

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
VARIANT HOLDING COMPANY, LLC, et al., ¹)	Case No. 14-12021 (BLS)
)	
Debtors.)	(Jointly Administered)
)	

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODS, AND
DISCLAIMERS REGARDING SUBSIDIARY DEBTORS’ SCHEDULES OF ASSETS
AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

The above-captioned debtors and debtors in possession other than Variant (defined below) (collectively, the “Subsidiary Debtors”) submit their Schedules of Assets and Liabilities (the “Schedules”) and Statements of Financial Affairs (the “SoFAs”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Subsidiary Debtors, with the assistance of their advisors and management, prepared the Schedules and SoFAs in accordance with section 521 title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

These Global Notes and Statement of Limitations, Methods, and Disclaimers Regarding the Subsidiary Debtors’ Schedules and SoFAs (collectively, the “Global Notes”) pertain to, are incorporated by reference in, and comprise an integral part of the Schedules and SoFAs. These Global Notes should be referred to, and reviewed in connection with, any review of the Schedules and SoFAs.²

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtors’ federal tax identification number, include: Variant Holding Company, LLC (4044); Laser Focus Holding Company, LLC (9153); Laser Focus Commercial Investments, LLC (9326); Houston 2 Apartments, LLC (8886); 10400 Sandpiper Apartments, LLC (6556); 10301 Vista Apartments, LLC (8886); Houston 14 Apartments, LLC (7563); 12500 Plaza Apartments, LLC (7563); Pines of Westbury, Ltd (7563); 201 Ashton Oaks Apartments, LLC (7563); 13875 Cranbrook Forest Apartments, LLC (7563); 5900 Crystal Springs Apartments, LLC (7563); 7170 Las Palmas Apartments, LLC (7563); 11911 Park Texas Apartments, LLC (7563); 1201 Oaks of Brittany Apartments, LLC (7563); 3504 Mesa Ridge Apartments, LLC (7563); 667 Maxey Village Apartments, LLC (7563); 17103 Pine Forest Apartments, LLC (7563); 7600 Royal Oaks Apartments, LLC (7563); 4101 Pointe Apartments, LLC (7563); The Oaks at Stonecrest Apartments, LLC (5589); Numeric Commercial Investments, LLC (9443); FX3 Apartment Investors, LLC (4055); Royal Numeric FX Investments, LLC (6908); Broadmoor Apartments, LLC (7888); Chesapeake Apartments, LLC (5716); Holly Ridge Apartments, LLC (7117); Holly Tree Apartments, LLC (4288); Preston Valley Apartments, LLC (3356); Ravenwood Hills Apartments, LLC (8264); River Road Terrace Apartments, LLC (6396); Sandridge Apartments, LLC (3592); Majestic Heights Apartments, LLC (2174); Sonterra Apartments, LLC (6220); Toscana Villas Apartments, LLC (8873). The Debtors’ service address is: Variant Holding Company, LLC, c/o Development Specialists, Inc., 333 S. Grand Ave, Suite 4070, Los Angeles, CA 90071-1544.

² These Global Notes are in addition to any specific notes contained in the Subsidiary Debtors’ Schedules or SoFAs. The fact that the Subsidiary Debtors have prepared a “general note” with respect to any of the Schedules and SoFAs

The Schedules and SoFAs have been prepared by the Subsidiary Debtors' Chief Restructuring Officer and additional personnel at Development Specialists, Inc. (collectively, the "CRO") and are unaudited and subject to further review and potential adjustment and amendment. In preparing the Schedules and SoFAs, the CRO relied on financial data derived from the Subsidiary Debtors' books and records that was available at the time of preparation. The CRO has made reasonable efforts to ensure the accuracy and completeness of such financial information; however, subsequent information or discovery of other relevant facts may result in material changes to the Schedules and SoFAs and inadvertent errors, omissions, or inaccuracies may exist. In addition, the Subsidiary Debtors have recently become aware of potential claims and interests against the Subsidiary Debtors, which are still subject to ongoing review and investigation. The Subsidiary Debtors reserve all rights to amend or supplement their Schedules and SoFAs.

Reservation of Rights. The Subsidiary Debtors reserve all rights to amend the Schedules and SoFAs in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the Schedules and SoFAs as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as "disputed," "contingent" or "unliquidated." Furthermore, nothing contained in the Schedules and SoFAs shall constitute a waiver of rights by the Subsidiary Debtors involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other applicable non-bankruptcy laws.

Description of the Cases and "As Is" Information Date. On January 12, 2016 (the "Petition Date"), each of the Subsidiary Debtors other than Variant Holding Company, LLC ("Variant") filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.³ The Subsidiary Debtors are operating their businesses and managing their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No trustee or examiner has been appointed in the Debtors' chapter 11 cases, and no committees have been appointed or designated.

Asset information in the Schedules reflects the Subsidiary Debtors' best estimate of asset values as of the Petition Date. No independent valuation has been obtained.

Basis of Presentation. The Schedules and SoFAs do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), nor are they intended to fully reconcile to any financial statements otherwise prepared and/or distributed by the Debtors.

Although these Schedules and SoFAs may, at times, incorporate information prepared in accordance with GAAP, the Schedules and SoFAs neither purport to represent nor reconcile to financial statements prepared and/or distributed by the Subsidiary Debtors in

and not to others should not be interpreted as a decision by the Subsidiary Debtors to exclude the applicability of such general note to any of the Subsidiary Debtors' remaining Schedules and SoFAs, as appropriate.

³ On August 28, 2014, Debtor Variant Holding Company, LLC ("Variant") filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby commencing its chapter 11 case. Variant's chapter 11 case is administered under Case No. 14-12021 (BLS). Variant continues in the possession of its properties, and is operating and managing its affairs as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in Variant's chapter 11 case.

accordance with GAAP or otherwise. Moreover, given, among other things, the valuation and nature of certain liabilities, to the extent that the Subsidiary Debtors show more assets than liabilities, this is not a conclusion that the Subsidiary Debtors were solvent at the Petition Date. Likewise, to the extent that the Subsidiary Debtors show more liabilities than assets, this is not a conclusion that the Subsidiary Debtors were insolvent at the Petition Date or any time prior to the Petition Date.

Estimates. To timely close the books and records of the Subsidiary Debtors, the CRO must make certain estimates and assumptions that affect the reported amounts of assets and liabilities and reported revenue and expenses. The Subsidiary Debtors reserve all rights to amend the reported amounts of assets, liabilities, revenue, and expenses to reflect changes in those estimates and assumptions.

Confidentiality. There may be instances within the Schedules and SoFAs where names, addresses, or amounts have been left blank. Due to the nature of an agreement between the Subsidiary Debtors and the third party, concerns of confidentiality, or concerns for the privacy of an individual, the Subsidiary Debtors may have deemed it appropriate and necessary to avoid listing such names, addresses, and amounts.

Intercompany Claims. Any receivables and payables between the Subsidiary Debtors and affiliated entities in these cases (each an “Intercompany Receivable” or “Intercompany Payable” and, collectively, the “Intercompany Claims”) are reported as assets on Schedule B or liabilities on Schedule E and Schedule F. These Intercompany Claims include the following components, among others: (1) loans to affiliates, (2) accounts payable and payroll disbursements made out of an affiliate’s bank accounts on behalf of the Subsidiary Debtors, (3) centrally billed expenses, (4) corporate expense allocations, and (5) accounting for trade and other intercompany transactions. These Intercompany Claims may or may not result in allowed or enforceable claims by or against the Subsidiary Debtors, and by listing these claims the Subsidiary Debtors are not indicating a conclusion that the Intercompany Claims are enforceable. Intercompany Claims may also be subject to set off, recoupment, and netting not reflected in the Schedules. In situations where there is not an enforceable claim, the assets and/or liabilities of the Subsidiary Debtors may be greater or lesser than the amounts stated herein. All rights to amend intercompany Claims in the Schedules and SoFAs are reserved.

The Subsidiary Debtors have listed the intercompany payables as unsecured claims on Schedule F. The Subsidiary Debtors reserve their rights to later change the characterization, classification, categorization, or designation of such items.

Insiders. For purposes of the Schedules and SoFAs, the Subsidiary Debtors define “insider” pursuant to section 101(31) of the Bankruptcy Code as (a) directors, (b) officers, (c) relatives of directors or officers of the Subsidiary Debtors, (d) any managing agent or managing member of the Subsidiary Debtors and (e) entities under common ownership with the Subsidiary Debtors. Payments to insiders listed in (a) through (e) above are set forth on Question 4 of the SoFAs.

Persons listed as “insiders” have been included for informational purposes only. The Subsidiary Debtors do not take any position with respect to whether such individual could successfully argue that he or she is not an “insider” under applicable law, including without

limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose.

Excluded Accruals and GAAP Entries. The Subsidiary Debtors' balance sheet reflects liabilities recognized in accordance with GAAP; however, not all such liabilities would result in a claim against the Subsidiary Debtors. Certain liabilities (including but not limited to certain reserves, deferred charges, and future contractual obligations) have not been included in the Subsidiary Debtors' Schedules. Other immaterial assets and liabilities may also have been excluded.

Classification and Claim Descriptions. Any failure to designate a claim on the Schedules as "disputed," "contingent" or "unliquidated" does not constitute an admission by the Subsidiary Debtors that such amount is not "disputed," "contingent" or "unliquidated." The Subsidiary Debtors reserve the right to dispute, or to assert offsets or defenses to, any claim reflected on its Schedules as to amount, liability or classification or to otherwise subsequently designate any claim as "disputed," "contingent" or "unliquidated."

Listing a claim (i) in Schedule D as "secured," (ii) in Schedule E as "priority" or (iii) in Schedule F as "unsecured nonpriority," or listing a contract in Schedule G as "executory" or "unexpired," does not constitute an admission by the Subsidiary Debtors of the legal rights of the claimant or a waiver of the Subsidiary Debtors' right to recharacterize or reclassify such claim or contract.

Moreover, the Subsidiary Debtors reserve all rights to amend the Schedules and SoFAs, in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the Schedules and SoFAs as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as "disputed," "contingent" or "unliquidated." Furthermore, nothing contained in the Schedules and SoFAs shall constitute a waiver of rights by the Subsidiary Debtors involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other relevant non-bankruptcy laws.

Credits and Adjustments. The claims of individual creditors for, among other things, goods, products, services or taxes are listed as the amounts entered on the Subsidiary Debtors' books and records and may not reflect credits, allowances or other adjustments due from such creditors to the Subsidiary Debtors. The Subsidiary Debtors reserve all of their rights respecting such credits, allowances or other adjustments.

Setoffs. The Subsidiary Debtors may incur setoffs from third parties in their business. Setoffs in the ordinary course can result from various routine transactions, including intercompany transactions, pricing discrepancies, warranty claims and other disputes between the Subsidiary Debtors and third parties. Certain of these constitute normal setoffs consistent with the ordinary course of business in the Subsidiary Debtors' industry. In such instances, such ordinary course setoffs are excluded from the Subsidiary Debtors' responses to Question 6 of the SoFAs. The Subsidiary Debtors reserve all rights to enforce or challenge, as the case may be, any setoffs that have been or may be asserted.

Specific Notes. These general notes are in addition to the specific notes set forth in the related Schedules and SoFAs hereinafter.

Note to Schedule “B”

Schedule B Disclaimer

The Subsidiary Debtors have provided their estimated view of the net value of their real estate assets. There is an ongoing sale process with respect to the Subsidiary Debtors’ real estate portfolio. The actual value of such assets will be determined through this sale process.

General Disclaimer

The Subsidiary Debtors have prepared the Schedules and the SoFAs based on the information reflected in the Subsidiary Debtors’ books and records. However, inasmuch as the Subsidiary Debtors’ books and records have not been audited or formally closed and evaluated for proper cut-off on the Petition Date, the Subsidiary Debtors cannot warrant the absolute accuracy of these documents. The Subsidiary Debtors have made a diligent effort to complete these documents accurately and completely. To the extent additional information becomes available, the Subsidiary Debtors will amend and supplement the Schedules and SoFAs.

Fill in this information to identify the case:

Debtor name Preston Valley Apartments, LLC

United States Bankruptcy Court for the: DISTRICT OF DELAWARE

Case number (if known) 16-10095

Check if this is an amended filing

**Official Form 206Sum
Summary of Assets and Liabilities for Non-Individuals**

12/15

Part 1: Summary of Assets

1. **Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. Real property: Copy line 88 from <i>Schedule A/B</i>	\$ <u>13,820,864.00</u>
1b. Total personal property: Copy line 91A from <i>Schedule A/B</i>	\$ <u>145,633.59</u>
1c. Total of all property: Copy line 92 from <i>Schedule A/B</i>	\$ <u>13,966,497.59</u>

Part 2: Summary of Liabilities

2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D) Copy the total dollar amount listed in Column A, <i>Amount of claim</i> , from line 3 of <i>Schedule D</i>	\$ <u>51,687,726.30</u>
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)	
3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 6a of <i>Schedule E/F</i>	\$ <u>20,912.34</u>
3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 6b of <i>Schedule E/F</i>	+\$ <u>11,286,284.23</u>
4. Total liabilities Lines 2 + 3a + 3b	\$ <u>62,994,922.87</u>

Fill in this information to identify the case:

Debtor name Preston Valley Apartments, LLC

United States Bankruptcy Court for the: DISTRICT OF DELAWARE

Case number (if known) 16-10095

Check if this is an amended filing

Official Form 206A/B

Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- No. Go to Part 2.
- Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

3. **Checking, savings, money market, or financial brokerage accounts** (*Identify all*)

Name of institution (bank or brokerage firm)	Type of account	Last 4 digits of account number	Current value of debtor's interest
3.1.. Wells Fargo Bank	Lockbox	6130	\$5,616.81
3.2.. Wells Fargo Bank	Operating	7601	\$43,466.38

4. **Other cash equivalents** (*Identify all*)

5. **Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$49,083.19

Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

- No. Go to Part 3.
- Yes Fill in the information below.

7. **Deposits, including security deposits and utility deposits**

Description, including name of holder of deposit

Utility Deposits

7.1.. City of Dallas - Acct x0886, Acct x8772, Acct x8774 **\$27,260.00**

8. **Prepayments, including prepayments on executory contracts, leases, insurance, taxes, and rent**

Description, including name of holder of prepayment

Debtor Preston Valley Apartments, LLC
NameCase number (If known) 16-100959. **Total of Part 2.**

Add lines 7 through 8. Copy the total to line 81.

\$27,260.00**Part 3: Accounts receivable**10. **Does the debtor have any accounts receivable?**

- No. Go to Part 4.
 Yes Fill in the information below.

11. **Accounts receivable**

11a. 90 days old or less:	<u>54,103.97</u>	-	<u>0.00</u>	=	<u>\$54,103.97</u>
	face amount		doubtful or uncollectible accounts		

12. **Total of Part 3.**

Current value on lines 11a + 11b = line 12. Copy the total to line 82.

\$54,103.97**Part 4: Investments**13. **Does the debtor own any investments?**

- No. Go to Part 5.
 Yes Fill in the information below.

Part 5: Inventory, excluding agriculture assets18. **Does the debtor own any inventory (excluding agriculture assets)?**

- No. Go to Part 6.
 Yes Fill in the information below.

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)27. **Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?**

- No. Go to Part 7.
 Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles38. **Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?**

- No. Go to Part 8.
 Yes Fill in the information below.

Part 8: Machinery, equipment, and vehicles46. **Does the debtor own or lease any machinery, equipment, or vehicles?**

- No. Go to Part 9.
 Yes Fill in the information below.

Part 9: Real property54. **Does the debtor own or lease any real property?**

- No. Go to Part 10.
 Yes Fill in the information below.

Debtor **Preston Valley Apartments, LLC**
Name

Case number (If known) **16-10095**

55. **Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest**

Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available).	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
55.1. Preston Valley Apartments 5631 Spring Valley Road Dallas, TX 75254 Valuation Method: Per Portfolio Purchase and Sale Agreement dated 1/18/2016, and amended to reflect increase purchase price allocation to \$195,000,000.00	100% ownership of real property.	\$13,820,864.00	See Description	\$13,820,864.00

56. **Total of Part 9.**

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

\$13,820,864.00

57. **Is a depreciation schedule available for any of the property listed in Part 9?**

- No
- Yes

58. **Has any of the property listed in Part 9 been appraised by a professional within the last year?**

- No
- Yes

Part 10: Intangibles and intellectual property

59. **Does the debtor have any interests in intangibles or intellectual property?**

- No. Go to Part 11.
- Yes Fill in the information below.

Part 11: All other assets

70. **Does the debtor own any other assets that have not yet been reported on this form?**

Include all interests in executory contracts and unexpired leases not previously reported on this form.

- No. Go to Part 12.
- Yes Fill in the information below.

Current value of debtor's interest

71. **Notes receivable**
Description (include name of obligor)

72. **Tax refunds and unused net operating losses (NOLs)**
Description (for example, federal, state, local)

Debtor **Preston Valley Apartments, LLC**
Name

Case number (If known) **16-10095**

73. **Interests in insurance policies or annuities**
Lloyd's AMR42220
Liberty DBB Policy No. 1000134521-01
AWAC GL Policy No. 0309-4207
Starr Umbrella Policy No. 100010876
Liberty Umbrella Policy No. 100082518-02 **\$15,186.43**

74. **Causes of action against third parties (whether or not a lawsuit has been filed)**

75. **Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims**

76. **Trusts, equitable or future interests in property**

77. **Other property of any kind not already listed** *Examples: Season tickets, country club membership*

Transfers **Unknown**

78. **Total of Part 11.** **\$15,186.43**
 Add lines 71 through 77. Copy the total to line 90.

79. **Has any of the property listed in Part 11 been appraised by a professional within the last year?**

- No
- Yes

Debtor **Preston Valley Apartments, LLC**
Name

Case number (If known) **16-10095**

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i>	<u>\$49,083.19</u>	
81. Deposits and prepayments. <i>Copy line 9, Part 2.</i>	<u>\$27,260.00</u>	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	<u>\$54,103.97</u>	
83. Investments. <i>Copy line 17, Part 4.</i>	<u>\$0.00</u>	
84. Inventory. <i>Copy line 23, Part 5.</i>	<u>\$0.00</u>	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	<u>\$0.00</u>	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	<u>\$0.00</u>	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	<u>\$0.00</u>	
88. Real property. <i>Copy line 56, Part 9.....></i>		<u>\$13,820,864.00</u>
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	<u>\$0.00</u>	
90. All other assets. <i>Copy line 78, Part 11.</i>	+ <u>\$15,186.43</u>	
91. Total. Add lines 80 through 90 for each column	<u>\$145,633.59</u>	+ 91b. <u>\$13,820,864.00</u>
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		<u>\$13,966,497.59</u>

Fill in this information to identify the case:

Debtor name Preston Valley Apartments, LLC

United States Bankruptcy Court for the: DISTRICT OF DELAWARE

Case number (if known) 16-10095

Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- Yes. Fill in all of the information below.

Part 1: List Creditors Who Have Secured Claims

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

		Column A	Column B
		Amount of claim	Value of collateral that supports this claim
		Do not deduct the value of collateral.	
2.1	See Attached D <small>Creditor's Name</small>	\$51,687,726.30	Unknown
	<small>Creditor's mailing address</small>	Describe the lien	
	<small>Creditor's email address, if known</small>	Is the creditor an insider or related party?	
	Date debt was incurred	<input checked="" type="checkbox"/> No	
	Last 4 digits of account number	<input type="checkbox"/> Yes	
	Do multiple creditors have an interest in the same property?	Is anyone else liable on this claim?	
	<input type="checkbox"/> Yes. See attached Schedule D.	<input type="checkbox"/> No	
		<input checked="" type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)	
		As of the petition filing date, the claim is:	
		Check all that apply	
		<input type="checkbox"/> Contingent	
		<input type="checkbox"/> Unliquidated	
		<input type="checkbox"/> Disputed	

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any. **\$51,687,726.30**

Part 2: List Others to Be Notified for a Debt Already Listed in Part 1

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to be notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address	On which line in Part 1 did you enter the related creditor?	Last 4 digits of account number for this entity
-NONE-	Line	

Fill in this information to identify the case:

Debtor name Preston Valley Apartments, LLC

United States Bankruptcy Court for the: DISTRICT OF DELAWARE

Case number (if known) 16-10095

Check if this is an amended filing

Official Form 206E/F
Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY unsecured claims and Part 2 for creditors with NONPRIORITY unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).

No. Go to Part 2.

Yes. Go to line 2.

2. List in alphabetical order all creditors who have unsecured claims that are entitled to priority in whole or in part. If the debtor has more than 3 creditors with priority unsecured claims, fill out and attach the Additional Page of Part 1.

		Total claim	Priority amount	
2.1	Priority creditor's name and mailing address Tenant Security Deposits Date or dates debt was incurred _____ Last 4 digits of account number _____ Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (7)	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: _____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$20,912.34	\$20,912.34

Part 2: List All Creditors with NONPRIORITY Unsecured Claims

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

		Amount of claim	
3.1	Nonpriority creditor's name and mailing address See Attached E/F-2 Date or dates debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: _____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$11,286,284.23

Part 3: List Others to Be Notified About Unsecured Claims

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

Debtor **Preston Valley Apartments, LLC**
Name

Case number (if known) **16-10095**

Name and mailing address

On which line in Part 1 or Part 2 is the related creditor (if any) listed?

Last 4 digits of account number, if any

Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims

5. Add the amounts of priority and nonpriority unsecured claims.

5a. Total claims from Part 1

5b. Total claims from Part 2

5c. Total of Parts 1 and 2
 Lines 5a + 5b = 5c.

		Total of claim amounts
5a.	\$	20,912.34
5b.	+ \$	11,286,284.23
5c.	\$	11,307,196.57

Fill in this information to identify the case:

Debtor name Preston Valley Apartments, LLC

United States Bankruptcy Court for the: DISTRICT OF DELAWARE

Case number (if known) 16-10095

Check if this is an amended filing

Official Form 206G

Schedule G: Executory Contracts and Unexpired Leases

12/15

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, number the entries consecutively.

1. Does the debtor have any executory contracts or unexpired leases?

No. Check this box and file this form with the debtor's other schedules. There is nothing else to report on this form.

Yes. Fill in all of the information below even if the contacts of leases are listed on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B).

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.1. State what the contract or lease is for and the nature of the debtor's interest

Total Leased Units: 238
Aggregate Gross Monthly Rent: \$153,282.40
Data on unexpired leases came from CF Lane, LLC generated report and reflects value of current leased units

State the term remaining

List the contract number of any government contract _____

Customer/Tenant Leases

2.2. State what the contract or lease is for and the nature of the debtor's interest

State the term remaining

List the contract number of any government contract _____

See Attached Schedule G

Fill in this information to identify the case:

Debtor name Preston Valley Apartments, LLC

United States Bankruptcy Court for the: DISTRICT OF DELAWARE

Case number (if known) 16-10095

Check if this is an amended filing

**Official Form 206H
Schedule H: Your Codebtors**

12/15

Be as complete and accurate as possible. If more space is needed, copy the Additional Page, numbering the entries consecutively. Attach the Additional Page to this page.

1. Do you have any codebtors?

- No. Check this box and submit this form to the court with the debtor's other schedules. Nothing else needs to be reported on this form.
 Yes

2. In Column 1, list as codebtors all of the people or entities who are also liable for any debts listed by the debtor in the schedules of creditors, Schedules D-G. Include all guarantors and co-obligors. In Column 2, identify the creditor to whom the debt is owed and each schedule on which the creditor is listed. If the codebtor is liable on a debt to more than one creditor, list each creditor separately in Column 2.

Column 1: Codebtor

Column 2: Creditor

	Name	Mailing Address	Name	Check all schedules that apply:
2.1	Broadmoor Apartments, LLC	c/o Development Specialists, Inc. 333 S. Grand Ave., Ste 4070 Los Angeles, CA 90071-1544	See Attached D	<input checked="" type="checkbox"/> D <u>2.1</u> <input type="checkbox"/> E/F _____ <input type="checkbox"/> G _____
2.2	Chesapeake Apartments, LLC	c/o Development Specialists, Inc. 333 S. Grand Ave., Ste 4070 Los Angeles, CA 90071-1544	See Attached D	<input checked="" type="checkbox"/> D <u>2.1</u> <input type="checkbox"/> E/F _____ <input type="checkbox"/> G _____
2.3	Courtland Gettel	1200 N. El Dorado Pl., Ste. G-700 Tucson, AZ 85715	See Attached D	<input checked="" type="checkbox"/> D <u>2.1</u> <input type="checkbox"/> E/F _____ <input type="checkbox"/> G _____
2.4	Holly Ridge Apartments, LLC	c/o Development Specialists, Inc. 333 S. Grand Ave., Ste 4070 Los Angeles, CA 90071-1544	See Attached D	<input checked="" type="checkbox"/> D <u>2.1</u> <input type="checkbox"/> E/F _____ <input type="checkbox"/> G _____

Debtor Preston Valley Apartments, LLC

Case number (if known) 16-10095

Additional Page to List More Codebtors

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor

Column 2: Creditor

2.5 **Holly Tree Apartments, LLC** c/o Development Specialists, Inc.
333 S. Grand Ave., Ste 4070
Los Angeles, CA 90071-1544 See Attached D D 2.1
 E/F _____
 G _____

2.6 **Majestic Heights Apartments, LLC** c/o Development Specialists, Inc.
333 S. Grand Ave., Ste 4070
Los Angeles, CA 90071-1544 See Attached D D 2.1
 E/F _____
 G _____

2.7 **Ravenwood Hills Apartments, LLC** c/o Development Specialists, Inc.
333 S. Grand Ave., Ste 4070
Los Angeles, CA 90071-1544 See Attached D D 2.1
 E/F _____
 G _____

2.8 **River Road Terrace Apartments, LLC** c/o Development Specialists, Inc.
333 S. Grand Ave., Ste 4070
Los Angeles, CA 90071-1544 See Attached D D 2.1
 E/F _____
 G _____

2.9 **Royal Numeric FX Investments, LLC** c/o Development Specialists, Inc.
333 S. Grand Ave., Ste 4070
Los Angeles, CA 90071-1544 See Attached D D 2.1
 E/F _____
 G _____

2.10 **Sandridge Apartments, LLC** c/o Development Specialists, Inc.
333 S. Grand Ave., Ste 4070
Los Angeles, CA 90071-1544 See Attached D D 2.1
 E/F _____
 G _____

2.11 **Sonterra Apartments, LLC** c/o Development Specialists, Inc.
333 S. Grand Ave., Ste 4070
Los Angeles, CA 90071-1544 See Attached D D 2.1
 E/F _____
 G _____

Debtor Preston Valley Apartments, LLC

Case number (if known) 16-10095

Additional Page to List More Codebtors

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor

Column 2: Creditor

2.12 **Toscana Villas Apartments, LLC** **c/o Development Specialists, Inc.
333 S. Grand Ave., Ste 4070
Los Angeles, CA 90071-1544**

See Attached D

D 2.1
 E/F _____
 G _____

Schedule D

Creditors Who Have Secured Claims

Name and Address of Creditor	Codebtor	Date Claim was Incurred, Nature of Lien, Description and Value of Property Subject to Lien	Contingent	Unliquidated	Disputed	Amount of Claim	Unsecured Portion, if any	Describe debtor's property that is subject to a lien
Wells Fargo Bank, N.A. as Trustee for the registered holders of Credit Suisse First Boston Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2006-C4 and to C-III Asset Management LLC, in its capacity as special servicer for the Noteholder	X	Loan Agreement				\$51,684,345.30 (plus fees, costs and expenses reimbursable under the Loan Documents that remain unpaid.)	Unknown	Substantially all assets.
C-III Asset Management, LLC in its capacity as special servicer for the Noteholder. 5221 N. O'Connor Blvd., Suite 600, Irving, TX 75039		Additional Notice Party for:Wells Fargo Bank, NA.				Notice Only		
Weil, Gotshal & Manges LLP as counsel to C-III Asset Management, LLC 767 Fifth Avenue, New York, NY 10153-0119		Additional Notice Party for:Wells Fargo Bank, NA.				Notice Only		
Penco Construction Group, LLC		9/3/14	X	X	X	\$3,381.00		
TOTAL:						\$51,687,726.30	\$0.00	

Schedule E/F-2

Creditors Who Have Unsecured Claims

NAME	CODEBTOR	ADDRESS	CONTINGENT	UNLIQUIDATED	DISPUTED	TOTAL CLAIM	PRIORITY AMOUNT
ALTUS GROUP		P.O. BOX 675005, DALLAS, TX 75267-5005				\$3,388.95	\$0.00
AMERISTAR SCREEN AND GLASS		P.O. BOX 29309, DALLAS, TX 75229				\$131.26	\$0.00
APARTMENT AGENTS, INC.		12200 FORD RD., SUITE 484, DALLAS, TX 75234				\$299.50	\$0.00
APARTMENT ASSN OF GREATER DALLAS		4230 LBJ FRWY, SUITE 140, DALLAS, TX 75244				\$226.09	\$0.00
APARTMENT ASSOCIATION OF GREATER DALLAS		4230 LBJ FREEWAY, #140, DALLAS, TX 75244				\$79.69	\$0.00
APARTMENT BOY		2807 ALLEN STREET #386, DALLAS, TX 75204				\$584.50	\$0.00
APARTMENT FINDER		2305 NEWPOINT PARKWAY, PO BOX 100001, LAWRENCEVILLE, GA 30046-7001				\$299.50	\$0.00
APARTMENT FINDERS		4043 TRINITY MILLS ROAD, SUITE 105, DALLAS, TX 75287				\$384.50	\$0.00
BEAM REAL ESTATE LLC		14455 WEBB CHAPEL RD, FARMERS BRANCH, TX 75234				\$299.50	\$0.00
BENSON MEDIA INC.		220 TURNER BLVD., BALL GROUND, GA 30107				\$181.85	\$0.00
BG STAFFING		P.O. BOX 803312, DALLAS, TX 75380-3312				\$1,688.72	\$0.00
CFLANE CENTRAL PROCESSING		303 PERIMETER CENTER NORTH, SUITE 201, ATLANTA, GA 30346	X	X	X	\$5,269.65	\$0.00
CFLANE PAYROLL		303 PERIMETER CENTER NORTH, SUITE 201, ATLANTA, GA 30346	X	X	X	\$12,042.14	\$0.00
CFLANE, LLC		303 PERIMETER CENTER NORTH SUITE 201, ATLANTA, GA 30346	X	X	X	\$145,167.88	\$0.00
CHASE COMMERCIAL TERM LENDING		PO BOX 650528, ROYAL RIDGE OPERATIONS CENTER, DALLAS, TX 75265-0528				\$256.99	\$0.00
CONIX ENTERPRISES, INC.		ATTN: ACCOUNTS RECEIVABLE, 3915 E BROADWAY BLVD. #400, TUCSON, AZ 85711	X	X	X	\$0.00	\$0.00
COPYNET OFFICE SYSTEMS, INC		PO BOX 860545, PLANO, TX 75086-0545				\$309.29	\$0.00
EQUIPSOURCE CAPITAL LP		PO BOX 861809, PLANO, TX 75086				\$641.30	\$0.00
ESMERALDA MENDOZA		C/O LEASING OFFICE, 5631 SPRING VALLEY RD., DALLAS, TX 75254				\$136.00	\$0.00
FEDEX		PO BOX 660481, DALLAS, TX 75266-0481				\$75.80	\$0.00
FINESTONE & MORRIS		ATTORNEYS AT LAW, SUITE 2540 TOWER PLACE, ATLANTA, GA 30326				\$354.24	\$0.00
FOR RENT MAGAZINE, INC		PO BOX 209066, DALLAS, TX 75320-9066				\$4,105.24	\$0.00
FOR RENT ON LINE		P.O. BOX 3002, BOTHELL, WA 98041-3002				\$745.06	\$0.00
GABION REAL ESTATE		2313 ROOSEVELT DRIVE SUITE C, ARLINGTON, TX 76016-5887				\$740.74	\$0.00
GREEN FOREST		2611 N BELTLINE RD , #150, SUNNYVALE, TX 75182				\$1,772.04	\$0.00
GREENFOREST TERMITE & PEST CONTROL, INC.		2611 N. BELTLINE RD. #127, SUNNYVALE, TX 75182				\$356.14	\$0.00
HD SUPPLY FACILITIES MAINTENANCE LTD.		PO BOX 509058, SAN DIEGO, CA 92150-9058				\$1,860.31	\$0.00
IAPARTMENTS, INC.		18900 DALLAS PKWY, SUITE 108, DALLAS, TX 75287				\$287.50	\$0.00
INDATUS BY ICIM CORP.		PO BOX 671043, DALLAS, TX 75267-1043				\$92.01	\$0.00
JH GREENBERG & ASSOCIATES, PLLC		3915 E. BROADWAY #400, TUCSON, AZ 85711	X	X	X	\$0.00	\$0.00
KINGS III EMERGENCY COMMUNICATIONS		751 CANYON DRIVE, SUITE: 100, COPPELL, TX 75019				\$129.30	\$0.00
KINGS III OF AMERICA INC.		751 CANYON DR., SUITE 100, COPPELL, TX 75019				\$32.35	\$0.00
MACEY, WILENSKY & HENNINGS, LLC		ATTORNEYS AT LAW, SUNTRUST PLAZA, ATLANTA, GA 30308				\$217.39	\$0.00
METRO COMMUNICATION SYSTEM INC.		PO BOX 1267, GRAPEVINE, TX 76099				\$448.88	\$0.00
MORRISON & HEAD, LP		4210 SPICEWOOD SPRINGS RD, STE 211, AUSTIN, TX 78759				\$6,000.00	\$0.00
NUMERIC COMMERCIAL INVESTMENTS, LLC		C/O DEVELOPMENT SPECIALISTS, INC. 333 GRAND AVENUE, SUITE 4070, LOS ANGELES, CA 90071-1544				\$28,688.03	\$0.00
OBERMAYER REBMANN MAXWELL & HIPPEL LLP		ATTORNEYS AT LAW, 1617 JOHN F. KENNEDY BLVD., PHILADELPHIA, PA 19103				\$36.17	\$0.00
OFFICE DEPOT		PO BOX 633211, CINCINNATI, OH 45263-3211				\$699.86	\$0.00
REALPAGE		PO BOX 671777, DALLAS, TX 75267-1777				\$3,063.85	\$0.00
ROOFOVERYOURHEAD MARKETING LTD		DEPT CH 19872, PALATINE, IL 60055-9872				\$40.00	\$0.00
ROYAL NUMERIC FX3 INVESTMENTS, LLC		C/O DEVELOPMENT SPECIALISTS, INC. 333 GRAND AVENUE, SUITE 4070, LOS ANGELES, CA 90071-1544				\$9,197,577.13	\$0.00
SCREENING REPORTS, INC.		220 GERRY DRIVE, WOOD DALE, IL 60191				\$279.00	\$0.00
SOUTHWEST INTERIOR AND DESIGN		PO BOX 177433, IRVING, TX 75017-7433				\$32,667.55	\$0.00
SPECIAL RESPONSE GROUP		10945 ESTATE LANE E140, DALLAS, TX 75238				\$2,433.76	\$0.00
STAR PERSONNEL, INC.		PO BOX 731152, DALLAS, TX 75373-1152				\$8,083.57	\$0.00
THE LYND COMPANY		8000 IH 10 WEST, SUITE 1200, SAN ANTONIO, TX 78230				\$9,890.00	\$0.00
THREE STAR CLEANING SERVICES		1206 NORTH PARK DRIVE, RICHARDSON, TX 75081				\$140.00	\$0.00
UMOVEFREE		PO BOX 222089, DALLAS, TX 75222-2089				\$1,581.00	\$0.00
VARIANT HOLDING COMPANY, LLC	3.1	C/O DEVELOPMENT SPECIALISTS, INC. 333 GRAND AVENUE, SUITE 4070, LOS ANGELES, CA 90071-1544				\$1,812,500.00	\$0.00
TOTAL:						\$11,286,284.23	\$0.00

Schedule G

Executory Contracts and Unexpired Leases

CONTRACT DESCRIPTION	COUNTERPARTY	ADDRESS1	ADDRESS2	CITY	STATE	ZIP
Trash Broker Setup	Cass Information Systems Inc. (contract with CF Lane, property manager)	12444 Powerscourt Drive	Suite 550	St. Louis	MO	63131
Laundry room	Coinmach Corporation	303 Sunnyside Blvd	Suite 70	Plainview	NY	11803
Waste disposal	Community Waste Disposal	2010 California Crossing		Dallas	TX	75220
Utility billing service	Conservice LLC	99 East 700 South		Logan	UT	84321
Copier maintenance	Copynet Office Systems	1301 Avenue K		Plano	TX	75074
Kyocera FS-3640 copier lease	EquipSource Capital	1301 Avenue K		Plano	TX	75074
Advertising	For Rent Media Solutions	P.O. Box 209066		Dallas	TX	75320-9066
Electricity	Green Mountain Energy Company	300 West 6th Street	Suite 900	Austin	TX	78701
Landscaping	Green with Envy Landscape & Maintenance	1819 Peters Road	Suite 20	Irving	TX	75061
Pest control	Greenforest Termite & Pest Control, Inc.	2611 N. Belt Line Road	Suite 127	Sunnyvale	TX	75182
Exterior emergency telephone	Kings III of America	751 Canyon Drive	Suite 100	Coppell	TX	75019
Alarm system monitoring	Metro Communication Systems, Inc.	P.O. Box 1267		Grapevine	TX	76099
Property Tax Services Agreement	Morrison & Head, LP	4210 Spicewood Springs Rd	Ste 211	Austin	TX	78759
Security patrol services	Special Response Group	10945 Estate Lane	Suite E159	Dallas	TX	75238
Property Management	The Lynd Company	8000 IH 10 West	Suite 1200	San	TX	78230
TV, cable and internet	Time Warner Cable	1776 N Greenville Avenue		Richardson	TX	75081
Construction	Wallco Retaining Walls, Inc.	4900 S.E.Loop 820 Ste. #100		Forest Hill	TX	76140

Footnotes to Summary of Assets and Liabilities for Non-Individuals

Footnote 1.

Schedule A/B: Creditors Who Have Unsecured Claims

Part 3.

11. **Accounts Receivable** – Amounts were obtained from CF Lane, LLC and reflect tenant accounts receivable.

Footnote 2.

Schedule A/B

Part 11: All other assets

77. **Other property of any kind not already listed** – Transfers. Debtor is aware of transfers from insiders, but they have not been reconciled and are therefore not included. The Schedules will be amended, if necessary, when the transfers have been investigated and reconciled.

Footnote 3.

Schedule D

Total reserves of \$3,035,198.95 are held by the lender.

Footnote 4.

Schedule E-2

The amount stated for Royal Numeric FX3 Investments, LLC in Schedule E-2 includes a portion of the secured bank loan reflected on Schedule D.

Footnote 5.

Schedule G: Executory Contracts and Unexpired Leases

2. **List all contracts and unexpired leases** – Customer/tenant leases

Data on unexpired leases came from CF Lane, LLC generated report and reflects value of current leased units.

Fill in this information to identify the case:

Debtor name Preston Valley Apartments, LLC
United States Bankruptcy Court for the: DISTRICT OF DELAWARE
Case number (if known) 16-10095

Check if this is an amended filing

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- Schedule A/B: Assets—Real and Personal Property (Official Form 206A/B)
- Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D)
- Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)
- Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G)
- Schedule H: Codebtors (Official Form 206H)
- Summary of Assets and Liabilities for Non-Individuals (Official Form 206Sum)
- Amended Schedule
- Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders (Official Form 204)
- Other document that requires a declaration

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 2-25-16 x  Signature of individual signing on behalf of debtor

Bradley D. Sharp
Printed name

Chief Restructuring Officer
Position or relationship to debtor