

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

IN RE: K&W CAFETERIAS, INC., DEBTOR	CASE NO. 20-50674 CHAPTER 11
Debtor's Designation of Exhibits Virtual Hearing on December 9, 2020 at 2:00 p.m.	

NOW COMES K&W Cafeterias, Inc. ("K&W" or the "Debtor") and designates the attached exhibits that may be used in connection with the virtual hearing scheduled for December 9, 2020 at 2:00 o'clock p.m.:

1. **Exhibit 1:** Declaration of Chris Hundley (Dkt. No. 252)
2. **Exhibit 2:** Declaration of Molly Allred (Dkt. No. 253)

Date: December 8, 2020

/s/ John Paul H. Cournoyer

Counsel for the Debtor:

John A. Northen, NCSB #6789

jan@nbfirm.com

Vicki L. Parrott, NCSB #25449

vlp@nbfirm.com

John Paul H. Cournoyer, NCSB # 42224

jpc@nbfirm.com

Northern Blue, LLP

Post Office Box 2208

Chapel Hill, NC 27515-2208

Telephone: 919-968-4441

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

In re:)
)
K&W CAFETERIAS, INC.,) Case No. 20-50674
) Chapter 11
Debtor.)
)

DECLARATION OF CHRIS HUNDLEY

I, Chris Hundley, of K&W Cafeterias, Inc., being over the age of 18, of sound mind, and having personal knowledge of the facts set forth herein, do solemnly depose and declare as follow:

1. I am the CFO of K&W Cafeterias Inc. (the “Debtor”)
2. Pursuant to prior Order of the Court, LRB Real Estate has been employed to market (i) a residential home on Lake Norman, located at 20704 Pointe Regatta Drive, Cornelius, NC, and (ii) an undeveloped parcel near Lake Norman, located at 20221 Sloop Court, Cornelius, NC. The marketing of those properties has been successful, and sale motions have been filed with respect to both properties.
3. The Debtor filed an application to employ LRB Real Estate as broker to market additional residential properties, as follows:
 - a. Residential home at 705 Polo Oaks Drive, Winston-Salem, NC.
The recommended listing price for this property is \$159,000, and the proposed brokerage commission is 5.5%. Given the relatively low anticipated sale price, the brokerage commission is designed such any broker for the purchaser may

receive a customary commission of 3%, and LRB Real Estate shall receive a reduced commission of 2.5%.

b. Residential condominium at 20611 Cutter Ct., Cornelius, NC. The recommended listing price for this property is \$775,000, and the proposed brokerage commission is 5%.

c. Residential condominium at 20613 Cutter Ct., Cornelius, NC. The recommended listing price for this property is \$799,000, and the proposed brokerage commission is 5%.

d. Residential home at 20701 Pointe Regatta Drive, Cornelius, NC. The recommended listing price for this property is \$999,000, and the proposed brokerage commission is 5%.

e. Approximately 2.73 acre property commonly known as Regatta Island Dr., Cornelius, NC. The recommended listing price for this property is \$6,000,000, and the proposed brokerage commission is 4%.

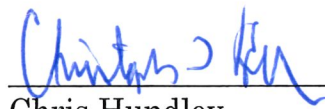
4. Prior to entering into the proposed listing agreement with LRB Real Estate, the Debtor contacted an agent at Allen Tate that had been recommended to the company. Allen Tate declined the listing opportunity once it learned the commission rates that LRB Real Estate was offering.

5. Additionally, the Debtor has previously used Gretel Howell with Allen Tate Realty to list properties in the Lake Norman area. That company charged a 6% commission for the land that was sold.

6. The Debtor believes that listing the properties with LRB Real Estate will result in higher net sale proceeds than any other broker, because of the below-market commission rates.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

This the _01_ day of December, 2020.



Chris Hundley
CFO, K&W Cafeterias Inc.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

In re:)	
)	
K&W CAFETERIAS, INC.,)	Case No. 20-50674
)	Chapter 11
Debtor.)	
)	

DECLARATION OF MOLLY ALLRED

I, Molly Allred, of Leonard Ryden Burr Real Estate, being over the age of 18, of sound mind, and having personal knowledge of the facts set forth herein, do solemnly depose and declare as follow:

1. I am a licensed real estate agent with the firm of Leonard Ryden Burr Real Estate ("LRB Real Estate"), which is duly licensed to market and sell real property in North Carolina.

2. Individually, I am currently a member of the Charlotte MLS (Canopy MLS), which includes the Lake Norman area, and the Triad MLS (Winston/Greensboro/Triad area). It is rare to find agents that are members of more than one MLS chapter, since it creates additional workload for the agent. However, this provides a significant benefit to my clients, since property listings will receive double the exposure. I grew up in Charlotte. I have and continue to spend significant amounts of time in the Lake Norman area, and am very familiar with the Lake Norman area. Multiple other agents with LRB Real Estate have also listed and sold properties in the Lake Norman Area. Additionally, as discussed below, LRB Real Estate has already successfully obtained acceptable offers with respect to the two

properties in Lake Norman for which LRB Real Estate's employment has already been approved.

3. I conducted a large amount of market research in determining the proposed listing prices for the properties, and am highly confident in those recommendations.

4. Pursuant to prior Order of the Court, LRB Real Estate has been employed to market (i) a residential home on Lake Norman, located at 20703 Pointe Regatta Drive, Cornelius, NC, and (ii) an undeveloped parcel near Lake Norman, located at 20221 Sloop Court, Cornelius, NC. The marketing of those properties has been successful, and sale motions have been filed with respect to both properties.

5. The Debtor filed an application to employ LRB Real Estate as broker to market additional residential properties, as follows:

a. Residential home at 705 Polo Oaks Drive, Winston-Salem, NC. The recommended listing price for this property is \$159,000, and the proposed brokerage commission is 5.5%. Given the relatively low anticipated sale price, the brokerage commission is designed such any broker for the purchaser may receive a customary commission of 3%, and LRB Real Estate shall receive a reduced commission of 2.5%.

b. Residential condominium at 20611 Cutter Ct., Cornelius, NC. The recommended listing price for this property is \$775,000, and the proposed brokerage commission is 5%.

c. Residential condominium at 20613 Cutter Ct., Cornelius, NC.

The recommended listing price for this property is \$799,000, and the proposed brokerage commission is 5%.

d. Residential home at 20701 Pointe Regatta Drive, Cornelius, NC.

The recommended listing price for this property is \$999,000, and the proposed brokerage commission is 5%.

e. Approximately 2.73 acre property commonly known as Regatta

Island Dr., Cornelius, NC. The recommended listing price for this property is \$6,000,000, and the proposed brokerage commission is 4%.

6. Based upon my knowledge and experience in the industry, I believe the commission rates that LRB Real Estate has agreed to are below the rates that are customary in the marketplace.

7. In over 95% of residential property listings, LRB Real Estate charges a commission of 6%, which is typically allocated 3% to the listing agent and 3% to the buyer's agent. LRB Real Estate typically charges a 10% commission for listings of vacant land. However, in this instance LRB Real Estate has agreed to below-market commission rates in light of K&W's bankruptcy and my familial connections to certain shareholders of the Debtor as outlined in the employment application.

8. My personal compensation received as a result of any sales transactions shall be 70% of any commission paid to LRB Real Estate.

9. In addition to the reduced commission percentages, I have agreed to handle and cover the costs of pictures, video tours and drone photography for the

listings. I have also agreed to facilitate the process of preparing the properties and having them thoroughly cleaned so they are “Show Ready.” These are services that are not typically a broker’s responsibility, and most brokers would charge extra for these services.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

This the ____ day of December, 2020.

DocuSigned by:
Molly Allred
5DDA9332681244A...
Molly Allred
Agent, LRB Real Estate