cash Basis

GABLES MANAGEMENT, LLC
Profit & Loss
January through April 2012

	<u>Jan - Apr 12</u>
Ordinary Income/Expense	
Income	
Medicaid Income	77,224.61
Private Pay Income	447,838.63
Total Income	<u>525,063.24</u>
Expense	
Advertising and Promotion	4,266.58
Automobile Expense	5,227.22
Bank Service Charges	23.30
Computer and Internet Expenses	3,135.04
Dues and Subscriptions	1,785.00
Inspections	320.00
Insurance Expense	11,854.47
Interest Expense (Debt Service)	99,801.88
Ombudsman	895.00
Oversight Nursing	3,076.00
Payroll Expenses	184,865.69
Professional Fees	78,977.80
Property Taxes	16,943.84
Rent Expense	2,200.00
Repairs and Maintenance	6,582.61
Resident Refunds	1,249.94
Supplies - Activities	1,113.65
Supplies - Food	21,876.35
Supplies - Furnishings	25.44
Supplies - Housekeeping	5,063.92
Supplies - Nursing	2,126.13
Supplies - Office	2,272.85
Systems Monitoring	270.00
Telephone Expense	3,826.74
US Trustee Fees	9,750.00
Utilities	12,647.67
Total Expense	<u>480,177.12</u>
Net Ordinary Income	<u>44,886.12</u>
Net Income	<u>44,886.12</u>