UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

In re:	**§**	
	§	**Chapter 11**
BENTLEY PREMIER BUILDERS, LLC,	**§**	
	§	
Debtor.	**§**	**Case No. 13-41940-BTR-11**

SANDY GOLGART'S FIRST AMENDED DISCLOSURE STATEMENT IN SUPPORT OF CHAPTER 11 PLAN OF REORGANIZATION FOR BENTLEY PREMIER BUILDERS, LLC

THIS DISCLOSURE STATEMENT, AS MODIFIED JANUARY 24, 2014, HAS BEEN APPROVED BY THE COURT FOR VOTING

SANDY GOLGART'S (THE "PLAN PROPONENT") FIRST AMENDED DISCLOSURE STATEMENT ("DISCLOSURE STATEMENT") HAS BEEN PREPARED BY SANDY GOLGART AND DESCRIBES THE TERMS AND PROVISIONS OF, AND SETS FORTH CERTAIN MATERIAL CONSIDERATIONS IN CONNECTION WITH THE PLAN PROPONENT'S AMENDED PLAN OF REORGANIZATION (THE "PLAN"). ANY CAPITALIZED TERM USED IN THIS DISCLOSURE STATEMENT THAT IS NOT DEFINED HEREIN HAS THE MEANING ASCRIBED TO THAT TERM IN THE PLAN. THE PLAN PROPONENT URGES YOU TO ACCEPT THE PLAN BY SIGNING AND RETURNING THE BALLOTS MAILED TO YOU ALONG WITH THIS DISCLOSURE STATEMENT. IN THE EVENT THAT THE PLAN IS NOT CONFIRMED, THE DEBTOR LIKELY WILL BE FORCED TO LIQUIDATE ITS ASSETS UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. IN A CHAPTER 7 LIQUIDATION, THE PLAN PROPONENT BELIEVES THAT CREDITORS AND EQUITY HOLDERS WOULD RECEIVE SUBSTANTIALLY LESS THAN IS CONTEMPLATED BY THE PLAN.

ARTICLE I: INTRODUCTION

A. General

1. Sandy Golgart in her capacity as 50% equity owner of Bentley Premier Builders, LLC ("Debtor") provides this Disclosure Statement to all of the Debtor's known creditors and interest holders entitled to same pursuant to Section 1125 of the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the "Code"). The purpose of this Disclosure Statement is to provide creditors of the Debtor with such information as may be deemed material, important and necessary in order for the creditors to make a reasonably informed decision in exercising the right to vote on the Plan presently on file with the Bankruptcy Court and described below.

2. A copy of the Plan accompanies this Disclosure Statement as Exhibit "A" and is incorporated herein by reference. The definitions found in Article 1 of the Plan are incorporated herein by reference and should be referred to in reading and analyzing the Plan and this Disclosure Statement.

3. **NO REPRESENTATIONS CONCERNING THE DEBTOR, INCLUDING THOSE RELATING TO THE FUTURE BUSINESS OPERATIONS, THE VALUE OF ASSETS, ANY PROPERTY OR CREDITOR'S CLAIMS INCONSISTENT WITH ANYTHING CONTAINED HEREIN HAVE BEEN AUTHORIZED.** Any representations or inducements made to secure your acceptance or rejection, which are other than as contained in this Disclosure Statement, should not be relied upon by you in arriving at your decision.

4. The financial information contained herein has not been subject to an audit, certified or otherwise. The Chapter 11 Trustee is currently in possession and control of Debtor's records. **FOR THESE REASONS AND BECAUSE OF FINANCIAL CONSTRAINTS, THE PLAN PROPONENT IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT INACCURACIES, ALTHOUGH PLAN PROPONENT HAS MADE AN EFFORT TO PRESENT SUCH INFORMATION FAIRLY AND ACCURATELY.** Additional information can be found in Debtor's Statement of Financial Affairs and its Schedules of Assets and Liabilities and its operating reports on file with the Bankruptcy Court.

5. The Plan Proponent proposes the Plan which accompanies this Disclosure Statement. **THE PLAN PROPONENT RECOMMENDS A VOTE FOR "ACCEPTANCE" OF THE PLAN.**

B. Manner of Voting

1. All creditors entitled to vote on the Plan may cast votes for or against the Plan by completing, dating, signing and causing the Ballot Form accompanying this Disclosure Statement to be received by mail, email, or fax no later than 5:00 p.m., prevailing central time, on **March 7, 2014,** at the following address: **Jason R. Searcy, P.O. Box 3929, Longview, TX 75606, Fax: 903-757-9559, Email: jrspc@jrsearcylaw.com**, with copy to Mark A. Castillo, Curtis | Castillo PC, 901 Main

St., St. 6515, Dallas, Texas 75202, Fax: 214.752.0709, Email: mcastillo@curtislaw.net. **PLEASE NOTE: It is important that Jason Searcy noted above receives your original signature on your ballot.**

C. Confirmation of Plan

1. Solicitation of Votes. By the order entered pursuant to the hearings held on January 21, 2014, the Bankruptcy Court approved this Disclosure Statement in accordance with Section 1125 of the Bankruptcy Code. This Disclosure Statement is provided to each creditor whose claim has been scheduled by the Debtor and each creditor who has filed a proof of claim. This Disclosure Statement is intended to assist creditors in evaluating the Plan and in determining whether to accept the Plan. **UNDER THE BANKRUPTCY CODE, YOUR VOTE FOR ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNLESS YOU RECEIVE A COPY OF THIS DISCLOSURE STATEMENT PRIOR TO OR CONCURRENTLY WITH SUCH SOLICITATION.** The solicitation of votes on the Plan is governed by the provisions of Section 1125(b) of the Code, the violation of which may result in sanctions by the Court, including disallowance of the solicited vote and loss of the "safe harbor" provisions of Section 1125(e) of the Code.

2. Persons Entitled to Vote on the Plan. Only the votes of members of classes of claimants which are impaired under the Plan are counted in connection with confirmation of the Plan.

3. Hearing on Confirmation of the Plan. The Bankruptcy Court has set **March 28 and 31**, **2014** at **10:00 a.m.**, for a hearing to determine whether the Plan has been accepted by the requisite number of creditors and whether the other requirements for confirmation of the Plan have been satisfied. Each creditor will receive either with this Disclosure Statement or separately, the Bankruptcy Court's Notice of Hearing on Confirmation of the Plan. Any objections to confirmation of the Plan must be filed in writing with the Bankruptcy Court and served upon counsel, so as to be received by **5:00 p.m.** on **February 28, 2014**, at the addresses noted in paragraph B above.

4. Acceptance Necessary to Confirm Plan. At the scheduled hearing, the Bankruptcy Court must determine, among other things, whether the Plan has been accepted by the impaired classes. Under Section 1126 of the Code, an impaired class is deemed to have accepted the Plan if at least two-thirds in amount and more than one-half in number of claims of class members who have voted to accept or reject the Plan have voted for acceptance of the Plan.

5. Confirmation of Plan Without Necessary Acceptance. The Plan may be confirmed even if it is not accepted by all of the impaired classes if one of the impaired classes accepts it and the Bankruptcy Court finds the Plan does not discriminate unfairly against and is fair and equitable to the dissenting class. This provision is set forth in Section 1129(b), a relatively complex provision of the Code. This summary is not intended to be a complete statement of the law. The Plan Proponent may choose to rely upon this provision [Section 1129(b)] to seek confirmation of the Plan if it is not accepted by an impaired class or classes of creditors.

ARTICLE II: DESCRIPTION OF THE DEBTOR AND STATUS OF THE CASE

1. Ownership Of The Debtor.

The Debtor is a Texas limited liability company formed on or about July 17, 2007. Phillip M. Pourchot (50% owner) and Sandy Golgart (50% owner) were the initial members of the Debtor. The members executed a Company Agreement dated October 30, 2007 (the "Company Agreement"). On January 1, 2011, Phillip M. Pourchot assigned his membership interest in Debtor to the Phillip M. Pourchot Revocable Trust (the "Pourchot Trust"). Phillip M. Pourchot is the co-Trustee of the Pourchot Trust. The Pourchot Trust continues to own a fifty percent (50%) member's interest in the Debtor. Under the Company Agreement, management of the Debtor is fully reserved to the Members and the Debtor does not have "managers" as that term is defined in the Texas Business Organization Code. (Art 5.01 Company Agreement).

According to the Debtor's books and records, the members' equity ownership is not secured by any liens or other encumbrances, and the Plan Proponent is not otherwise aware of any such liens or other encumbrances. There are no other known owners or managers of the Debtor. Plan Proponent is not aware of any other party(s) who may assert an ownership in the interest in the Debtor.

2. The Debtor's Assets.

The Debtor currently owns approximately 75 acres of land, most subdivided into lots and all but one lot being a residential lot, and improvement thereon located in Plano, Collin County/Denton County, Texas, located generally at Spring Creek Parkway and Tennyson Parkway and commonly known as "Normandy Estates Subdivision." The Debtor also owns 15 lots of land and improvements on two of those lots thereon located in Frisco, Texas in what is commonly known as "Wyndsor Pointe Subdivision." Maps of the Normandy Estates and Wyndsor Pointe subdivisions are attached hereto as Exhibit "B." The Debtor also owns a house in Frisco which is currently rented. A model home is located within Normandy Estates.

The Debtor was originally formed to develop high-end residential real estate under the name "Bentley Premier Builders," with its principal place of business in Plano, Collin County, Texas.

The Debtor initially acquired several lots located in Wyndsor Pointe located in Frisco, Texas and subsequently constructed homes with a total value of $1.7 million (lots 5 and 6 in Block B).

In 2007, the Members funded the Debtor with equity contributions of approximately $500,000 each to acquire certain lots located in Normandy Estates as well as to fund operating expenditures.

At present the Debtor owns the following property:

- Wyndsor Pointe Subdivision

Villa Lots	13
Villas constructed and currently under contract or leased.	2

Per various appraisals obtained from various appraisers, dated between 2011 and 2013, and current market conditions, the value of the Property in the Wyndsor Pointe is estimated to be in excess of $4,300,000.

- Normandy Estate Subdivision

Villa Lots:	
Patio Villas	17
Luxury Villas	37
Large Estate Lots	2
Total Villa Lots:	57
Estate Lots:	
Estate Lots	38
Lake Lot A-3	1
Lake Lot A-2	1
Total Estate Lots:	40
Other Property:	
Model Home	1
Commercial Tract (5.484 acre)	1
Total other Property	2
Total Lots and Property (including potential sales):	99

Included in this list of Normandy Estate assets, the Debtor owns 5.484 acres of property zoned commercial located at the intersection of Tennyson Parkway and Corporate Drive. The value of the commercial lot is estimated at $2.2 million. In addition, the Debtor owns the common area property including an amenities center, guard house, fencing, pool workout facility, and related common area properties. The property is zoned single-family residential, and is well maintained.

Per various appraisals obtained from various appraisers, dated between 2011 and 2013, and current market conditions, the value of the Property in the Normandy Estates is estimated to be in excess of $31,174,000.

Per various appraisals obtained from various appraisers, dated between 2011 and 2013,

and current market conditions, the total value of all land and improvement assets, together with cash and escrows of the Debtor, is estimated to be approximately: $36,000,000.

In addition, the Debtor is a party to several construction contracts in which Debtor is building homes for purchasers of some of its lots. Those contracts with homeowners who are current in their obligations to Debtor will be assumed.

Debtor also has accounts receivable owed on purchase orders and draw requests which have not been paid by homeowners Loughborough, Chiles, Adams and Ky. Their collectability is in doubt because of the likelihood they can only be collected through litigation. Proceeds from the accounts receivable are not factored in to assets available for obligations in the Plan. However, accounts receivable owed to the Debtor will be set off against amounts claimed owed by the Debtor on the respective homes.

Sandy Golgart has outstanding litigation against Phillip Pourchot, the Pourchot Trust and Starside LLC (together, the "Pourchot Defendants"). Both the Debtor and Golgart sued the Pourchot Defendants in connection with allegations that the Pourchot Defendants acted in bad faith in seeking to foreclose on properties for the sole purpose of forcing Golgart out or making her ownership position worthless. Claims against the Pourchot Defendants include (1) Conspiracy to Interfere with Business, (2) Tortious Interference with Existing Contracts, (3) Interfernece with Prospective Contractual Relations, (4) Breach of Loyalty and Good Faith, (5) Economic Duress and Breach of Duty of Good Faith as Lender, (6) Application for Temporary Restraining Order and Injunctive Relief, (7) Request for Appointment of Receiver, and (8) Defamation.

The litigation originally was brought under Case #416-01973-2013; however, that suit has been administratively closed. The litigation is now pending by Sandy Golgart against the Pourchot Defendants under Case #219-04162-2013. The claims include (a) Breach of Company Agreement, (b) Tortious Interference with the Company Agreement, (c) Shareholder Oppression, (d) Gross Negligence and Willful Misconduct, (e) Defamation (Against Pourchot), (f) Judicial Partition of Real Property, and (g) Attorney Fees, seeking damages, exemplary damages, equitable relief, court costs, and interest. The Pourchot Defendants have counterclaimed for (x) Defamation, and (y) Declaratory Judgment. Because the litigation is pending, it is difficult to estimate the total amount of damages and injunctive relief that may be awarded, but Golgart seeks injunctive relief, appointment of a receiver, damages, exemplary damages, court costs, pre- and post-judgment interest, and all other relief allowable in law or equity against the Pourchot Defendants.

Confirmation of the Plan eliminates any claim against the Pourchot Trust and Starside, LLC, but Debtor may pursue its claims against Pourchot. Debtor will dismiss its claim against Pourchot with prejudice at Debtor's cost and provide Pourchot with a complete release if he, the Pourchot Trust, and Starside, LLC vote in favor of the Plan and do not oppose confirmation of the Plan. Debtor has cash of approximately $30,000 in its DIP account as of the date of this Disclosure Statement, receivables for which collection is anticipated from homeowners in the amount of approximately $500,000, and $543,000, subject to potential liens or claims of Pourchot which are the subject of a motion for reconsideration as to the use of cash collateral.

For the calendar year ending December 31, 2012, Debtor realized net income of approximately $550,000 in taxable net income. In prior years Debtor had no net taxable income and had taxable losses.

Value estimates discussed herein are based, in part, upon (a) prior appraisals of the Debtor's property, including those below, (b) current sale prices, including the lot to be sold to Gail Smith for $257,000, (c) builder prices and sale prices, (d) discussions between the two interest-owners of the Debtor, and (e) current market conditions, including increased real estate values since the date of certain appraisals that follow:

Normandy Estates				
Location	**Neighborhood**	**Appraised By**	**Date**	**Amount**
Lot 10 Bonaparte Ct., Plano, TX 75024	Normandy Estates	Charles B. Horner	11/7/2013	$190,000 x 55 villa lots = $10,450,000 (pending sale at $257,000 for one such lot)
2 large villa lots	Normandy Estates	Phil Pourchot estimate	Nov 2012	$250,000 each = $500,000
Lot 9 Mulhouse Ct., Plano, TX 75024	Normandy Estates	Charles B. Horner	11/7/2013	$375,000 x 38 estate lots = $14,250,000 (2 sales at $450,000 for two such lots)
6800 LaBelle Ct., Plano, TX 75093	Normandy Estates	Charles B. Horner	10/4/2013	$1,420,000
Tract No. 6 (commercial land)	Normandy Estates	Jackson Claborn	3/13/2010	$2,300,000
Lake Lot A-3	Normandy Estates	Phil Pourchot estimate	Nov 2012	$900,000
Lake Lot A-2	Normandy Estates	Phil Pourchot estimate	Nov 2012	$650,000
Total # of Lots: 95, plus model home, commercial lot, and lake lots			**Total Value:**	**$30,470,000**

Wyndsor Pointe				
Location	**Neighborhood**	**Appraised By**	**Date**	**Amount**
Lot 7 Norwood Drive, Frisco, TX 75034	Wyndsor Pointe	Charles B. Horner	11/7/2013	$200,000 x13 lots = $2,600,000
6078 Norwood Drive, Frisco, TX 75034	Wyndsor Pointe	Contract pending	August 2014 close	$925,000
6097 Westchester, Frisco, TX, 75034	Wyndsor Pointe	Charles B. Horner	10/4/2013	$850,000
Total # of Lots: 13, plus 2 houses			**Total Value:**	**$4,375,000**

Aggregate # of Lots: 114, incl homes and commercial	**Aggregate Value:**	**$34,845,000**

3. Debtor's Sales and Marketing Activities.

In 2010 the Debtor sold one commercial lot (1.2 acres) for approximately $890,000. The Debtor also constructed a model home located at 6800 Labelle Ct., Plano TX 75024 valued at $1,420,000.

Pre-Bankruptcy, the Debtor sold 7 lots and commenced and/or completed construction on the lots. In addition, the Debtor also built two homes in other developments.

The Debtor had been in various stages of discussions with other potential lot and home buyers and investors, all of whom are being referred to the Chapter 11 Trustee.

4. The Secured Debt Encumbering the Debtor's Property and Debtor's Financial Difficulties.

On January 11, 2008, Debtor negotiated a $12,000,000 line of credit loan from the Pourchot Trust. The line of credit was evidenced by a Promissory Note and First Lien, Deed of Trust and Security Agreement of even date. Interest on the Pourchot Trust Note accrues on the Principal Amount, or so much thereof as may be advanced from time to time and outstanding and unpaid, at the stated rate of LIBOR plus 0.84 in effect from day-to-day based upon a 365-day calendar year.

The Pourchot Trust Note further provides that, accrued but unpaid interest shall be due and payable on the first day of the nineteenth month following the Effective Date and thereafter quarter interest payment on the first day of each calendar quarter; and the entire outstanding principal balance of this Promissory Note, together with all accrued but unpaid interest shall be fully due and payable upon Maturity Date.

The First Lien, Deed of Trust covers Lot 11, Block A; Lots 5, 6, 7, 9, and 13, Block E; Lots 8, 11, 15 and 16, Block E; Lot 3, Block G and Lots 27, 30, and 32, Block I of Normandy Estate and Lots 5 and 6, Block B; Lots 5, 6, and 7, Block C; Lots 4 and 5, Block D; Lots 5 and 6 Block E; Lots 2, 7, 8, 11, and 12, Block F; and Lot 15, Block G of Wyndsor Pointe. The closing on funding on these secured lots occurred on or about October 28, 2008.

The Pourchot Trust Note was scheduled to mature on January 1, 2015. Golgart contends that interest was to accrue on this loan and was not payable until at least May 10, 2013. Pourchot claims that interest was payable at all times notwithstanding a Subordination Agreement referenced below. Therefore, Pourchot claims the Note's maturity was accelerated prior to August 2013. This dispute is resolved by the Plan because the full amount of the Pouchot Trust Claim, including all accrued interest, will be paid by transfer of certain of Debtor's property. All of the above-identified lots subject to the lien securing the Pourchot Trust will be transferred. The Pourchot Trust Claim is undersecured, but the Plan treats the full Pourchot Trust Claim as secured and pays it in full by transferring property of a value equal to the estimated Allowed Amount of the Pourchot Trust Claim.

In addition to the Pourchot Trust Note, Pourchot, through the Pourchot Trust advanced funds to acquire property and for operating capital in the approximate amount of $12,000,000 ("Additional Trust Funds"). While these Additional Trust Funds could be considered capital, they are treated in the Plan as a loan secured by the same lien that secured the Pourchot Trust Note. Golgart contends that there was no set maturity date or agreement to pay interest with respect to the Additional Trust Funds. Pourchot contends that the maturity date is the same as the Pourchot Trust Note—that is, January 1, 2015—and the interest rate is the same. The Plan contemplates transferring additional lots to the Pourchot Trust at least equal in value to the balance of the Additional Trust Funds without interest. Should the Pourchot Trust prove to have an allowable claim with respect to the Additional Trust Funds, sufficient property will be transferred to the Pourchot Trust to equal the Additional Trust Funds plus accrued interest at the rate provided in the Pourchot Trust Note.

On or about May 10, 2011, Debtor, as Maker, entered into a Promissory Note with Sovereign Bank for a loan of $7,250,000. The Promissory Note was secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date. Interest on the Promissory Note accrues on the Principal Amount, or so much thereof as may be advanced from time to time and outstanding and unpaid, at the applicable rate of (x) the greater of (i) the sum of the applicable Prime Rate in effect plus seventy-five one hundreds of one percent (.75%) per annum, or (ii) five and fifty one- hundreds of one percent (5.50%) per annum. The Promissory Note was set to mature on May 10, 2012, subject to the Maker's right to extend the Promissory note for an Additional year, in which case the Promissory Note was set to mature on May 10, 2013. The Sovereign Note was extended to May 10, 2013.

The Deed of Trust, Assignment of Leases and Rents, Security Agreement, is secured by Lots 3, and 4 and 5, Block H; Lots 1 through 26, 33 and 34, Block I; Lots 1R, 2R, 6R, 7, 8, 9 and 10, Block H; Lot 6R, 7R and 8R, Block G; Lots 5 and 6, Block A; Lot 1, Block J; Lot 3, Block A; Lot 1, Block B; Lots 1, 6, 9 and 12, Block C; Lots 1, 5, 6, 23, 24 and 28, Block D; Lots 2, 3, 4, 5 and 6, Block E; Lots 2, 3, 4, 5, 7, 10, 11 and 15, Block F; Lots one, 3, 4 and 5, Block G; Lots 28 and 30 and 31, Block I in Normandy Estates Subdivision located in Denton and Collin County, Texas.

The Sovereign Note was set to mature on May 10, 2013. Prior to bankruptcy, Debtor was in negotiations with Sovereign Bank to extend the Promissory Note for an additional year. Based upon Debtor's principal reduction in the amount of approximately $1.2 million, Golgart believes that Sovereign Bank was amenable to extending the Promissory Note until May 2014. Pourchot disputes Golgart's view of this possible extension. The Sovereign Loan Documents required a Subordination Agreement to be signed by the Trust providing that Debtor could not pay principal or interest on the Pourchot Trust Note until the Sovereign Bank note was paid in full.

On or about April 19, 2013, Starside LLC, an entity wholly owned by Phillip Pourchot individually, acquired the Sovereign Note. Instead of renewing the promissory notes consistent with the proposed agreement with Sovereign Bank, Starside LLC served notice of its attempt to foreclose upon the property securing the indebtedness. Starside LLC did not offer Debtor any opportunity to renew the note under the same, or other commercially reasonable terms. By letter dated April 23, 2013, Starside LLC provided notice of intent to foreclose upon the secured

assets.

On or about May 17, 2013, the Pourchot Trust and Starside filed their Plaintiffs' Original Petition in the 416th Judicial District Court of Collin County, Texas seeking to enforce the terms of the promissory notes, to foreclose on the properties securing the notes, and to liquidate Debtor. Thereafter, Debtor and Sandy Golgart filed their respective Original Answer, Counterclaims, Application for Receiver and Temporary Restraining Order in part seeking to restrain the foreclosures.

As a consequence of this notice and the inability of Debtor to obtain a hearing on its request for injunctive relief, on August 6, 2013, the Debtor filed a Voluntary Chapter 11 Petition in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division.

Pourchot has a different position than Golgart. He claims he caused Starside LLC to purchase the Sovereign Note because he was a guarantor and was concerned with Golgart's management of the Debtor's business. He also has asserted conversion claims against Golgart and sought liquidation of Debtor.

The Plan treats the full Starside Claim as secured and pays it in full by transferring property of a value equal to the estimated Allowed Amount of the Starside Claim.

The issues between Golgart and Pourchot and his entities are not resolved under the Plan and they may or may not decide to continue with the litigation described above and/or a new lawsuit filed by Golgart against Pourchot, the Pourchot Trust, Starside LLC and Marc Powell during October, 2013. None of this litigation or the continuing dispute between Golgart and Pourchot will affect performance of the Plan. Under the Plan, Golgart will remain the Managing Member and she will be paid a salary of $12,000 monthly to assume the duties she held prepetition, all allowed Claims of the Pourchot Trust and Starside LLC will be paid in full and Pourchot and his entities will no longer be creditors of the Debtor. The Pourchot Trust will remain as co-owner of the Debtor with Golgart and will have certain specified rights as a co-owner. Both Golgart and Pourchot will have rights to purchase lots from the Debtor at fair market value under terms and conditions contained in 7.6 and 7.7 of the Plan.

5. Debtor's Substantial Equity in the Property.

It is the Plan Proponent's contention that the maximum amount of secured debt burdening the Debtor's real estate is approximately $18,000,000, not including alleged advances of $12,000,000 which are subject to disallowance, subordination, or recharcterization. Including all amounts, it is the Plan Proponent's contention that the maximum amount of total principal that could be due is approximately $30,000,000. It is the Plan Proponent's belief, based upon the appraisals and valuation discussed herein, that the property securing such indebtedness (or otherwise unencumbered by such indebtedness) has a fair market value in excess of $36,000,000.

Although the Pourchot Defendants filed claims against the Debtor of approximately $45,000,000, at his deposition, Mr. Pourchot stated he could not substantiate them:

> 13 Q. Do you feel like you're capable of testifying
> 14 as to interest rates and calculations that are in these
> 15 documents you did not prepare?
> 16 A. No, I think that should be done by someone
> 17 else.

It is the Plan Proponent's contention that any interest upon the Pourchot Trust Note was to accrue at a maximum of LIBOR plus 0.84, and that the calculation of LIBOR was based upon what Pourchot was charged by Credit Swiss. It is the Plan Proponent's further contention that there was never an agreement to charge the Debtor 6% interest on any insider advances, including on any additional advances above the initial $12 million, and that there never was agreement to approve Pourchot's purchase of the Sovereign Note. The Pourchot Defendants' disclosure statement indicates that the total amount due to the Pourchot Trust is "a total of between $26,358,191.15 and as much as $39,064,076.87", and (b) that the total amount due to Starside LLC is approximately $6.2 million. In the event that the Pourchot Defendants are deemed by the Court to be owed $45 million, or even an amount substantially in excess of $36 million, the Plan Proponent's Plan remains feasible only if the Pourchot Defendants accept the treatment proposed in the Plan. However, as stated above, the Plan Proponent believes the amount due is substantially less, closer to $32 million in total, even if all advances are deemed to be debts with interest due. Accordingly, the Plan Proponent believes the Debtor has equity in its property.

Also, on March 5, 2013, Mr. Pourchot estimated the amount of his 50% equity in the Debtor at $9,000,000, and reported that same value to the Debtor's lender in his personal financial statement. Thus, Mr. Pourchot's recent value estimation also would substantiate the Debtor's total 100% equity value at $18,000,000.

6. Funds Available.

At the time of this Disclosure Statement, upon information and belief, the Debtor had approximately $30,000 in the Debtor-in-Possession account. In addition, the Debtor has an interest in the sum of approximately $543,000 in an escrow account at Capital Title Company which is the result of the closing on 2 separate lots, subject to potential liens or claims of Pourchot which are the subject of a motion for reconsideration as to the use of cash collateral. Of this amount $400,000 will be paid to Starside as part of full payment of its Claims. Debtor also anticipates collection of approximately $500,000 of receivables. The estate also will have approximately $257,000 from the sale of a lot, which lot and proceeds are unencumbered and shall be used to support feasibility and payment to creditors. Plan Proponent disputes the amounts due under the original cash collateral order because of the grounds set forth in Plan Proponents Motion for Reconsideration (Dkt. 180) and Brief (Dkt. 231), and due to the lack of disclosure/reporting on same by the estate.

Plan Proponent has been denied access to the Debtor's manager, accountants, and books

and records. Further, the Trustee has not filed the required monthly operating reports for the months of August, September, October, November, or December, which reports and attachments would disclose information concerning the estate's cash accounts and interests. Accordingly, the amounts in this Disclosure Statement are based upon information and belief. Upon access to accurate information and the latest books and records of the Debtor, and after closure of the extended claims bar dates, the Plan Proponent will analyze whether additional funds need be advanced to confirm the plan. In such event, the Plan Proponent shall advance sufficient funds individually or with a third-party investor. Further, the Plan Proponent believes that the real-estate market was at all time lows during the early years of the Debtor's 2007 inception, and that the market is in a much better state for the Debtor's post-bankruptcy operations.

Subject to the foregoing limitations and explanation, based upon the information available to the Plan Proponent as of the date of this Disclosure Statement, the Plan Proponent believes the following potential funds will be necessary to support the feasibility of the Plan. As an initial matter, the Pourchot Defendants have stated they "are committed to contributing up to $1.5 million of their own assets," and that this amount, with cash collateral and future revenues, they "strongly believe … will prove more than sufficient to pay all claims in full." The Plan Proponent also strongly believes that this number is a maximum amount that will be needed to pay all claims in full, and that the Reorganized Debtor's retained assets in the Plan shall sufficiently cover payment to creditors as lots are sold and homes are constructed for additional revenue to the Reorganized Debtor.

The maximum amount of administrative expense claims (from non-Trustee professionals) that must be paid at confirmation will be fully known by February 21, 2014, subject to allowance by the Court thereafter. The Plan Proponent estimates that administrative expense claims allowable under section 503(b) will include (a) approximately $150,000 for Chapter 11 pre-Trustee professional fees of Debtor's counsel, (b) approximately $150,000 for Chapter 11 pre-Trustee professional fees for Trustee's counsel and accountants, and (c) approximately $22,000 in allowed unpaid post-petition amounts within the Trustee's 506(b) notice at dkt. 226, and (d) any other amounts allowed for substantial contribution claims. The Plan Proponent shall pay such allowed amounts on the Effective Date from the unencumbered proceeds of the Debtor's sale of a lot for $257,000, and will seek agreement from the estate's professionals to be paid any remaining balance of approximately $65,000 from the sale of another lot retained by the Reorganized Debtor.

In the event that the Plan Proponent is incorrect on the amount of claims ultimately allowed for each of the above items, the Plan Proponent believes those estimates could increase by up to an additional (a) approximate $30,000 for Debtor counsel fees, (b) approximate $150,000 for Trustee counsel and accountants, and (c) approximate $277,000 for post-petition amounts within the Trustee's 506(b) notice. In this event, which the Plan Proponent believes to be highly unlikely, the Plan Proponent will seek to fund the additional $457,000 balance personally or through a third-party investor in the Reorganized Debtor, and otherwise will seek the estate professionals' agreement to be paid over time through the sale of lots, which agreement is not guaranteed to be received.

The total estimated value of lots and model home to be retained by the Reorganized

Debtor is $4,845,000. These lots and the Reorganized Debtor's ability to build on those lots will fund the remaining non-secured, and non-administrative priority claims estimated by the Plan Proponent to be approximately $300,000 to $500,000. Even in the event the Plan Proponent's estimate of allowed non-secured, and non-administrative priority claims is incorrect, the maximum filed exposure would be less than $1.5 million as stated in both proposed disclosure statements. Specifically, the maximum amount of scheduled and filed general unsecured non-homeowner claims is $538,000, with homeowner claims' maximum amount at $778,000. Even if these claims are allowed in full, which is extremely unlikely, the Reorganized Debtor would have sufficient asset value in its retained $4,845,000 in assets to cover these claims in full, even after satisfaction of secured claims and payment of administrative claims.

7. Events In The Bankruptcy Case.

On August 9, 2013, the Debtor filed its Petition for Relief under Chapter 11 of the United States Bankruptcy Code [Dkt. 1].

On August 14, 2013, Debtor filed its Motion for Authority to Use Cash Collateral [Dkt. 9], Motion to Confirm that Sales of Homes and Lots are in the Ordinary Course of Business and for Establishing Sales Procedures [Dkt. 10], Amended Voluntary Petition [Dkt. 14] and Request for Emergency Hearing [Dkt 11]. On August 14, 2013, the Court granted the Request for Emergency Hearing relating to the Motion for Authority to Use Cash Collateral, and Motion to Confirm that Sales and Homes and Lots are in the Ordinary Course of Business and for Establishing Sales Procedure [Dkt. 12].

On August 15, 2013, the Pourchot Trust filed a Motion to Dismiss Chapter 11 Case with Prejudice for failure to file with Requisite Authority [Dkt. 15]. This Motion was later withdrawn by the Pourchot Trust by a filing on September 9, 2013 [Dkt. 55].

On August 16, 2013, the Court entered an Interim Order Confirming that Sales of Homes and Lots are in the Ordinary Course of Business and for Establishing Sales Procedures [Dkt. 21], and an Agreed Interim Order pursuant to 11 U.S.C. § 363 Authorizing the Use of Cash Collateral and Granting Adequate Protection [Dkt. 23].

On August 22, 2013, Hiersche, Haywood, Drakely & Urbach ("HHD&U") filed an Application to be employed as attorneys for the Debtor [Dkt. 33]. This Application was supplemented on September 19, 2013 [Dkt. 79]. On September 30, 2013, the Court entered an Interim Order approving the Application [Dkt. No. 104]. On November 1, 2013, HHD&U filed its Second Supplement to the Application. [Dkt. 134] The US Trustee filed its Objection to the Application on November 12, 2013 [Dkt. 150]. After a hearing on the merits, the Court denied the Application on the basis that HHD&U was disqualified under 11 U.S.C. § 327. [Dkt 169].

Pourchot Trust filed a Motion for Appointment of a Trustee on September 12, 2013.

On September 17, 2013, the U.S. Trustee filed a Motion for Appointment of a Trustee pursuant to Section 1104, or for Dismissal or Conversion pursuant to Section 1112 [Dkt. 70].

Debtor later agreed to this motion, and Jason Searcy ("Chapter 11 Trustee") was thereafter appointed, and entered his appearance as Chapter 11 Trustee [Dkt. 90]. The Pourchot Trust Motion thereby became moot.

On September 6, 2013, Debtor filed its Motion for Contempt and for Sanctions for Violation of the Automatic Stay Against Mark Smith, Mark Powell, Teresa G. Longborough and Philip M Purchot [Dkt 49]. This Motion was later withdrawn by the Chapter 11 Trustee.[Dkt 120]. Golgart believed this motion was supported by evidence. The Respondents denied the allegations of this motion.

On September 26, 2013, certain of Ms. Golgart's counsel entered their appearance. [Dkt 101]

The United States Trustee's meeting of creditors under section 341(a) of the Bankruptcy Code was held on September 6, 2013 at 1:30 p.m. [Dkt. 12]. The Claims Bar Date for filing Claims against and Interest in the Debtor was December 5, 2013, and an extended bar date was set by the Court for February 21, 2014 for those creditors that did not have prior notice of this bankruptcy case. Government Proofs of Claim are due by February 3, 2014.

On October 29, 2013, the Trustee moved for the appointment of Marc Powell as General Manager of the Debtor [Dkt 128], and for the appointment of New Directors to the Normandy Estates Homeowners Association.[Dkt 129]. On November 8, 2013, Ms. Golgart filed her Objection to the Motions [Dkt. 142 and 143]. On November 12, 2013, the Trustee continued the hearing on the Motion to appoint Marc Powell [Dkt. 151]. An agreement was reached to removed Phillip Pouchot and Ms. Golgart as directors of the Homeowners Association, and to not appoint new directors at this time [Dkt. 152].

On November 22, 2013, the Trustee withdrew the Motion to appoint Marc Powell[Dkt. 167]. As stated in her Objection, Ms. Golgart believes that Marc Powell is neither qualified nor disinterested to serve as either General Manager or Construction Manager of the Debtor. It is anticipated that the Trustee disagrees.

Plan Proponent, and perhaps the Chapter 11 Trustee, are analyzing Claims against, and Interests in, the Debtor and may file objections to one or more of such Claims or Interests. After confirmation, the Reorganized Debtor may file objections to Claims and Interests. Claims and Interests not filed by the applicable Claims Bar Date are forever barred and discharged.

The Claims in this case (other than the Starside Claim and the Pourchot Trust Claim) are unsecured trade claims in the approximate amount of $200,000. This amount differs from the Schedules, which are incorrect in several respects due to the haste in filing the Petition, the difficulties of Golgart in operating the Debtor with minimal assistance, and the occasional lack of access by Golgart to Quickbooks and other computerized records. There may also be warranty or poor-construction claims which have not yet been asserted but are treated in the Plan.

8. Miscellaneous

The statements, assertions and characterizations in this Disclosure Statement are only the Plan Proponent's view of the subject and facts and events. It is anticipated that Pourchot and the Chapter 11 Trustee and perhaps other parties in interest will have different views. The Plan Proponent has attempted to fairly set out the position of parties that differ with her to the best of her knowledge. Pourchot and perhaps other third parties have asserted claims of conversion and mismanagement against Golgart which she denies. Golgart has worked without salary or other compensation to bring Debtor to where it is today. She has been in charge of and directed both sales and construction. She is the only person who has dealt with lenders, vendors, and purchasers, and she has been the only in-house bookkeeper. The Court's approval of the Disclosure Statement is not a finding by the Court regarding such statements, assertions or characterizations, is not a basis for estoppel, preclusion bar, or res judicata, and is not an admission by any creditor of any such statements, assertions, or characterizations of facts or events, including without limitation, the statements and assertions by the Debtor regarding the events precipitating the bankruptcy case, the value of any property, and terms of any Loan Documents.

Ms. Golgart respectfully submits that the Estate had equity in excess of $6,000,000 at the time of the bankruptcy petition in connection with the Debtor's on-going business operation. Ms. Golgart asserts that through the concerted and tortious efforts of Mr. Pouchot, Mark Smith, and Marc Powell, the value of the Debtor's estate as an on-going business has been severely diminished. These efforts have resulted in the loss of several lot sales and home construction contracts including with the Stones, the Harts, the Klements, and others. Details of these allegations are set forth in the Debtor's Motion for Contempt and for Sanctions for Violation of the Automatic Stay Against Mark Smith, Mark Powell, Teresa G. Longborough and Philip M. Purchot [Dkt 49] and in the State Court case styled *Sandy Golgart v. Phillip M. Purchot, et al*, Cause no. 219-04162-2013 pending in the 219 Judicial District Court of Collin County. Ms. Golgart reserves her rights and claims, both direct and indirect, in connection with these allegations, to the extent not expressly addressed by the Plan. It is anticipated that the Trustee, and Messrs. Smith, Powell, and Pouchort disagree with this characterization of the facts.

FACTS PRECIPITATING CHAPTER 11

The Sovereign Note was due to mature on May 10, 2013. Prior to bankruptcy, Debtor was in negotiations with Sovereign Bank to extend the Promissory Note for an additional year. Based upon Debtor's principal reduction in the amount of approximately $1.2 million, Sovereign Bank was amenable to extending the Promissory Note until at least May 2014.

On or about April 19, 2013, Starside LLC, an entity wholly owned by Phillip Pourchot, effectively one of the co-owners of the Debtor, individually, acquired the Sovereign Note. Instead of renewing the promissory note consistent with the discussions with Sovereign Bank, Starside LLC served Debtor with notice of its attempt to foreclose on the property securing the

indebtedness. Starside LLC did not offer Debtor any opportunity to renew the note under the same, or other commercially reasonable terms. By letter dated April 23, 2013, Starside LLC provided Debtor with notice of its intent to foreclose on the secured assets.

Pourchot, through the Pourchot Trust, then purported to accelerate approximately $24 million in alleged secured debt of which approximately $12 million was due on January 1, 2015, and approximately $12 million had no agreed maturity date.

On or about May 17, 2013, the Pourchot Trust and Starside filed Plaintiffs' Original Petition in the 416th Judicial District Court of Collin County, Texas, seeking to enforce the terms of the promissory notes and seeking foreclosure. Thereafter, Debtor and Sandy Golgart filed their respective Original Answer, Counterclaims, Application for Receiver, and Temporary Restraining Order, the primary purpose of the latter being to avoid the foreclosures and preserve assets for creditors and equity for Golgart However, the Debtor was unable to obtain a hearing in the state court prior to the scheduled foreclosures. As a result, on August 6, 2013, the Debtor filed a Voluntary Chapter 11 Petition in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division.

MEANS FOR IMPLEMENTING THE PLAN

The Plan proposes to transfer cash, lots, homes, and a contract on the commercial lot, as well as proceeds from the closing of the contract (or the lot itself if the contract is not closed), to Starside LLC and Pourchot Trust in full satisfaction of their claims. The Starside Note is oversecured, and therefore payment in full will release many lots from the Starside lien.

The Pourchot Trust Note is undersecured, but Debtor intends to treat the Claim as fully secured. Debtor will transfer to Pourchot Trust all of the lots securing this debt and several of the lots released from the Starside lien with sufficient value to pay the entire Allowed Pourchot Trust Claim.

Debtor will still have at least a dozen unencumbered lots and a model home at its disposal, collectively valued at approximately $4,845,000. Specifically, the Debtor shall retain the following property to consummate the Plan:

- Villas E-8, E-10, 6-R, A-9, 32-I, E-I, E-II, A-15,
- Model Home in Normandy Estate Subdivision, and
- Normandy Estates D-23, D-24, D-26, C-6, and C-7.

In addition, Debtor will still have existing construction contracts, with strong likelihood of generating additional contracts that has the potential to increase profits to fund the Debtor's ongoing operation. Debtor has accounts receivable in sufficient amount to pay the Allowed Administrative Fees of the U.S. Trustee, the Chapter 11 Trustee, and Debtor's counsel. Debtor will pay Allowed Unsecured Claims in full within six (6) months of the Effective Date.

Starside LLC and Pourchot Trust will be receiving the indubitable equivalent of their

claims because their claims do not encumber all Debtor property and they will be given property sufficient to cover their allowed secured claims in full. Additionally, historic sales of the Debtor are not necessarily equivalent to future sales because, as a builder, the Debtor historically valued construction profit when deciding to sell its lots, which Starside LLC and Pourchot Trust may choose not to do. The indubitable equivalent is further supported by the fact that lots were not available to be sold by the Debtor in its first few years, and numerous offers to purchase were received by the Debtor even while it had a bankruptcy case pending. The indubitable equivalent also is supported by the fact that Pourchot previously was not entitled to, or looking for, interest payments, and that he increased his indebtedness from the Debtor at a time that he would realize nominal interest that he knew the Debtor could not pay.

The Plan is in the best interests of creditors and equity holders, in large part, because a liquidation will result in an approximate 20-30% reduction in lot value versus the Reorganized Debtor holding the lots for sale in the ordinary course of a business under the Plan.

A liquidation would result in the following reductions in the value of the retained lots based upon "liquidation sale" versus sale as "operating company."

Type	Lot	100% Retail	80% Liquidation	70% Liquidation
Estate Lots (2)	D23-D24	$750,000	$600,000	$525,000
Villa	e-8	$190,000	$152,000	$133,000
Villa	e-1	$190,000	$152,000	$133,000
Villa	6-R	$190,000	$152,000	$133,000
Villa	32-i	$190,000	$152,000	$133,000
Villa	e-10	$190,000	$152,000	$133,000
Villa	e-11	$190,000	$152,000	$133,000
Villa	a-9	$190,000	$152,000	$133,000
Villa	a-15	$190,000	$152,000	$133,000
Estate Lots	c-6	$375,000	$300,000	$262,500
Estate Lots	c-7	$375,000	$300,000	$262,500
Estate Lots	d-26	$375,000	$300,000	$262,500
Total:		**$3,395,000**	**$2,716,000**	**$2,376,500**

Further, the Debtor realizes net profit on the construction of the retained lots in the range of $100,000 to $150,000 based upon the size of the construction project. A liquidation would eliminate any potential construction profit to equity. Reduction in value for Home Construction Profits based upon "liquidation" versus "sell and construct" model:

Type	Lot	Construction Profit	Liquidation
Estate Lots (2)	D23-D24	$150,000	$0
Villa	e-8	$100,000	$0

Villa	e-1	$100,000	$0
Villa	6-R	$100,000	$0
Villa	32-i	$100,000	$0
Villa	e-10	$100,000	$0
Villa	e-11	$100,000	$0
Villa	a-9	$100,000	$0
Villa	a-15	$100,000	$0
Estate Lots	c-6	$150,000	$0
Estate Lots	c-7	$150,000	$0
Estate Lots	d-26	$150,000	$0
Total:		**$1,400,000**	**$0**

ARTICLE III: SELECTED SIGNIFICANT EXCERPTS FROM THE PLAN OF REORGANIZATION

The following is a brief summary of the Plan, attached as Exhibit "A", and is qualified in its entirety by the full text of the Plan itself. The Plan, if confirmed, will be binding upon the Debtor and its creditors. All creditors are urged to read the Plan carefully.

1. Designation of Classes of Claims And Current Partnership Interests.

The following is a designation of the Classes of Claims and Current Partnership Interests under this Plan. Administrative Expense Claims and Priority Tax Claims have not been classified and are excluded from the following classes in accordance with Section 1123(a)(1) of the Bankruptcy Code. A Claim or Current Partnership Interest shall be deemed classified in a particular Class only to the extent that the Claim or Current Partnership Interest qualifies within the description of that Class. A Claim or Current Partnership interest is in a particular Class only to the extent that the Claim or Current Partnership Interest is an Allowed Claim or Current Partnership Interest in that Class.

Class 1 – Secured Tax Claims
Class 2.1 – Starside Secured Claim
Class 2.2 – Pourchot Trust Claim
Class 2.3 – Other Secured Claims
Class 3 – Priority Unsecured Non-Tax Claims
Class 4 – General Unsecured Trade Claims
Class 5 – Warranty Claims and Construction Claims
Class 6 – Other Unsecured Claims
Class 7 – Current Membership Interests

2. Impairment Of Classes.

All Classes of Claims and Current Membership Interests are impaired under the Plan.

3. Treatment Of Administrative Expenses And Priority Tax Claims.

Administrative Expenses. All Administrative Expenses of the Debtor shall be treated as follows:

Administrative Expenses Bar Date. The holder of any Administrative Expense other than: (i) a claim for professional fees and expenses for services rendered up to and including the Confirmation Date, (ii) a liability incurred and paid in the ordinary course of business by the Debtor; or (iii) an Allowed Administrative Expense, must file with the Bankruptcy Court and serve on the Plan Proponent and its counsel, a motion for allowance of such Administrative Expense by February 21, 2014. Such notice must identify: (i) the name of the holder of such Claim; (ii) the amount of such Claim; (iii) the basis of such Claim; and (iv) all written documentation supporting such Claim. Failure to file this notice timely and properly shall result in such claim for the Administrative Expense being forever barred and discharged.

Allowance of Administrative Expenses. An Administrative Expense with respect to which notice has been properly filed pursuant to Section 4.2 of the Plan shall become an Allowed Administrative Expense only to the extent Allowed by Final Order.

Payment of Allowed Administrative Expenses. Each holder of an Allowed Claim for an Administrative Expense other than a professional holding such a claim shall receive, at the Debtor's option: (i) the amount of such holder's Allowed Claim in one Cash payment on the later of the Effective Date or the tenth Business Day after such Claim becomes an Allowed Claim; (ii) the amount of such holder's Allowed Claim in accordance with the ordinary business terms of such expense or cost; or (iii) such other treatment as may be agreed to in writing by the holder of such Administrative Expense and the Debtor.

Payment of Allowed Administrative Expenses to Professionals. Each holder of an Allowed Administrative Claim who is a professional shall be paid in full or caused to be paid in full by Debtor upon entry of a Final Order unless Debtor and such Professional Claimant agree otherwise. Debtor shall make payment or cause payment of such fees and expenses in full. Professional fees and expenses incurred after the Confirmation Date shall be the obligation of the Reorganized Debtor, and shall be payable promptly and without the need for application to or approval by the Bankruptcy Court.

Priority Tax Claims.

After payment of all Allowed Secured Claims and Allowed Administrative Expense Claims, each holder of an Allowed Priority Tax Claim, if any, shall receive, in full satisfaction of such holder's Allowed Priority Tax Claim, Cash from the Reorganized Debtor in the full amount of such Allowed Priority Tax Claim with interest, payable in regular quarterly payments beginning on the first calendar quarter following the Effective Date, provided, however, that each Allowed Priority Tax Claim shall be paid in full no later than five (5) years after the Petition Date and may receive such other treatment as may be agreed upon in writing by the holder of such Allowed Priority Tax Claim.

4. Classification of Claims and Treatment of Classes.

Please consult the Plan of Reorganization attached hereto as Exhibit A for classification of Claims and treatment of Classes.

ARTICLE IV: FINANCIAL INFORMATION REGARDING DEBTOR

The Code requires that the Chapter 11 Trustee file monthly operating reports that will be available on the Bankruptcy Court's website. As of the date of this Disclosure Statement, the Trustee has not filed the required monthly operating reports for the months of August, September, October, November, or December, and Plan Proponent has been denied access to the Debtor's manager, accountants, and books and records. Accordingly, the amounts in this Disclosure Statement are based upon information and belief from the Plan Proponent's prior knowledge of the Debtor's books and records up to October 2013, and based upon limited information disclosed by the Trustee since then.

The Schedules as filed were not accurate as to unsecured claims, but Plan Proponent has offered to assist the Chapter 11 Trustee in filing corrected Schedules upon his reasonable request. The Chapter 11 Trustee filed his own amended Schedule F of Unsecured Creditors, which Plan Proponent believes to be inaccurate. A motion has been filed to extend the claims bar date and the Plan Proponent will update estimated figures herein upon the second closing of the claims bar date. Below is a summary of estimated claims asserted against the Debtor. The Plan Proponent continues to review and consider all claims and reserves the right to object to any and all claims, whether scheduled or for which a proof of claim was filed.

Class 1 – Secured Tax Claims	Secured Tax Claims. Taxes accrue in the ordinary course of business on the first day of each year, and are payable the following year. Secured ad valorem tax claims have been filed by various taxing entities totaling approximately $415,000, and their automatic liens will continue to attach to the Debtor's property until paid in full.
Class 2.1 – Starside Secured Claim	An approximate $6.2 million claim has been filed, and this claim has been discussed in Article II above. This claim shall be satisfied by return of real estate collateral as described in the Disclosure Statement and Plan.
Class 2.2 – Pourchot Trust Claim	A total claim of between $26,358,191.15 and as much as $39,064,076.87 has been asserted, and this claim has been discussed in Article II above. This claim shall be satisfied by return of real estate collateral as described in the Disclosure Statement and Plan.
Class 2.3 – Other Secured Claims	A claim in the amount of $11,758.25 has been filed. As of the filing of this Disclosure Statement, there is only one claim on file that demonstrates lien rights under applicable law. *See* Claim No. 2-3 of Ferguson Enterprises, Inc. in the amount of $11,758.25. The Plan Proponent will continue to investigate other records to

	determine whether other vendors' claims may receive treatment under this Class.
Class 3 – Priority Unsecured Non-Tax Claims	No priority unsecured non-tax claims have been filed.
Class 4 – General Unsecured Trade Claims	The Plan Proponent believes the claims filed against the Debtor are overstated, and anticipates non-homeowner unsecured claims of no more than $250,000 for both Classes 4 and 6.
Class 5 – Warranty Claims and Construction Claims	Fewer than 10 home owners have filed claims against the Debtor, all of which are classified as Class 5 Claims. The total amount claimed is between $750,000 and $850,000, of which certain amounts may be duplicative of claims filed by other creditors and are amounts that will be disallowed. The Plan Proponent has uncovered evidence that several homeowner claims totaling approximately $778,000 were knowingly and intentionally filed at artificially inflated amounts, and that several of such claims may actually be $0 or otherwise substantially less. Further, Plan Proponent believes the claims filed are subject to setoff due to amounts due the Debtor, and otherwise suffer from several other deficiencies that will reduce the amount ultimately allowed. The Plan Proponent has filed a brief on certain of these issues and reserves all rights, including under Code sections 105, 1125, 1126, and 1129 to potentially have such claims, or any other claims or equity interests, disallowed, subordinated, recharacterized, or not counted in the voting process.
Class 6 – Other Unsecured Claims	The Plan Proponent believes the claims filed against the Debtor are overstated, and anticipates non-homeowner unsecured claims of no more than $250,000 for both Classes 4 and 6, plus potentially up to $45,000 of pre-petition claims of Debtor's bankruptcy counsel in Class 6.
Class 7 – Current Membership Interests	No Cash distributions will be made under the Plan with respect to the Debtor's Membership Interests.

Priority Unsecured Tax Claims. Per the Code, these Claims are not classified in the Plan. The IRS has filed a claim of approximately $72,000; however, the claim is based upon estimates for which returns and payments reflect no amounts are due. In other words, the Plan Proponent estimates this claim at $0.

Administrative Expense Claims. Per the Code, these Claims are not classified in the Plan. Plan Proponent anticipates payment of administrative fees for the Chapter 11 Trustee and his attorney and accountants in an amount not to exceed $150,000. Plan Proponent disputes that these fees would be allowed in an amount substantially higher, due to the administration and results of this case. Plan Proponent likewise anticipates the maximum dollar amount of Allowed Claims of Debtor's pre-Chapter 11 Trustee counsel will not exceed $150,000. If these Administrative Expense Claims are allowed by the Bankruptcy Court, including in any

additional amounts, sufficient funds will be present to pay all of these Claims under the Plan, or reach other written agreement for payment of such Claims as contemplated by the Code. The Chapter 11 Trustee has filed a 506(b) notice to ensure payment of post-petition administrative claims that may be due prior to his appointment in the amount of $298,000; however, it is the Plan Proponent's contention that this belief is incorrect and has not been substantiated. A motion setting a bar date for administrative expense claims is pending to set the bar date for February 21, 2014, and the Plan Proponent will update estimated figures herein upon the second closing of the claims bar date.

General Unsecured Claims. Sal and Mary Ann Rallo have filed a claim in the amount of $32,796.35, which includes Kitchen & Bath $ 777.15, Reliable Plumbing $ 5,500.00, and Advent Air $ 6,519.20, for a Sub Total of $12,796.35, along with other estimated claims. It is the Rallos' position that this claim, along with an affidavit signed by Sandy Golgart, support their claim for amounts due from the Debtor and that they are not liable for any other charges on their home.

Post-confirmation, the Plan Proponent expects the Reorganized Debtor to re-commence sale and construction efforts to re-achieve the profitability it maintained prior to recent history over which litigation is currently pending.

ARTICLE V: OTHER DISCLOSURES AND RELEVANT INFORMATION

Golgart will remain and be confirmed as Managing Member of Reorganized Debtor upon confirmation of the Plan. She will be paid a salary of $12,000 per month by the Reorganized Debtor to assume the same duties she held prior to the Petition Date. Her duties will include those of Marc Powell being compensated at $11,000 per month. The Chapter 11 Trustee will turn over all of the Debtor's books and records to the Reorganized Debtor through Plan Proponent, and he will be fully compensated to the extent of his Allowed Administrative Claim. In an effort to resolve pending matters and reduce administrative expense claims and delays in confirmation, and subject to confirmation of the Plan, Pourchot would be released from all Claims asserted against him by Debtor if he votes in favor of the Plan and does not oppose confirmation of the Plan.

Both Pourchot and Golgart will be entitled to buy lots at fair market value from Debtor under conditions described in 7.6- 7.8 of the Plan.

ARTICLE VI: CONSIDERATIONS IN VOTING ON THE PLAN

The Plan Proponent has proposed a Plan that she believes treats all creditors fairly and equitably and is in the best interest of the creditors. In order to assist the creditors in evaluating the Plan, the Plan Proponent provides the following summary of items that Plan Proponent believes to be of significant value for creditors in deciding on how to vote on the Plan. References are made to paragraphs in this Disclosure Statement and Plan of Reorganization which discuss and have summarized topics in greater detail. **THE FOLLOWING IS ONLY A BRIEF SUMMARY AND SHOULD NOT BE RELIED UPON EXCLUSIVELY FOR VOTING PURPOSES. YOU ARE URGED TO READ ALL OF THIS DISCLOSURE**

STATEMENT, THE PLAN OF REORGANIZATION IN FULL AND ALL OTHER RELEVANT ORDERS AND DOCUMENTS ON FILE IN THESE PROCEEDINGS.

Possible Tax Consequences. Implementation of the Plan may result in income, gain, or loss for federal income tax purposes to holders of Claims against and Interests in Debtor. Tax consequences to a particular Creditor or holder of an interest in Debtor may depend on the particular circumstances or facts regarding the Claim of the Creditor or the interest of such holder in Debtor. To the extent that a holder of a Claim receives a distribution under the Plan which is less than the full amount of the Claim, and the remainder of the Claim is being discharged under the Plan, that holder of a Claim may be entitled to a deduction from taxable income to the extent of the realized loss on the Claim (but only to the extent the loss has not been recognized in prior tax years).

Each holder of an interest in Debtor will recognize taxable income or gain as a result of the implementation of the Plan to the extent that the holders allocable share of the gain from the transfer of the Property and/or income from cancellation of indebtedness due to the modification and/or discharge of Claims under the Plan.

THE TAX CONSEQUENCES TO EACH CLAIMANT RESULTING FROM ANY REORGANIZATION OF DEBTOR OR LIQUIDATION OF DEBTOR'S ASSETS ARE COMPLEX AND MAY VARY AND WILL DEPEND UPON THE PARTICULAR CIRCUMSTANCES OF EACH CLAIMANT. CONSEQUENTLY, EACH CLAIMANT IS URGED TO CONSULT HIS OWN TAX ADVISOR WITH SPECIFIC REFERENCE TO HIS PARTICULAR CIRCUMSTANCES AND TO THE TAX CONSEQUENCES OF BOTH THE PLAN AND ANY ALTERNATIVE TO THE PLAN AND NO CLAIMANT IS AUTHORIZED TO RELY FOR TAX ADVICE OR INFORMATION ON THIS DISCLOSURE STATEMENT.

ARTICLE VII: RISKS AND LIQUIDATION ANALYSIS

Section 1129(a)(11) of the Bankruptcy Code requires a finding that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor in interest, unless liquidation is expressly contemplated by the Plan. The Plan Proponent's Plan underlies the projections set forth herein.

THE PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE BASED ON VARIOUS ASSUMPTIONS AND ESTIMATES AND WILL NOT BE UPDATED TO REFLECT EVENTS OCCURRING AFTER THE DATE HEREOF. SUCH INFORMATION AND STATEMENTS ARE SUBJECT TO INHERENT UNCERTAINTIES AND TO A WIDE VARIETY OF SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE RISKS, INCLUDING, AMONG OTHERS, THOSE RISKS DESCRIBED HEREIN. CONSEQUENTLY, ACTUAL EVENTS, CIRCUMSTANCES, EFFECTS AND RESULTS MAY VARY SIGNIFICANTLY FROM THOSE INCLUDED IN OR CONTEMPLATED BY SUCH PROJECTED FINANCIAL INFORMATION AND SUCH OTHER FORWARD-

LOOKING STATEMENTS.

The Plan proponent believes that, based upon the estimated value of assets and liabilities, the Plan is feasible and the Reorganized Debtor will be able to make the distributions contemplated by the Plan and will be financially secure and not need to seek further reorganization after confirmation. The Plan Proponent is ready, willing, and able to perform those tasks described in the Disclosure Statement to ensure the Plan's success including that the Plan Proponent reserves the right to provide or procure any necessary funds to make all plan payments or other necessary expenses.

The Plan is subject to a number of material risks. Prior to deciding how to vote on the Plan, each holder of an impaired Claim and holder of an Interest should carefully consider all of the information contained in this Disclosure Statement, especially the factors mentioned in the following paragraphs.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Prolonged Chapter 11 proceedings could have adverse effects on the Debtor, including the accrual of carrying costs on assets, and the continuing accrual of Administrative Expenses relating to the continuation of bankruptcy proceedings.

Many estimates are based upon projections by the Plan Proponent. Actual results will fluctuate based on the economy and could be better or worse than projected. This Disclosure Statement contains various forward-looking statements and information that are based on the Plan Proponent's beliefs as well as assumptions made by and information currently available to her. When used in this document, the words "believe," "expect," "anticipate," and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties, and assumptions including those identified above. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected.

The Plan Proponent believes that the Cash generated from the Debtor's business operations during the Bankruptcy Case and Plan process will be adequate to support payment on the Reorganized Debtor's Administrative Expense Claims and Priority Claims; however, there can be no assurance that one or more unexpected necessary capital expenditures will not impact the Reorganized Debtor materially and adversely, and no assurance can be given that emergency financing will be available when needed and on reasonable terms. To mitigate against such losses, the Reorganized Debtor shall continue to maintain and carry, appropriate insurance, cash accounts at FDIC insured depository institutions, and procedures to protect the estate's assets.

This Disclosure Statement assumes that the market and current economic conditions remain relatively unchanged or moderately and gradually improved. Any significant increase in litigation expenses or any changes in applicable law could have a negative (or positive) affect on the Debtor and Debtor's current and future operations and collections, and could affect the figures and projections presented in this Disclosure Statement.

In the event of a liquidation, Debtor would lose the value of the construction contracts.

All of the Escrowed Funds would be paid to Starside on its lien. While the lots and homes are valued at greater than $35,000,000, these valuations assume orderly sales in the ordinary course of business, and not liquidation. Even in a liquidation, the properties subject to the Starside lien could be sold for sufficient funds to pay the Starside debt in full with no unsecured claim for Starside. However, the liquidation sale of the properties subject to the Pourchot Trust lien and the unencumbered properties may not yield sufficient proceeds to pay the $24 million plus interest claimed by the Pourchot Trust. Thus, it is likely that unsecured creditors and equity would receive less than under the Plan.

In the event of conversion, there would likely be a challenge by Golgart and perhaps the Chapter 11 or Chapter 7 Trustee contesting whether the Pourchot Trust Claim should be categorized in part as capital rather than debt and this litigation would delay any possible resolution of the Chapter 11 case and any potential, if unlikely distribution to unsecured creditors.

Therefore, liquidation is likely to produce fewer proceeds for the unsecured creditors and likely would produce fewer proceeds to pay the Pourchot Trust debt. It follows that equity would receive less in a liquidation.

Plan Proponent's Recommendation:

BASED ON THE CONTENTS OF THIS DISCLOSURE STATEMENT, THE PLAN PROPONENT BELIEVES IT IS IN THE BEST INTERESTS OF ALL CREDITORS THAT THE PLAN AS PROPOSED BY THE PLAN PROPONENT BE APPROVED BY ITS CREDITORS. PLAN PROPONENT BELIEVES THAT REORGANIZATION WOULD PRODUCE MORE DISTRIBUTION TO CREDITORS AND EQUITY THAN IF THE DEBTOR WERE LIQUIDATED. ACCORDINGLY, THE PLAN PROPONENT RECOMMENDS THAT ITS CREDITORS VOTE TO CONFIRM THE PLAN AS FILED BY THE PLAN PROPONENT.

EXHIBITS

A – Plan of Reorganization for Bentley Premier Buildings, LLC

Dated: January 24, 2014

Submitted by:

By: */s/ Sandy Golgart*
SANDY GOLGART

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