IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	**§**	
	§	
CONTINENTAL COMMON, INC,	**§**	**Case No. 10-37542-HDH**
	§	**Chapter 11**
Debtor.	**§**	

DISCLOSURE STATEMENT UNDER 11 U.S.C. 1125 IN SUPPORT OF THE DEBTOR'S PLAN OF REORGANIZATION DATED MARCH 28, 2011

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED BY CONTINENTAL COMMON, INC. (THE "DEBTOR") AND DESCRIBES THE TERMS AND PROVISIONS OF THE DEBTOR'S PLAN OF REORGANIZATION DATED MARCH 28, 2011 (THE "PLAN"). ANY TERM USED IN THIS DISCLOSURE STATEMENT THAT IS NOT DEFINED HEREIN HAS THE MEANING ASCRIBED TO THAT TERM IN THE PLAN. A COPY OF THE PLAN IS INCLUDED HEREIN FOLLOWING THIS DISCLOSURE STATEMENT.

Dated: March 30, 2011

Melissa S. Hayward
Texas Bar No. 24044908
MHayward@FSLHlaw.Com
FRANKLIN SKIERSKI LOVALL HAYWARD LLP
10501 N. Central Expy, Ste. 106
Dallas, Texas 75231
Tel: (972) 755-7100
Fax: (972) 755-7110

COUNSEL TO THE DEBTOR-IN-POSSESSION, CONTINENTAL COMMON, INC.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	
	§	
CONTINENTAL COMMON, INC.	§	**Case No. 10-37542-HDH**
	§	**Chapter 11**
Debtor.	§	

DISCLOSURE STATEMENT UNDER 11 U.S.C. 1125 IN SUPPORT OF THE DEBTOR'S PLAN OF REORGANIZATION DATED MARCH 28, 2011

SUMMARY OF THE PLAN

The Plan provides for the Debtor to continue to manage and operate the three properties it owns: (i) an office building located at 1010 Common St. in New Orleans, LA 70112 (the "1010 Common Property") and various ground leases and land associated with the 1010 Common Property; (ii) approximately 43.433 acres of undeveloped land located at 4600, 5201, 5224, and 5325 Shadydell Circle in Fort Worth, TX (collectively, the "Marine Creek Property"); and (iii) approximately 17.115 acres of undeveloped land located at 11600 Luna Road, Farmers Branch, TX (the "Lacy Longhorn Property"), collectively with the 1010 Common Property and the Marine Creek Property, the "Properties").

Under the Plan, the Debtor will use the Net Cash Flow of the Properties, funds currently on hand, funds to be contributed by the Reorganized Debtor's equity holder, and proceeds from sales of the Properties to enable the Debtor to meet operating expense and to pay creditors. Until and unless the Properties are sold or refinanced, or until operating revenues are increased to a sufficient level, Transcontinental Realty Investors, Inc. ("TCI"), the entity or its designee acquiring the equity of the Debtor, will need to contribute funds to fund the initial payments to be made under the Plan and to enable the Debtor to meet its obligations under the Plan, and TCI has agreed to contribute up to $1.2 million of such funds.

The perfected liens and security interests held by any lender will be continued, preserved and retained to secure the unpaid balance of such lender's Allowed Secured Claims. TCI or its designee will receive 100% of the equity interests in the Reorganized Debtor on account of its contributions and the new value it is providing in funding the Plan.

A summary outline of the treatment to creditors is set forth below:

Class - Description	Estimated Number of Claimants Within Class	Estimated Aggregate Amount of Allowable Claims*	Proposed Treatment	Amount Required to Fund Initial Plan Payments
Non-Class 1 – Administrative Claims and Priority Claims (other than Priority Tax Claims, which are treated as Class 2 Claims)	**1***	**$100,000.00**	**100% - Allowed Claims entitled to Administrative Expense Priority pursuant to Section 507(a)(2) of the Bankruptcy Code and Allowed Priority Claims entitled to priority treatment pursuant to Section 507(a)(3) through (a)(7), inclusive, and 507(a)(9) through (a)(10), inclusive shall receive, at the Reorganized Debtor's option: (i) payment in full in Cash on account of such Allowed Administrative Expense on the later of the Effective Date or the date on which such Administrative Expense is Allowed; or (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 such Administrative Expense Creditor and the Reorganized Debtor or as ordered by the Bankruptcy Court. Notwithstanding anything herein to the contrary, the Reorganized Debtor is authorized to pay in the ordinary course any Administrative Expense representing a liability incurred in the ordinary course of business by the Debtor.** **Allowed Tax Claims entitled to Administrative Expense Priority pursuant to Section 507(a)(8) shall be treated as Class 2 Claims.** **All outstanding quarterly trustee's fees pursuant to 28 U.S.C. §1930(a)(6) shall be paid by the Reorganized Debtor on the Effective Date and thereafter as the same may become due.** **Any Cure Claim owed under any assumed Executory Contract or Lease will be paid in full through six equal monthly payments, the first of which will be due and payable on the fifth Business Day of the first month that is more than 30 days after the Effective Date and the remaining of which will be due on the fifth Business Day of each respective month thereafter, as provided in Section 13.4 of the Plan.*** **Non-Class 1 Claimants shall not be entitled to vote on the Plan.**	**$60,000.00**
Class 2 – Allowed Secured Tax Claims	**3**	**$688,585.00**	**Within ten (10) days of the Effective Date, the Debtor shall pay in full the Allowed Secured Claim of any Taxing Authority whose Allowed Secured Claim is based upon Taxes that became due in the year 2010 with respect to the 1010 Common Property and that became due on January 31, 2011 with respect to the Marine Creek and Lacy Longhorn Properties. Except to the extent that the holder of an Allowed Secured Tax Claim agrees to different treatment, the Allowed Secured Claim of any Taxing Authority whose Claim is a Pre-Petition Claim based upon Taxes that became due in the year 2011 with respect to the 1010 Common Property, which the Debtor believes total approximately $249,000.00, will be paid with**	**$439,585.00**

			quarterly deferred cash payments including applicable interest over a period not exceeding five years from the Petition Date of a value, as of the Effective Date, equal to the outstanding amount of such Allowed Claim. Any perfected liens or security interests securing the Allowed Secured Claim of a Taxing Authority will be preserved and continued. **With respect to Allowed Secured Tax Claims, the interest rate paid upon such Claims shall be the rate of interest determined under applicable nonbankruptcy law.** **Post-petition property taxes will be paid when such taxes become due and payable under the laws of the applicable taxing jurisdiction unless a particular Property is sold prior to such time, at which time any Allowed Secured Tax Claim with respect to such Property will be paid in full.** **Class 2 Claims are impaired by the Plan.**	
Class 3 – Allowed Secured Claims of PNC	**1**	**$17,595,436.39**	**The Allowed Secured Claim of PNC shall be paid in full on or before December 31, 2013 by either or a combination of: (i) the sale of one or more of the Properties and/or (ii) the refinancing of the remaining unpaid portion of PNC's Allowed Secured Claim. Until such time as the remaining unpaid portion of the Lender's Allowed Secured Claim is refinanced or otherwise paid in full, which shall occur by no later than December 31, 2013, interest shall accrue on the Allowed Secured Claim of PNC as follows: From the Effective Date through June 30, 2011, such interest shall accrue at the rate of LIBOR plus 3.5% per annum. From July 1, 2011 through December 31, 2013, such interest shall accrue at the greater of: (i) a rate of LIBOR plus 3.5% per annum; or (ii) 4.25% per annum. Such monthly interest will be paid to PNC only to the extent that: (i) any Revenue derived from the operation and/or leasing of the 1010 Common Property exists in any given month after payment of all of the operating expenses associated with the 1010 Common Property for such month, including taxes, insurance, amounts owed to ground lessors and on account of the Monlezun Loan, tenant improvement costs, leasing commissions, and necessary repairs and/or capital expenditures, as determined in the Debtor's sole discretion (the "1010 Common Monthly Revenue"); and (ii) monthly accrued interest remains unpaid. The first monthly payment of interest, if any, will be due and payable by the fifth Business Day of the first month that is more than 30 days after the Effective Date and will be calculated based upon the 1010 Common Monthly Revenue for the previous month, and thereafter, monthly payments of interest, if any, shall be due and payable by the fifth Business Day of the subsequent month.** **In addition, commencing on January 1, 2012, TCI will pay PNC an additional $25,000.00 per month, to be applied against the outstanding amount of the Allowed Secured Claim of PNC. PNC may also receive from time to time certain payments from the Debtor reducing the outstanding principal amount of its Allowed Secured Claim as provided in Article IX of the Plan.** **Additionally, within ten days of the Effective Date, the Reorganized Debtor shall pay any accrued but unpaid interest at a rate of LIBOR plus 3.50% due**	**$238,523.00**

			and owing on the PNC Loan. **On or before the Effective Date, the Debtor and PNC shall enter into a cash management agreement for the purpose of establishing an account into which all revenues from the Properties shall be deposited (the "Lockbox"). Funds in the Lockbox shall be distributed each month under a waterfall provision as follows:** **1 – Payment of operating expenses with respect to any of the Properties, including appropriate escrows for property taxes and insurance** **2 – Payments due to John K. Monlezun** **3 – Payments due on account of any ground leases with respect to the 1010 Common Property** **4– Payments to PNC** **5 – Tenant improvements/commissions/operating reserves** **The Allowed Secured Claim of PNC will be determined by the value as of the Petition Date of the perfected collateral securing such Allowed Claim, which value will be determined by agreement of the parties or by the Bankruptcy Court following a valuation proceeding in accordance with the Bankruptcy Code. Any perfected liens or security interests securing the Allowed Secured Claim of PNC will be preserved and continued. PNC shall, upon payment and satisfaction of the Allowed Secured Claim of PNC, execute releases of any remaining encumbrances upon the Property in a form satisfactory to the Reorganized Debtor and shall deliver same to the Reorganized Debtor or its designee. Nothing herein shall prohibit the Debtor or the Reorganized Debtor from refinancing or otherwise disposing of any of the Properties at any time, provided that the remaining unpaid portion of the Allowed Secured Claim allocable to such Property shall be paid in full at such time.** **Class 3 is impaired.**	
Class 4 – Allowed Secured Claim of Propel Financial Services, LLC	**1**	**$106,583.70**	**Except to the extent that Propel agrees to different treatment, the Allowed Secured Claim of Propel will be paid in full by no later than the fifth Business Day of the first month that is more than 30 days after the Effective Date. Any perfected liens or security interests securing the Allowed Secured Claim of Propel will be preserved and continued.** **Class 4 is impaired under the Plan.**	**$106,583.70**
Class 5 – Allowed Secured Claim of John K. Monlezun	**1**	**$225,000.00**	**Except to the extent that John Monlezun agrees to different treatment, the Allowed Secured Claim of John Monlezun shall be paid in full within five years of the Effective Date by either the refinancing of the remaining unpaid portion of the Allowed Secured Claim of John Monlezun or the sale of the 1010 Common Property. Until such time as the remaining unpaid portion of the Allowed Secured Claim of John Monlezun is refinanced or otherwise satisfied, which shall occur by no later than sixty (60) months from the Effective Date, the Reorganized Debtor shall make monthly payments to John Monlezun comprised of interest only at the rate of 12% per annum. Mr. Monlezun may also**	**$2,250.00**

			receive from time to time certain payments from the Debtor reducing the outstanding principal amount of the Allowed Secured Claim of John Monlezun as provided in Article IX of the Plan. The first monthly payment of interest will be due and payable on the fifth Business Day of the first month that is more than 30 days after the Effective Date and on the fifth Business Day of each respective month thereafter. Any perfected liens or security interests securing the Allowed Secured Claim of John Monlezun will be preserved and continued. John Monlezun shall, upon payment and satisfaction of the Allowed Secured Claim of John Monlezun, execute releases of any remaining encumbrances upon the Property in a form satisfactory to the Reorganized Debtor and shall deliver same to the Reorganized Debtor or its designee. Nothing herein shall prohibit the Debtor or the Reorganized Debtor from refinancing or otherwise disposing of the 1010 Common Property at any time, provided that the remaining unpaid portion of the Allowed Secured Claim of John Monlezun shall be paid in full at such time. **Class 5 is impaired under the Plan.**	
Class 6 – Convenience Class $2,500 or Less	**25**	**$12,650.53***	**Class 6 Claims are comprised of: (i) all Allowed Unsecured Claims that are less than or equal to $2,500.00; and (ii) all Allowed Unsecured Claims held by any Unsecured Creditor electing to have such Claim treated as a Class 6 Claim by waiving the portion of such Claim exceeding the sum of $2,500.00. Class 6 Claims shall be paid 100% of the Allowed amount without interest by the fifth Business Day of the first month that is more than 30 days after the Effective Date through funds to be contributed by TCI.** **Class 6 Claims are impaired by the Plan.**	**$12,650.53**
Class 7 – All Other Allowed General Unsecured Claims	**10**	**$327,616.92***	**Except to the extent that a holder of an Allowed Unsecured Claim agrees to different treatment, Class 7 Claims shall be paid 100% of the Allowed amount without interest in six equal monthly payments, the first payment of which will be due and payable on the fifth Business Day of the first month that is more than 30 days after the Effective Date and on the fifth Business Day of each respective month thereafter.** **Class 7 Claims are impaired by the Plan.**	**$54,602.82**
Class 8 – Subordinated Claims of TCI	**1**	**$6,423,762.27**	**Class 8 Claims will receive pro-rata distributions from the Class 8 share of the proceeds from any sale of Property after payment of all Secured Claims holding a Lien in such Property as provided in Article IX. Class 8 Claims may or may not receive distributions under the Plan.** **Class 8 Claims are impaired by the Plan.**	**$0.00**
Class 9 – Allowed Interests	**1**	**100% Held by ABC Land & Development Inc.**	**All Equity Interests Canceled – 100% of New Equity Interests Issued to TCI or its Designee**	**N/A**
Total				**$914,195.05**

***For purposes of this chart, Cure Claims are included in the totals for either Class 6 or Class 7.**

I.

INTRODUCTION

A. Filing of the Debtor's Chapter 11 Reorganization Cases

On October 28, 2010 (the "Petition Date"), the Debtor filed a voluntary petition for reorganization pursuant to Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"). Since the filing of this case, the Debtor has remained in possession of its property and continued its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtor files its Plan to reorganize its financial affairs and hopes that the Plan, as it may hereafter be amended, modified, or restated in whole or in part, will be confirmed on a consensual basis through acceptance by all classes of creditors entitled to vote on the Plan. In the event that one or more of the Debtor's creditor classes fails to accept the Plan, the Debtor will request the Court to confirm the Plan under section 1129(b) of the Bankruptcy Code.

B. Purpose of Disclosure Statement

This Disclosure Statement is submitted in accordance with section 1125 of the Bankruptcy Code for the purpose of soliciting acceptances of the Plan from holders of certain Classes of Claims. The only Creditors whose acceptances of the Plan are sought are those whose Claims are "impaired" by the Plan, as that term is defined in section 1124 of the Bankruptcy Code and who are receiving distributions under the Plan. Holders of Claims that are not "impaired" are deemed to have accepted the Plan.

The Debtor has prepared this Disclosure Statement pursuant to the provisions of section 1125 of the Bankruptcy Code, which requires that a copy of the Plan, or a summary thereof, be submitted to all holders of Claims against, and Interests in, the Debtor, along with a written Disclosure Statement containing adequate information about the Debtor of a kind, and in sufficient detail, as far as is reasonably practicable, that would enable a hypothetical, reasonable investor typical of Creditors and holders of Interests to make an informed judgment in exercising their right to vote on the Plan.

Section 1125 of the Bankruptcy Code provides, in pertinent part:

> (b) An acceptance or rejection of a plan may not be solicited after the commencement of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information. The court may approve a disclosure statement without a valuation of the Debtor or an appraisal of the Debtor's assets.
>
> * * *

> (d) Whether a disclosure statement required under subsection (b) of this section contains adequate information is not governed by any otherwise applicable non-bankruptcy law, rule, or regulation, but an agency or official whose duty is to administer or enforce such a law, rule, or regulation may be heard on the issue of whether a disclosure statement contains adequate information. Such an agency or official may not appeal from, or otherwise seek review of, an order approving a disclosure statement.
>
> (e) A person that solicits acceptance or rejection of a plan, in good faith and in compliance with the applicable provisions of this title, or that participates, in good faith and in compliance with the applicable provisions of this title, in the offer, issuance, sale, or purchase of a security, offered or sold under the plan, of the Debtor, of an affiliate participating in a joint plan with the Debtor, or of a newly organized successor to the Debtor under the plan, is not liable, on account of such solicitation or participation, for violation of any applicable law, rule, or regulation governing solicitation of acceptance or rejection of a plan or the offer, issuance, sale, or purchase of securities.

This Disclosure Statement was approved by the Bankruptcy Court during a hearing on _____ ____, 2011. Such approval is required by the Bankruptcy Code and does not constitute a judgment by the Bankruptcy Court as to the desirability of the Plan, or as to the value or suitability of any consideration offered thereunder. Such approval does indicate, however, that the Bankruptcy Court has determined that the Disclosure Statement meets the requirements of section 1125 of the Bankruptcy Code and contains adequate information to permit the holders of Allowed Claims, whose acceptance of the Plan is solicited, to make an informed judgment regarding acceptance or rejection of the Plan.

> **THE APPROVAL BY THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN. THE MATERIAL HEREIN CONTAINED IS INTENDED SOLELY FOR THE USE OF CREDITORS AND HOLDERS OF INTERESTS OF THE DEBTOR IN EVALUATING THE PLAN AND VOTING TO ACCEPT OR REJECT THE PLAN AND, ACCORDINGLY, MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN THE DETERMINATION OF HOW TO VOTE ON THE PLAN. THE DEBTOR'S REORGANIZATION PURSUANT TO THE PLAN IS SUBJECT TO NUMEROUS CONDITIONS AND VARIABLES AND THERE CAN BE NO ABSOLUTE ASSURANCE THAT THE PLAN, AS CONTEMPLATED, WILL BE EFFECTUATED.**
>
> **THE DEBTOR BELIEVES THAT THE PLAN AND THE TREATMENT OF CLAIMS THEREUNDER IS IN THE BEST INTERESTS OF CREDITORS AND URGES THAT YOU VOTE TO ACCEPT THE PLAN.**

This Disclosure Statement Has Not Been Approved Or Disapproved By The Securities and Exchange Commission, Nor Has The Commission Passed Upon The Accuracy Or Adequacy Of The Statements Contained Herein. Any Representation To The Contrary Is Unlawful.

This Disclosure Statement And The Appendices To It Contain Forward-Looking Statements Relating To Business Expectations, Asset Sales And Liquidation Analysis. Business Plans May Change As Circumstances Warrant. Actual Results May Differ Materially As A Result Of Many Factors, Some Of Which the Debtor Has No Control Over.

C. Hearing on Confirmation of the Plan

The Bankruptcy Court has set __ _____, 2011, at ___:___ o'clock, __.m. Dallas, Texas Time, as the time and date for the hearing (the "Confirmation 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. Once commenced, the Confirmation Hearing may be adjourned or continued by announcement in open court with no further notice. Holders of Claims against the Debtor may vote on the Plan by completing and delivering the enclosed Ballot to: Melissa S. Hayward, Franklin Skierski Lovall Hayward, LLP, 10501 N. Central Expy, Suite 106, Dallas, Texas 75231 (for more information, call Telephone No. 972-755-7100). **Ballots must be actually received on or before 5:00 p.m. Dallas, Texas time on _____ _____, 2011.** If the Plan is rejected by one or more impaired Classes of creditors or holders of Interests, the Plan, or a modification thereof, may still be confirmed by the Bankruptcy Court under section 1129(b) of the Bankruptcy Code (commonly referred to as a "cramdown") if the Bankruptcy Court determines, among other things, that the Plan does not discriminate unfairly and is fair and equitable with respect to the rejecting Class or Classes of creditors or holders of Interests impaired by the Plan. The procedures and requirements for voting on the Plan are described in more detail below.

D. Sources of Information

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the Debtor, its businesses, properties and management, and the Plan have been prepared from information furnished by the Debtor and its property manager, Regis Realty I, LLC. Unless an information source is otherwise noted, the statement was derived from information provided by such parties. **The Debtor's management or its Property Manager may have prepared financial projections that are attached as an appendix or exhibit to this Disclosure Statement and, if so, a large portion of the assumptions in those financial projections are based solely upon management's industry experience, judgment, and expectations. The assumptions used to derive any of the pro forma operating results are based on the Debtor's historical experience, industry information available to management, and management's experience in owning, operating, and rehabilitating similar properties.**

The Information Contained Herein Has Not Been Subjected To A Certified Audit And Is Based, In Part, Upon Information Prepared By Parties Other Than The Debtor. Therefore, Although The Debtor Has Made Every

Reasonable Effort To Be Accurate In All Material Matters, The Debtor Is Unable To Warrant Or Represent That All The Information Contained Herein Is Completely Accurate.

Certain of the materials contained in this Disclosure Statement may have been taken directly from other readily accessible documents or are digests of other documents. While the Debtor has made every effort to retain the meaning of such other documents or portions that have been summarized, the Debtor urges that any reliance on the contents of such other documents should depend on a thorough review of the documents themselves. In the event of a discrepancy between this Disclosure Statement and the actual terms of a document, the actual terms of such document shall control.

The authors of the Disclosure Statement have compiled information from the Debtor without professional comment, opinion or verification and do not suggest comprehensive treatment has been given to matters identified herein. Each creditor and holder of an Interest is urged to independently investigate any such matters prior to reliance.

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified, and neither the delivery of this Disclosure Statement nor any exchange of rights made in connection with it shall, under any circumstances, create an implication that there has been no change in the facts set forth herein since the date hereof.

No statements concerning the Debtor, the value of its property, or the value of any benefit offered to the holder of a Claim or Interest in connection with the Plan should be relied upon other than as set forth in this Disclosure Statement. In arriving at your decision, you should not rely on any representation or inducement made to secure your acceptance or rejection that is contrary to information contained in this Disclosure Statement, and any such additional representations or inducements should be reported to counsel for the Debtor, Melissa S. Hayward, Franklin Skierski Lovall Hayward, LLP, 10501 N. Central Expy, Suite 106, Dallas, Texas 75231, (972) 755-7100.

II.
EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to Chapter 11, a debtor-in-possession attempts to reorganize its business and financial affairs for the benefit of the Debtor, its creditors, and other parties-in-interest.

The commencement of a Chapter 11 case creates an estate comprising all the legal and equitable interests of the Debtor in property as of the date the petition is filed. Unless the Bankruptcy Court orders the appointment of a trustee, sections 1101, 1107 and 1108 of the Bankruptcy Code provide that a Chapter 11 Debtor may continue to operate its business and control the assets of its estate as a "debtor-in-possession" as Debtor has since the Petition Date.

The filing of a Chapter 11 petition also triggers the automatic stay, which is set forth in section 362 of the Bankruptcy Code. The automatic stay essentially halts all attempts to collect pre-petition claims from the Debtor or to otherwise interfere with the Debtor's business or its estate.

Formulation of a plan of reorganization is the principal purpose of a Chapter 11 case. The plan sets forth the means for satisfying the claims of creditors against and interests of equity security holders in the Debtor. Unless a trustee is appointed, only the Debtor may file a plan during the first 120 days of a Chapter 11 case (the "Exclusive Period"). After the Exclusive Period has expired, a creditor or any other party-in-interest may file a plan, unless the Debtor files a plan within the Exclusive Period. If a Debtor does file a plan within the Exclusive Period, the Debtor is given sixty (60) additional days (the "Solicitation Period") to solicit acceptances of its plan. Section 1121(d) of the Bankruptcy Code permits the Bankruptcy Court to extend or reduce the Exclusive Period and the Solicitation Period upon a showing of adequate "cause". The Debtor's Exclusive Period was extended by the Bankruptcy Court to March 28, 2011, and the Debtor filed its Plan on that date.

B. Plan of Reorganization

A plan of reorganization provides the manner in which a Debtor will satisfy the claims of its creditors. After the plan of reorganization has been filed, the holders of claims against or interests in a Debtor are permitted to vote on whether to accept or reject the plan. Chapter 11 does not require that each holder of a claim against or interest in a Debtor vote in favor of a plan of reorganization in order for the plan to be confirmed. At a minimum, however, a plan of reorganization must be accepted by a majority in number and two-thirds in amount of those claims actually voting from at least one class of claims impaired under the plan. The Bankruptcy Code also defines acceptance of a plan of reorganization by a class of interests (equity securities) as acceptance by holders of two-thirds of the number of shares actually voted.

Classes of claims or interests that are not "impaired" under a plan of reorganization are conclusively presumed to have accepted the plan and, thus, are not entitled to vote. Acceptances of the Plan in this case are being solicited only from those persons who hold Claims in an impaired Class (other than Classes of Claims which are not receiving any distribution under the Plan). A Class is "impaired" if the legal, equitable, or contractual rights attaching to the Claims or Interests of that Class are modified. Modification does not include curing defaults and reinstating maturity or payment in full in cash.

Even if all classes of claims and interests accept a plan of reorganization, the Bankruptcy Court may nonetheless still deny confirmation. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and, among other things, the Bankruptcy Code requires that a plan of reorganization be in the "best interests" of creditors and shareholders and that the plan of reorganization be feasible. The "best interests" test generally requires that the value of the consideration to be distributed to claimants and interest holders under a plan may not be less than those parties would receive if that Debtor were liquidated under a hypothetical liquidation occurring under Chapter 7 of the Bankruptcy Code. A plan of reorganization must also be determined to be "feasible", which generally requires a finding that there is a reasonable probability that the Debtor will be able to perform the obligations incurred under the plan of

reorganization, and that the Debtor will be able to continue operations without the need for further financial reorganization.

The Bankruptcy Court may confirm a plan of reorganization even though fewer than all of the classes of impaired claims and interests accept it. In order for a plan of reorganization to be confirmed despite the rejection of a class of impaired claims or interests, the proponent of the plan must show, among other things, that the plan of reorganization does not discriminate unfairly and that the plan is fair and equitable with respect to each impaired class of claims or interests that has not accepted the plan of reorganization.

Under section 1129(b) of the Bankruptcy Code, a plan is "fair and equitable" as to a class if, among other things, the plan provides: (a) that each holder of a claim included in the rejecting class will receive or retain on account of its claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) that the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all.

The Bankruptcy Court must further find that the economic terms of the plan of reorganization meet the specific requirements of section 1129(b) of the Bankruptcy Code with respect to the particular objecting class. The proponent of the plan of reorganization must also meet all applicable requirements of section 1129(a) of the Bankruptcy Code (except section 1129(a)(8) if the proponent proposes to seek confirmation of the plan under the provisions of section 1129(b)). These requirements include the requirement that the plan comply with applicable provisions of the Bankruptcy Code and other applicable law, that the plan be proposed in good faith, and that at least one impaired class of creditors has voted to accepted the plan.

III.
VOTING PROCEDURES AND REQUIREMENTS FOR CONFIRMATION

If you are in one of the Classes of Claims whose rights are affected by the Plan (*see* "Summary of the Plan" below), it is important that you vote. **If you fail to vote, your rights may be jeopardized.**

A. "Voting Claims" -- Parties Entitled to Vote

Pursuant to the provisions of section 1126 of the Bankruptcy Code, holders of Claims or Interests that are (i) allowed, (ii) impaired, and (iii) that are receiving or retaining property on account of such Claims or Interests pursuant to the Plan, are entitled to vote either for or against the Plan (hereinafter, "Voting Claims"). Accordingly, in this Reorganization Case, any holder of a Claim classified in Classes 2, 3, 4, 5, 6, 7, or 8 of this Plan may have a Voting Claim and should have received a ballot for voting (with return envelope) in these Disclosure Statement and Plan materials (hereinafter, "Solicitation Package") since these are the Classes consisting of impaired Claims that are receiving property. Holders of Claims in Non-Class 1 are not entitled to vote. Holders of Claims in Class 9 are not receiving any distribution or property under the Plan and are deemed to have rejected the Plan.

As referenced in the preceding paragraph, a Claim must be allowed to be a Voting Claim. The Debtor filed schedules in this Reorganization Case listing Claims against the Debtor. To the extent a creditor's Claim was listed in the Debtor's schedules, and was not listed as disputed, contingent, or unliquidated, it is deemed "allowed". Any creditor whose Claim was not scheduled, or was listed as disputed, contingent or unliquidated, must have timely filed a proof of Claim in order to have an "allowed" Claim. Absent an objection to that proof of Claim, it is deemed "allowed". In the event that any proof of Claim is subject to an objection by the Debtor as of or during the Plan voting period ("Objected-to Claim"), then, by definition, it is not "allowed" for purposes of section 1126 of the Bankruptcy Code, and is not to be considered a Voting Claim entitled to cast a ballot. Nevertheless, pursuant to Bankruptcy Rule 3018(a), the holder of an Objected-to Claim may petition the Bankruptcy Court, after notice and hearing, to allow the Claim temporarily for voting purposes in an amount that the Bankruptcy Court deems proper. Allowance of a Claim for voting purposes, and disallowance for voting purposes, does not necessarily mean that all or a portion of the Claim will be allowed or disallowed for distribution purposes.

By Enclosing a Ballot, The Debtor Is Not Representing That You Are Entitled To Vote On The Plan.

B. Return of Ballots

If you are a holder of a Voting Claim, your vote on the Plan is important. Completed ballots should either be returned in the enclosed envelope or sent to counsel for the Debtor at the following address:

Melissa S. Hayward
Franklin Skierski Lovall Hayward, LLP
10501 N. Central Expy., Suite 106
Dallas, Texas 75231

1. Deadline for Submission of Ballots

Ballots must actually be received by any of those persons, whether by mail or hand-delivery, by _____ ____, 2011 at 5:00 P.M. Dallas, Texas Time (The "Ballot Return Date"). Any Ballots received after that time will not be counted. Any Ballot that is not executed by a person authorized to sign such Ballot will not be counted. If you have any questions regarding the procedures for voting on the Plan, contact Counsel for the Debtor, Melissa S. Hayward, Franklin Skierski Lovall Hayward, LLP, 10501 N. Central Expy., Suite 106, Dallas, Texas 75231, Telephone (972) 755-7100, Telecopy (972) 755-7110.

THE DEBTOR URGES ALL HOLDERS OF VOTING CLAIMS TO VOTE IN FAVOR OF THE PLAN.

C. Confirmation of Plan

1. Solicitation of Acceptances

The Debtor is soliciting your vote. The cost of any solicitation by the Debtor will be borne by the Debtor. No other additional compensation shall be received by any party for any solicitation other than as disclosed to the Bankruptcy Court.

No Representations Or Assurances, If Any, Concerning The Debtor (Including, Without Limitation, its Future Business Operations) Or The Plan Are Authorized By The Debtor Other Than As Set Forth In This Disclosure Statement. Any Representations Or Inducements Made By Any Person To Secure Your Vote That Are Other Than Herein Contained Should Not Be Relied Upon By You In Arriving At Your Decision, And Such Additional Representations Or Inducements Should Be Reported To Counsel For The Debtor For Such Action As May Be Deemed Appropriate.

This Is A Solicitation Solely By The Debtor And Is Not A Solicitation By Any Shareholder, Attorney, Or Accountant For The Debtor. The Representations, If Any, Made Herein Are Those Of The Debtor And Not Of Such Shareholders, Attorneys, Or Accountants, Except As May Be Otherwise Specifically And Expressly Indicated.

Under the Bankruptcy Code, a vote for acceptance or rejection of a plan may not be solicited unless the claimant has received a copy of a disclosure statement approved by the Bankruptcy Court prior to, or concurrently with, such solicitation. This solicitation of votes on the Plan is governed by section 1125(b) of the Bankruptcy Code. Violation of section 1125(b) of the Bankruptcy Code may result in sanctions by the Bankruptcy Court, including disallowance of any improperly solicited vote.

2. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court shall enter an Order confirming the Plan. For the Plan to be confirmed, section 1129 requires that:

(i) The Plan complies with the applicable provisions of the Bankruptcy Code;

(ii) The Debtor has complied with the applicable provisions of the Bankruptcy Code;

(iii) The Plan has been proposed in good faith and not by any means forbidden by law;

(iv) Any payment or distribution made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan for services or for costs and

expense in connection with the Plan has been disclosed to the Bankruptcy Court, and any such payment made before the confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;

(v) The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint plan with the Debtor, or a successor to the Debtor under the Plan; the appointment to, or continuance in, such office of such individual is consistent with the interests of Creditors and holders of Interests and with public policy; and the Debtor has disclosed the identity of any insider that will be employed or retained by the Reorganized Debtor and the nature of any compensation for such insider;

(vi) Any government regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtor have approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval;

(vii) With respect to each impaired Class of Claims or Interests, either each holder of a Claim or Interest of the Class has accepted the Plan or will receive or retain under the Plan on account of that Claim or Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated on such date under Chapter 7 of the Bankruptcy Code. If section 1111(b)(2) of the Bankruptcy Code applies to the Claims of a Class, each holder of a Claim of that Class will receive or retain under the Plan on account of that Claim property of a value, as of the Effective Date, that is not less than the value of that holder's interest in the Debtor's interest in the property that secures that Claim;

(viii) Each Class of Claims or Interests has either accepted the Plan or is not impaired under the Plan;

(ix) Except to the extent that the holder of a particular Administrative Claim or Priority Claim has agreed to or the Bankruptcy Code authorizes a different treatment of its Claim, the Plan provides that Administrative Claims and Priority Claims shall be paid in full on the Effective Date or the date on which it is Allowed;

(x) If a Class of Claims or Interests is impaired under the Plan, at least one Class of Claims or Interests that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim or Interest in that Class; and

(xi) 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 to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

The Debtor believes that the Plan satisfies all of the statutory requirements of the Bankruptcy Code and that the Plan was proposed in good faith. The Debtor believes it has complied or will have complied with all the requirements of the Bankruptcy Code.

3. Acceptances Necessary to Confirm the Plan

Voting on the Plan by each holder of a Claim or Interest is important. Chapter 11 of the Bankruptcy Code does not require that each holder of a Claim or Interest vote in favor of the Plan in order for the Court to confirm the Plan. Generally, to be confirmed under the acceptance provisions of Section 1126(a) of the Bankruptcy Code, the Plan must be accepted by each Class of Claims that is impaired under the Plan by Class members holding at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class actually voting in connection with the Plan; in connection with a Class of Interests, more than two-thirds (2/3) of the shares actually voted must accept to bind that Class. A Class of Interests that is impaired under the Plan accepts the Plan if more than two-thirds (2/3) in amount actually voting vote to accept the Plan. Even if all Classes of Claims and Interests accept the Plan, the Bankruptcy Court may refuse to confirm the Plan.

4. Cramdown

In the event that any impaired Class of Claims or Interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtor if, as to each impaired Class that has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable". A plan of reorganization does not discriminate unfairly within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its claims or equity interests. "Fair and equitable" has different meanings for holders of secured and unsecured claims and equity interests.

With respect to a secured claim, "fair and equitable" means either (i) the impaired secured creditor retains its liens to the extent of its allowed claim and receives deferred cash payments at least equal to the allowed amount of its claims with a present value as of the effective date of the plan at least equal to the value of such creditor's interest in the property securing its liens, (ii) property subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien attaching to the proceeds of sale, and such lien proceeds must be treated in accordance with clauses (i) and (iii) hereof, or (iii) the impaired secured creditor realizes the "indubitable equivalent" of its claim under the plan.

With respect to an unsecured claim, "fair and equitable" means either (i) each impaired creditor receives or retains property of a value equal to the amount of its allowed claim or (ii) the holders of claims and equity interests that are junior to the claims of the dissenting class will not receive any property under the plan.

With respect to equity interests, "fair and equitable" means either (i) each impaired equity interest receives or retains, on account of that equity interest, property of a value equal to the greater of the allowed amount of any fixed liquidation preference to which the holder is entitled, any fixed redemption price to which the holder is entitled, or the value of the equity interest; or (ii) the holder of any equity interest that is junior to the equity interest of that class will not receive or retain under the plan, on account of that junior equity interest, any property.

In the event one or more Classes of impaired Claims or Interests rejects or is deemed to have rejected the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired Class of Claims or Interests.

The Debtor believes that the Plan does not discriminate unfairly and is fair and equitable with respect to each Class of Claims and Interests that is impaired.

IV.
BACKGROUND OF THE DEBTOR

A. Nature of the Debtor's Business.

The Debtor is a Nevada corporation with its principal offices located in Dallas, Texas. All of the capital stock of the Debtor is owned by ABC Land & Development, Inc., which is a corporation owned by Ronald Akin and DTS Holdings, LLC. DTS Holdings, LLC is a limited liability company owned by F. Terry Shumate and Donna Shumate. ABC Land & Development, Inc. acquired all of the capital stock of the Debtor from TCI pursuant to a purchase agreement dated October 22, 2010.

The Debtor's primary assets consist of various real estate holdings in multiple states. Specifically, the Debtor owns: (i) an office building located at 1010 Common St. in New Orleans, LA 70112 (the "1010 Common Property") and various ground leases and land associated with the 1010 Common Property; (ii) approximately 43.433 acres of undeveloped land located at 4600, 5201, 5224, and 5325 Shadydell Circle in Fort Worth, TX (collectively, the "Marine Creek Property"); and (iii) approximately 17.115 acres of undeveloped land located at 11600 Luna Road, Farmers Branch, TX (the "Lacy Longhorn Property"), collectively with the 1010 Common Property and the Marine Creek Property, the "Properties").

With respect to the ground leases and underlying land associated with the 1010 Common Property, the Debtor acquired such ground leases and underlying land from Continental Common Lease Inc. through a purchase agreement dated October 22, 2010 for total consideration in the amount of $2,895,203.00, which sum was paid by the Debtor's assumption of Continental Common Lease Inc.'s outstanding liabilities with respect to the ground leases and underlying land, including any outstanding mortgages and accrued and unpaid rental obligations, and payment of the remainder of the purchase price via a promissory note.

Likewise, the Debtor acquired the Marine Creek and Lacy Longhorn Properties from TCI through a purchase agreement dated October 22, 2010 for total consideration in the amount of $7,036,416.72, which sum was paid by the Debtor's assumption of TCI's outstanding liabilities with respect to the Marine Creek and Lacy Longhorn Properties, including the outstanding mortgage, and payment of the remainder of the purchase price via a promissory note.

On October 21, PNC obtained an *ex parte* appointment of a receiver in a Louisiana proceeding over the 1010 Common Property. The Debtor was not served with any process prior to any hearing on the application for a receiver, was not provided notice of such hearing, and did not have an opportunity to be heard on such matter or defend against PNC's claims. Such actions threatened to destroy the Debtor's business and operations and seize and deprive Debtor of its property and assets, and management of the Debtor accordingly made the decision to file Chapter 11 to reorganize the Debtor's financial affairs and thereby protect the interests of

Debtor's unsecured creditors, protect and preserve the interests of the equity security holders, preserve the Debtor's business operations, and to avoid the loss of the Debtor's property. As such, the Debtor filed for bankruptcy protection a few days later on October 28, 2011 to protect and preserve the 1010 Common Property and its ability to pay its creditors by enabling it to reorganize and restructure its financial affairs to fund operations and payments to creditors. Shortly after the Debtor filed for bankruptcy, the Debtor and PNC reached an agreement under which the receiver was relieved of its duties and the Debtor regained control of the 1010 Common Property.

B. The Debtor's Indebtedness and Creditors

With respect to the Properties, as of the Petition Date, the Debtor was indebted to PNC Bank, National Association, as Successor-in-Interest to National City Bank ("PNC" or the "Lender") pursuant to loans made to the Debtor and TCI by National City Bank on or about June 17, 2004 in the original principal amount of $20,000,000.00 (the "PNC Loans"). The PNC Loans are evidenced by, *inter alia*: (i) a *Promissory Note* dated June 17, 2004 in the original principal sum of $16,250,000.00 executed by the Debtor and payable to National City Bank; (ii) a *Promissory Note* dated June 17, 2004 in the original principal sum of $3,750,000.00 executed by TCI and payable to National City Bank; and (iii) a *Deed of Trust and Security Agreement* by and between TCI and National City Bank dated June 17, 2004 (collectively, the "Pre-Petition Loan Documents"). The PNC Loans are allegedly secured by various instruments, including a deed of trust and UCC-1 financing statements, which were filed of record in appropriate jurisdictions. Collateral for the PNC Loans includes, *inter alia*, the Properties and rents received from the operation of the Properties.

In addition, as of the Petition Date, the Debtor was indebted to John K. Monlezun in the amount of $225,000 pursuant to a purchase of a tract of land underlying the 1010 Common Property (the "Monlezun Loan"). The Monlezun Loan is evidenced by, *inter alia*: (i) a *Credit Sale* to Continental Mortgage and Equity Trust dated December 28, 1998 and executed by John K. Monlezun; (ii) a *Promissory Note* dated December 28, 1998 in the original principal sum of $225,000.00 executed by TCI and payable to John K. Monlezun; and (iii) an *Act of Mortgage* by and between TCI and John K. Monlezun dated December 28, 1998. The Monlezun Loan is allegedly secured by various instruments, including a deed of trust and UCC-1 financing statements, which were filed of record in appropriate jurisdictions. Collateral for the Monlezun Loan includes a tract of land underlying the 1010 Common Property.

The Debtor's remaining debt is generally comprised of (a) suppliers of goods and services to the Properties, (b) claims of taxing authorities for property and similar taxes, and (c) notes owing to various affiliates associated with the Debtor's purchase of the Properties.

C. Potential Litigation The Debtor is not a party to any pending litigation and is not aware of any claims asserted against it that could result in litigation. Notwithstanding, the Debtor expects that it may need to bring litigation in the future with respect to various of the Commercial Office Leases in order to enforce the terms of such leases, pursue future or past defaults under such leases, and/or evict tenants for non-payment of rent. As such, the Debtor retains all causes of action and claims with respect to its Commercial Office Leases in the Plan.

D. Avoidance Actions. During the ninety (90) days prior to the Petition Date, the Debtor directly or indirectly made payments and other transfers to creditors on account of antecedent debts. The Debtor believes that most, if not all, of those payments were made either to secured creditors whose collateral exceeded the amount of such creditors' claims or to unsecured creditors in the ordinary course of the Debtor's business from funds provided by TCI or other parties. Therefore, Plan Proponents do not believe that such payments are subject to avoidance and recovery by the Debtors' estates as preferential transfers pursuant to Sections 547 and 550 of the Bankruptcy Code.

Additionally, in the year prior to the Petition Date while TCI was the parent of the Debtor, TCI received no less than $1,539,994.74 from the Debtor as a result of a general cash management system in place between TCI and its subsidiaries. In operating as the parent corporation over myriad other corporations, in the normal course of TCI's and its subsidiaries' business, the revenue from TCI's various subsidiaries flows upstream into a controlled operating account owned by TCI. From this account, TCI transfers funds to a separate controlled disbursement account owned by the particular subsidiary to pay such subsidiary's operating expenses each month. Prior to the sale of the Debtor's stock to ABC, the Debtor's relationship with TCI worked exactly as described above, just like the rest of TCI's subsidiaries. Thus, each month, the 1010 Common Property's revenue would flow upstream from the Debtor into TCI's controlled operating account, and the monthly operating expenses associated with the 1010 Common Property would thereafter be paid from checks drawn from separate controlled disbursement accounts owned by the Debtor and funded by TCI.

While the Debtor may be able to assert fraudulent transfer and/or preference claims against TCI based upon the above cash-management system, the Debtor does not believe that there is any significant benefit in pursuing such claims against TCI because (a) the Plan proposes to pay the allowed general unsecured creditors of the Debtor in full, (b) TCI has agreed in the Plan, if confirmed, to voluntarily subordinate its claims to all other claims to enable payment of allowed general unsecured claims in full, and such voluntary subordination provides greater benefits to the unsecured creditor classes than such classes would receive in a successful avoidance action; (c) TCI is providing substantial new value to the Debtor through its contributions in the Plan up to $1.2 million and likely would not do so if the Debtor were to initiate a lawsuit against it; and (d) the Debtor believes that TCI likely holds valid defenses to any action that could be brought under either a preference or a fraudulent transfer theory, including, but not limited to, that any transfers were made in the ordinary course of business as between the Debtor and TCI, that TCI provided new value on account of any transfers, that such transfers were not made with intent to hinder, delay, or defraud creditors, and that the Debtor was not insolvent at the time any such transfers were made.

Moreover, because the Plan proposes to pay all Allowed Claims other than TCI's Claims in full, there is no significant benefit in pursuing any preference or fraudulent transfer claims.

V.
EVENTS LEADING TO BANKRUPTCY

A. Acquisition of Properties and of Debtor's stock by Warren Road Farm, Inc.

As discussed in detail above, the Debtor acquired the Properties on or about October 22, 2010. At the same time, ABC Land & Development, Inc. acquired all of the capital stock of the Debtor from TCI pursuant to a purchase agreement also dated October 22, 2010, and since then, the Debtor has been operating as a subsidiary of ABC Land & Development, Inc.

B. Professionals Being Paid by the Debtor and Fees to Date

1. Professionals employed by the Debtor.

The Debtor has employed the law firm of Franklin Skierski Lovall Hayward LLP as its Chapter 11 bankruptcy counsel. The Debtor also intends to seek the employment of an interest rate expert, if needed, to assist it in obtaining confirmation of its Plan. The Debtor is also seeking to employ McGlinchey Stafford, PLLC as its general lease and collections counsel with respect to the 1010 Common Property.

2. Fees to Date

The Debtor's professionals have not filed fee applications seeking approval of any fees and expenses incurred in this case through the date of this Disclosure Statement. Prior to the Petition Date, ABC Land & Development, Inc. paid a $40,000 retainer to Franklin Skierski Lovall Hayward LLP, Debtor's general bankruptcy counsel. The Debtor estimates that the aggregate amount of professional fees and expenses incurred by its professionals through the end of March 2011 total approximately $75,000.00.

VI.

DESCRIPTION OF THE PLAN

A. Introduction

A summary of the principal provisions of the Plan and the treatment of Allowed Claims and Interests is set forth in the first part of this Disclosure Statement. The summary is qualified in its entirety by the Plan.

B. Designation of Claims and Interests

The following is a designation of the classes of Claims and Interests under this Plan. A Claim or Interest is classified in a particular class only to the extent that the Claim or Interest qualifies within the description of that class and is classified in another class or classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other class or classes. A Claim or Interest is classified in a particular class only to the extent that the Claim or Interest is an Allowed Claim or Allowed Interest in that class and has not been paid, released or otherwise satisfied before the Effective Date; a Claim or Interest which is not an Allowed Claim or Interest is not in any Class. Notwithstanding anything to the contrary contained in this Plan, no distribution shall be made on account of any Claim or Interest which is not an Allowed Claim or Allowed Interest.

Class	Status
1. **Administrative & Priority Claims**	
Non-Class 1: Priority/ Administrative Claims	Non Voting, unimpaired
2. **Secured Claims**	
Class 2: Secured Claims of Taxing Authorities	Impaired – entitled to vote
Class 3: Secured Claim of PNC	Impaired – entitled to vote
Class 4: Secured Claim of Propel	Impaired – entitled to vote
Class 5: Secured Claim of John K. Monzelun	Impaired – entitled to vote
3. **Unsecured Claims**	
Class 6: Convenience Claims	Impaired – entitled to vote
Class 7: General Unsecured Claims	Impaired – entitled to vote
Class 8: Subordinated Claims	Impaired – entitled to vote
4. **Interests**	
Class 9: Equity security holder	Impaired – deemed to have rejected

C. Treatment of Claims and Interests

1. **Class 1: Administrative Expense and Certain Priority Claims.** Allowed Claims entitled to Administrative Expense Priority pursuant to Section 507(a)(2) of the Bankruptcy Code and Allowed Priority Claims entitled to priority treatment pursuant to Section 507(a)(3) through (a)(7), inclusive, and 507(a)(9) through (a)(10), inclusive shall receive, at the Reorganized Debtor's option: (i) payment in full in Cash on account of such Allowed Administrative Expense on the later of the Effective Date or the date on which such Administrative Expense is Allowed; or (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 such Administrative Expense Creditor and the Reorganized Debtor or as ordered by the Bankruptcy Court. Notwithstanding anything herein to the contrary, the Reorganized Debtor is authorized to pay in the ordinary course any Administrative Expense representing a liability incurred in the ordinary course of business by the Debtor.

Allowed Tax Claims entitled to Administrative Expense Priority pursuant to Section 507(a)(8) shall be treated as Class 2 Claims.

All outstanding quarterly trustee's fees pursuant to 28 U.S.C. §1930(a)(6) shall be paid by the Reorganized Debtor on the Effective Date and thereafter as the same may become due.

All professionals or other entities requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered before the Effective Date (including, without limitation, any compensation requested by any professional or any other entity for making a substantial contribution in the Reorganization Case) shall File and serve on the Reorganized Debtor an application for final allowance of compensation and reimbursement of expenses within thirty (30) days after the Effective Date. Any professional fees and reimbursements or expenses incurred by the Reorganized Debtor subsequent to the Effective Date may be paid without application to the Bankruptcy Court.

An Administrative Expense with respect to which application has been properly filed as provided herein shall become an Allowed Administrative Expense if no objection is filed within thirty (30) days after its filing and service. If an objection is filed within such thirty (30) day period, the Administrative Expense shall become an Allowed Administrative Expense only to the extent Allowed by a Final Order of the Bankruptcy Court. An Administrative Expense that is a Professional Fee Claim, and with respect to which a Fee Application has been properly filed in accordance with this Plan, shall become an Allowed Administrative Expense only to the extent allowed by Final Order of the Bankruptcy Court.

Any Cure Claim owed under any assumed Executory Contract or Lease will be paid in full through six equal monthly payments, the first of which will be due and payable on the fifth Business Day of the first month that is more than 30 days after the Effective Date and the remaining of which will be due on the fifth Business Day of each respective month thereafter, as provided in Section 13.4 of the Plan.

Non-Class 1 Claimants are not a true Class and shall not be entitled to vote on the Plan.

2. Class 2: Allowed Secured Claim of Taxing Authorities. Within ten (10) days of the Effective Date, the Debtor shall pay in full the Allowed Secured Claim of any Taxing Authority whose Allowed Secured Claim is based upon Taxes that became due in the year 2010 with respect to the 1010 Common Property and that became due on January 31, 2011 with respect to the Marine Creek and Lacy Longhorn Properties. Except to the extent that the holder of an Allowed Secured Tax Claim agrees to different treatment, the Allowed Secured Claim of any Taxing Authority whose Claim is a Pre-Petition Claim based upon Taxes that became due in the year 2011 with respect to the 1010 Common Property, which the Debtor believes total approximately $249,000.00, will be paid with quarterly deferred cash payments including applicable interest over a period not exceeding five years from the Petition Date of a value, as of the Effective Date, equal to the outstanding amount of such Allowed Claim. Any perfected liens or security interests securing the Allowed Secured Claim of a Taxing Authority will be preserved and continued.

All Tax Claims shall remain subject to section 505 of the Bankruptcy Code. The Reorganized Debtor shall retain the right to a determination of the amount or legality of any tax pursuant to section 505 of the Bankruptcy Code as to any Tax Claim. The Reorganized Debtor may seek relief pursuant to section 505 of the Bankruptcy Code as a part of, and in conjunction with, any objection to any Tax Claim.

With respect to Allowed Secured Tax Claims, the interest rate paid upon such Claims shall be the rate of interest determined under applicable nonbankruptcy law.

Post-petition property taxes will be paid when such taxes become due and payable under the laws of the applicable taxing jurisdiction unless a particular Property is sold prior to such time, at which time any Allowed Secured Tax Claim with respect to such Property will be paid in full.

Nothing herein shall prohibit the Debtor or the Reorganized Debtor from selling any of the Properties at any time provided that the remaining unpaid portion of the Allowed Secured Claim of a Taxing Authority holding an interest in such Property being sold shall be paid in full at such time.

Class 2 Claims are impaired by the Plan.

3. Class 3 Claim-Allowed Secured Claim of PNC. The Allowed Secured Claim of PNC shall be paid in full on or before December 31, 2013 by either or a combination of: (i) the sale of one or more of the Properties and/or (ii) the refinancing of the remaining unpaid portion of PNC's Allowed Secured Claim. Until such time as the remaining unpaid portion of the Lender's Allowed Secured Claim is refinanced or otherwise paid in full, which shall occur by no later than December 31, 2013, interest shall accrue on the Allowed Secured Claim of PNC as follows: From the Effective Date through June 30, 2011, such interest shall accrue at the rate of LIBOR plus 3.5% per annum. From July 1, 2011 through December 31, 2013, such interest shall accrue at the greater of: (i) a rate of LIBOR plus 3.5% per annum; or (ii) 4.25% per annum. Such monthly interest will be paid to PNC only to the extent that: (i) any Revenue derived from the operation and/or leasing of the 1010 Common Property exists in any given month after payment of all of the operating expenses associated with the 1010 Common Property for such month, including taxes, insurance, amounts owed to ground lessors and on account of the Monlezun Loan, tenant improvement costs, leasing commissions, and necessary repairs and/or capital expenditures, as determined in the Debtor's sole discretion (the "1010 Common Monthly Revenue"); and (ii) monthly accrued interest remains unpaid. The first monthly payment of interest, if any, will be due and payable by the fifth Business Day of the first month that is more than 30 days after the Effective Date and will be calculated based upon the 1010 Common Monthly Revenue for the previous month, and thereafter, monthly payments of interest, if any, shall be due and payable by the fifth Business Day of the subsequent month.

In addition, commencing on January 1, 2012, TCI will pay PNC an additional $25,000.00 per month, to be applied against the outstanding amount of the Allowed Secured Claim of PNC. PNC may also receive from time to time certain payments from the Debtor reducing the outstanding principal amount of its Allowed Secured Claim as provided in Article IX of the Plan.

Additionally, within ten days of the Effective Date, the Reorganized Debtor shall pay any accrued but unpaid interest at a rate of LIBOR plus 3.50% due and owing on the PNC Loan.

On or before the Effective Date, the Debtor and PNC shall enter into a cash management agreement for the purpose of establishing an account into which all revenues from the Properties shall be deposited (the "Lockbox"). Funds in the Lockbox shall be distributed each month under a waterfall provision as follows:

1 – Payment of operating expenses with respect to any of the Properties, including appropriate escrows for property taxes and insurance

2 – Payments due to John K. Monlezun

3 – Payments due on account of any ground leases with respect to the 1010 Common Property

4– Payments to PNC

5 – Tenant improvements/commissions/operating reserves

The Allowed Secured Claim of PNC will be determined by the value as of the Petition Date of the perfected collateral securing such Allowed Claim, which value will be determined by agreement of the parties or by the Bankruptcy Court following a valuation proceeding in accordance with the Bankruptcy Code. Any perfected liens or security interests securing the Allowed Secured Claim of PNC will be preserved and continued. PNC shall, upon payment and satisfaction of the Allowed Secured Claim of PNC, execute releases of any remaining encumbrances upon the Property in a form satisfactory to the Reorganized Debtor and shall deliver same to the Reorganized Debtor or its designee. Nothing herein shall prohibit the Debtor or the Reorganized Debtor from refinancing or otherwise disposing of any of the Properties at any time, provided that the remaining unpaid portion of the Allowed Secured Claim allocable to such Property shall be paid in full at such time.

Class 3 is impaired under the Plan.

4. Class 4 Claim: Allowed Secured Claim of Propel. Except to the extent that Propel agrees to different treatment, the Allowed Secured Claim of Propel will be paid in full by no later than the fifth Business Day of the first month that is more than 30 days after the Effective Date. Any perfected liens or security interests securing the Allowed Secured Claim of Propel will be preserved and continued.

Class 4 is impaired under the Plan.

5. Class 5 Claim: Allowed Secured Claim of John K. Monzelun: Except to the extent that John Monlezun agrees to different treatment, the Allowed Secured Claim of John Monlezun shall be paid in full within five years of the Effective Date by either the refinancing of the remaining unpaid portion of the Allowed Secured Claim of John Monlezun or the sale of the 1010 Common Property. Until such time as the remaining unpaid portion of the Allowed Secured Claim of John Monlezun is refinanced or otherwise satisfied, which shall occur by no later than sixty (60) months from the Effective Date, the Reorganized Debtor shall make monthly payments to John Monlezun comprised of interest only at the rate of 12% per annum. Mr. Monlezun may also receive from time to time certain payments from the Debtor reducing the outstanding principal amount of the Allowed Secured Claim of John Monlezun as provided in Article IX of the Plan. The first monthly payment of interest will be due and payable on the fifth Business Day of the first month that is more than 30 days after the Effective Date and on the fifth Business Day of each respective month thereafter. Any perfected liens or security interests

securing the Allowed Secured Claim of John Monlezun will be preserved and continued. John Monlezun shall, upon payment and satisfaction of the Allowed Secured Claim of John Monlezun, execute releases of any remaining encumbrances upon the Property in a form satisfactory to the Reorganized Debtor and shall deliver same to the Reorganized Debtor or its designee. Nothing herein shall prohibit the Debtor or the Reorganized Debtor from refinancing or otherwise disposing of the 1010 Common Property at any time, provided that the remaining unpaid portion of the Allowed Secured Claim of John Monlezun shall be paid in full at such time.

Class 5 is impaired under the Plan.

6. **Class 6 Claims: Convenience Class of Unsecured Claims Less than $2,500.00**. Class 6 Claims are comprised of: (i) all Allowed Unsecured Claims that are less than or equal to $2,500.00; and (ii) all Allowed Unsecured Claims held by any Unsecured Creditor electing to have such Claim treated as a Class 6 Claim by waiving the portion of such Claim exceeding the sum of $2,500.00. Class 6 Claims shall be paid 100% of the Allowed amount without interest by the fifth Business Day of the first month that is more than 30 days after the Effective Date through funds to be contributed by TCI. Class 6 Claims are impaired by the Plan.

7. Class 7 Claims: General Unsecured Claims. Except to the extent that a holder of an Allowed Unsecured Claim agrees to different treatment, Class 7 Claims shall be paid 100% of the Allowed amount without interest in six equal monthly payments, the first payment of which will be due and payable on the fifth Business Day of the first month that is more than 30 days after the Effective Date and on the fifth Business Day of each respective month thereafter. Class 7 Claims are impaired by the Plan.

8. Class 8 Claims: Subordinated Claims of TCI. Class 8 Claims will receive pro-rata distributions from the Class 8 share of the proceeds from any sale of Property after payment of all Secured Claims holding a Lien in such Property as provided in Article IX of the Plan, as discussed below.

Class 8 Claims may or may not receive distributions under the Plan. Class 8 Claims are impaired by the Plan.

9. Class 9 Claims: Interests. The Class 9 Allowed Interests of the Equity Security Holders shall be cancelled and terminated on the Effective Date, and TCI shall receive 100% of the equity in the Reorganized Debtor on account of the contributions it is making in the Plan.

Class 9 interests are impaired.

D. Additional Distributions to Creditors under Article IX of the Plan

Article IX of the Plan provides an additional mechanism by which Creditors may receive additional distributions based upon the Debtor's ability to sell Property. Article IX of the Plan provides that the Reorganized Debtor will seek to market and sell each of the Properties under the direction of a third party real estate broker, and in the event of a sale or refinancing of a particular Property within the five year period following the Effective Date, the proceeds comprising the Net Proceeds of the Sale or Refinancing shall first be used to pay in full any

Allowed Secured Claim for which such Property serves as Collateral, including the Allowed Secured Claims of the respective Lender and any Taxing Authority holding a Lien in such Property. Upon the full satisfaction of any Allowed Secured Claims holding a Lien in such Property, any remaining proceeds shall be distributed equally among Classes 1 through 8, but with respect to each such Class, only to the extent that Claims within such Class remain unsatisfied at such time.

F. Manner of Distribution of Property under the Plan

1. Distribution Procedures and Distribution Agent. Except as otherwise provided in the Plan, all distributions of Cash and other property shall be made by the Reorganized Debtor's Distribution Agent on the later of the Effective Date or the Allowance Date, or as soon thereafter as practicable. Distributions required to be made on a particular date shall be deemed to have been made on such date if actually made on such date or as soon thereafter as practicable. No payments or other distributions of property shall be made on account of any Claim or portion thereof unless and until such Claim or portion thereof is Allowed.

The Debtor proposes to use Brett Nickel, an officer of Debtor's property manager, Regis Realty I, LLC, 1800 Valley View Lane, Suite 200, Dallas, Texas 75234, as the Distribution Agent under the Plan. Mr. Nickel has agreed to serve as Distribution Agent and will not receive any compensation from Debtor or Reorganized Debtor for serving as Distribution Agent under the Plan. Regis Realty I, LLC will not receive any compensation from Debtor or Reorganized Debtor on account of Mr. Nickel's serving as Distribution Agent, although it will continue to be compensated for managing the Properties under its management agreement with Debtor, which will be assumed under the Plan. If any party in interest objects to Mr. Nickel serving as Distribution Agent under the Confirmed Plan, and if the Debtor and such objecting party cannot agree to a substitute Distribution Agent or the compensation or other terms of such agent's engagement, the Debtor will file a motion or take other appropriate action to have a Distribution Agent and the terms of such agent's engagement appointed and approved by the Court.

2. Disputed Claims. Notwithstanding any other provisions of the Plan, no payments or distributions shall be made on account of any Disputed Claim until such Claim becomes an Allowed Claim, and then only to the extent that it becomes an Allowed Claim.

3. Manner of Payment Under the Plan. Cash payments made pursuant to the Plan shall be in U.S. dollars by checks drawn on a domestic bank selected by the Reorganized Debtor, or by wire transfer from a domestic bank, at the Reorganized Debtor's option.

4. Delivery of Distributions and Undeliverable or Unclaimed Distributions.

a. **Delivery of Distributions in General**. Except as provided below for holders of undeliverable distributions, distributions to holders of Allowed Claims shall be distributed by mail as follows: (1) at the addresses set forth on the respective proofs of claim filed by such holders; (2) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent or Reorganized Debtor after the date of any related proof of claim; or (3) at the address reflected on the Schedule of Assets and Liabilities filed by the Debtor

if no proof of claim or proof of interest is filed and the Distribution Agent and the Reorganized Debtor have not received a written notice of a change of address.

b. **Undeliverable Distributions**.

(1) *Holding and Investment of Undeliverable Property*. If the distribution to the holder of any Claim is returned to the Distribution Agent or Reorganized Debtor as undeliverable, no further distribution shall be made to such holder unless and until the Reorganized Debtor or the Distribution Agent is notified in writing of such holder's then current address.

(2) *Distribution of Undeliverable Property After it Becomes Deliverable and Failure to Claim Undeliverable Property*. Any holder of an Allowed Claim who does not assert a claim for an undeliverable distribution held by the Distribution Agent or the Reorganized Debtor within one (1) year after the Effective Date shall no longer have any claim to or interest in such undeliverable distribution, and shall be forever barred from receiving any distributions under the Plan.

5. Failure to Negotiate Checks. Checks issued in respect of distributions under the Plan shall be null and void if not negotiated within 60 days after the date of issuance. Any amounts returned to the Distribution Agent or the Reorganized Debtor in respect of such checks shall be held in reserve by the Distribution Agent or the Reorganized Debtor. Requests for reissuance of any such check may be made directly to the Distribution Agent by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such voided check is required to be made before the second anniversary of the Effective Date. All Claims in respect of void checks and the underlying distributions shall be discharged and forever barred from assertion against the Reorganized Debtor and its property.

6. Compliance with Tax Requirements. In connection with the Plan, to the extent applicable, the Reorganized Debtor and the Distribution Agent shall comply with all withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements.

7. Setoffs. Unless otherwise provided in a Final Order or in the Plan, the Debtor may, but shall not be required to, set off against any Claim and the payments to be made pursuant to the Plan in respect of such Claim, any claims of any nature whatsoever the Debtor may have against the holder thereof or its predecessor, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor of any such Claims the Debtor may have against such holder or its predecessor.

G. Treatment of Executory Contracts and Unexpired Leases.

The Debtor's Plan constitutes a motion to assume all Commercial Office Lease listed in its Schedule G, all ground leases listed in Schedule A, and all other executory contracts and leases. Any Cure Claim owed under any assumed Executory Contract or Lease will be paid in full through six equal monthly payments, the first of which will be due and payable on the fifth Business Day of the first month that is more than 30 days after the Effective Date and the

remaining of which will be due on the fifth Business Day of each respective month thereafter. The Debtor estimates that Cure Claims will total approximately $26,000 with respect to the Debtor's leases described as a "Commercial Office Lease" in its Schedule G, which amount is generally comprised of unpaid TI reimbursements. The Debtor does not believe any cure amounts are or will be due and owing with respect to any of the ground leases. The Debtor anticipates that it will owe approximately $149,000.00 in cure payments on account of all other executory contracts and leases assumed in Section 12.3 above.

H. Treatment of Tenant Security Deposits.

The Debtor shall continue to hold any and all security deposits tendered to the Debtor by any tenant at the 1010 Common Property in a segregated escrow account and shall maintain such deposit in accordance with the terms of the respective office lease.

I. Means for Execution and Implementation of the Plan

1. TCI's Financial Contributions. On the Effective Date, and at such times as are necessary thereafter, TCI or its designee will contribute to the Reorganized Debtor sufficient funds to enable the Reorganized Debtor to make the payments and distributions to Creditors under the Plan and to continue operations of the Properties. The Debtor estimates that within thirty days of the Effective Date, TCI or its designee will be required to fund approximately $125,000.00 on account of such payments and expenses. **Prior to the Confirmation Hearing, TCI or its designee will create and deposit into a restricted, segregated special-purpose account at Colonial Bank, 8144 Walnut Hill Lane, Suite 160, Dallas, Texas, $125,000.00 to secure its commitment to fund the initial plan payments. Post-confirmation, TCI or its designee will at all times maintain sufficient funds in such account to pay obligations under the Plan estimated to be due in the following month.**

TCI is a public corporation, and as such, its financial statements are generally available to the public. TCI has more than sufficient assets, funds, lines of credit, and other financial resources to fund the payment requirements of the Plan. Notwithstanding, TCI or its designee will fund the initial $125,000.00 to secure its commitment to fund the initial plan payments prior to the Confirmation Hearing and will provide the Debtor with a commitment letter for the full $1,200,000.00 potential commitment under the Debtor's Plan.

2. Board of Directors of the Reorganized Debtor. The board of directors of Reorganized Debtor shall be:

Daniel J. Moos
Gene S. Bertcher

3. Post-Confirmation Management. The officers of Reorganized Debtor shall be:

Daniel J. Moos – President
Gene S. Bertcher – Vice President/Treasurer
Louis J. Corna – Vice President/Secretary

Steven A. Shelley – Vice President
Melody A. Wofford – Assistant Secretary

The Debtor's and the Reorganized Debtor's officers and directors do not and will not receive any salaries or compensation from the Debtor and/or the Reorganized Debtor for such employment and offices. On the Effective Date, the Reorganized Debtor shall be authorized and directed to take all necessary and appropriate actions to effectuate the transactions contemplated by the Plan and the Disclosure Statement.

4. Preservation of Rights of Action. Except as otherwise provided in the Plan, or in any contract, instrument, release, or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, all rights pursuant to Sections 502, 510, 544, 545, and 546 of the Code, all preference claims under Section 547 of the Code, all fraudulent transfer claims pursuant to Section 548 of the Code, all claims relating to post-petition transactions under Section 549 of the Code, and all claims recoverable under Section 550 of the Code are hereby preserved and retained for enforcement by the Reorganized Debtor, in its sole and absolute discretion, subsequent to the Effective Date. In addition, all claims and causes of action that the Debtor may hold against a current or previous tenant at the 1010 Common Property with respect to an office lease are hereby preserved and retained for enforcement by the Reorganized Debtor, in its sole and absolute discretion, subsequent to the Effective Date. The Reorganized Debtor shall also be vested with and retain all rights of offset or recoupment and all counterclaims against any Claimant. Assertion of counterclaims by the Reorganized Debtor against Claimants shall constitute a "core" proceeding. The Reorganized Debtor shall retain and may enforce the rights of Debtor to object to Claims on any basis. The Reorganized Debtor may pursue any and all rights, remedies, actions, proceedings, and similar actions against any of the judgment debtors obligated and liable in respect of the Judgment. The Reorganized Debtor may pursue those rights of action, as appropriate, in accordance with what is in the best interests of the Reorganized Debtor.

5. Objections to Claims. Except as otherwise provided for with respect to Administrative Claims and applications of professionals for compensation and reimbursement of expenses, or as otherwise ordered by the Bankruptcy Court after notice and a hearing, all objections to Claims shall be served and filed by the Objection Date, if one is set by the Bankruptcy Court, although nothing contained herein shall require the fixing of an Objection Deadline; provided, however, the Objection Date shall not apply to Claims which are not reflected in the claims register, including any alleged informal proofs of claim. If an Objection Deadline is fixed, it may be extended one or more times by the Bankruptcy Court pursuant to a motion filed on or before the then applicable Objection Date. Any Contested Claims may be litigated to Final Order. The Reorganized Debtor may compromise and settle any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement of a Contested Claim after the Effective Date.

J. Conditions to Effectiveness of the Plan

1. Conditions to Effectiveness. Except as expressly waived by the Debtor, the following conditions must occur and be satisfied on or before the Effective Date:

(a) the Confirmation Order shall have been signed by the Court and duly entered on the docket for the Reorganization Case by the clerk of the Court in form and substance acceptable to the Debtor;

(b) the Confirmation Order shall have become an Effective Confirmation Order and not have been stayed, modified, reversed or amended; and

(c) the Debtor has available resources, including any amounts to be contributed by TCI or its designee, to fund the Reorganized Debtor's obligations under the Plan and to meet its ongoing business needs.

2. Waiver of Conditions. The Debtor may waive any condition set forth in the Plan at any time, without notice, without leave of or order of the Court, and without any formal action other than proceeding to consummate the Plan.

3. No Requirement of Final Order. So long as no stay is in effect, the Effective Date of the Plan will occur notwithstanding the pendency of an appeal of the Confirmation Order or any Order related thereto. In that event, the Debtor or Reorganized Debtor may seek dismissal of any such appeal as moot following the Effective Date of the Plan.

J. Effects of Plan Confirmation

1. Binding Effect. The Plan shall be binding upon all present and former holders of Claims and Equity Interests, and their respective successors and assigns, including the Reorganized Debtor.

2. Moratorium, Injunction and Limitation of Recourse For Payment. Except as otherwise provided in the Plan or by subsequent order of the Bankruptcy Court, the Confirmation Order shall provide, among other things, that from and after the Confirmation Date, all Persons or entities who have held, hold, or may hold Claims against or Equity Interests in the Debtor are permanently enjoined from taking any of the following actions against the Estate, the Reorganized Debtor, or any of its property on account of any such Claims or Equity Interests: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the other than through a proof of claim or adversary proceeding; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; *provided, however*, that nothing contained herein shall preclude such persons from exercising their rights pursuant to and consistent with the terms of this Plan. This provision enjoins the enumerated actions against the Debtor on claims that have been discharged or treated pursuant to Section 1141 of the Bankruptcy Code.

Confirmation of the Plan shall also discharge the Debtor from all claims that arose before the Confirmation Date. After Confirmation, the rights and remedies of any Creditor or equity security holder shall be governed and limited by the Plan, which shall be binding upon the Debtor, its estate, the Reorganized Debtor, Creditors, equity security holders, and all other parties in interest, regardless of whether any such Person voted to accept the Plan, and the Pre-Petition Loan Documents shall be deemed to have been amended to comport with the treatment being accorded to such respective Lender herein. All defaults and events of default existing as of the Petition Date and as of the Effective Date shall be deemed cured, and any defaults and events of default resulting from the confirmation of the Plan, the occurrence of the Effective Date, and/or the actions and transactions contemplated by the Plan, including the payments to be made under the Plan and changes in ownership and control effectuated by the Plan, shall be waived and of no effect.

From and after the Effective Date, all holders of Claims shall be and are hereby permanently restrained and enjoined from: (a) commencing or continuing in any manner, any action or other proceeding of any kind with respect to any such Claim against the Reorganized Debtor or the Assets; (b) enforcing, attaching, collecting, or recovering on account of any Claim by any manner or means, any judgment, award, decree, or order against the Reorganized Debtor or the Assets except pursuant to and in accordance with this Plan; (c) creating, perfecting, or enforcing any encumbrance of any kind against either the Assets or the Reorganized Debtor; (d) asserting any control over, interest, rights or title in or to any of the Assets except as provided in this Plan; (e) asserting any setoff, or recoupment of any kind against any obligation due the Reorganized Debtor as assignee, except upon leave of the Bankruptcy Court or except as authorized by section 553 of the Bankruptcy Code; and (f) performing any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; provided, however, that this injunction shall not bar any Creditor from asserting any right granted pursuant to this Plan; provided, further, however, that each holder of a Contested Claim shall be entitled to enforce its rights under the Plan, including seeking Allowance of such Contested Claim pursuant to the Plan.

The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtor and all Assets. As of the Effective Date, the discharge and injunction in paragraphs 12.1 and 12.2 above shall become effective.

3. Exculpation and Limitation of Liability.

Neither the Debtor nor any of the professional Persons employed by the Debtor; any of its affiliates, nor any of its officers, directors, shareholders, associates, employees, members or agents (collectively, the "Exculpated Persons"), shall have or incur any liability to any person for any act taken or omission made in good faith in connection with or related to the Bankruptcy Cases or actions taken therein, including negotiating, formulating, implementing, confirming or consummating the Plan, the Disclosure Statement, or any contract, instrument, or other agreement or document created in connection with the Plan. The Exculpated Persons shall have no liability to any Creditors or Equity Security Holders for actions taken under the Plan, in connection therewith or with respect thereto in good faith, including, without limitation, failure

to obtain Confirmation of the Plan or to satisfy any condition or conditions, or refusal to waive any condition or conditions, precedent to Confirmation or to the occurrence of the Effective Date. Further, the Exculpated Persons will not have or incur any liability to any holder of a Claim, holder of an Interest, or party-in-interest herein or any other Person for any act or omission in connection with or arising out of their administration of the Plan or the property to be distributed under the Plan, except for gross negligence or willful misconduct as finally determined by the Bankruptcy Court, and in all respect such person will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

This provision essentially releases any claim that any party has against the Debtor and any professional Persons retained by it for actions related to the Bankruptcy Cases, other than claims arising out of gross negligence or willful misconduct. This provision is common in reorganization plans and is designed to prevent harassment suits by parties who are dissatisfied with the treatment provided in a Plan. This provision will be removed if the Court finds that the Plan cannot be confirmed with this provision included.

4. Revesting. On the Effective Date, the Reorganized Debtor will be vested with all the property of its estate free and clear of all Claims and other interests of creditors and equity holders, except as provided herein and in the Plan; provided, however, that the Debtor shall continue as Debtor in Possession under the Bankruptcy Code until the Effective Date, and, thereafter, the Reorganized Debtor may conduct its business free of any restrictions imposed by the Bankruptcy Code or the Court.

5. Other Documents and Actions. The Debtor, the Debtor-In-Possession, and Reorganized Debtor may execute such documents and take such other action as is necessary to effectuate the transactions provided for in the Plan.

6. Term of Injunctions or Stays. Unless otherwise provided, all injunctions or stays provided for in the Debtor's Chapter 11 Bankruptcy Case pursuant to sections 105 or 362 of the Bankruptcy Code or otherwise and in effect on the Confirmation Date shall remain in full force and effect until the Effective Date.

K. Confirmability of Plan and Cramdown.

The Debtor requests Confirmation under section 1129(b) of the Bankruptcy Code if any impaired class does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. In that event, the Debtor reserves the right to modify the Plan to the extent, if any, that Confirmation of the Plan under section 1129(b) of the Bankruptcy Code requires modification.

L. Retention of Jurisdiction.

The Plan provides for the Bankruptcy Court to retain the broadest jurisdiction over the reorganization case as is legally permissible so that the Bankruptcy Court can hear all matters related to the consummation of the Plan and the claims resolution process. The Plan specifically retains jurisdiction for the Bankruptcy Court to enter orders (a) approving the sale of the Property, and (b) confirming that such sale is free and clear of all liens, claims and interests in property that arose before the Confirmation Date. The Plan specifically retains jurisdiction for the Bankruptcy Court to adjudicate all adversary proceedings pending as of the Effective Date, including, without limitation, the judgment debtors' declaratory judgment proceeding.

VII.
FEASIBILITY OF THE PLAN

A. Feasibility

The Debtor believes that the Plan is feasible based upon the projected revenue of the Properties, the financial condition of the Debtor and TCI, the funds TCI will deposit to secure its promised contributions under the Plan, the funds that TCI has agreed to contribute to the Debtor and its assurances to the Debtor that it will fund such amounts necessary to consummate the Plan, and the likelihood of sales of certain of the Properties within a five year period.

TCI is a publicly owned Nevada corporation whose shares are traded on the New York Stock Exchange under the symbol "TCI". TCI's shares are currently trading for approximately $3.50 per share. During the last 52 weeks, TCI's shares have traded in the range of $3.26/share to $13.13/share. TCI owns numerous commercial properties with a book value in excess of $1.6 billion dollars in Texas and elsewhere within the United States, including 57 apartment complexes, 28 commercial properties, and approximately 6,800 acres of commercial real estate. As a publicly held company, TCI files periodic reports with the United States Security & Exchange Commission ("SEC"), including annual and quarterly financial reports commonly known and referred to as "10-K's" and "10-Q's". Creditors and parties in interest are encouraged to review TCI's most recent SEC filings and reports for a more detailed and comprehensive description of TCI's business, assets, debts, financial condition, and transactions. Such SEC reports may be viewed at TCI's website: www.transconrealty-invest.com or may be obtained by contacting TCI's investor relations department. Additionally, such reports and filings may be obtained on-line from a number of websites, including the EDGAR database maintained by the SEC at www.sec.gov/edgar.

Subject to applicable securities laws and restrictions and any confidentiality or nondisclosure agreement deemed necessary or advisable by TCI or its counsel, TCI is willing to provide such additional "non-public" information regarding its financial condition, properties, or activities as any Claimant may reasonably request in order to evaluate such matters and TCI's ability to fund the Plan, provided, however, that any such additional disclosures by TCI to such requesting party does not violate or contravene Sections 1125 or 1126 of the Bankruptcy Code regarding the contents of this Disclosure Statement or the solicitation of acceptances for the Plan.

1. Projections

The Debtor believes that the market and economic situation surrounding the operation of the Debtor's Properties is highly competitive, volatile, speculative, and uncertain. For such reasons, Debtor's management also believes that it is very difficult to predict and project the financial performance of the Properties. Consequently, the financial projections for the Properties attached to this Disclosure Statement represent management's best estimation of the anticipated results of future operations based upon management's experience in the industry and its familiarity with the respective markets in which the Properties are located due to having operated, leased, and managed the Properties for a significant number of years previously. Notwithstanding, there can be no assurance or guaranty that such projections will be realized or achieved, and any reliance upon such financial projections must be qualified by such matters. The Debtor's projected budget for the year 2011 is attached to this disclosure statement as Exhibit "A" and its financial projections for the next 5 years, including anticipated contributions from TCI, are attached to this disclosure statement as Exhibit "B".

Debtor's management believes that that opportunities to lease vacant space in the 1010 Common Property will increase over the next five years as the market improves and as management continues to implement marketing strategies designed to increase the amount of leases at the 1010 Common Property, which improvements could have a positive effect on the attached projections.

Debtor's management also believes that opportunities to sell the Debtor's Properties will increase over the next five years as the market improves.

B. Alternatives to Confirmation of the Plan

There are three possible consequences if the Plan is rejected or if the Bankruptcy Court refuses to confirm the Plan: (a) the Bankruptcy Court could dismiss the Debtor's Chapter 11 bankruptcy case, (b) the Debtor's Chapter 11 bankruptcy case could be converted to a liquidation case under Chapter 7 of the Bankruptcy Code, or (c) the Bankruptcy Court could consider an alternative plan of reorganization proposed by some other party.

1. Dismissal

If the Debtor's bankruptcy case were to be dismissed, the Debtor would no longer have the protection of the Bankruptcy Court and the applicable provisions of the Bankruptcy Code. Each of the Pre-Petition Lenders would then have the right to exercise their rights as secured creditors to foreclose and liquidate the Debtor's assets constituting their respective Collateral. Dismissal would negatively impact the Debtor's ability to refinance the Properties, sell the Properties to a third party, raise additional capital contributions, or would force a race among other creditors to take over and dispose of any remaining assets. In the event of dismissal, it is very doubtful that TCI would fund or contribute any amounts to the Debtor to pay Creditors. In such event, even the most diligent unsecured creditors would likely fail to realize any significant recovery on their claims.

2. Chapter 7 Liquidation

If the Plan is not confirmed, it is possible that the Debtor's Chapter 11 case will be converted to a case under Chapter 7 of the Bankruptcy Code, in which a trustee would be elected or appointed to liquidate the assets of the Debtor for distribution to creditors in accordance with the priorities established by the Bankruptcy Code. Whether a bankruptcy case is one under Chapter 7 or Chapter 11, secured creditors, Administrative Claims, and Priority Claims are entitled to be paid in cash and in full before unsecured creditors receive any funds.

If the Debtor's Chapter 11 case was converted to Chapter 7, the present Priority Claims may have a priority lower than priority claims generated by the Chapter 7 cases, such as the Chapter 7 trustee's fees or the fees of attorneys, accountants and other professionals engaged by the trustee.

The Debtor believes that liquidation under Chapter 7 would result in significantly less distributions to unsecured creditors and to Administrative and Priority Claimants. In the event that the Debtor's Assets were liquidated, and if a receiver or trustee were appointed to supervise the liquidation of the Debtor's Assets, there would be significant costs associated with such liquidation, and such costs would increase due to fees and charges for such persons. It is unlikely that such property would be sufficient to enable the Debtor or a Trustee to make any significant distribution to unsecured creditors because Administrative and Priority Claims, Secured Tax Claims, and PNC's Secured Claim would consume a significant portion, if not all, of such proceeds. Consequently, the Debtor believes that it is highly unlikely that creditors other than such Claimants would receive anything or any significant payment in a Chapter 7 liquidation. Moreover, the conversion to Chapter 7 would give rise to additional administrative expenses involved in the appointment of a trustee and attorneys and other professionals to assist such trustee. In a Chapter 7 liquidation, it is likely that general unsecured creditors would receive little distribution on their claims, and the timing of any such distribution is uncertain and would be conditioned upon the ability to liquidate the Debtor's assets in a depressed real estate market.

3. Confirmation of an Alternative Plan.

If the Plan is not confirmed, it is possible that a creditor or third party would file and pursue confirmation of an alternative plan. The Debtor does not believe that any creditor or third party is likely to propose an alternative reorganization plan. The Debtor believes the Plan provides the best prospect for reorganizing the Debtor and maximizing creditor recoveries that can be achieved quickly. The Debtor believes that any material delay in the Debtor's exit from bankruptcy will harm its business and lessen creditor recoveries. By exiting bankruptcy, the Debtor will eliminate the expense of being in bankruptcy.

VIII.
RISK FACTORS

The primary risk factor associated with the Plan is the Debtor's ability to increase leased space at the 1010 Common Property and to operate it following Confirmation and sell certain of the Properties so as to generate net operating income by which to pay the Claims required under

the Plan. There can be no assurance that leased space will significantly increase any time within the foreseeable future, or that the Properties can generate sufficient net operating income to meet the interest service requirements to PNC or other Plan payments. The Debtor does not believe that the Properties will decline in value pending its reorganization efforts and believes that the payments that will be made to PNC and other Creditors on the Effective Date and thereafter during such period will adequately protect the their respective interests and that any improvements made to the Properties will maintain or increase the Properties' respective values.

An additional risk factor is the inability (due to unforeseen material adverse changes) or unwillingness of TCI to continue to fund Debtor's operations following Confirmation. While TCI has committed to Debtor that it or its designee will fund the initial plan payments required on the Plan's Effective Date and for a period thereafter up to one million two hundred thousand ($1,200,000.00) dollars and has assured Debtor that it will fund the payments required under the Plan during the remaining life of the Plan, it is not committed or obligated to fund more than $1,200,000 in further Plan payments should it decide not to do so for any reason.

IX.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

A. General

Under the Internal Revenue Code of 1986, as amended (the "Tax Code"), there could be certain significant federal income tax consequences associated with the Plan described in this Disclosure Statement. Certain of these consequences are discussed below. Due to the unsettled nature of certain of the tax issues presented by the Plan, the differences in the nature of Claims of the various creditors, their taxpayer status, residence and methods of accounting (including creditors within the same creditor class) and prior actions taken by creditors with respect to their Claims, as well as the possibility that events or legislation subsequent to the date hereof could change the federal tax consequences of the transactions, the tax consequences described below are subject to significant considerations applicable to each creditor. **HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT THEIR TAX ADVISORS RESPECTING THE INDIVIDUAL TAX CONSEQUENCES OF THE TRANSACTIONS, CONTEMPLATED UNDER OR IN CONNECTION WITH THE PLAN, INCLUDING STATE, LOCAL AND FOREIGN TAX CONSEQUENCES**.

B. Tax Consequences to the Debtor

Material tax consequences may exist with respect to the Debtor and its equity holders from the Plan due to the change in ownership from ABC to TCI. To the extent any of its debts are discharged under the Plan, Debtor does not believe such discharge will result in any "discharge of indebtedness" income, although other tax attributes of Debtor, such as the amount of its net operating loss carrybacks or carryovers may be reduced or affected thereby.

C. Tax Consequences to Creditors

The tax consequences of the implementation of the Plan to a creditor will depend in part on whether the creditor's present debt constitutes a "security" for federal income tax purposes, the type of consideration received by the creditor in exchange for its Allowed Claim, whether the creditor reports income on the accrual or cash basis, whether the creditor receives consideration in more than one tax year of the creditor, whether the creditor is a resident of the United States, and whether all the consideration received by the creditor is deemed to be received by that creditor in an integrated transaction. The tax consequences of the receipt of cash or property that is allocable to interest are discussed below in the section entitled "Receipt of Interest".

E. Creditors Receiving Solely Cash

A creditor who receives cash in full satisfaction of its Claim will be required to recognize gain or loss on the exchange. The creditor will recognize gain or loss equal to the difference between the amount realized in respect of such Claim and the creditor's tax basis in the Claim.

F. Backup Withholding

Under the Tax Code, interest, dividends and other "reportable payments" may, under certain circumstances, be subject to "backup withholding". Withholding generally applies if the holder: (a) fails to furnish his social security number or other taxpayer identification number ("TIN"), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is not subject to backup withholding.

X.
CONCLUSION

This Disclosure Statement has attempted to provide information regarding the Debtor's estate and the potential benefits that might accrue to holders of Claims against and Interests in the Debtor under the Plan as proposed. The Plan is the result of the effort of the Debtor and its advisors and management to pay allowed claims against it. The Debtor believes that the Plan is feasible and will provide each holder of a Claim against the Debtor with an opportunity to receive greater benefits than those that would be received by termination of the Debtor's business and the liquidation of its assets, or by any alternative plan. The Debtor, therefore, hereby urges you to vote in favor of the Plan.

Whether or not you expect to attend the Confirmation Hearing, which is scheduled to commence on ____, 2011, at ___:___ __.m. Dallas, Texas Time, you must sign, date, and mail your ballot as soon as possible for the purpose of having your vote count at such hearing. All ballots must be returned to: Melissa Hayward, Counsel for the Debtor, Franklin Skierski Lovall Hayward LLP, 10501 N. Central Expy., Suite 106, Dallas, Texas 75231. All ballots must be returned on or before 5:00 p.m. Dallas, Texas Time on _____, 2011. Any ballot which is illegible or which fails to designate an acceptance or rejection of the Plan will not be counted.

Dated: March 30, 2011

CONTINENTAL COMMON, INC.
Debtor and Debtor-In-Possession

By: /s/ Craig Landess
Craig Landess, Vice President

FRANKLIN SKIERSKI LOVALL HAYWARD LLP
Counsel to Debtor and Debtor-In-Possession

By: /s/ Melissa S. Hayward
Melissa S. Hayward
State Bar No. 24044908
10501 N. Central Expy, Ste. 106
Dallas, Texas 75231
Telephone: (972) 755-7100
Facsimile: (972) 755-7110