

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

In re:)	
)	
BALL FOUR, INC.)	Case No. 10-33952 EEB
a Colorado Corporation)	Chapter 11
EIN 84-0992964)	
)	
Debtor.)	

DISCLOSURE STATEMENT

I. INTRODUCTION

Dated: January 19, 2011

On September 21, 2010, Ball Four, Inc. (“Debtor”), filed its voluntary petition for reorganization pursuant to Chapter 11 of the Bankruptcy Code. On January 19, 2011, the Debtor filed its Plan of Reorganization (the “Plan”).

A. REORGANIZATION AND DISCLOSURE. Chapter 11 is the principal reorganizational Chapter of the Bankruptcy Code. Pursuant to Chapter 11, the Debtor may reorganize its business and/or financial affairs while continuing to operate its business or retain possession of its property. Attempts to collect pre-petition claims from the Debtor and any attempts to foreclose upon the Debtor’s property are stayed during the pendency of the bankruptcy proceeding. This Disclosure Statement is intended to provide the holders of claims adequate information about the Debtor and its proposed Plan so that creditors can make an informed judgment about the merits of approving the Plan. The Plan, if confirmed by the Bankruptcy Court, will bind the Debtor and the creditors with respect to the terms and conditions set forth therein even if creditors do not vote in favor of the Plan.

B. Adequate information. “Adequate information” means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor’s books and records, including a discussion of the potential material Federal tax consequences of the Plan to the Debtor, any successor to the Debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the Plan, but adequate information need not include such information about any other possible or proposed Plan. In determining whether the Plan provides adequate information, the Court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest and the cost of providing additional information.

An “investor typical of holders of claims or interests of the relevant class” means investors having a claim or interest of the relevant class; such a relationship with the Debtor as the holders of other claims or interests of such class generally have; and, such ability to obtain such information from sources other than the disclosure required by §1125 of the Bankruptcy Code (11 U.S.C. §1125) as holders of claims or interests in such class generally have.

C. YOU ARE ENCOURAGED TO READ THE PLAN AND TO CONSULT WITH YOUR COUNSEL ABOUT IT. CERTAIN CAPITALIZED TERMS USED HEREIN ARE DEFINED IN THE PLAN OR IN THE BANKRUPTCY CODE. THE PLAN HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, AND THE COMMISSION HAS NOT RENDERED AN OPINION UPON THE ACCURACY OR ADEQUACY OF ANY STATEMENTS CONTAINED IN THE PLAN.

APPROVAL OF THE DISCLOSURE STATEMENT BY THE COURT AS CONTAINING ADEQUATE INFORMATION DOES NOT IMPLY COURT APPROVAL OF THE PLAN. IN THE EVENT THE DEBTOR MODIFIES ITS PLAN BEFORE CONFIRMATION, THE PLAN AS MODIFIED SHALL BECOME THE PLAN FOR PURPOSES OF CONFIRMATION. AS SUCH, PREVIOUS VERSIONS SHOULD BE DISREGARDED BY CREDITORS.

D. VOTING ON THE PLAN. The Debtor is proposing a Plan as a means of reorganizing its financial affairs and paying its creditors. A vote on the Plan is important. The Debtor can implement the Plan only if it is confirmed by the Bankruptcy Court. The Plan can be confirmed only if, among other things, it is accepted by the holders of two-thirds in amount and more than one-half in number of the claims which actually vote on the Plan. At least one “impaired class” must vote to accept the Plan. In the event the requisite acceptances are not obtained from the impaired classes, the Court may nevertheless confirm the Plan if the Court finds that it is fair and equitable to the class or classes rejecting the Plan. Under the Debtor’s proposed Plan, Classes 1 through 4 are impaired and therefore are entitled to vote on the Plan. Class 5 is not impaired and therefore cannot vote on the Plan.

“Impaired” is defined by §1124 of the Bankruptcy Code. Impaired means that Debtor’s Plan alters the legal, equitable or contractual rights to which such classes or interest entitles the holder of such claims or interest. The holders of impaired claims which are also allowed claims (as defined in Article II, ¶ 1.3 of the Plan), or the holders in those classes of disputed claims which the Bankruptcy Court has temporarily allowed for voting purposes only are entitled to vote on the Debtor’s Plan.

You are not required to vote on the Plan, but only those votes actually received by Debtor’s counsel on or before 5:00 p.m. MST/MDT on the date set forth in the Court’s

Order or Notice accompanying this Plan will be counted either for or against the Plan. You should either fax, mail, or e-mail a completed ballot to the Debtor's counsel by 5:00 p.m. MST/MDT on the date established by the Court in its Order or Notice which accompanies this Plan. Please fill out your ballot completely to insure that your vote with respect to the Plan is properly counted. Ballots can be mailed, faxed or e-mailed to the Debtor's counsel at the following address, fax number and/or e-mail address:

Weinman & Associates, P.C.
730 17th Street, Suite 240
Denver, CO 80202-3506
Facsimile: (303) 572-1011
jweinman@epitrustee.com

Ballots will be counted as long as they are received by the Debtor's counsel by 5:00 p.m. MST/MDT on the date established by the Court in its Order or Notice accompanying this Plan.

The Court will hold a hearing on confirmation of the Plan and will, among other things, determine the result of the vote on the Plan. The Debtor will prepare a ballot report which it will present to the Court at the confirmation hearing. The date and time of the Court's hearing on confirmation and important deadlines are set forth in the Court's Order or Notice enclosed with this Disclosure Statement and the Plan.

E. Objecting to the adequacy of the information contained in the Disclosure Statement or to confirmation of the Plan. The Court will set a deadline for filing written objections to the adequacy of the information contained in the Disclosure Statement. If no objections are filed with the Court, the approval of the information contained in the Disclosure Statement may become final. Any objection or request to modify the information contained in the

Disclosure Statement will be considered by the Court at the hearing set by the Court on the adequacy of the Disclosure Statement.

In addition to voting on the Plan, creditors may also object to confirmation of the Plan by filing and serving written objections to confirmation of the Plan as required by the Bankruptcy Rules of Procedure. The Court has set a deadline for filing written objections in its Order or Notice which accompanies this Plan. If you wish to object to confirmation of the Debtor's Plan, you must file a written objection. Filing a ballot rejecting the Plan will not be considered an objection to confirmation of the Plan by the Court.

F. Bar Date. The Court set a deadline of December 23, 2010 ("Bar Date") by which non-government creditors were to have filed Proofs of Claim in the Debtor's Chapter 11 bankruptcy proceeding. Governmental creditors have until May 9, 2011 to file Proofs of Claim. The Bar Date is set forth in the Court's Order or Notice which is either enclosed with the Debtor's Plan, or, which has been previously mailed to you during the pendency of the Debtor's Chapter 11 bankruptcy proceeding. If you desired to file a Proof of Claim, it was important that you filed a Proof of Claim with the Clerk of the Bankruptcy Court on or before the Bar Date or your claim may not be allowed and you may not be able to participate as a creditor in the Debtor's Chapter 11 bankruptcy proceeding. If you agree with the way the Debtor has listed your claim on its bankruptcy Schedules, it was not necessary for you to have filed a Proof of Claim in order to have your claim allowed for purposes of voting on the Plan and receiving payment or other treatment of your claim under a confirmed Plan of Reorganization.

II. PRE-BANKRUPTCY HISTORY OF THE DEBTOR

Ball Four, Inc. acquired 16.93 acres of land located at 2101 W. 64th Ave. in unincorporated Adams County. It opened a slow pitch softball facility for adult softball leagues with batting cages, liquor and food sales.

Until 2006, the Debtor operated adult softball leagues from late February until mid-November of each year.

In 1989, it was discovered that an off-site location had contaminated a small portion of Ball Four's property. Intrawest Bank held a note and deed of trust on the property and called the note due when it learned about the problem of contamination. Intrawest Bank deemed the property, which was the collateral for the note, insufficient as a result of the contamination. Wells were drilled on the property to monitor levels of contamination. A Chapter 11 was filed and a Plan of Reorganization was ultimately confirmed by the Bankruptcy Court.

In 1993, Norwest Bank had acquired Intrawest Bank. At that time, the loan was to be renewed. Norwest Bank called the note due, again because of the contamination. A second Chapter 11 was filed and a Plan of Reorganization was confirmed by the Bankruptcy Court. After an investigation, the State of Colorado found Ball Four's property to be free of contaminants. The State of Colorado issued a "no further action" letter with respect to this issue.

In late 2005, Ball Four requested and obtained a bank loan of approximately 1.9 million dollars from FirstTier Bank to pay off the previous loan to Norwest Bank and to fund expansion for construction of a permanent fabric structure consisting of two (2) buildings.

One building would house facilities for indoor soccer, other sporting events and social functions. The other building would house bathroom facilities.

FirsTier Bank chose The Wright Group, a local firm, to supply the building and to be the general contractor on the project to erect the structure. The project came up \$1 million short in funding and was not completed. Additional funding was needed from FirsTier Bank. Additionally, the project was a year late in being completed. The Wright Group had no expertise in building a permanent fabric building. It was unable to attach the two buildings because The Wright Group used two different types of fabric. This created a major problem every time it snowed or rained because there is a 12 inch open gap between the two buildings.

FirsTier didn't monitor the construction project properly and forced the Debtor to pay contractors and suppliers over its objections to the bank. Additionally, FirsTier paid invoices without the Debtor's approval. The Debtor ended up with numerous construction problems which remain to this day. The major problems include: concrete, turf, entrance foyer and the building attachments which are still not properly done.

The Debtor was to have permanent financing which was never offered by FirsTier to the Debtor. To this day, the Debtor has no permanent loan.

When the building was completed in June 2007, DCG Sports signed a 3-year lease to rent the facility for indoor soccer. The economy turned bad in 2008 and it was discovered that very little money from food and beer sales was generated from individuals who played soccer. The Debtor tried pro boxing and mixed martial arts boxing, and special social events but the Debtor has found these events to be of limited financial benefit.

In November 2009, Ball Four, Inc. was unable to make the interest payment due on the note to FirsTier. FirsTier advised the Debtor that the Bank would work with the Debtor by adding the unpaid amount onto the balance of the loan.

In January 2010, the Debtor contacted Mile High Racing in Commerce City, Colorado about obtaining a license to operate simulcast wagering on dog and horse racing from tracks in the United States. Mile High Racing and the Debtor reached an agreement.

FirsTier advised the Debtor that it thought the license from Mile High Racing was a great acquisition for Ball Four, Inc. The Bank further advised the Debtor that it would need to bring in an equity partner for 20%. The Bank advised the Debtor to find a partner or the Bank would find one for the Debtor. Within two hours, Larry Gentry, president of the Debtor, was back at the Bank with an individual who provided proof to the Bank that he had sufficient funds to provide the necessary equity. This individual agreed to pay the Debtor's past due balance of approximately \$66,000.00, but required that his investment be protected and also that the Bank would not call the note due. The Bank promised that it would get back to the Debtor. Instead the Bank called the loan due. The Bank then contacted Mile High Racing and advised it that the Debtor had a problem with the Bank regarding a loan and wanted to know if the gaming license was transferable. Mile High Racing advised the Bank to never contact it again about the Debtor's dispute with the Bank. Mile High Racing advised the Debtor and requested that the Debtor have its counsel send a letter to the Bank putting the Bank on notice that it was trying to interfere with the contract between the Debtor and Mile High Racing.

FirsTier commenced a foreclosure proceeding which led to the Debtor filing for Chapter 11 protection on September 21, 2010.

The Debtor's simulcast wagering has become very successful since opening August 4, 2010. In addition, soccer is still going on 7 days a week and softball leagues will start for 2011 in late February. Ball Four, Inc.'s Plan will provide payment to all of its creditors.

III. POST FILING EVENTS AND EXPECTED POST-CONFIRMATION OPERATION OF REORGANIZED DEBTOR

The Debtor will remain in possession of its Assets and will administer its confirmed Chapter 11 Plan to repay creditors pursuant to the terms of the Plan.

The Debtor will utilize its Cash to pay allowed creditor claims and allowed Chapter 11 Administrative Claims pursuant to the terms of its Plan. The terms "Cash" and "Income" are defined in the Debtor's Plan.

Larry R. Gentry will retain his shareholder interest in the Reorganized Debtor and will remain as President of the Debtor. Larry R. Gentry will continue to receive a monthly salary of \$5,500.00 plus benefits following confirmation of the Plan. Susan Gentry will retain her shareholder interest in the Reorganized Debtor and will remain as Secretary of the Debtor. Susan Gentry will continue to receive a monthly salary of \$5,500.00 plus benefits following confirmation of the Plan. These salaries may increase if circumstances warrant it.

IV. DESCRIPTION OF DEBTOR'S REAL AND PERSONAL PROPERTY ASSETS

As of the date of the filing of the bankruptcy petition, the Debtor's Assets consist of real and personal property assets. Attached hereto as Exhibit "A" is a balance sheet setting forth the Debtor's Assets and Liabilities as of the date it filed its Chapter 11 proceeding. Attached hereto as Exhibit "B" is a current post-petition balance sheet setting forth the

Debtor's current Assets and Liabilities. Additional Assets include legal claims against FirstTier Bank, Rhino Sports and Wright Group Services.

V. STATUS DURING CHAPTER 11 BANKRUPTCY PROCEEDING PENDING PRE-PETITION AND POST-PETITION LITIGATION AND PREFERENCE AND/OR FRAUDULENT CONVEYANCE CLAIMS

A. STATUS DURING CHAPTER 11. The Debtor has been managing its financial affairs and operating its business under Chapter 11 as a Debtor-in-Possession since it filed for bankruptcy relief.

Representatives of the Debtor attended an Initial Debtor Interview (IDI) conducted by the Office of the U.S. Trustee, attended a §341 Meeting of Creditors, and attended a status and scheduling conference conducted by the Bankruptcy Court.

The U.S. Trustee has not appointed an official Unsecured Creditors' Committee in this Chapter 11 bankruptcy proceeding.

B. PRE-PETITION LITIGATION. Prior to the Debtor filing its bankruptcy petition, the Debtor was involved in certain state court proceedings identified on Exhibit "C" attached hereto. This litigation has been stayed by the filing of the Debtor's Chapter 11 petition.

C. POST-PETITION. Since the filing of its bankruptcy petition, the Debtor has been involved in the following litigation, contested and non-contested matters and hearings before the Bankruptcy Court:

1. Representatives of the Debtor attended a Court ordered status and scheduling conference as well as a Section 341 Meeting of Creditors.

2. The Debtor filed motions to assume its Water Lease Agreement and to reject a personal property lease with Five Point Capital, LLC/Financial Pacific Leasing.
3. FirstTier Bank filed a Motion to Dismiss or Convert the Debtor's Chapter 11 case. The Debtor filed an Objection to the Motion. The Court has scheduled a hearing on FirstTier Bank's Motion.

D. PREFERENCE AND/OR FRAUDULENT CONVEYANCE CLAIMS. As of the date of this Plan, the Debtor knows of no potential preference (11 U.S.C. §547) and/or fraudulent conveyance (11 U.S.C. §548) claims which it would be entitled to assert against any entity, or for which it would be economically beneficial to do so. The Debtor may continue to investigate such claims and, if appropriate, may commence appropriate legal proceedings to pursue such claims. In the event the Debtor commences any such legal proceedings and receives an award of damages arising as a result of such legal proceedings, the Debtor will utilize such damage awards, after payment of attorney's fees and costs, to pay allowed Chapter 11 administrative expenses, allowed unsecured priority claims, allowed secured claims or allowed unsecured claims as may be appropriate under the Debtor's Plan.

VI. EFFECTIVE DATE

The "Effective Date" is defined in the Plan to mean that date which is the first day of the first month following thirty (30) days after the entry of the Confirmation Order. The Debtor estimates that the Effective Date of its Plan will be July 1, 2011. The Effective Date of the Debtor's Plan may occur either sooner or later than the estimated date which will

effect the date of certain payments and the occurrence of other events under the Debtor's Plan.

VII. CLASSIFICATION OF CREDITORS' CLAIMS AND EQUITABLE INTERESTS AND IMPAIRMENT OF CREDITORS' CLAIMS AND EQUITABLE INTERESTS

A. CLASSIFICATION OF CREDITORS' CLAIMS AND EQUITABLE INTERESTS AND IMPAIRMENT OF CREDITORS' CLAIMS AND EQUITABLE INTERESTS.

(1) Classification. Pursuant to the requirements of 11 U.S.C. §1123 of the Bankruptcy Code, the Debtor has classified the claims of its creditors under its Plan. The Debtor has made this classification pursuant to the requirements of the Bankruptcy Code. Each class of claims which has been established under the Plan consists of claims which are substantially similar and with respect to each claim contained in each class, the Plan provides for the same treatment for each class or interest of each particular class unless the holder of a particular claim or interest agrees to a less favorable treatment of its particular claim or interest.

(2) Impairment. As required pursuant to 11 U.S.C. §1123 of the Bankruptcy Code, the Debtor has identified in its Plan those classes of claimants which are impaired under the Plan.

B. CREDITOR CLAIMS AND EQUITABLE INTERESTS IN THE DEBTOR ARE CLASSIFIED AND IMPAIRED IN THE PLAN AS FOLLOWS:

(1) Class 1 consists of the allowed secured claim of the Adams County, Colorado Treasurer's Office. Class 1 is impaired under the Plan and can vote on the Plan.

(2) Class 2 consists of the allowed secured claim of the Colorado Department of Revenue. Class 2 is impaired under the Plan and can vote on the Plan.

(3) Class 3 consists of the disputed secured claim of FirstTier Bank. Class 3 is impaired under the Plan and can vote on the Plan.

(4) Class 4 consists of allowed unsecured creditor claims. Class 4 is impaired under the Plan and can vote on the Plan.

(5) Class 5 consists of the holders of shareholder interests in the Debtor. Class 5 is not impaired under the Plan and cannot vote on the Plan.

VIII. TREATMENT OF CLASSES OF CREDITOR CLAIMS AND EQUITABLE INTERESTS UNDER THE DEBTOR'S PLAN

Provision for payment or treatment of creditor classes and equitable interests under the Plan is set forth below.

(1) Class 1. Adams County, Colorado Treasurer's Office ("Adams County"). Class 1 consists of the allowed secured claim of Adams County in the approximate amount of \$29,000. Class 1 is impaired under the Debtor's Plan and therefore Class 1 can vote to accept or reject the Debtor's Plan. The secured claim of Adams County is secured by statutory liens on the Debtor's Assets. The allowed secured claim of the Class 1 creditor will be repaid in monthly payments of principal and interest at the rate of 12% per annum amortized over 60 months with the first payment of principal and interest due on the Effective Date and continuing monthly thereafter until paid in full. Each monthly payment will be in the approximate amount of \$650. Upon payment in full, the lien securing the Class 1 creditor's claim will be deemed released and the Debtor will own its Assets free and clear of the lien(s) of the Class 1 creditor.

(2) Class 2. Colorado Department of Revenue. Class 2 consists of the allowed secured claim of the Colorado Department of Revenue in the approximate amount of

\$2,700. Class 2 is impaired under the Debtor's Plan and therefore Class 2 can vote to accept or reject the Debtor's Plan. The secured claim of the Colorado Department of Revenue is secured by statutory liens on the Debtor's Assets. The allowed secured claim of the Class 2 creditor will be repaid in monthly payments of principal and interest at the rate of 12% per annum amortized over 60 months with the first payment of principal and interest due on the Effective Date and continuing monthly thereafter until paid in full. Each monthly payment will be in the approximate amount of \$120. Upon payment in full, the lien securing the Class 2 creditor's claim will be deemed released and the Debtor will own its Assets free and clear of the lien(s) of the Class 2 creditor.

(3) Class 3. FirsTier Bank. Class 3 consists of the disputed secured claim of FirsTier Bank. Class 3 is impaired under the Debtor's Plan and therefore Class 3 can vote to accept or reject the Debtor's Plan, provided its claim is allowed. FirsTier Bank asserts that its claim totals \$3.6 million. The Debtor disputes the amount of FirsTier Bank's claim. The Debtor has hired the law firm of Allen & Vellone, P.C. to represent it in connection with the Debtor's dispute with FirsTier Bank. To the extent allowed, the secured claim of the Class 3 creditor in the amount allowed by the Court, will be paid in monthly payments of principal equal to the allowed amount of its claim plus interest at 6% per annum amortized over 25 years with a five (5) year balloon. The first payment will be made on the later of the Effective Date or 30 days after the Court enters a Final, Non-Appealable Order allowing the secured claim of the Class 3 creditor and will continue monthly thereafter until the balloon payment is due. Assuming the claim would be allowed at \$3.6 million, each monthly payment of principal and interest would be approximately \$23,200. The monthly

payment may be less than \$23,000 should the Court determine that the claim of the Class 3 creditor is less than \$3.6 million.

(4) Class 4. Allowed Unsecured Claims. Class 4 consists of allowed unsecured claims. Class 4 is impaired under the Plan and can vote on the Plan. The Debtor's Plan will pay the holders of allowed unsecured claims in full with interest at the Federal Judgment Interest Rate. The Debtor will make sufficient quarterly payments of \$50,000 each starting on the Effective Date, which will be distributed to unsecured creditors on a Pro Rata basis until allowed unsecured claims are paid in full with interest. The Debtor estimates that total allowed unsecured claims are approximately \$200,000, and that the Debtor will make four (4) to five (5) quarterly distributions of \$50,000 each in order to pay allowed unsecured claims in full with interest. A list of unsecured claims in Class 4 is attached hereto as Exhibit "D".

(5) Class 5. Class 5 consists of the shareholder interests in the Debtor. Class 5 is not impaired under the Plan and therefore Class 5 cannot vote to accept or reject the Debtor's Plan. The current shareholders of the Debtor, Larry and Susan Gentry, shall retain their shareholder interests in the Debtor to the same extent as their pre-petition shareholder interests in the Debtor subject to the provisions of the approved Plan. Larry and Susan Gentry shall receive no payments under the Debtor's Plan on account of their shareholder interests in the Reorganized Debtor.

IX. PAYMENT OF UNCLASSIFIED ALLOWED CHAPTER 11 ADMINISTRATIVE EXPENSES AND ALLOWED UNSECURED PRIORITY CLAIMS

Payment of allowed Chapter 11 Administrative Expenses and allowed Unsecured Priority Claims not classified under the Plan will be paid as follows under the Debtor's proposed Plan:

Administrative Expenses. Chapter 11 Administrative Expenses are identified as follows:

- (a) Counsel (Weinman & Associates, P.C.) employed to represent the Debtor in the within bankruptcy proceeding;
 - (b) Special Counsel (Allen & Vellone, P.C.) employed to represent the Debtor as special counsel for the Debtor;
 - (c) Special Counsel (Kuhlman & Kuhlman, P.C.) employed to represent the Debtor as special counsel for the Debtor;
 - (d) Special Counsel (Trout Raley Montano Witwer & Freeman, P.C.) employed to represent the Debtor as special counsel;
 - (e) Accountant (Elite Tax Service); hired with Bankruptcy Court approval to provide accounting services to the Debtor;
 - (f) Consultant (Jehn Water Consultants) hired with Bankruptcy Court approval to provide consulting services to the Debtor;
 - (g) Fees required to be paid to the U.S. Trustee pursuant to 28 U.S.C. §1930;
- and

- (h) Post-petition fees and expenses, including taxes, incurred by the Debtor's bankruptcy estate in the ordinary operation and management of the Debtor's business and/or financial affairs.

The holders of an allowed expenses in Paragraphs (a) through (f) shall submit their requests for payment to the Court and the Debtor shall pay such Allowed Chapter 11 Administrative Expenses only upon approval by and in the amount allowed by the Court. The Debtor believes that it may owe Weinman & Associates, P.C. approximately \$20,000 for attorneys' fees for services performed through the conclusion of the Chapter 11 case. The Debtor believes that it may owe Allen & Vellone, P.C. approximately \$25,000 for attorneys fees for services performed through the conclusion of the Chapter 11 case. The Debtor believes that it may owe Kuhlman & Kuhlman, P.C. approximately \$15,000 through the conclusion of the Chapter 11 case. The Debtor believes that it may owe Trout Raley Montano Witwer & Freeman, P.C. approximately \$10,000 for attorneys fees for services performed through the conclusion of the Chapter 11 case. The Debtor believes that it will owe Elite Tax Services \$0.00; and Jehn Water Consultants \$5,000 through the conclusion of the Chapter 11 case.

The holders of allowed expenses in Paragraphs (a) through (f) above shall be paid the allowed amount of their Chapter 11 Administrative Expenses on the Effective Date of the Plan provided the Court has entered final, non-appealable orders allowing such Administrative Expenses or as may be otherwise agreed to by these Administrative Claimants and the Debtor. The Debtor anticipates entering into agreements with its attorneys, accountant and consultant, to pay its allowed Chapter 11 expenses over time following confirmation of its Plan.

U.S. Trustee fees required to be paid pursuant to 28 U.S.C. §1930 identified in Paragraph (g) above shall be timely paid until such time as the within Chapter 11 case is dismissed, converted or closed by order of the Bankruptcy Court. The Debtor estimates it may owe the U.S. Trustee \$975 for unpaid quarterly fees.

Fees and other expenses identified in Paragraph (h) above shall be paid pursuant to the terms of any agreement and/or in the ordinary course of the Debtor's business and/or financial affairs according to ordinary business terms. Any unpaid post-petition taxes owing by the Debtor's bankruptcy estate will be paid in full on or before the Effective Date of the Plan.

Unsecured Priority Claim of the Internal Revenue Service (IRS)

The Allowed Unsecured Priority Claim of the IRS in the approximate amount of \$3,600 will be paid in full in monthly payments of principal and interest at 5% per annum amortized over 48 months with the first payment of principal and interest due on the Effective Date and continuing monthly thereafter until paid in full. Each monthly payment will be approximately \$83.

X. MEANS FOR IMPLEMENTATION OF THE PLAN

Upon confirmation of the Plan, the Reorganized Debtor will implement its Plan as follows:

- (a) Upon entry of the Confirmation Order, title in the Debtor's Assets, except as otherwise provided for herein, will be transferred to the Reorganized Debtor;

- (b) The Debtor will pay the holders of allowed Chapter 11 Administrative Expenses on the Effective Date of the Plan unless otherwise agreed to between these parties and the Debtor.
- (c) The Reorganized Debtor will pay quarterly fees to the U.S. Trustee as required by the Bankruptcy Code until its case is closed, converted to a Chapter 7 case or dismissed by the Bankruptcy Court.
- (d) Objections to Claims:
 - (1) The Debtor shall object, when appropriate to any administrative expense, secured or unsecured claim. The Debtor intends to object to the claims of FirsTier Bank and Wright Group Services.
 - (2) The Debtor shall bring any preference or fraudulent conveyance claims as appropriate.
- (e) The Debtor will pursue its legal claims against FirsTier Bank, Wright Group Services and Rhino Sports.
- (f) Payment of Allowed Claims and Administrative Expenses Under the Plan.

The Reorganized Debtor shall make payments to creditors and administrative expense claimants with allowed claims and expenses as provided for under the terms of the within Plan. Payments under the Plan shall be made by check and shall be mailed to each creditor and/or administrative expense claimant with an allowed claim at the address set forth in the Debtor's Statements and Schedules filed with the Court or as set forth in any Proof of Claim, other pleading or change of address notification, etc. filed with the Court. Payments for Administrative Expenses and Allowed Claims shall be

made from Debtor's Cash or from future revenues as may be agreed upon by and between Debtor and the Administrative Claimant in question.

- (g) Unclaimed Distributions. For a period of one year following the date a payment is due under the within Plan, the Reorganized Debtor shall retain in a reserve account for issuance any unclaimed distributions for the benefit of the holders of allowed claims and/or administrative expenses which have failed to claim such distributions. Following the one year period after such distributions are due, the holders of allowed claims or allowed administrative expenses theretofore entitled to such distributions held in such reserve account shall cease to be entitled thereto and thereupon such unclaimed distributions shall become the property of the Debtor.

XI. UNEXPIRED EXECUTORY CONTRACTS AND LEASES

Unexpired Executory Contracts and Leases:

- (a) The following unexpired executory contracts and/or leases shall be rejected by the Debtor upon confirmation of the Debtor's Plan unless previously assumed: None.
- (b) All unexpired executory contracts and/or leases of the Debtor neither assumed pursuant to the Plan nor pursuant to an order of the Court prior to confirmation of the Plan shall be deemed to have been rejected upon confirmation of the Plan. These unexpired executory contracts and/or leases are identified as follows: None.
- (c) Prior to confirmation of the Plan, the Debtor will have or intends to assume the following leases or executory contracts:

- (1) Water Lease Agreement with the City of Golden, Colorado.
- (2) Transmission Tower Lease with Verizon Wireless.
- (3) Copier Lease with Wells Fargo.
- (4) Facility Lease for indoor soccer with DCG Sports.

XII. MISCELLANEOUS PROVISIONS OF THE DEBTOR'S PLAN

Procedures for Resolving Contested Matters:

- (a) The Reorganized Debtor's objections to claims shall be filed with the Court and shall be served on the holder of each of the claims to which objections are filed by no later than 180 days after the Effective Date. The Reorganized Debtor shall litigate to judgment, settle or withdraw objections to all such Disputed Claims; and
- (b) No payments or distributions shall be made under the Confirmed Plan with respect to all or any portion of a Disputed Claim or Administrative Expense unless and until all objections to such Disputed Claim or Administrative Expense have been determined by Final Order of the Court. Payments and distributions to holders of Disputed Claims or Administrative Expenses under the Confirmed Plan, to the extent such become Allowed Claims or Administrative Expenses, shall be made in accordance with the provisions of this Plan.

Compromise and Settlement of Claims and/or Disputes: The Reorganized Debtor shall be authorized to compromise and settle any claim and/or dispute which it may have against any entity or which may have been brought by any entity against the Debtor. Any such compromise or settlement shall be subject to approval by the Bankruptcy Court after

notice and opportunity for hearing as provided for pursuant to Rule 9013 of the Local Rules of Bankruptcy Procedure for the United States Bankruptcy Court for the District of Colorado.

Provisions for Execution and Supervision of the Plan: Retention of Jurisdiction:

The Court shall retain and have exclusive jurisdiction over the Chapter 11 case for the following purposes to the extent authorized by the Bankruptcy Code ("Code"):

- (1) To determine any and all objections to the allowance of claims;
- (2) To determine any and all applications for allowances of compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Code or the Plan;
- (3) To determine any applications pending on the Effective Date for the rejection or assumption of executory contracts or unexpired leases for the assumption and assignment, as the case may be, of those executory contracts or unexpired leases to which the Debtor is a part or with respect to which the Debtor may be liable, and to hear and determine, and if need be, to liquidate any and all claims arising therefrom;
- (4) To determine any and all applications, adversary proceedings and contested or litigated matters that may be pending on the Effective Date;

- (5) To consider any modifications of the Plan, remedy any defect or omission or reconcile any inconsistency in any Order of the Bankruptcy Court, including the Confirmation Order;
- (6) To determine all controversies, suits and disputes that may arise in connection with or interpretation, enforcement or consummation of the Plan;
- (7) To consider and act on the compromise and settlement of any claim or cause of action by or against the Debtor's Estate;
- (8) To resolve any pending disputes regarding the Debtor's interest in its Assets;
- (9) To issue orders in aid of execution of the Plan to the extent authorized by 11 U.S.C. §1142 of the Code; and
- (10) To determine such other matters as may be set forth in the Confirmation Order or as may arise in connection with the Plan or the Confirmation Order.

The Plan may be amended by the Debtor and/or the Reorganized Debtor before or after the Confirmation Date as provided in 11 U.S.C. §1127 of the Code.

Payment of Fees Pursuant to 11 U.S.C. §1129(12): All fees required to be paid by 28 U.S.C. §1930 will be paid as required therein until such time as the within Chapter 11 case is dismissed, converted or closed by order of the Bankruptcy Court. The Reorganized Debtor shall file quarterly post-confirmation reports until the case is closed.

Modification of Payment Terms: The treatment of any Allowed Claim may be modified or reduced at any time after the Confirmation Date upon the consent of the creditor whose Allowed Claim treatment is being modified.

Retention of Liens: Except as may be otherwise provided for in this Plan, creditors whose allowed claims are secured by lien(s) against the Debtor's Assets or otherwise claim an interest in such Assets shall retain such liens to the extent of its allowed secured claims and in the same priority as its pre-petition liens or, shall retain its interest in such Assets to the same extent and in the same priority as its pre-petition interests in such Assets.

Discharge of Debtor: The rights afforded in the Plan shall be in exchange for and in complete satisfaction, discharge and release of all claims or interests, of any nature whatsoever, including any interest accrued thereon from and after the petition date against the Debtor, and the Estate or any of its Assets except as otherwise provided for in the Plan. Upon the entry of a discharge of the Debtor, all creditors and holders of interests shall be precluded from asserting against the Debtor and its Estate or its Assets, any other or future claim or interest based on any act or omission, transaction or other activity of any kind that occurred prior to the Effective Date.

Debtor's Assets: Except as provided for in the Plan or in the Confirmation Order, upon Confirmation of the Plan, the Reorganized Debtor shall be vested with full ownership of and dominion over its Assets free and clear of all claims, liens, charges and other interests of creditors arising prior to the filing of the bankruptcy petition and except as otherwise provided in the Plan. Upon confirmation of the within Plan, the Reorganized Debtor may manage its financial affairs free of any restrictions of the Bankruptcy Code, the Bankruptcy Court or the United States Trustee except as otherwise provided in the Plan.

Final Report: The Debtor will file its Final Report and seek to obtain a Final Decree closing its Chapter 11 proceeding no later than 180 days following the entry of the Confirmation Order.

Default: In the event of a default by the Reorganized Debtor with respect to payments to creditors under its Plan, such creditors shall be entitled to take action to collect the full amount of its debt with whatever collection remedies it normally would have available when payments to such creditors are not made as scheduled were this case not in bankruptcy. The creditors shall give the Reorganized Debtor written notice of any default and the Reorganized Debtor shall have ten (10) calendar days to cure such default. Any failure to act on any default or acceptance of late payments will not act as a waiver by the creditor to act on further defaults.

XIII. RISK FACTORS

Several factors could adversely affect the Debtor following confirmation which in turn could impact the Debtor's performance under its Plan. These factors may include the following:

- (1) The Bankruptcy Court may deny confirmation of the proposed Plan.
- (2) The Bankruptcy Court may not confirm the Debtor's Plan as projected and the Effective Date of the Plan may not occur on or before July 1, 2011, which could delay the distributions to the various creditor classes under the Plan.
- (3) The Debtor may not generate sufficient income from its ongoing operations to pay its obligations under its Plan. Attached hereto as Exhibit "E" are financial projections which have been prepared by the Debtor for the five (5) year period following confirmation

of the Debtor's Plan. The Debtor believes that it will be able to meet its financial projections in order to pay its creditors under the Plan.

XIV. EFFECT OF CONFIRMATION OF THE PLAN ON DEBTOR AND CREDITORS

The terms of the confirmed Plan will bind the Reorganized Debtor and all of its creditors with respect to the re-payment of claims provided for in the Plan whether or not the holders of such claims vote to accept the Plan.

XV. COMPARISON OF PLAN TO LIQUIDATION UNDER CHAPTER 7 OF THE BANKRUPTCY CODE

The Debtor projects that under its Plan, the Debtor's general unsecured creditors (with allowed unsecured claims) in Class 4 will realize a return of 100% of their allowed unsecured claims, with interest. The Debtor estimates that liquidation under Chapter 7 of the Bankruptcy Code would result in a payment of 100% to general unsecured creditors with allowed unsecured claims with interest. However, the Debtor believes that conversion of its case would delay distribution to its creditors. This is so because the Debtor would vigorously object to conversion of its case, and further, if the case were converted, the Debtor believes that it would take longer for unsecured creditors to get paid through a Chapter 7 than as proposed by the Plan. Conversion would also mean that the Debtor's business would cease operations, which would cause the Debtor's employees to be terminated resulting in an adverse impact on the local economy.

Under Chapter 7 of the Bankruptcy Code, a trustee would be appointed to liquidate Debtor's Assets. A liquidation analysis of the Debtor's Assets is attached hereto as Exhibit "F".

XVI. BEST INTEREST OF CREDITORS

The Bankruptcy Code provides that in order to confirm its Plan of Reorganization, the Debtor must satisfy the “best interest of creditors test”. Simply stated, this test requires that each holder of an impaired claim or interest must either vote to accept Debtor’s Plan or receive what such holder would receive in a hypothetical Chapter 7 liquidation under the Bankruptcy Code.

Debtor’s proposed Plan meets this requirement of the Bankruptcy Code since each creditor of Debtor will receive at least as much, if not more (allowed secured claimants projected to receive 100% amount of allowed secured claim with interest, general unsecured creditors projected to receive 100% of claims with interest) than they would receive in a Chapter 7 liquidation case (where unsecured creditors are projected to receive approximately 100% on allowed unsecured claims plus interest).

XVII. CRAMDOWN UNDER THE PLAN

If an impaired class does not accept the Plan, the Plan can be “crammed down” or forced on such class upon a showing that the Plan is “fair and equitable”. The concept of cramdown of Debtor’s Plan is best summarized as follows: If a holder of a secured claim objects to confirmation of the Plan, the Plan may be confirmed over such objection if: (1) the creditor retains the lien on the collateral to the extent of the value of the collateral and (2) the creditor is paid with interest over the life of the Plan the amount of the allowed secured claim. If an unsecured creditor objects to the Plan, the Plan may be confirmed over that objection if: (1) the unsecured creditor is receiving under the Plan at least what it would receive in a Chapter 7 liquidation, and (2) the holders of any claims or interest junior to the unsecured creditor (i.e., the equity interest in the Debtor), will receive nothing

until unsecured creditors are paid in full. This rule is known as the “absolute priority rule” in bankruptcy. It is the opinion of the Debtor that with respect to its secured creditors, its proposed Plan is fair and equitable since such creditors will retain their security interests securing the allowed amount of their claims and will be paid the allowed amount of their secured claims with interest over the life of its Plan. With respect to Debtor’s unsecured creditors, the Debtor believes that it will meet the fair and equitable test because the Plan does not violate the absolute priority rule. The Debtor’s Plan provides that unsecured creditors will receive approximately 100% repayment on their allowed unsecured claims plus interest. Equity interest holders in the Debtor will retain their equity interests in the Debtor following confirmation of the Plan.

XVIII. FEDERAL TAX CONSEQUENCES OF THE CONFIRMED PLAN

The Debtor knows of no adverse federal tax consequences which will occur upon confirmation of the Debtor’s Plan. However, creditors should consult with their own tax advisors concerning the effect of confirmation of the Plan on their individual circumstances.

XIX. RECOMMENDATION

The Debtor urges you to complete and sign the enclosed ballot, and vote in favor of its Plan before the deadline established by the Court in its Order or Notice which is enclosed with this Plan.

BALL FOUR, INC.

By: \s\ Larry R. Gentry
Larry R. Gentry, President

Respectfully submitted,

WEINMAN & ASSOCIATES, P.C.

By: \s\ Jeffrey A. Weinman
Jeffrey A. Weinman, #7605
William A. Richey, #13438
730 17th Street, Suite 240
Denver, CO 80202-3506
Telephone: (303) 572-1010
Facsimile: (303) 572-1011
jweinman@epitrustee.com
wrichey@weinmanpc.com

*Counsel for Debtor-in-Possession
Ball Four, Inc.*