

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

IN RE:)	CASE NO. 05-85627
)	
RELIABLE AIR, INC. d/b/a)	Chapter 11
RELIABLE HEATING AND AIR,)	
)	JUDGE MASSEY
Debtor.)	

**FIRST AMENDMENT TO DEBTOR'S
FIRST AMENDED PLAN OF REORGANIZATION**

Reliable Air, Inc. d/b/a Reliable Heating and Air (“Debtor”) hereby submits the following First Amendment (the “First Amendment”) to the Debtor’s First Amended Plan of Reorganization filed on or about May 24, 2007 (the “Plan”). Any capitalized terms in this First Amendment not otherwise defined herein shall have the same meaning ascribed to them in the Plan. Except as expressly modified by this First Amendment or the Confirmation Order, all terms and conditions of the Plan shall remain in full force and effect.

Section 1.28 of Article 1 of the Plan is deleted and replaced and superseded in its entirety with the following definition for “Distribution Fund:”

1.28 “Distribution Fund” shall mean the fund to be established by the Debtor and used as a source for payment of Allowed Unsecured Claims in Classes 5 and 6, as set forth herein. Debtor shall make an initial payment to the Distribution Fund in the total amount of \$75,000.00 on or before the Effective Date. The Debtor shall make three (3) additional payments to the Distribution Fund. The first payment shall be made on or before June 30, 2008 in the amount of fifty thousand dollars (\$50,000.00). The second payment shall be made on or before June 30, 2009 in the amount of fifty thousand dollars (\$50,000.00). The third payment shall be made on or before June

30, 2010 in the amount of sixty thousand dollars (\$60,000.00). Additionally, the Debtor shall pay into the Distribution Fund fifty percent (50%) of all amounts recovered (net of attorneys' fees and other litigation expenses) from defendants Daniel L. Jape and/or Kimberly Ruse in connection with Adversary Proceeding No. 07-6352. Notwithstanding anything to the contrary herein, the sum of all payments to the Distribution Fund shall not exceed an amount equal to fifty percent (50%) of the total aggregate amount of all Allowed Unsecured Claims in Classes 5 and 6.

This 29th day of October, 2007.

Respectfully submitted,

SCROGGINS & WILLIAMSON

/s/ Ashley R. Ray

J. ROBERT WILLIAMSON
Georgia Bar No. 765214
ASHLEY REYNOLDS RAY
Georgia Bar No. 601559
Counsel for the Debtor

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127 Peachtree Street, NE
Atlanta, GA 30303
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CERTIFICATE OF SERVICE

This is to certify that on this date I served a true and correct copy of the within and foregoing **First Amendment to Debtor's First Amended Plan of Reorganization** by causing same to be deposited in the United States Mail with adequate postage affixed thereon and addressed to the following person:

Office of the United States Trustee
362 Richard Russell Building
75 Spring Street, S.W.
Atlanta, Georgia 30303

Louis G. McBryan
Howick, Westfall, McBryan & Kaplan, LLP
Suite 600, One Tower Creek
3101 Tower Creek Parkway
Atlanta, Georgia 30339

This 29th day of October, 2007.

SCROGGINS & WILLIAMSON

/s/ Ashley R. Ray

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