

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION**

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| In re: | : | Chapter 11 |
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| CAMP COOLEY, LTD., | : | Case No. 09-61311 (RBK) |
| | : | |
| Debtor. | : | |
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**AMEGY BANK NATIONAL ASSOCIATION AND LONE STAR, PCA
DISCLOSURE STATEMENT FOR JOINT PLAN OF LIQUIDATION**

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Dated: December 10, 2010
San Antonio, Texas

DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE AMEGY BANK NATIONAL ASSOCIATION AND LONE STAR, PCA JOINT PLAN OF LIQUIDATION (AS MAY BE AMENDED IN ACCORDANCE WITH THE TERMS THEREOF AND APPLICABLE LAW). THE INFORMATION CONTAINED HEREIN MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, THE EXHIBITS ANNEXED TO THE PLAN AND THE PLAN SUPPLEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN SHALL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING SECURITIES OR CLAIMS OF THE DEBTOR AND DEBTOR IN POSSESSION IN THIS CASE SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTOR AND DEBTOR IN POSSESSION IN THIS CASE.

THIS DISCLOSURE STATEMENT, INCLUDING ALL INFORMATION RELATING TO THE ASSETS AND LIABILITIES OF THE DEBTOR’S ESTATE CONTAINED THEREIN, HAS BEEN PREPARED BASED ENTIRELY UPON INFORMATION IN REPORTS, COURT

FILINGS, AND OTHER INFORMATION PROVIDED BY OR ON BEHALF OF THE DEBTOR. THE PLAN PROPONENTS HAVE NOT PERFORMED ANY INDEPENDENT DILIGENCE WITH RESPECT TO SUCH INFORMATION AND DO NOT ASSUME RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF ANY SUCH INFORMATION.

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I. INTRODUCTION

A. Debtor's Chapter 11 Case

On November 8, 2009, the Debtor filed its voluntary petition for relief under Chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* in the United States Bankruptcy Court for the Western District of Texas, Waco Division. The Debtor continues to manage its affairs as a debtor-in-possession pursuant to Bankruptcy Code Sections 1107 and 1108.

B. Explanation of Chapter 11 of the Bankruptcy Code

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, the plan proponent attempts to restructure a debtor's financial affairs or effectively liquidate the debtor's assets for the benefit of the creditors, equity interest holders, and other parties in interest. The Chapter 11 plan is the debtor's agreement with its creditors containing the terms and conditions for the operation and/or liquidation of the properties and assets of the debtor and the treatment of the claims and interests of creditors and parties-in-interest. In this instance, the Plan Proponents' Plan proposes to liquidate the Property of the Estate, wind up the affairs of the Debtor, and distribute the proceeds to creditors and, if available, to the Equity Interest Holder.

According to Section 1125 of the Code, acceptances of a Chapter 11 plan may be solicited by the plan proponent only after a written disclosure statement approved by the Bankruptcy Court as containing adequate information has been provided to each creditor or equity interest holder.

C. Purpose of this Disclosure Statement

The purpose of this Disclosure Statement¹ is to provide Holders of Claims with sufficient information to enable such Holders to make a reasonably informed decision on the Plan before exercising their respective rights to vote to accept or reject the Plan. This Disclosure Statement is submitted by the Plan Proponents for use in the solicitation of votes on the Plan filed by the Plan Proponents. A copy of the Plan is attached hereto as *Exhibit "1."*

ALL CREDITORS OF THE DEBTOR ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3019, AND THE PLAN, THE PLAN PROPONENTS RESERVE THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE, OR WITHDRAW THE PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

¹ Each capitalized term used in this Disclosure Statement but not otherwise defined herein shall have the meaning ascribed to such term in the Plan.

This Disclosure Statement sets forth certain information regarding the Debtor's prepetition operating and financial history, its reasons for seeking protection under chapter 11, and significant events that have occurred during the Chapter 11 Case. This Disclosure Statement also describes certain terms and provisions of the Plan, effects of confirmation of the Plan, risk factors associated with the Plan, the securities to be issued under the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that Holders of Claims entitled to vote on the Plan must follow for their votes to be counted.

By order entered on or about [_____], 2010, the Bankruptcy Court has approved this Disclosure Statement as containing "adequate information," in accordance with section 1125 of the Bankruptcy Code, to enable a hypothetical, reasonable investor typical of Holders of Claims against the Debtor to make an informed judgment as to whether to accept or reject the Plan, and has authorized its use in connection with the solicitation of votes with respect to the Plan. **APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN.**

NOTHING CONTAINED HEREIN SHALL BE DEEMED TO CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS OR INTERESTS. YOU SHOULD CONSULT YOUR PERSONAL COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES OR OTHER LEGAL CONSEQUENCES OF THE PLAN.

CERTAIN OF THE INFORMATION IN THIS DISCLOSURE STATEMENT IS FORWARD LOOKING AND CONTAINS ESTIMATES, ASSUMPTIONS, AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL, FUTURE RESULTS. EXCEPT AS SPECIFICALLY AND EXPRESSLY STATED HEREIN, THIS DISCLOSURE STATEMENT DOES NOT REFLECT ANY EVENTS THAT MAY OCCUR SUBSEQUENT TO THE DATE HEREOF AND THAT MAY HAVE A MATERIAL IMPACT ON THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. THE PLAN PROPONENTS DO NOT UNDERTAKE ANY OBLIGATION, AND DO NOT INTEND, TO UPDATE THE PROJECTIONS; THUS, THE PROJECTIONS WILL NOT REFLECT THE IMPACT OF ANY SUBSEQUENT EVENTS NOT ALREADY ACCOUNTED FOR IN THE ASSUMPTIONS UNDERLYING THE PROJECTIONS. FURTHER, THE PLAN PROPONENTS DO NOT ANTICIPATE THAT ANY AMENDMENTS OR SUPPLEMENTS TO THIS DISCLOSURE STATEMENT WILL BE DISTRIBUTED TO REFLECT SUCH OCCURRENCES. ACCORDINGLY, THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCE IMPLY THAT THE INFORMATION HEREIN IS CORRECT OR COMPLETE AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. MOREOVER, THE PROJECTIONS ARE BASED ON ASSUMPTIONS THAT, ALTHOUGH BELIEVED TO BE REASONABLE BY THE PLAN PROPONENTS, MAY DIFFER FROM ACTUAL RESULTS.

THE PLAN PROPONENTS BELIEVE THAT THE PLAN WILL ACCOMPLISH THE OBJECTIVES OF CHAPTER 11 AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR, ITS CREDITORS, AND ITS ESTATE. THE PLAN PROPONENTS URGE ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT THE PLAN.

You are urged to consult with your own financial and other advisors in deciding whether to vote to approve or reject the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. In voting on the Plan, Holders of Claims entitled to vote should not rely on any information relating to the Debtor and its business, other than that contained in this Disclosure Statement, the Plan, and all exhibits and appendices hereto and thereto.

D. Summary of Plan Treatment of Claims and Equity Interests

The Plan contains definitions and rules of interpretation and provides for the treatment of separate classes for Holders of Claims against, and Equity Interests in, the Debtor. As required by the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified.

The table below summarizes the classification and treatment of Claims and Equity Interests under the Plan. The classification and treatment for all Classes are described in more detail in the Plan.

| Claims or Class Description | Treatment | Estimated Aggregate Amount of Allowed Claims |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <p>Administrative Expense Claims (Unimpaired – not entitled to vote)</p> | <p>Ordinary Course Claims: Except to the extent that any entity entitled to payment of any Allowed Administrative Claim representing liabilities incurred by the Debtor in Possession in the ordinary course of its business (excluding Allowed Professional Fee Expense Claims) agrees to a different treatment, each such holder of an Allowed Administrative Claim shall be paid in full, in Cash, in full satisfaction of such Claim, on the later of the Effective Date or the date on which such Administrative Claim becomes an Allowed Claim, <i>provided, however,</i> that Allowed Administrative Claims representing (1) postpetition liabilities incurred in the ordinary course of business by the Debtor or (2) postpetition contractual liabilities arising under loans or advances to the Debtor, whether or not incurred in the ordinary course of business, shall be paid in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements relating thereto.</p> <p>Professional Fee and Expense Claims: Except to the extent that any Professional entitled to payment of Allowed Professional Fee and Expense Claims agrees to a different treatment, such Allowed Professional Fee Expense Claims shall be paid from Distributable Cash ten (10) business days after the later of (i) the Effective Date, or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim by Final Order. In the event the Distributable Cash is insufficient to pay all Allowed Professional Fee Expense Claims in full on the relevant Distribution Date above, then such Allowed Professional Fee Expense Claims shall be paid from Distributable Cash on a Pro Rata basis in installments commencing thirty (30) days after the occurrence of the above applicable Distribution Date and continuing on each ninety (90) day anniversary of such Distribution Date until all Allowed Professional Fee Expense Claims are paid in full.</p> | <p>\$ _____</p> |
| <p>Priority Tax Claims (Unimpaired – not entitled to vote)</p> | <p>Except to the extent that a holder of an Allowed Priority Tax Claim under section 507(a)(8) of the Code has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall be paid in full in Distributable Cash ten (10) business days after the later of (i) the Effective Date, or (ii) the date such Claim becomes an Allowed Priority Tax Claim by Final Order. In the event the Distributable Cash is insufficient to pay all Allowed Priority Tax Claims in full on the relevant Distribution Date above, then such Allowed Priority Tax Claims shall be paid from Distributable Cash on a Pro Rata basis in installments commencing thirty (30) days after the occurrence of the above applicable Distribution Date and continuing on each ninety (90) day anniversary of such Distribution Date until all Allowed Priority Tax Claims are paid in full. The Plan Administrator shall not make a Plan installment payment to holders of Allowed Priority Tax Claims until all Allowed Administrative Claims and all Allowed Professional Fee Expense Claims have been paid in full.</p> | <p>\$ _____</p> |

| Claims or Class Description | Treatment | Estimated Aggregate Amount of Allowed Claims |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <p>Class 1: Other Priority (Non-Tax) Claims (Unimpaired – not entitled to vote)</p> | <p>Each holder of an Allowed Other Priority Claim shall receive, in full satisfaction, release, and exchange for such Claim, Distributable Cash in an amount equal to the amount of such Allowed Other Priority Claim in accordance with section 1129(a)(9) of the Code ten (10) business days after the later of (i) the Effective Date or (ii) the date such Claim becomes an Allowed Other Priority Claim by Final Order. In the event the Distributable Cash is insufficient to pay all Allowed Other Priority Claims in full on the relevant Distribution Date above, then such Allowed Other Priority Claims shall be paid from Distributable Cash on a Pro Rata basis in installments commencing thirty (30) days after the occurrence of the above applicable Distribution Date and continuing on each ninety (90) day anniversary of such Distribution Date until all Allowed Other Priority Claims are paid in full. The Plan Administrator shall not make a Plan installment payment to holders of Allowed Other Priority Claims until all Allowed Administrative Claims, all Allowed Professional Fee Expense Claims, and all Priority Tax Claims have been paid in full.</p> | <p>\$ _____</p> |
| <p>Class 2: Amegy (Impaired – entitled to vote)</p> | <p>i. Amegy shall retain its Liens on any and all Amegy Collateral securing the Amegy Class 2 Allowed Secured Claim. ii. From the Effective Date until Amegy’s Allowed Secured Claim is paid in full, Reorganized Debtor shall pay Amegy, in Cash, one hundred percent (100%) of any and royalty income received by Reorganized Debtor from Amegy’s Mineral Collateral, less such amounts authorized by Amegy to be placed in the Working Capital Reserve. Such payments shall be applied by Amegy to its Class 2 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Amegy Loan Documents. iii. On the Closing Date for the sale of any Amegy Collateral, Reorganized Debtor shall pay Amegy, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Amegy) realized from any such sale of Amegy Collateral until Amegy’s Allowed Class 2 Claim is paid in full. Such payments shall be applied by Amegy to its Class 2 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Amegy Loan Documents. iv. Amegy shall retain the right to credit bid its Secured Claim in accordance with 11 U.S.C. § 363(k) with regard to any sale of Amegy Collateral. v. If the Minerals are not sold by the date detailed in Section 7.03(a) of the Plan, then the Plan Injunction shall automatically terminate to permit Amegy to foreclose its Liens and security interests in the Minerals. vi. If the Ranch is not sold by the date detailed in Section 7.03(b) of the Plan and Amegy’s Claim has not been paid in full, then the Plan Injunction shall automatically terminate to permit Amegy to foreclose its Liens and security interests in the Ranch. vii. Any Allowed deficiency Claim of Amegy shall be treated as a Class 9 Unsecured Claim.</p> | <p>\$ _____</p> |

| Claims or Class Description | Treatment | Estimated Aggregate Amount of Allowed Claims |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <p>Class 3: Lone Star (Impaired – entitled to vote)</p> | <p>i. Lone Star shall retain its Liens on any and all Lone Star Collateral securing the Loan Star Class 3 Allowed Secured Claim.</p> <p>ii. On the Closing Date for the sale of any Lone Star Collateral, excluding the Ranch, Reorganized Debtor shall pay Lone Star, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Lone Star) realized from any such sale of Lone Star Collateral (excluding the Ranch) less such amounts authorized by Lone Star to be placed in the Working Capital Reserve. Such payments shall be applied by Lone Star to its Class 3 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Lone Star Loan Documents, until Lone Star’s Allowed Class 3 Claim is paid in full.</p> <p>iii. On the Closing Date for the sale of all or any part of the Ranch, after payment of the Amegy Class 2 Secured Claim in full, Reorganized Debtor shall then pay Lone Star, in Cash, one hundred percent (100%) of the remaining net proceeds, if any, realized from any sale or sales of the Ranch. Such payments shall be applied by Lone Star to its Class 3 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Lone Star Loan Documents, until Lone Star’s Allowed Class 3 Claim is paid in full.</p> <p>iv. Lone Star shall retain the right to credit bid its Secured Claim in accordance with 11 U.S.C. § 363(k) with regard to any sale of Lone Star’s Collateral.</p> <p>v. If the Ranch is not sold by the date detailed in Section 7.03(b) of the Plan and Lone Star’s Claim has not been paid in full, then the Plan Injunction shall automatically terminate to permit Lone Star to foreclose its Liens and security interests in the Ranch, subject to the Liens of Amegy.</p> <p>vi. Any Allowed deficiency Claim of Lone Star shall be treated as a Class 9 Unsecured Claim.</p> <p>vii. Notwithstanding anything in the Disclosure Statement or the Plan to the contrary, Lone Star, PCA: (1) shall have an allowed secured claim in the amount of at least \$5,525,000.00 (less any post-petition credits received under the terms of a cash collateral order in this case or otherwise) and shall vote as a secured creditor in Class 3; (2) shall have an unsecured claim in the amount of \$1,500,000.00 for purposes of voting in Class 9 as an unsecured creditor; and (3) shall have the right to recover interest on its loans with the Debtor, attorneys’ fees, costs, and expenses that Lone Star, PCA has incurred since the petition date to the extent Lone Star, PCA is oversecured.</p> | <p>\$_____</p> |

| Claims or Class Description | Treatment | Estimated Aggregate Amount of Allowed Claims |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <p>Class 4: GMAC (Impaired – entitled to vote)</p> | <p>Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 4 Claim shall be treated as follows:</p> <p>i. GMAC shall retain its Liens on any and all GMAC Collateral securing the GMAC Class 4 Allowed Secured Claim.</p> <p>ii. At its option, GMAC may select one of the following treatment:</p> <p>(a) <i>Option #1:</i> On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 4 GMAC Collateral to the holder of the Allowed Class 4 Claim. The surrender of Class 4 GMAC Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 4 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or</p> <p>(b) <i>Option #2:</i> On the Closing Date for the sale of any GMAC Collateral, Reorganized Debtor shall pay GMAC, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by GMAC or the Bankruptcy Court) realized from the sale of GMAC Collateral, until the Allowed Class 4 Claim is paid in full. Further, the holder of the Allowed Class 4 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 4 Claim’s GMAC Collateral.</p> <p>iii. In the event that the holder of the Allowed Class 4 Claim fails to timely elect Class 4 Option 1 and/or Class 4 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 4 GMAC Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 4 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).</p> <p>iv. Any Allowed deficiency Claim of GMAC shall be treated as a Class 9 Unsecured Claim.</p> | <p>\$_____</p> |

| Claims or Class Description | Treatment | Estimated Aggregate Amount of Allowed Claims |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <p>Class 5: Chrysler (Impaired – entitled to vote)</p> | <p>Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 5 Claim shall be treated as follows:</p> <p>i. Chrysler shall retain its Liens on any and all Chrysler Collateral securing the Chrysler Class 5 Allowed Secured Claim.</p> <p>ii. At its option, Chrysler may select one of the following treatment:</p> <p>(a) <i>Option #1:</i> On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 5 Chrysler Collateral to the holder of the Allowed Class 5 Claim. The surrender of Class 5 Chrysler Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 5 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or</p> <p>(b) <i>Option #2:</i> On the Closing Date for the sale of any Chrysler Collateral, Reorganized Debtor shall pay Chrysler, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Chrysler or the Bankruptcy Court) realized from the sale of Chrysler Collateral, until the Allowed Class 5 Claim is paid in full. Further, the holder of the Allowed Class 5 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 5 Claim’s Chrysler Collateral.</p> <p>iii. In the event that the holder of the Allowed Class 5 Claim fails to timely elect Class 5 Option 1 and/or Class 5 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 5 Chrysler Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 5 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).</p> <p>iv. Any Allowed deficiency Claim of Chrysler shall be treated as a Class 9 Unsecured Claim.</p> | <p>\$_____</p> |

| Claims or Class Description | Treatment | Estimated Aggregate Amount of Allowed Claims |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <p>Class 6: Toyota (Impaired – entitled to vote)</p> | <p>Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 6 Claim shall be treated as follows:</p> <p>i. Toyota shall retain its Liens on any and all Toyota Collateral securing the Toyota Class 6 Allowed Secured Claim.</p> <p>ii. At its option, Toyota may select one of the following treatment:</p> <p>(a) <i>Option #1:</i> On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 6 Toyota Collateral to the holder of the Allowed Class 6 Claim. The surrender of Class 6 Toyota Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 6 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or</p> <p>(b) <i>Option #2:</i> On the Closing Date for the sale of any Toyota Collateral, Reorganized Debtor shall pay Toyota, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Toyota or the Bankruptcy Court) realized from the sale of Toyota Collateral, until the Allowed Class 6 Claim is paid in full. Further, the holder of the Allowed Class 6 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 6 Claim’s Toyota Collateral.</p> <p>iii. In the event that the holder of the Allowed Class 6 Claim fails to timely elect Class 6 Option 1 and/or Class 6 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 6 Toyota Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 6 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).</p> <p>iv. Any Allowed deficiency Claim of Toyota shall be treated as a Class 9 Unsecured Claim.</p> | <p>\$_____</p> |

| Claims or Class Description | Treatment | Estimated Aggregate Amount of Allowed Claims |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <p>Class 7: Agricredit (Impaired – entitled to vote)</p> | <p>Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 7 Claim shall be treated as follows:</p> <p>i. Agricredit shall retain its Liens on any and all Agricredit Collateral securing the Agricredit Class 7 Allowed Secured Claim.</p> <p>ii. At its option, Agricredit may select one of the following treatment:</p> <p>(a) <i>Option #1:</i> On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 7 Agricredit Collateral to the holder of the Allowed Class 7 Claim. The surrender of Class 7 Agricredit Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 7 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or</p> <p>(b) <i>Option #2:</i> On the Closing Date for the sale of any Agricredit Collateral, Reorganized Debtor shall pay Agricredit, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Agricredit or the Bankruptcy Court) realized from the sale of Agricredit Collateral, until the Allowed Class 7 Claim is paid in full. Further, the holder of the Allowed Class 7 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 7 Claim’s Agricredit Collateral.</p> <p>iii. In the event that the holder of the Allowed Class 7 Claim fails to timely elect Class 7 Option 1 and/or Class 7 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 7 Agricredit Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 7 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).</p> <p>iv. Any Allowed deficiency Claim of Agricredit shall be treated as a Class 9 Unsecured Claim.</p> | <p>\$_____</p> |

| Claims or Class Description | Treatment | Estimated Aggregate Amount of Allowed Claims |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <p>Class 8: Other Secured Claims (Impaired – entitled to vote)</p> | <p>Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 8 Claim shall be treated as follows:</p> <p>i. The Other Secured Claim Holders, if any, shall retain its/their Liens on any and all Collateral securing the their respective Class 8 Allowed Secured Claim.</p> <p>ii. At its option, any Other Secured Creditor may select one of the following treatment:</p> <p>(a) <i>Option #1:</i> On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 8 Collateral to the holder of the Allowed Class 8 Claim. The surrender of Class 8 Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 8 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or</p> <p>(b) <i>Option #2:</i> On the Closing Date for the sale of any Other Secured Creditor Collateral, Reorganized Debtor shall pay the Other Secured Creditor, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by the Other Secured Creditor or the Bankruptcy Court) realized from the sale of the Other Secured Creditor Collateral, until the Allowed Class 8 Claim of such Other Secured Creditor is paid in full. Further, the holder of the Allowed Class 8 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 8 Claim’s Collateral.</p> <p>iii. In the event that the holder of the Allowed Class 8 Claim fails to timely elect Class 8 Option 1 and/or Class 8 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 8 Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 8 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).</p> <p>iv. Any Allowed deficiency Claim of any Other Class 8 Secured Creditor shall be treated as a Class 9 Unsecured Claim.</p> | <p>\$_____</p> |
| <p>Class 9: Unsecured Claims (Impaired – entitled to vote)</p> | <p>Each Holder of an Allowed Unsecured Claim shall, in full and final satisfaction of such Allowed Unsecured Claim, be paid its pro rata share of Available Cash, if any, after payment in full of all Allowed Claims in Classes 1 through 8 on such Distribution Dates as designated by the Plan Administrator in accordance with the terms and guidelines contained in Article VII of the Plan.</p> <p>Notwithstanding anything in the Disclosure Statement or the Plan to the contrary, Lone Star, PCA shall have an unsecured claim in the amount of \$1,500,000.00 for purposes of voting in Class 9 as an unsecured creditor.</p> | <p>\$_____</p> |

| Claims or Class Description | Treatment | Estimated Aggregate Amount of Allowed Claims |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Class 10: Equity Interests (Impaired – entitled to vote) | On the Effective Date, Holders of Allowed Equity Interests shall have their Equity Interests cancelled under the Plan, however, such Holders of Equity Interests shall receive Distributions from Reorganized Debtor of any Assets or Distributable Cash, if any, that remains after payment in full of all Allowed Claims in Classes 1 through 9. | N/A |

II. PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Notice to Holders of Claims and Interests

Approval by the Bankruptcy Court of this Disclosure Statement means that the Bankruptcy Court has found that this Disclosure Statement contains information of a kind and in sufficient and adequate detail to enable Holders of Claims to make an informed judgment whether to accept or reject the Plan.

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE EITHER A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR THEREIN OR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

IF THE PLAN IS APPROVED BY THE REQUISITE VOTE OF HOLDERS OF CLAIMS ENTITLED TO VOTE AND IS SUBSEQUENTLY CONFIRMED BY THE BANKRUPTCY COURT, THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST, AND EQUITY INTERESTS IN, THE DEBTOR, WHETHER OR NOT THEY WERE ENTITLED TO VOTE OR DID VOTE ON THE PLAN AND WHETHER OR NOT THEY RECEIVE OR RETAIN ANY DISTRIBUTIONS OR PROPERTY UNDER THE PLAN. THUS, ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR ENTITLED TO VOTE ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ITS APPENDICES CAREFULLY IN THEIR ENTIRETY BEFORE DECIDING TO VOTE EITHER TO ACCEPT OR REJECT THE PLAN.

THIS DISCLOSURE STATEMENT AND THE PLAN ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN.

No solicitation of votes for the Plan may be made except after distribution of this Disclosure Statement and no person has been authorized to distribute any information concerning the Plan other than the information contained herein. No such information will or should be relied upon in making a determination to vote to accept or reject the Plan.

B. Voting Rights

Pursuant to the provisions of the Bankruptcy Code, only Holders of Claims and Equity Interests in Classes that are: (i) treated as "impaired" by the Plan; and (ii) entitled to receive a Distribution under the Plan are entitled to vote on the Plan. Holders of Claims and Equity Interests that are either: (i) unimpaired and, thus, deemed to have accepted the Plan; or (ii) receiving no Distributions under the Plan and, thus, deemed to have rejected the Plan are not entitled to vote on the Plan.

Only Holders of Allowed Claims or Equity Interests in Class 2, Class 3, Class 4, Class 5, Class 6, Class 7, Class 8, and Class 9, and Class 10 that are Holders as of the record date (the "Voting Record Date"), which Voting Record Date is [_____] are entitled to vote on the Plan.

A Claim that is unliquidated, contingent, or disputed is not an Allowed Claim, and is thus not entitled to vote, unless and until the amount is estimated or the dispute is determined, resolved, or adjudicated in the Bankruptcy Court or another court of competent jurisdiction, or pursuant to agreement with the Plan Proponent. However, the Bankruptcy Court may deem a contingent, unliquidated, or disputed Claim to be Allowed on a provisional basis, for purposes only of voting on the Plan.

C. Solicitation Materials

In soliciting votes for the Plan pursuant to this Disclosure Statement, the Plan Proponents, through the Ballot Agent, will send to Holders of Claims in Class 2, Class 3, Class 4, Class 5, Class 6, Class 7, Class 8, and Class 9, and Holders of Equity Interests in Class 10 copies of: (i) the Disclosure Statement and Plan; (ii) the notice of, among other things: (a) the date, time and place of the hearing to consider confirmation of the Plan and related matters; and (b) the deadline for filing objections to confirmation of the Plan; (iii) one or more ballots (and return envelopes) to be used in voting to accept or to reject the Plan; and (iv) other materials as authorized by the Bankruptcy Court. Non-voting classes entitled to vote will receive a notice of their non-voting status.

If you are a Holder of a Claim that is entitled to vote, but you did not receive a ballot, or if your ballot is damaged or illegible, or if you have any questions concerning voting procedures, then you may contact the following:

If by regular mail, overnight mail or hand delivery:

Kimberly Morzak
Haynes and Boone, LLP
2323 Victory Avenue, Suite 700
Dallas, Texas 75219-7672
(214) 651-5420

D. Voting Procedures, Ballots and Voting Deadline

After reviewing the Plan and this Disclosure Statement, you are asked to indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the accompanying ballot. You should complete and sign your original ballot (neither copies nor ballots received via electronic means will be accepted) and return it in the envelope provided.

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN THE BALLOT DEADLINE OF [_____], 201_, AT 5:00 P.M. (PREVAILING CENTRAL TIME) BY THE FOLLOWING:

If by regular mail, overnight mail, or hand delivery:

Kimberly Morzak
Haynes and Boone, LLP
2323 Victory Avenue, Suite 700
Dallas, Texas 75219-7672
(214) 651-5420

UNLESS OTHERWISE PROVIDED IN THE INSTRUCTIONS ACCOMPANYING THE BALLOTS, FAXED BALLOTS AND BALLOTS RECEIVED BY ELECTRONIC MAIL WILL NOT BE ACCEPTED. BALLOTS THAT ARE RECEIVED BUT NOT SIGNED WILL NOT BE COUNTED. BALLOTS THAT ARE SIGNED BUT DO NOT SPECIFY WHETHER THE HOLDER ACCEPTS OR REJECTS THE PLAN WILL BE NULL AND VOID. DO NOT RETURN ANY STOCK CERTIFICATES, DEBT INSTRUMENTS, OR OTHER EVIDENCE OF YOUR CLAIM WITH YOUR BALLOT.

Copies of this Disclosure Statement, the Plan and any appendices and exhibits to such documents may be viewed and downloaded from the Bankruptcy Court's electronic case filing system, available at <https://ecf.txwb.uscourts.gov/>, or inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. If you have any questions about: (i) the procedure for voting your Claim; (ii) the packet of materials that you have received; or (iii) the amount of your Claim, or if you wish to obtain, at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d), an additional copy of the Plan, this Disclosure Statement, or any appendices or exhibits to such documents, please contact:

If by regular mail, overnight mail, or hand delivery:

Kimberly Morzak
Haynes And Boone, LLP
2323 Victory Avenue, Suite 700
Dallas, Texas 75219-7672
(214) 651-5420

For further information and general instruction on voting to accept or reject the Plan, *see* the instructions accompanying your ballot.

THE PLAN PROPONENTS URGE ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO EXERCISE THEIR RIGHT BY VOTING IN FAVOR OF THE PLAN AND OTHERWISE COMPLETING THEIR BALLOTS AND RETURNING THEM BY THE VOTING DEADLINE.

E. Confirmation Hearing and Deadline for Objections to Confirmation

Pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled a Confirmation Hearing for [_____], 201_, at [_____] (prevailing Central time). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for the announcement of the

adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing. Objections to confirmation of the Plan or proposed modifications to the Plan, if any, must: (i) be in writing; (ii) conform to the Bankruptcy Rules and the Local Rules of the Bankruptcy Court; (iii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (iv) state with particularity the basis and nature of any objection to the Plan; and (v) be filed electronically, together with proof of service, with the United States Bankruptcy Court for the Western District of Texas, Waco Division, <https://ecf.txwb.uscourts.gov/>, and served on the parties listed in the notice of the Confirmation Hearing, in each case so as to be actually received on or before 5:00 p.m. (prevailing Central time) on [_____], 201_. Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014.

III. HISTORY AND GENERAL INFORMATION CONCERNING THE DEBTOR²

A. History of Debtor

The Debtor is Camp Cooley, Ltd., a Texas limited partnership. Camp Cooley, Ltd. is owned by Birkel Investment Holdings, Ltd. (“*BIH*”) Mr. Klaus Birkel owns BIH.

The Debtor’s largest asset is that approximate 10,744 acres of land know as the Camp Cooley Ranch located in Robertson County, Texas. The Debtor also holds Mineral interests associated with the Ranch. The Ranch and Minerals were acquired by BIH in 1991. In the years after 1994, the Debtor conducted Ranch operations. During these years the Ranch became a provider of Brangus and Charolais genetics breeding and selling bulls, cows, heifers, semen straws, embryos, and providing related services. The Ranch also contains a 1,000 acre “high-fenced” game preserve with a ranch house in the center. Exotic plains animals and Colorado elk are found in the game preserve and limited hunting has been available on that acreage. Such plains animals and Colorado Elk constitute, in part, the Collateral of Lone Star. The Section 362 automatic stay has been lifted by the Bankruptcy Court, authorizing Lone Star to foreclose its Lien in the exotic game collateral.

The Ranch also includes approximately 7,500 acres of improved coastal Bermuda pastures, with 1,500 acres under irrigation and has modern improvements, including offices, employee homes, barns, and a modern sales barn/arena. In addition, the Ranch has fiber-optic cable for high speed internet, a radio communication tower, and a sophisticated surveillance system. The Debtor also asserts that it made a number of improvements to the Ranch facilities, including the construction of a sales facility where large cattle sales and meetings are held. A new office building was built, and housing for employees were added or allegedly improved. The Debtor asserts that it interconnected water wells and irrigations systems, and it built hay-storage barns, fencing, and animal care and breeding facilities. The Debtor asserts that it has invested over \$22 million in the Ranch.

In recent years, Ranch operations were not profitable. According to the Debtor, the

² The information contained in this Article III. “History and General Information Concerning the Debtor” is based on statements contained in pleadings and documents filed in the Chapter 11 Case by the Debtor.

primary reasons for the Debtor's unprofitability include significant increases in the price of commodities, such as feed and fertilizer, the large amounts of debt service owed by the Debtor, and the funds advanced by the Debtor to affiliated entities which have failed or are hopelessly insolvent.

Eventually, the Debtor was not able to make debt service payments to Amegy or Lone Star or payments to other creditors, the Debtor, therefore, filed for relief under Chapter 11 of the Bankruptcy Code to prevent the foreclosure of the Debtor's property.

B. Debtor's Pre-Petition Borrowings

i. Amegy

Amegy is the Debtor's largest Secured Creditor. Amegy estimates that its Secured Claim against the Debtor will be in the approximate amount of \$25 million as of the Confirmation Hearing Date. The Debtor's indebtedness to Amegy is evidenced and governed by the Amegy Loan Documents. The Debtor's obligations to Amegy are secured by valid and perfected liens and security interests in the Ranch and Minerals. The Debtor entered into the Loan Agreement and other Amegy Loan Documents on April 24, 2008. The Debtor initially borrowed \$17 million from Amegy. A few months later, in September 2008, the Debtor borrowed an additional \$3 million from Amegy. According to the Debtor, it used the loan proceeds as follows: (i) approximately \$13 million of loan proceeds were used to pay off an existing indebtedness owed to another lender secured by the Ranch; (ii) approximately \$3 million of the loan proceeds were used in the Debtor's operations, and (iii) the remaining \$4 million of loan proceeds were advanced by the Debtor to BIH or its subsidiaries.

In February 2009, the Debtor requested, and Amegy agreed, to enter into a forbearance agreement beginning on March 31, 2009 and continuing through June 30, 2009. In June 2009 the Debtor again requested and Amegy agreed to enter into a second forbearance agreement with the Debtor extending the forbearance period through October 15, 2009. Thereafter, on November 8, 2009, the Debtor filed its Voluntary Petition initiating the Case.

The Debtor failed to make any payments to Amegy for interest, costs, fees, principal, or any other payments since February 2009 through the Petition Date. Since the Petition Date, the Debtor had not made any payments to Amegy until the Bankruptcy Court ordered the Debtor to begin making adequate protection payments to Amegy commencing October 15, 2010.

ii. Lone Star

The Debtor's second largest Secured Creditor is Lone Star, which loaned the Debtor funds to support its agricultural operations. Lone Star asserts that it holds a first lien on much of the Debtor's personal property, including cattle, exotic animals, semen, embryos, and equipment, and that it holds a second real estate lien on the Ranch. The Debtor's prepetition debt due to Lone Star as of the Petition Date was approximately \$5.5 million.

The Debtor's interests in livestock and assets that comprised its reproductive services operations constituted, in part, the Collateral of Lone Star. The Section 362 automatic stay has

also been lifted by the Bankruptcy Court, authorizing Lone Star to foreclose its Liens in its livestock and reproductive services operations collateral as set forth in the Court's order. Lone Star anticipates that its remaining Claims against the Debtor as of the Confirmation Hearing Date will be in the approximate amount of \$__ million.

IV. PROCEEDINGS IN THE DEBTOR'S CASE

A. Commencement and Administration of the Case

The Debtor's Case was commenced on November 8, 2009. An immediate effect of the filing of the Debtor's Case was the imposition of an automatic stay under section 362 of the Bankruptcy Code, which, with limited exceptions, enjoins the commencement or continuation of all collection efforts by creditors, the enforcement of Liens against property of the Debtor, and the continuation of litigation against the Debtor. Following is a summary of the more significant matters to have come before the Court during the Case.

i. Cash Collateral Orders

Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363 and 507 and Federal Rules of Bankruptcy Procedure 2002, 4001, and 9014 (I) Authorizing Use of Cash Collateral; (II) Granting Security Interests and Super-Priority Claims and Granting Other Adequate Protection; (III) Modifying the Automatic Stay; and (IV) Scheduling a Final Hearing on the Motion.

ii. Confirmation of Debtor's Plan of Reorganization Denied

On September 21, 2010, the Court denied confirmation of the Debtor's First Amended Plan of Reorganization, based on its lack of feasibility under Section 1129(a)(11) of the Bankruptcy Code, among other reasons, and indicated a liquidation plan would be more appropriate.

iii. Motion of Lone Star for Relief from the Automatic Stay

On October 7, 2010, an Order was entered granting, in part, Lone Star's Motion for Relief from Stay and terminating, in part, the automatic stay as to certain of Lone Star's Collateral.

iv. Motion of Amegy for Relief from the Automatic Stay

On October 7, 2010, an Order was entered denying Amegy's Motion for Relief from Stay, but granting Amegy monthly adequate protection payments. The amount of the adequate protection payment is the lesser of (i) 100% of any and all gas royalty income of the Debtor during the preceding month or (ii) \$80,610.85.

V. SUMMARY OF THE PLAN

A. Generally

Pursuant to section 1122 of the Bankruptcy Code, as set forth in Article II and Article III

of the Plan, is the designation of Classes of Claims and Equity Interests. A Claim or an Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of the Class and is classified in a different Class to the extent the Claim or Equity Interest qualifies within the description of that different Class. A Claim or Equity Interest is placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or an Allowed Equity Interest in that Class and such Claim or Equity Interest has not been paid, released, settled, or otherwise satisfied prior to the Effective Date

B. Unclassified Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified and are excluded from the Classes designated in Article III of the Plan. The treatment accorded Administrative Claims and Priority Tax Claims is set forth in Article II of the Plan.

i. Allowed Administrative Claims.

Administrative Claims are Claims constituting a cost or expense of the administration of the Case allowed under sections 503(b) and 507(a)(2) of the Code. Such Claims include any actual and necessary costs and expenses of preserving the Estate of the Debtor, any actual and necessary costs and expenses of operating the business of the Debtor in Possession, any indebtedness or obligations incurred or assumed by the Debtor in Possession in connection with the conduct of its business, including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, all compensation and reimbursement of expenses to the extent Allowed by the Bankruptcy Court under section 330, 331 or 503 of the Code, all costs associated with the cure of any executory contracts and unexpired leases between the Debtor and any Person, and any fees or charges assessed against the Estate of the Debtor under section 1930 of title 28 of the United States Code.

ii. Ordinary Course Claims.

Except to the extent that any entity entitled to payment of any Allowed Administrative Claim representing liabilities incurred by the Debtor in Possession in the ordinary course of its business (excluding Allowed Professional Fee Expense Claims) agrees to a different treatment, each such holder of an Allowed Administrative Claim shall be paid in full, in Cash, in full satisfaction of such Claim, on the later of the Effective Date or the date on which such Administrative Claim becomes an Allowed Claim, *provided, however,* that Allowed Administrative Claims representing (1) postpetition liabilities incurred in the ordinary course of business by the Debtor or (2) postpetition contractual liabilities arising under loans or advances to the Debtor, whether or not incurred in the ordinary course of business, shall be paid in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements relating thereto.

iii. Professional Fee and Expense Claims.

The Bankruptcy Court will review and determine all applications for compensation for services rendered and reimbursement of expenses. All entities seeking an award by the Bankruptcy Court of Professional Fee and Expense Claims shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred through the Effective Date pursuant to section 330 of the Code and Rule 2016 by the Administrative Claims Bar date unless or such other date fixed by the Bankruptcy Court. The time for filing objections to applications for allowance and payment of Professional Fee and Expense Claims, and the date and time for a hearing in respect of such applications and the related objections, if any, shall be set by order of the Bankruptcy Court.

Except to the extent that any Professional entitled to payment of Allowed Professional Fee and Expense Claims agrees to a different treatment, such Allowed Professional Fee Expense Claims shall be paid from Distributable Cash ten (10) business days after the later of (i) the Effective Date, or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim by Final Order. In the event the Distributable Cash is insufficient to pay all Allowed Professional Fee Expense Claims in full on the relevant Distribution Date above, then such Allowed Professional Fee Expense Claims shall be paid from Distributable Cash on a Pro Rata basis in installments commencing thirty (30) days after the occurrence of the above applicable Distribution Date and continuing on each ninety (90) day anniversary of such Distribution Date until all Allowed Professional Fee Expense Claims are paid in full.

The Debtor estimates that, assuming an Effective Date of February 1, 2011, unpaid Allowed Administrative Claims will total approximately \$ _____, almost entirely consisting of the following Professional Fee Claims:

| | |
|----------------------------------------------------|----------|
| Oppenheimer, Blend, Harrison & Tate, Inc. | \$ _____ |
| Langley & Banack, Inc. (Attorneys) | \$ _____ |
| Jackson Walker, LLP (Attorneys) | \$ _____ |
| Beckham & Mandel (Attorney) | \$ _____ |
| Eric Hoefnagel (Tax consultant) | \$ _____ |
| David Berberian (Accounting Services) | \$ _____ |
| ValueScope (mineral rights appraisal and services) | \$ _____ |

iv. Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim under section 507(a)(8) of the Code has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall be paid in full in Distributable Cash ten (10) business days after the later of (i) the Effective Date or (ii) the date such Claim becomes an Allowed Priority Tax Claim by Final Order. In the event the Distributable Cash is insufficient to pay all Allowed Priority Tax Claims in full on the relevant Distribution Date above, then such Allowed Priority Tax Claims shall be paid from Distributable Cash on a Pro Rata basis in installments commencing thirty (30)

days after the occurrence of the above applicable Distribution Date and continuing on each ninety (90) day anniversary of such Distribution Date until all Allowed Priority Tax Claims are paid in full. The Plan Administrator shall not make a Plan installment payment to holders of Allowed Priority Tax Claims until all Allowed Administrative Claims and all Allowed Professional Fee Expense Claims have been paid in full.

v. *United States Trustee's Fees.*

The Debtor shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) through Confirmation on the Effective Date. The Plan Administrator shall further pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) for post-confirmation periods within the time periods set forth in 28 U.S.C. §1930(a)(6), until the earlier of the closing of this Case by the issuance of a Final Decree by the Bankruptcy Court, upon the entry of an order of this Bankruptcy Court dismissing this Case, or upon entry of an order converting this Case to another chapter under the Code, and the Plan Administrator shall provide to the United States Trustee upon the payment of each post-confirmation payment an appropriate declaration indicating disbursement for the relevant periods.

C. *Classification and Treatment of Claims and Equity Interests*

Pursuant to section 1122 of the Bankruptcy Code, as set forth in Article II and Article III of the Plan, is the designation of Classes of Claims and Equity Interests. A Claim or an Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of the Class and is classified in a different Class to the extent the Claim or Equity Interest qualifies within the description of that different Class. A Claim or Equity Interest is placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or an Allowed Equity Interest in that Class and such Claim or Equity Interest has not been paid, released, settled, or otherwise satisfied prior to the Effective Date.

The Plan provides for the classification and treatment of Claims against and Equity Interests in the Debtor. The Plan designates nine (9) Classes of Claims and one (1) Class of Equity Interests. These Classes take into account the differing nature and priority under the Bankruptcy Code of the various Claims and Equity Interests of the Debtor. Pursuant to the terms of the Plan, Claims against, and Equity Interests in, the Debtor are classified as follows:

| <u>Class</u> | <u>Description</u> | <u>Status</u> | <u>Voting Status</u> |
|--------------|-------------------------------------|---------------|----------------------|
| Class 1 | Allowed Other Priority Claims | Unimpaired | No. Deemed to Accept |
| Class 2 | Allowed Secured Claim of Amegy | Impaired | Yes |
| Class 3 | Allowed Secured Claim of Lone Star | Impaired | Yes |
| Class 4 | Allowed Secured Claim of GMAC | Impaired | Yes |
| Class 5 | Allowed Secured Claim of Chrysler | Impaired | Yes |
| Class 6 | Allowed Secured Claim of Toyota | Impaired | Yes |
| Class 7 | Allowed Secured Claim of Agricredit | Impaired | Yes |
| Class 8 | Allowed Unsecured Claims | Impaired | Yes |
| Class 9 | Allowed Unsecured Claims | Impaired | Yes |
| Class 10 | Allowed Equity Interests | Impaired | Yes |

D. Treatment of Claims and Equity Interests

CLASS 1. Allowed Other Priority Claims.

(a) **Description.** Class 1 consists of the Allowed Other Priority Claims which are entitled to priority in accordance with section 507(a) of the Code (other than Administrative Claims and Priority Tax Claims).

(b) **Treatment.** Each holder of an Allowed Other Priority Claim shall receive, in full satisfaction, release and exchange for such Claim, Distributable Cash in an amount equal to the amount of such Allowed Other Priority Claim in accordance with section 1129(a)(9) of the Code ten (10) business days after the later of (i) the Effective Date, or (ii) the date such Claim becomes an Allowed Other Priority Claim by Final Order. In the event the Distributable Cash is insufficient to pay all Allowed Other Priority Claims in full on the relevant Distribution Date above, then such Allowed Other Priority Claims shall be paid from Distributable Cash on a Pro Rata basis in installments commencing thirty (30) days after the occurrence of the above applicable Distribution Date and continuing on each ninety (90) day anniversary of such Distribution Date until all Allowed Other Priority Claims are paid in full. The Plan Administrator shall not make a Plan installment payment to holders of Allowed Other Priority Claims until all Allowed Administrative Claims, all Allowed Professional Fee Expense Claims, and all Priority Tax Claims have been paid in full.

(c) **Impairment.** The Class 1 Claim is Unimpaired.

CLASS 2. Allowed Secured Claim of Amegy.

(a) **Description.** Class 2 consists of the Allowed Secured Claim held by Amegy.

(b) **Treatment.** The Amegy Allowed Class 2 Claim shall be treated as follows:

i. Amegy shall retain its Liens on any and all Amegy Collateral securing the Amegy Class 2 Allowed Secured Claim.

ii. From the Effective Date until Amegy's Allowed Secured Claim is paid in full, Reorganized Debtor shall pay Amegy, in Cash, one hundred percent (100%) of any and royalty income received by Reorganized Debtor from Amegy's Mineral Collateral, less such amounts authorized by Amegy to be placed in the Working Capital Reserve. Such payments shall be applied by Amegy to its Class 2 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Amegy Loan Documents.

iii. On the Closing Date for the sale of any Amegy Collateral, Reorganized Debtor shall pay Amegy, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Amegy) realized from any such sale of Amegy Collateral until Amegy's Allowed Class 2 Claim is paid in full. Such payments shall be applied by Amegy to its Class 2 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Amegy Loan Documents.

iv. Amegy shall retain the right to credit bid its Secured Claim in accordance with 11 U.S.C. § 363(k) with regard to any sale of Amegy Collateral.

v. If the Minerals are not sold by the date detailed in Section 7.03(a) of the Plan, then the Plan Injunction shall automatically terminate to permit Amegy to foreclose its Liens and security interests in the Minerals.

vi. If the Ranch is not sold by the date detailed in Section 7.03(b) of the Plan and Amegy's Claim has not been paid in full, then the Plan Injunction shall automatically terminate to permit Amegy to foreclose its Liens and security interests in the Ranch.

vii. Any Allowed deficiency Claim of Amegy shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Allowed Class 2 Claim is Impaired.

CLASS 3. Allowed Secured Claim of Lone Star.

(a) **Description.** Class 3 consists of the Allowed Secured Claim of Lone Star.

(b) **Treatment.** The Lone Star Allowed Class 3 Claim shall be treated as follows:

i. Lone Star shall retain its Liens on any and all Lone Star Collateral securing the Loan Star Class 3 Allowed Secured Claim.

ii. On the Closing Date for the sale of any Lone Star Collateral, excluding the Ranch, Reorganized Debtor shall pay Lone Star, in Cash, one

hundred percent (100%) of the proceeds (net of applicable sales costs approved by Lone Star) realized from any such sale of Lone Star Collateral (excluding the Ranch) less such amounts authorized by Lone Star to be placed in the Working Capital Reserve. Such payments shall be applied by Lone Star to its Class 3 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Lone Star Loan Documents, until Lone Star's Allowed Class 3 Claim is paid in full.

iii. On the Closing Date for the sale of all or any part of the Ranch, after payment of the Amegy Class 2 Secured Claim in full, Reorganized Debtor shall then pay Lone Star, in Cash, one hundred percent (100%) of the remaining net proceeds, if any, realized from any sale or sales of the Ranch. Such payments shall be applied by Lone Star to its Class 3 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Lone Star Loan Documents, until Lone Star's Allowed Class 3 Claim is paid in full.

iv. Lone Star shall retain the right to credit bid its Secured Claim in accordance with 11 U.S.C. § 363(k) with regard to any sale of Lone Star's Collateral.

v. If the Ranch is not sold by the date detailed in Section 7.03(b) of the Plan and Lone Star's Claim has not been paid in full, then the Plan Injunction shall automatically terminate to permit Lone Star to foreclose its Liens and security interests in the Ranch, subject to the Liens of Amegy.

vi. Any Allowed deficiency Claim of Lone Star shall be treated as a Class 9 Unsecured Claim.

vii. Notwithstanding anything in the Disclosure Statement or the Plan to the contrary, Lone Star, PCA: (1) shall have an allowed secured claim in the amount of at least \$5,525,000.00 (less any post-petition credits received under the terms of a cash collateral order in this case or otherwise) and shall vote as a secured creditor in Class 3; (2) shall have an unsecured claim in the amount of \$1,500,000.00 for purposes of voting in Class 9 as an unsecured creditor; and (3) shall have the right to recover interest on its loans with the Debtor, attorneys' fees, costs, and expenses that Lone Star, PCA has incurred since the petition date to the extent Lone Star, PCA is oversecured.

(c) **Impairment.** The Allowed Class 3 Claim is Impaired.

CLASS 4. Allowed Secured Claim of GMAC.

(a) **Description.** Class 4 consists of the Allowed Secured Claim of GMAC.

(b) **Treatment.** The Allowed Class 4 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 4 Claim shall be treated as follows:

i. GMAC shall retain its Liens on any and all GMAC Collateral securing the GMAC Class 4 Allowed Secured Claim.

ii. At its option, GMAC may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 4 GMAC Collateral to the holder of the Allowed Class 4 Claim. The surrender of Class 4 GMAC Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 4 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any GMAC Collateral, Reorganized Debtor shall pay GMAC, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by GMAC or the Bankruptcy Court) realized from the sale of GMAC Collateral, until the Allowed Class 4 Claim is paid in full. Further, the holder of the Allowed Class 4 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 4 Claim’s GMAC Collateral.

iii. In the event that the holder of the Allowed Class 4 Claim fails to timely elect Class 4 Option 1 and/or Class 4 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 4 GMAC Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 4 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of GMAC shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 4 Claim is Impaired.

CLASS 5. Allowed Secured Claim of Chrysler.

(a) **Description.** Class 5 consists of the Allowed Secured Claim of Chrysler.

(b) **Treatment.** The Allowed Class 5 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 5 Claim shall be treated as follows:

i. Chrysler shall retain its Liens on any and all Chrysler Collateral securing the Chrysler Class 5 Allowed Secured Claim.

ii. At its option, Chrysler may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 5 Chrysler Collateral to the holder of the Allowed Class 5 Claim. The surrender of Class 5 Chrysler Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 5 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any Chrysler Collateral, Reorganized Debtor shall pay Chrysler, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Chrysler or the Bankruptcy Court) realized from the sale of Chrysler Collateral, until the Allowed Class 5 Claim is paid in full. Further, the holder of the Allowed Class 5 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 5 Claim’s Chrysler Collateral.

iii. In the event that the holder of the Allowed Class 5 Claim fails to timely elect Class 5 Option 1 and/or Class 5 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 5 Chrysler Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 5 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of Chrysler shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 5 Claim is Impaired.

CLASS 6. Allowed Secured Claim of Toyota.

(a) **Description.** Class 6 consists of the Allowed Secured Claim of Toyota.

(b) **Treatment.** The Allowed Class 6 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 6 Claim shall be treated as follows:

i. Toyota shall retain its Liens on any and all Toyota Collateral securing the Toyota Class 6 Allowed Secured Claim.

ii. At its option, Toyota may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 6 Toyota Collateral to the holder of the Allowed Class 6 Claim. The surrender of Class 6 Toyota Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 6 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any Toyota Collateral, Reorganized Debtor shall pay Toyota, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Toyota or the Bankruptcy Court) realized from the sale of Toyota Collateral, until the Allowed Class 6 Claim is paid in full. Further, the holder of the Allowed Class 6 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 6 Claim's Toyota Collateral.

iii. In the event that the holder of the Allowed Class 6 Claim fails to timely elect Class 6 Option 1 and/or Class 6 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 6 Toyota Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 6 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of Toyota shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 6 Claim is Impaired.

CLASS 7. Allowed Secured Claim of Agricredit.

(a) **Description.** Class 7 consists of the Allowed Secured Claim of Agricredit.

(b) **Treatment.** The Allowed Class 7 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 7 Claim shall be treated as follows:

i. Agricredit shall retain its Liens on any and all Agricredit Collateral securing the Agricredit Class 7 Allowed Secured Claim.

ii. At its option, Agricredit may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 7 Agricredit Collateral to the holder of the Allowed Class 7 Claim. The surrender of Class 7 Agricredit Collateral hereunder shall constitute the "indubitable equivalent" of such Allowed Class 7 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any Agricredit Collateral, Reorganized Debtor shall pay Agricredit, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Agricredit or the Bankruptcy Court) realized from the sale of Agricredit Collateral, until the Allowed Class 7 Claim is paid in full.

Further, the holder of the Allowed Class 7 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 7 Claim's Agrifac Credit Collateral.

iii. In the event that the holder of the Allowed Class 7 Claim fails to timely elect Class 7 Option 1 and/or Class 7 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 7 Agrifac Credit Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 7 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of Agrifac Credit shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 7 Claim is Impaired.

CLASS 8. Allowed Secured Claim of Other Secured Claims.

(a) **Description.** Class 8 consists of the Allowed Other Secured Claims, other than the Allowed Class 2 through 7 Claims.

(b) **Treatment.** The Allowed Class 8 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 8 Claim shall be treated as follows:

i. The Other Secured Claim Holders, if any, shall retain its/their Liens on any and all Collateral securing the their respective Class 8 Allowed Secured Claim.

ii. At its option, any Other Secured Creditor may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 8 Collateral to the holder of the Allowed Class 8 Claim. The surrender of Class 8 Collateral hereunder shall constitute the "indubitable equivalent" of such Allowed Class 8 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any Other Secured Creditor Collateral, Reorganized Debtor shall pay the Other Secured Creditor, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by the Other Secured Creditor or the Bankruptcy Court) realized from the sale of the Other Secured Creditor Collateral until the Allowed Class 8 Claim of such Other Secured Creditor is paid in full. Further, the holder of the Allowed Class 8 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k)

with regard to any sale of the holder of the Allowed Class 8 Claim's Collateral.

iii. In the event that the holder of the Allowed Class 8 Claim fails to timely elect Class 8 Option 1 and/or Class 8 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 8 Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 8 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of any Other Class 8 Secured Creditor shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 8 Claim is Impaired.

CLASS 9. Allowed Unsecured Claims.

(a) **Description.** Class 9 consists of Allowed Unsecured Claims.

(b) **Treatment.** Each Holder of an Allowed Unsecured Claim shall, in full and final satisfaction of such Allowed Unsecured Claim, be paid its pro rata share of Distributable Cash, if any, after payment in full of all Allowed Claims in Classes 1 through 8 on such Distribution Dates as designated by the Plan Administrator in accordance with the terms and guidelines contained in the Plan. Notwithstanding anything in the Disclosure Statement or the Plan to the contrary, Lone Star, PCA shall have an unsecured claim in the amount of \$1,500,000.00 for purposes of voting in Class 9 as an unsecured creditor.

(c) **Impairment.** The Class 9 Claim is Impaired.

Class 10. Allowed Equity Interests.

(a) **Description.** Class 10 consists of Allowed Equity Interests.

(b) **Treatment.** On the Effective Date, Holders of Allowed Equity Interests shall have their Equity Interests cancelled under the Plan; however, such Holders of Equity Interests shall receive Distributions from Reorganized Debtor of any Assets or Distributable Cash, if any, that remains after payment in full of all Allowed Claims in Classes 1 through 9.

(c) **Impairment.** The Class 10 Interests are not Impaired.

VI. IMPLEMENTATION OF THE PLAN

A. Reorganized Debtor's Amended Governance Documents.

The partnership agreements, operating agreements, and/or other governing documents of Debtor shall be amended and all necessary action shall be taken on behalf of Reorganized Debtor

to: (i) provide for the conversion of Camp Cooley from a limited partnership to a limited liability corporation; (ii) provide for the termination of all managing partners, directors, officers, members, and managers of the Debtor on the Effective Date; (iii) provide for the election and appointment of the Plan Administrator as the sole director and as the sole officer, manager, or member of Reorganized Debtor on the Effective Date and prohibit the removal, substitution, and replacement of the Plan Administrator by any Equity Interest Holder, subject in any event to the ability of the Bankruptcy Court to remove, substitute, or replace the Plan Administrator upon appropriate motion and notice of hearing; and (iv) provide for such provisions, terms, and conditions necessary to comply, conform with, and implement the terms, conditions, and requirements of the Plan, including the provisions regarding the Plan Administrator's rights and obligations set forth herein. On the Effective Date, all Equity Interests in the Debtor shall be canceled and the obligations of the Debtor arising under, evidenced by, or relating to any agreements, contracts, indentures, certificates of designation, bylaws, certificates or articles of incorporation, or similar documents governing the Equity Interests shall be released and discharged.

B. Revesting of Assets.

All Assets comprising Property of the Estate, including, but not limited to, all Avoidance Actions and all Actions shall automatically be retained and revested in Reorganized Debtor or its respective successor, free and clear of all Claims, Liens, contractually-imposed restrictions, charges, encumbrances, and Equity Interests of Creditors and equity security holders on the Effective Date, with all such Claims, Liens, contractually-imposed restrictions, charges, encumbrances, and Equity Interests being extinguished except as otherwise provided in the Plan. For avoidance of doubt, all Secured Creditors' Liens shall survive as detailed in Article IV of the Plan. The Reorganized Debtor or its successor shall have the rights, powers, and duties of a trustee under the Bankruptcy Code with respect to all Avoidance Actions and all Actions. Reorganized Debtor may pay the charges it incurs for professional fees, disbursements, expenses or related support services after the Effective Date without any application to the Bankruptcy Court.

C. Liquidation of Assets.

The Plan Administrator shall liquidate the Assets of Reorganized Debtor pursuant to the terms and conditions in the Plan. Specifically with respect to the Minerals and Ranch, however, the Minerals and Ranch must be liquidated as detailed below or the Plan Injunction shall automatically terminate to permit Amegy and Lone Star to foreclose their respective Liens and security interests in their Minerals and/or Ranch Collateral as set forth in the Plan.

i. Minerals.

The Plan Administrator shall close a sale of the Minerals on or before _____, 2011 or the Plan Injunction shall automatically terminate to permit Amegy to foreclose its Liens and security interests in the Minerals.

ii. Ranch.

The Plan Administrator shall close a sale of the Ranch or otherwise pay off, in full, the Claims of Amegy and Lone Star on or before _____, 2011 or the Plan Injunction shall automatically terminate to permit Amegy and Lone Star to foreclose their respective Liens and security interests in the Ranch.

D. The Plan Administrator.

On the Effective Date, all managing partners, officers, directors, managers, and partners of the Debtor shall be deemed removed pursuant to the Confirmation Order, and the Plan Administrator shall have sole management responsibility for Reorganized Debtor, as appropriate. The operation of the Reorganized Debtor in accordance with the provisions of the Plan shall become the general responsibility of the Plan Administrator pursuant to and in accordance with the provisions of the Plan and the governance documents of Reorganized Debtor.

i. Appointment of Plan Administrator.

The Plan Administrator shall serve as the Plan Administrator until the earlier to occur of (i) the completion of the wind-up and dissolution of the Reorganized Debtor, (ii) the payment in full of all Allowed Claims in Classes 1 through 9, or (iii) the death, resignation, or removal of the Plan Administrator as provided in the Plan. The initial Plan Administrator shall be selected by the Plan Proponents and identified by the filing of a notice of designation of Plan Administrator in the Case no later than ten (10) days prior to the Confirmation Hearing.

ii. Responsibilities.

The responsibilities of the Plan Administrator shall include preparation of an Operating Budget reflecting the projected ordinary expenses of the Reorganized Debtor from the Effective Date to the end of the third full month thereafter and providing a rolling three month Operating Budget every month following the Effective Date, setting the amount of the Working Capital Reserve; liquidating remaining assets; prosecuting objections to and estimations of Claims and Equity Interests, including objections and estimations that were initiated prior to the Confirmation Date; calculating and implementing all Distributions from the Distributable Cash in accordance with the Plan; filing all required tax returns, and paying taxes and all other obligations on behalf of the Reorganized Debtor until such time as (a) the Plan is substantially consummated and (b) the Claims and Equity Interests resolution process is complete. The Plan Administrator shall have such other responsibilities as may be vested in the Plan Administrator pursuant to the Plan or the Confirmation Order, or other Bankruptcy Court order, or as required or authorized by state law, or as may be necessary and proper to carry out the provisions of the Plan.

iii. Powers.

a. Without Necessity of Bankruptcy Court Approval. The Plan Administrator shall have all duties, powers, authority, and standing necessary to implement the Plan and to administer and liquidate the Assets of Reorganized Debtor for the benefit of Holders of Allowed Claims. Included among the powers of the Plan Administrator, and not by way of limitation, the Plan Administrator

may undertake the following on behalf of the Reorganized Debtor, without the need for further Bankruptcy Court approval:

- (i) Collect and receive income, notes, and other claims and receivables of Reorganized Debtor;
- (ii) Establish and administer the Working Capital Reserve;
- (iii) Incur, at the expense of the Reorganized Debtor, such charges, costs and fees as are necessary and appropriate in connection with the operation of the Reorganized Debtor's business;
- (iv) Pay all lawful expenses, debts, charges, and liabilities incurred by the Reorganized Debtor;
- (v) Pay all taxes, make all tax withholdings, and file tax returns and tax information returns and make tax elections by and on behalf of the Reorganized Debtor;
- (vi) Establish one or more checking, savings, and investment accounts in the name of the Reorganized Debtor, and have exclusive control over the disbursement of the Reorganized Debtor's funds on deposit or invested therein;
- (vii) Operate and manage the day to day operations of the Reorganized Debtor;
- (viii) Execute and deliver documents and instruments and take any and all acts to consummate the transactions contemplated by the Plan or approved by Orders of the Bankruptcy Court;
- (ix) File with the Bankruptcy Court the reports and other documents required by the Plan or otherwise required to close the Chapter 11 case;
- (x) Communicate, consult and report to the Plan Steering Committee with regard to the operations, assets, finances, and sales of assets of the Reorganized Debtor;
- (xi) Object to the amount or priority of payment of any Claim or Equity Interest under the Plan;
- (xii) Make interim and final distributions of proceeds from Reorganized Debtor's Assets in accordance with the Plan and Orders of the Bankruptcy Court;
- (xiii) Wind up the affairs of Reorganized Debtor under applicable law;

- (xiv) Exercise such other powers and duties as necessary or appropriate, in the discretion of the Plan Administrator, to accomplish the purposes of the Plan as set out herein; and
- (xv) Provide for storage and destruction of records.

b. With Necessity of Plan Steering Committee Approval. The Plan Administrator may undertake the following on behalf of the Reorganized Debtor upon prior approval of the majority of the Plan Steering Committee:

- (i) Collect the proceeds of the sale of Assets of Reorganized Debtor;
- (ii) Bring suit on behalf of or defend any suit against Reorganized Debtor;
- (iii) Discharge, compromise, and settle any unascertained, unliquidated or contingent debts, liabilities, or obligations of Reorganized Debtor, including settlement of objections to claims filed in the Case; and
- (iv) Retain such professionals, legal counsel, public accountants, brokers, and other experts as the Plan Administrator may deem advisable in connection with the administration of Reorganized Debtor or the exercise of the Plan Administrator's other powers set out herein.

c. With Necessity of Plan Steering Committee and Bankruptcy Court Approval. The Plan Administrator may undertake the following on behalf of the Reorganized Debtor upon prior approval of the majority of the Plan Steering Committee and Order of the Court approving such actions:

- (i) Sell or otherwise transfer for value the non-Cash Assets pursuant to the terms and conditions of the Plan; and
- (ii) Compromise and settle claims and causes of action of Reorganized Debtor.

iv. Compensation.

a. Base Compensation. The Plan Administrator shall be paid at the rate of \$_____ per hour and reimbursed actual out-of-pocket expenses for services rendered on behalf of Reorganized Debtor. Any dispute with respect to such compensation shall be resolved by agreement among the Plan Administrator, the majority of the Plan Steering Committee, and the Equity Interest Holder. If the parties are unable to agree, then such dispute will then be determined by the Bankruptcy Court after notice and opportunity for hearing.

b. Performance Bonus. In addition to the Base Compensation provided above, the Plan Administrator shall be entitled to the following performance bonuses upon the occurrence of any or all of the following circumstances and conditions:

- (i) If the Plan Administrator closes on a sale of the Minerals on or before _____ with a gross sales price of not less than \$_____, the Plan Administrator shall be entitled to a bonus of \$_____. The bonus shall increase ___% for each additional \$_____ increment in the gross sales price for the Minerals.
- (ii) If the Plan Administrator closes a sale of any portion of the Ranch within ____ (__) months after the Effective Date based on a sales price of not less than \$_____ per acre and resulting in a Cash Distribution to Amegy of not less than \$_____, then the Plan Administrator shall be entitled to a bonus of \$_____. The bonus shall increase by ___% for each additional \$_____ increment in the per acre sales price.
- (iii) If the Plan Administrator closes a sale of any portion of the Ranch within _____ (__) months after the Effective Date based on a sales price of not less than \$_____ per acre and resulting in a Cash Distribution to Amegy of not less than \$_____, then the Plan Administrator shall be entitled to a bonus of \$_____. The bonus shall increase by ___% for each additional \$_____ increment in the per acre sales price.

v. *Prior Stay Relief.*

Notwithstanding anything in the Plan or Disclosure Statement to the contrary, neither the Plan Administrator nor any person other than Lone Star, PCA shall be authorized to liquidate or otherwise dispose of the property made subject of the October 7, 2010 Order granting in part Lone Star, PCA's Motion for Relief from Automatic Stay, which permits, among other things, Lone Star to foreclose on certain of its collateral. Nothing in the Plan or the Disclosure Statement affects or otherwise modifies the October 7, 2010 Order granting in part Lone Star, PCA's Motion for Relief from Automatic Stay or Lone Star, PCA's rights to foreclose on the collateral made subject of that order.

vi. *Information and Reporting.*

The Plan Administrator shall provide to the Plan Steering Committee not less than monthly financial reports, including, but not limited to, an unaudited balance sheet, a cash flow statement reflecting receipts and disbursements during each reporting period, copies of all bank statements for the preceding month, reports on the sale of Assets and disbursements of proceeds, and such other reports and documents that the Plan Steering Committee may reasonably request and/or that are required under Amegy Loan Documents or Lone Star Loan Documents. The Plan Steering Committee shall also be provided access to the books and records and property of Reorganized Debtor during normal business hours upon reasonable notice to the Plan Administrator. Financial reporting shall commence on the fifteenth (15) day of the first full month following the Effective Date and shall continue thereafter until the Plan Administrator is discharged.

vii. *Successor Plan Administrator.*

In the event the Plan Administrator resigns or is terminated, a successor Plan Administrator shall be appointed by the Plan Steering Committee.

viii. Termination.

The duties, responsibilities and powers of the Plan Administrator shall terminate on the date Reorganized Debtor is dissolved under applicable state law in accordance with the Plan.

E. The Plan Steering Committee.

On the Effective Date, without further order of the Bankruptcy Court, the individuals or entities designated in the Confirmation Order as the members of the Plan Steering Committee shall be appointed and authorized to act as the Plan Steering Committee. The Plan Steering Committee shall have three (3) Members. If any Member resigns or is no longer able to serve, then a replacement Member shall be appointed by the Court upon Motion of the Plan Administrator or Plan Steering Committee. On the Effective Date, Amegy, Lone Star, and the Equity Interest Holder shall each designate one member to the Plan Steering Committee.

i. Duties and Powers.

The Plan Steering Committee shall have the following duties and powers:

- a.*** consult with the Plan Administrator on the sale or transfer for value of the Assets;
- b.*** consult with and advise the Plan Administrator on the administration of the Plan and operations of Reorganized Debtor;
- c.*** consult with the Plan Administrator on the retention of professionals;
- d.*** appoint any successor Plan Administrator and members of the Plan Steering Committee as provided in this Plan, subject to Court approval; and
- e.*** consult with the Plan Administrator on Reorganized Debtor's Operating Budget and the Working Capital Reserve.

ii. Reimbursement of Expenses.

The Members of the Plan Steering Committee shall be reimbursed by the Plan Administrator for all actual and necessary expenses (excluding attorneys' fees and costs) in acting as a Member of the Plan Steering Committee.

F. Exculpation of the Plan Administrator, Reorganized Debtor, and Plan Steering Committee.

From and after the Effective Date, the Plan Administrator and the Plan Steering Committee and each of their representatives shall be exculpated by Debtor, Reorganized Debtor, and all holders of Claims or Equity Interests from any and all claims or causes of action and assertions of liability arising out of their respective performance of the duties conferred upon the Plan Administrator and Plan Steering Committee by the Plan or the Confirmation Order and any other Orders of the Bankruptcy Court, except to the extent an act constitutes (i) bad faith; (ii) actual fraud; (iii) willful misconduct; or (iv) gross negligence. No holder of a Claim or Equity Interest or representative thereof shall have or pursue any claim or cause of action against the Plan Administrator, the Plan Steering Committee or any of their respective representatives for taking any action in accordance with the Plan to implement the provisions of the Plan or any order of the Bankruptcy Court.

The Reorganized Debtor and any of its respective members, officers, directors, employees, agents, advisors, or professionals shall not have or incur any liability to any holder of a Claim or Equity Interest, for any act, event, or omission from the Petition Date to the Effective Date in connection with or arising out of the Case, the confirmation of the Plan, the consummation of the Plan, the administration of the Plan, or the assets and property to be distributed pursuant to the Plan, unless such person or entity's action is determined as (i) bad faith; (ii) actual fraud; (iii) willful misconduct; or (iv) gross negligence.

G. Dissolution of Reorganized Debtor.

As soon as practicable after the Plan Administrator exhausts the assets of the Debtor's Estate by making the final distribution of Distributable Cash under the Plan, the Plan Administrator shall (a) effectuate the dissolution of Reorganized Debtor and file appropriate documentation to carry out such dissolution and take all such other actions in order to carry out such dissolution and (b) resign as the sole director and officer of Reorganized Debtor.

H. Actions and Avoidance Actions.

As of the Effective Date, pursuant to section 1123(b)(3)(B) of the Code, any and all Actions accruing to the Debtor, including, without limitation, the Avoidance Actions under sections 510, 542, 544, 545, 547, 548, 549, 550, 551, and 553 of the Code, shall remain Assets of Reorganized Debtor, and the Plan Administrator shall have the authority to commence and prosecute any and all such Actions for the benefit of Reorganized Debtor, and shall have the rights, powers, and duties of a trustee under the Bankruptcy Code with respect to such Actions. The Plan Administrator shall continue to prosecute any Action pending on the Effective Date. *Notwithstanding anything to the Plan to the contrary, and unless otherwise ordered by the Bankruptcy Court, the Estate preserves, and does not waive, any and all Action, including, without limitation, Avoidance Actions against any party who may have received transfers of interest in property of the Debtor or payments within 90-days prior to the Petition Date, including, without limitation, any recipient listed in response to Question 3 on the Debtor's Statement of Financial Affairs.*

I. Change of Control.

The transactions contemplated under the Plan shall not be deemed or considered a change of control that would result in any acceleration, vesting, or similar change of control rights under any agreements or arrangements triggered by the consummation of the Plan shall be waived or otherwise cancelled under the Plan.

J. Effectiveness of Instruments and Agreements.

On the Effective Date, all documents described in and all other agreements entered into or documents issued pursuant to the Plan and/or any agreement entered into or instrument or document issued in connection with any of the foregoing, as applicable, shall become effective and binding upon the parties thereto in accordance with their respective terms and conditions and shall be deemed to become effective simultaneously.

K. Operation of Debtor Between the Confirmation Date and the Effective Date.

The Debtor shall continue to operate as Debtor in Possession in the ordinary course, subject to the supervision of the Bankruptcy Court and pursuant to the Code, the Rules, and applicable orders of the Bankruptcy Court during the period from the Confirmation Date through and until the Effective Date, and any obligation incurred by the Debtor during that period shall constitute a Post-Confirmation Administrative Claim to the extent permitted by law.

L. Administration After the Effective Date.

After the Effective Date, the Reorganized Debtor and the Plan Administrator shall take required actions consistent, and in accordance, with the Plan.

M. Injunction Against Interference with the Plan.

Upon the entry of a Confirmation Order with respect to the Plan, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan, except with respect to actions any such entity may take in connection with the pursuit of appellate rights.

Notwithstanding anything herein to the contrary, nothing herein is intended to waive or impair any claims or rights that any Creditor may have against any third party, or any claims or defenses that any third party may hold or possess in response to or against any such claims, on account of, or in connection with, any (a) personal guaranty of any Claim against the Debtor and (b) any claim against any third party who is a co-debtor on a Claim against the Debtor. Any and all such claims and defenses are expressly preserved.

VII. EFFECTS OF CONFIRMATION

A. Discharge.

To the fullest extent permitted by applicable law (including, without limitation, section 105 of the Bankruptcy Code), and except as otherwise provided in the Plan or in the

Confirmation Order, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge and release of, all Claims of any nature whatsoever against the Reorganized Debtor or any of its assets or properties, regardless of whether any Property shall have been distributed or retained pursuant to the Plan on account of such Claims. To the fullest extent permitted by applicable law (including, without limitation, section 105 of the Bankruptcy Code), upon the Effective Date, and except as expressly contemplated in this Plan, the Reorganized Debtor shall be deemed discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, debts (as such term is defined in section 101(12) of the Bankruptcy Code), Liens, security interests, and encumbrances of and against all Property of the Estate or the Reorganized Debtor that arose prior to the Effective Date, including, without limitation, all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not: (a) such Claim has been Allowed pursuant to section 502 of the Bankruptcy Code; or (b) the Holder of such Claim has voted to accept the Plan. Further, to the fullest extent under applicable law (including, without limitation, section 105 of the Bankruptcy Code), as of the Effective Date, all entities, including, without limitation, all Holders of Claims or Interests, shall be barred and enjoined from asserting against the Debtor, Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable), their Property or their successors or assigns any other or further Claims, debts, rights, Causes of Action, liabilities, or Interests relating to the Debtor based upon any act, omission, transaction, or other activity of any nature that occurred prior to the Effective Date, except for those obligations expressly created by, or reserved in, this Plan. In accordance with the foregoing, to the fullest extent permitted by applicable law (including, without limitation, section 105 of the Bankruptcy Code), except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities against the Debtor and termination of all Interests, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge and termination shall void any judgment obtained against the Debtor, Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable) at any time, to the extent that such judgment relates to a discharged Claim or terminated Interest.

B. Injunction.

i. Discharged Claims and Terminated Interests.

Except as otherwise expressly provided for in the Plan or the Confirmation Order, and to the fullest extent authorized or provided by the Bankruptcy Code, including sections 524 and 1141 thereof, the entry of the Confirmation Order shall, provided that the Effective Date occurs, permanently enjoin all Persons that have held, currently hold, or may hold a Claim or other debt or liability that is discharged or an Equity Interest or other right of an equity security holder that is Impaired or terminated pursuant to the terms of the Plan from taking any of the following actions against the Debtor, Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable), or the property of any of the foregoing on account of any such discharged Claims, debts, or liabilities or such terminated Interests or rights: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (ii) enforcing, levying, attaching, collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree or order; (iii) creating, perfecting or enforcing in any manner, directly or indirectly, any Lien or encumbrance of any

kind; (iv) asserting any setoff, offset, right of subrogation, or recoupment of any kind, directly or indirectly, against any debt, liability or obligation due to the Debtor, other than for defensive purposes only; and (v) proceeding in any manner in any place whatsoever, including employing any process, that does not conform to or comply with or is inconsistent with the provisions of the Plan.

ii. Released Claims.

As of the Effective Date, the Confirmation Order shall constitute an injunction permanently enjoining any Person that has held, currently holds or may hold a Claim, demand, debt, right, Action, or liability that is released pursuant to Section 8.06 of the Plan from enforcing or attempting to enforce any such Claim, demand, debt, right, Action, or liability against the Plan Proponents, the Plan Administrator and any of their members, officers, directors, employees, agents, advisors, attorneys, or professionals or any of their respective property, based on, arising from or relating to, in whole or in part, any act, omission, or other occurrence taking place on or prior to the Effective Date with respect to or in any way relating to the Case, all of which claims, demands, debts, rights, Action or liabilities shall be deemed released on and as of the Effective Date; *provided, however*, that this injunction shall not apply to: (i) any Claims that Creditors may assert under the Plan to enforce their rights thereunder, to the extent permitted by the Bankruptcy Code; or (ii) any claims Creditors or other third parties may have against each other, which Claims are not related to the Debtor, it being understood, however, that any defenses, offsets, or counterclaims of any kind or nature whatsoever that the Debtor may have or assert in respect of any of the claims of the type described in (i) or (ii) of this proviso are fully preserved.

C. Exculpation.

Neither the Debtor, Reorganized Debtor, the Plan Proponents, or the Plan Administrator nor any of their members, officers, directors, employees, agents, advisors, attorneys, or professionals shall have or incur any liability to any Person, including, without limitation, any Holder of a Claim or Equity Interest or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or Affiliates or any of their successors or assigns, for any act taken or omission made in connection with, relating to, or arising out of, the Case, the Plan, negotiating, prosecuting, administering, formulating, implementing, confirming, or consummating this Plan, or the property to be distributed under this Plan, including all activities leading to the promulgation and confirmation of the Plan, the Disclosure Statement (including any information provided or statement made in the Disclosure Statement or omitted therefrom), or any contract, instrument, release or other agreement or document created in connection with or related to the Plan or the administration of the Debtor or this Case; *provided, however*, that the foregoing exculpation shall not apply to any act of gross negligence or willful misconduct.

D. Injunction Relating to Exculpation.

The Confirmation Order will contain an injunction, effective on the Effective Date, permanently enjoining the commencement or prosecution against Reorganized Debtor, the Plan

Administrator, and any other Person, whether derivatively or otherwise, of any Action or causes of action exculpated, released, or discharged pursuant to the Plan.

Notwithstanding anything herein to the contrary, nothing herein is intended to waive or impair any claims or rights that any Creditor may have against any third party, or any claims or defenses that any third party may hold or possess in response to or against any such claims, on account of, or in connection with, any (a) personal guaranty of any Claim against the Debtor and (b) any claim against any third party who is a co-debtor on a Claim against the Debtor. Any and all such claims and defenses are expressly preserved.

E. Releases.

i. Releases by Reorganized Debtor.

Effective as of the Effective Date, and except as otherwise provided in the Plan or the Confirmation Order, for good and valuable consideration, the adequacy of which is hereby confirmed, the Reorganized Debtor, as debtor in possession, will be deemed to have forever released, waived and discharged the Plan Proponents, and their respective current and former officers, directors, employees, agents, stockholders, managers, members, Affiliates, partners, attorneys, advisors, and professionals, from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Actions, and liabilities (other than the rights of the Reorganized Debtor or the Plan Administrator to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder), whether for tort, contract, violations of federal or state securities laws or otherwise, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event, or other occurrence, including actions in connection with indebtedness for money borrowed by the Reorganized Debtor, taking place on or prior to the Effective Date in any way relating to the Reorganized Debtor, the Case, or the Plan.

ii. Releases by Holders of Claims and Interests.

Effective as of the Effective Date, and except as otherwise provided in the Plan or the Confirmation Order, to the fullest extent permitted under applicable law, in consideration for the obligations of the Persons set forth below under the Plan and, if applicable, the Cash, securities, contracts, releases and other agreements or documents to be delivered in connection with the Plan, each Holder of a Claim or Equity Interest who votes or is deemed to have voted in favor of the Plan, and any Affiliate of any such Holder (as well as any trustee or agent on behalf of each such Holder) shall be deemed to have forever waived, released and discharged the Debtor, Reorganized Debtor, the Plan Proponents, and the Plan Administrator and their respective current and former officers, directors, employees, agents, stockholders, managers, members, Affiliates, partners, attorneys, advisors, and professionals from any and all Actions, Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities (other than the rights of the Plan Proponents and the Plan Administrator to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder), whether for tort, contract, violations of federal or state securities laws or otherwise, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or

unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event or other occurrence, including actions in connection with indebtedness for money borrowed by the Debtor, taking place on or prior to the Effective Date in any way relating to the Debtor, the Case, or the Plan.

F. No Successor Liability.

Except as otherwise expressly provided in the Plan, the Debtor, Reorganized Debtor, the Plan Proponents, and the Plan Administrator (as applicable) do not, pursuant to the Plan or otherwise, assume, agree to perform, pay or indemnify, or otherwise have any responsibilities for any liabilities or obligations of the Debtor or any other party relating to or arising out of the operations of or assets of the Debtor, whether arising prior to, on or after the Effective Date. The Reorganized Debtor, the Plan Proponents, and the Plan Administrator (as applicable) are not, and shall not be, successors to the Debtor by reason of any theory of law or equity, and none shall have any successor or transferee liability of any kind or character, except that the Reorganized Debtor and Plan Administrator shall assume the obligations specified in the Plan and the Confirmation Order.

G. Binding Effect of Plan.

The Plan shall be binding upon and inure to the benefit of the Debtor, Reorganized Debtor, the holders of Claims and Equity Interests, and their respective successors and assigns, including, without limitation, the Plan Administrator.

VIII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption or Rejection of Executory Contracts and Unexpired Leases.

i. Executory Contracts and Unexpired Leases.

The Code grants the Debtor the power, subject to the approval of the Bankruptcy Court, to assume or reject executory contracts and unexpired leases. If an executory contract or unexpired lease is rejected, then the other party to the agreement may file a claim for damages incurred by reason of the rejection. In the case of rejection of leases of real property, such damage claims are subject to certain limitations imposed by the Code.

Pursuant to sections 365(a) and 1123(b)(2) of the Code, all executory contracts and unexpired leases between the Debtor and any Person shall be deemed rejected as of the Effective Date, except for any executory contract or unexpired lease (i) which previously has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) as to which a motion for approval of the assumption or rejection of such executory contract or unexpired lease has been filed and served prior to the Effective Date or (iii) which is listed on the Assumption List which shall be filed with the Bankruptcy Court and served on the affected parties by no later than ten (10) days prior to the Balloting Deadline; *provided, however*, that the Plan Proponents shall have the right, on or prior to the Confirmation Date, to amend the Assumption List to delete any executory contract or unexpired lease therefrom or add any executory contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be deemed, respectively, assumed or rejected. The Plan Proponents shall

provide notice of any amendments to the Assumption List to the non-debtor parties to the executory contracts and unexpired leases affected thereby. The listing of a document on the Assumption List shall not constitute an admission by the Estate or the Plan Proponents that such document is an executory contract or an unexpired lease or that the Estate has any liability thereunder.

ii. *Schedules of Rejected Executory Contracts and Unexpired Leases; Inclusiveness.*

Each executory contract and unexpired lease listed or to be listed on the Assumption List that relates to the use or occupancy of real property shall be deemed to include (i) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on the Assumption List and (ii) all executory contracts or unexpired leases appurtenant to the premises listed on the Assumption List, including, without limitation, all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vault, tunnel or bridge agreements or franchises, and any other interests in real estate or rights in rem relating to such premises, unless any of the foregoing agreements previously have been assumed.

iii. *Insurance Policies.*

Each of the Debtor's insurance policies and any agreements, documents or instruments relating thereto, including without limitation, any retrospective premium rating plans relating to such policies, shall be treated as executory contracts under the Plan. Notwithstanding the foregoing, distributions under the Plan to any holder of a Claim covered by any insurance policies and related agreements, documents or instruments that are assumed hereunder, shall comply with the treatment provided under the Plan. Nothing contained in the Plan shall constitute or be deemed a waiver or release of any Action that the Estate may hold against any entity, including, without limitation, the insurers under any of the Debtor's policies of insurance.

iv. *Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases.*

Subject to the occurrence of (a) the Effective Date, and (b) the entry of the Confirmation Order, the Confirmation Order shall constitute the approval, pursuant to sections 365(a) and 1123(b)(2) of the Code, of the assumption by the Estate of the executory contract(s) and unexpired lease(s) assumed hererin.

Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute the approval, pursuant to sections 365(a) and 1123(b)(2) of the Code, of the rejection of any and all executory contracts and unexpired leases rejected pursuant to the Plan.

B. *Cure of Defaults.*

To the extent that cure payments are due with respect to an executory contract or unexpired lease to be assumed pursuant to the Plan, the amount of such cure payment shall be

listed in the motion or the Assumption List. To the extent that the non-debtor party to any executory contract or unexpired lease disagrees with the cure amount disclosed on the Assumption List, such party must file a notice of dispute with the Bankruptcy Court and serve such notice on the Debtor and the Plan Proponents by no later than five (5) business days prior to the Confirmation Hearing. Except as may otherwise be agreed to by the parties Reorganized Debtor shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed pursuant to the Plan in accordance with section 365(b)(1) of the Code. All cure payments, if any, shall be made within the later of ten (10) days following (i) the Effective Date, or the entry of a Final Order determining the amount, if any, of the Estate's liability with respect thereto, or as may otherwise be agreed to by the parties. If there are any objections filed, then the Bankruptcy Court shall hold a hearing. In the event the Bankruptcy Court determines that the cure amount is greater than the cure amount listed on the Assumption List, the Plan Administrator may elect to reject the contract or unexpired lease and not pay such greater cure amount.

C. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan.

Claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan must be filed with the Bankruptcy Court and served upon Reorganized Debtor and the Plan Administrator or as otherwise may be provided in the Confirmation Order, by no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such executory contract or unexpired lease, (ii) notice of entry of the Confirmation Order and (iii) notice of an amendment to the Assumption List. Any Claim not filed within such time will be forever barred from assertion against Reorganized Debtor, or the Plan Administrator. Unless otherwise ordered by the Bankruptcy Court, all Claims arising from the rejection of executory contracts and unexpired leases shall be treated as Unsecured Claims under the Plan.

D. Indemnification Obligations.

For purposes of the Plan, the obligations of the Debtor to defend, indemnify, reimburse, or limit the liability against any claims or obligations of their present and former partners or employees who served as partners, respectively, on or after the Petition Date, pursuant to state law or specific agreement, or any combination of the foregoing, shall survive confirmation of the Plan, remain unaffected thereby, and not be discharged, irrespective of whether indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before, on or after the Petition Date.

E. Compensation and Benefit Programs.

All employment and severance practices and policies, and all compensation and benefit plans, policies, and programs of the Debtor including, without limitation, all savings plans, retirement plans (exclusive of defined benefit plans), health care plans, severance benefit plans, incentive plans, workers' compensation programs and life, disability and other insurance plans, are treated as executory contracts under the Plan and are rejected in the Plan.

IX. SELECTED FINANCIAL INFORMATION, PROJECTIONS AND VALUATION ANALYSIS³

A. General.

This section provides a summary of financial information concerning the Debtor’s alleged recent financial performance, financial projections, and a discussion of estimated valuation issues. The projections and values are based on information available from the Debtor as of the date of this Disclosure Statement. The financial information contained in this Disclosure Statement has not been audited. The significant assumptions underlying the projections and valuation and the basis of their preparation are discussed below.

B. Operating Performance.

i. Pre-Petition Operations

A description of the Debtor’s reported pre-petition operating performance for fiscal years 2007 through October of 2009 is summarized below.

| Debtor Cash Flow | 2007 | 2008 | 2009 (through 10/10/09) |
|-----------------------------|-------------|--------------|--------------------------------|
| Camp Cooley Ranch | \$9,642,517 | \$13,098,276 | \$3,623,613 |
| Ultimate Genetics, LLC | \$4,798,016 | \$3,423,278 | \$1,400,448 |
| Camp Cooley Beef | \$1,553,052 | \$257,146 | \$212,500 |
| Camp Cooley Ranch royalties | \$1,400,461 | \$1,800,877 | \$808,922 |

ii. Anticipated Post-Confirmation Operations

Oil and Gas Operations. The Reorganized Debtor will continue to receive royalties from its Minerals until such Minerals interests are liquidated. The Debtor asserts that it anticipates an increase in its Minerals revenue as certain “back end” rights vest – specifically the right to a 10% working interest. A back-end agreement provides a royalty holder with an additional working interest upon “payout” of the drilling and other costs associated with a well. This will be an additional working interest, not a royalty. A royalty does not bear costs of production; a working interest bears its share of the operating costs.

Grazing Operations. According to the Debtor, the termination of its cattle operations has made additional acreage available for potential grazing leases. Once Lone Star, PCA concludes its November dispersal sale, the Debtor has asserted that it will have additional acreage available to accommodate more grazing leases. The Debtor further asserts that it has charged third parties \$15 per month as a grazing fee for each head of cattle placed on the Ranch and that the third party must also pay the Debtor for any additional costs associated with the cattle such as additional feed or hay. Currently, the Debtor has approximately 1,200 head

³ The information contained in Article IX Selected Financial Information, Projections and Valuation Analysis, is based on statements contained in pleadings and documents filed in the Case by the Debtor.

of cattle on the Ranch under grazing leases. According to the Debtor, these grazing leases generate approximately \$18,000 per month in revenue. The further asserts that it has also reached terms with another third party to place an additional 1,800 head of cattle on the Ranch which will generate an additional \$27,000 per month in revenue.

Hay Sales. According to the Debtor, the termination of its cattle operations will increase the amount of hay available Post-Confirmation to be sold to third parties. The Debtor asserts that it currently has 1,500 round bales of hay and 85,000 square bales of hay stored at the Ranch. The Debtor anticipates that hay sales could generate approximately \$550,000 in additional revenue between November 2010 and March 2011.

C. Valuation of Debtor's Assets

The Debtor's principal assets include the Ranch, personal property, and Minerals. Unless noted, no appraisal has been obtained valuing the assets, nor have the assets been marketed to test the fair market value of the assets. The approval of this Disclosure Statement is not a determination of the value of Debtor's assets or the value of the collateral securing claims.

i. The Ranch

The Ranch has been appraised by the following three firms:

- a. \$22 million by Gardner Appraisal Group, Inc. dated as of March 2, 2010;
- b. \$24 million by Kokel-Oberrender-Wood Appraisal, Ltd. dated March 12, 2010; and
- c. \$26 million by Holtkamp Realty Consultants dated June 29, 2009.

ii. Personal Property

The personal property of the Estate is detailed in "Schedule B - Personal Property" filed with the Court by the Debtor. Excess equipment has been repossessed and certain property is in the process of being sold at foreclosure sales by Lone Star pursuant to the Court's order. The Debtor's personal property is largely subject to either purchase money liens or liens held by Lone Star. The personal property pledged to Lone Star includes livestock, embryos, semen, equipment relating to the genetics operation, and exotic animals. Other personal property subject to the Lone Star Lien includes hay and other feed stored at the Ranch.

On October 7, 2010, the Court terminated the automatic stay as to Lone Star, allowing it to foreclose on and sell portions of its collateral including Debtor's cattle, exotic animals, and genetics, including semen, embryos and related equipment. Lone Star intends to conduct a liquidation sale of some cattle on November 19 and 20, 2010. Proceeds from the sale will reduce the amount of Lone Star's Allowed Claim.

As of August 1, 2010, it was reported that the Debtor had at least 1,600 head of cattle in which Lone Star had a security interest and 240,000 straws of semen. The Debtor alleged that the herd had a value of \$2.6 million and that the semen inventory had a value of \$2.5 million. Lone Star disputed the Debtor's valuations.

Finally, there are trucks and other pieces remaining of equipment which are subject to the purchase money liens of various automotive and equipment financing companies. The Secured Claims of these automotive financing companies are each treated as separate classes.

iii. Minerals

The Debtor holds Minerals interests associated with the Ranch. While portions of the Ranch are subject to oil and gas leases, the Ranch also includes acreage that is not currently subject to oil and gas leases.

The Minerals been analyzed by the following experts:

- a. Haas Petroleum Engineering Services, Inc. Appraisal dated as of June 8, 2010 and supplemented as of August 27, 2010;
- b. Allan Hastings, Amegy Bank Engineer dated April 1, 2010 and supplemented, in part, as of August 27, 2010; and
- c. Valuescope dated May 1, 2010 and supplemented as of August 27, 2010.

X. FEASIBILITY OF PLAN AND BEST INTEREST OF CREDITORS' TEST

A. Feasibility

As a condition to confirmation of a plan, Section 1129 of the Bankruptcy Code requires, among other things, that the Bankruptcy Court determine that confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor. Obviously, in a case such as this, where the Plan itself provides for liquidation of the Debtor's assets and windup of its affairs, the feasibility of the Plan must be gauged in terms of whether the Plan can be performed, rather than the likelihood of liquidation or further reorganization.

B. Best Interests Test

To confirm the Plan, the Court must find that each holder of an impaired Claim or Equity Interest either (i) accepted the Plan or (ii) received or retained under the plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the debtor was liquidated under Chapter 7 of the Bankruptcy Code. In a typical Chapter 7 case the debtor ceases operations and a trustee is appointed to conduct an orderly liquidation of the Debtor's assets. The proceeds, net of trustee's fees and other costs and expenses incurred in conducting the liquidation, are distributed to creditors in accordance with their Lien rights and statutorily prescribed priorities of payment.

If this Case was converted to a liquidation under Chapter 7, then the Court could lift the automatic stay to permit the Secured Creditors to foreclose upon their Collateral. Since the Liens of Creditors holding Secured Claims encumber substantially all of the Property of the Estate, only a small amount of property would remain for other creditors. It is possible that all unencumbered property value, if any, could be consumed in the payment of administrative claims of the Chapter 7 and Chapter 11 estates, leaving nothing for distribution to unsecured creditors.

Based upon the forgoing liquidation analysis, unsecured creditors and equity interest holders could receive no distributions on account of their Claims in a Chapter 7 liquidation. Under the Plan, those creditors may receive significantly more than they would receive in a Chapter 7 Liquidation. The Plan proposes to pay Secured Creditors in full or permit the Secured Creditors to foreclose on their collateral. Accordingly, Secured Claims are receiving at least as much as they would get under a Chapter 7 liquidation.

XI. ALTERNATIVES TO THE PLAN

A. General

The Plan Proponents believe that the Plan affords the holders of Claims the potential for the quickest and greatest realization on the Debtor's Assets and, therefore, is in the best interests of such holders. If the Plan is not confirmed, however, then the theoretical alternatives include: (1) an alternative plan of reorganization; or (2) liquidation of the Debtor under Chapter 7 of the Bankruptcy Code; or (3) dismissal of the Chapter 11 Case.

B. Alternative Plans

If the Plan is not confirmed, then the Debtor has filed a different plan, but the Plan Proponents do not believe that the Debtor's Plan provides a better or greater recovery for the Creditors than Plan Proponents Plan.

C. Liquidation Under Chapter 7

If no Plan can be confirmed, then this Chapter 11 Case may be converted to a case under Chapter 7 of the Bankruptcy Code. In a Chapter 7 case, a trustee would be elected or appointed to liquidate the Assets of the Debtor. The proceeds of the liquidation would be distributed to the respective holders of Claims against the Debtor in accordance with the priorities established by the Bankruptcy Code.

If this Case were converted to Chapter 7, then a trustee would be appointed. He or she would almost certainly not operate the Debtor's agricultural operations. The Court would likely lift the automatic stay, and Amegy, Lone Star, and the other Secured Creditors would begin to foreclose upon their Collateral to the extent they had not previously done so.

Amegy would likely seek to foreclose on the Minerals, and Lone Star would likely seek to foreclose on the Ranch., subject to Amegy's Lien. In addition, Lone Star, which has already

begun the foreclosure process on some of Debtor's property, would foreclose on any remaining property in which it had a first Lien. Lone Star anticipates it will have a deficiency claim of at least \$2.8 million after it forecloses on the personal property made the subject of the Order granting, in part, Lone Star's Motion for Relief from Automatic Stay dated on or about October 7, 2010.

The other Secured Creditors would likely engage in the same process, taking their automobile and equipment collateral in partial satisfaction of their respective debt. As a result, few Assets would remain for the Chapter 7 trustee to administer, and he or she would in all likelihood close the case and distribute little or nothing to unsecured creditors, even if those creditors held priority claims.

No separate liquidation analysis has been prepared as an exhibit to the Disclosure Statement.

D. Dismissal of the Case

If no Plan of Reorganization can be confirmed in this Chapter 11 Case, then one alternative would be dismissal of the Debtor's Case. Since substantially all of the Debtor's Assets are subject to Liens, dismissal would result in a rush to foreclosure by the secured creditors. Under this scenario, the Unsecured Creditors would receive little or nothing on account of their Claims.

XII. RISK FACTORS

A. General

The Plan contemplates that the Plan Administrator will generate sufficient cash proceeds from the sale of Assets to pay all creditors a meaningful distribution.

In spite of the risk associated with the Plan, the Plan Proponents believe that the Plan offers creditors with a greater potential and quicker recovery than they would receive in a Chapter 7 Liquidation or the Debtor's alternative plan.

The assumptions and estimates underlying the Plan are inherently uncertain and are subject to business, economic and competitive risks and other uncertainties which could materially affect the accuracy of the anticipated projections. Consequently, any projections contained in this Disclosure Statement are not intended, nor should they be received as representations that the projections will be achieved.

XIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

The following discussion summarizes certain material U.S. federal income tax consequences of the implementation of the Plan to the Debtors and Creditors. This discussion is based on the Internal Revenue Code of 1986, as amended, Treasury regulations, judicial decisions, and published rulings and pronouncements of the IRS in effect on the date of this Disclosure Statement. Changes in those rules, or new interpretations of those rules, may have

retroactive effect and could significantly affect the federal income tax consequences described below.

The Debtors have not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. In addition, the Plan does not address state, local or foreign tax consequences of the Plan, and it does not purport to address the federal income tax consequences of the Plan to special classes of taxpayers (such as foreign taxpayers, broker-dealers, banks, insurance companies, financial institutions, small business investment corporations, regulated investment companies, tax-exempt organizations, or investors in pass through entities).

THE FOLLOWING SUMMARY OF CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED ON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A PARTICULAR CREDITOR OR INTEREST HOLDER. ALL CREDITORS AND INTEREST HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM UNDER THE PLAN.

B. Material Tax Consequences to the Debtor

Generally, under the terms of the Plan, all Claims will be released except to the extent that the Debtor has cash available to satisfy all or a portion of such Claims. Any income resulting from the satisfaction of any Claim at a discount will not constitute taxable income to the Debtor because the debt forgiveness arises in connection with a bankruptcy case under Title 11 of the United States Code.

C. Material Tax Consequences to Creditors

i. In General.

The federal income tax consequences of the implementation of the Plan to a Creditor will depend, among other things, on (a) whether the Creditor receives consideration in more than one tax year, (b) whether the Creditor is a resident of the United States, (c) whether all of the consideration by the Creditor is deemed to be received by that Creditor as part of an integrated transaction, (d) whether the Creditor reports income using the accrual or cash method of accounting, and (e) whether the Creditor has previously taken a bad debt deduction or worthless security deduction with respect to the Claim.

ii. Gain or Loss on Exchange.

Generally, a Creditor will realize a gain or loss on the exchange under the Plan of its Claim for cash in an amount equal to the difference between (a) the cash received by the Creditor (other than any cash attributable to accrued but unpaid interest on the Claim) and (b) the Creditor's adjusted basis in the Claim exchanged therefor (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). Any gain or loss recognized will be a capital gain or loss if the Claim was a capital asset in the hand of the

Creditor, and such gain or loss will be a long-term capital gain or loss if the Creditor's holding period for the Claim surrendered exceeds one (1) year at the time of the exchange.

iii. Payments Attributable to Interest.

A Creditor not previously required to include in its taxable income any accrued but unpaid interest on a Claim may be treated as receiving taxable interest, to the extent the cash it receives pursuant to the Plan is allocable to such accrued but unpaid interest. A Creditor previously required to include in its taxable income any accrued but unpaid interest on a Claim may be entitled to recognize a deductible loss, to the extent the amount of interest actually received by the Creditor is less than the amount of interest taken into income by the Creditor.

D. Information Reporting and Backup Withholding

Under the backup withholding rules of the Internal Revenue Code, Creditors may be subject to backup withholding at the rate of twenty-eight percent (28%) with respect to payments made pursuant to the Plan unless such Creditor (a) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact or (b) provides a correct taxpayer identification number and certifies under penalties of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividends and interest income. Any amount withheld under these rules will be credited against the Creditor's federal income tax liability. Creditors may be required to establish exemption from backup withholding or to make arrangements with respect to the payment of backup withholding.

XIV. MISCELLANEOUS PROVISIONS

A. Modification of the Plan

Alterations, amendments, or modifications of the Plan may be proposed in writing by the Plan Proponents at any time prior to the Confirmation Date in conformity with section 1127(a) of the Code, provided that the Plan, as altered, amended, or modified, satisfies the conditions of sections 1122, 1123 and 1129 of the Code, and the Plan Proponents shall have complied with section 1125 of the Code. The Plan may be altered, amended, or modified by the Proponent at any time after the Confirmation Date in conformity with section 1127(b) of the Code; provided that the Plan, as altered, amended or modified, satisfies the requirements of sections 1122 and 1123 of the Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended, or modified, under section 1129 of the Code and the circumstances warrant such alterations, amendments, or modifications. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder.

B. Effective Date

The Effective Date of the Plan shall mean the first Business Day following the date on which all conditions to consummation set forth in Article VIII of the Plan have been satisfied or waived (if capable of being duly and expressly waived); provided that no stay of the

Confirmation Order is then in effect. Specifically, the Plan shall not become effective unless and until the following conditions have been satisfied or waived pursuant to Section 8.04 of the Plan:

- i. the Confirmation Order shall have been entered and shall be a Final Order (with no modification or amendment thereof), and there shall be no stay or injunction that would prevent the occurrence of the Effective Date;
- ii. the Bankruptcy Court shall have entered an order (contemplated to be part of the Confirmation Order) authorizing and directing the Debtor, Reorganized Debtor, and the Plan Administrator to take all actions necessary or appropriate to enter into, implement and consummate the documents created, amended, supplemented, modified, or adopted in connection with the Plan;
- iii. the statutory fees owing to the United States Trustee through the Effective Date shall have been paid in full; and
- iv. all other actions, authorizations, filings, consents and regulatory approvals required (if any) shall have been obtained, effected or executed in a manner acceptable to the Plan Proponents and remain in full force and effect or waived, in writing, by the Person or Persons entitled to the benefit thereof.

XV. JURISDICTION OF THE COURT

A. General Retention of Jurisdiction

Until the Bankruptcy Case is closed, the Bankruptcy shall retain the fullest and most extensive jurisdiction permissible, including, without limitation, that necessary to (1) ensure that the purposes and intent of the Plan are carried out, (2) enforce and interpret the terms and conditions of the Plan, and (3) enter such orders or judgments including, without limitation, injunctions necessary to enforce the rights, title, and powers of the Debtor, the Plan Administrator, and/or the Reorganized Debtor. Except as otherwise provided in the Plan, the Bankruptcy Court shall retain jurisdiction to hear and determine all Claims against and Interests in the Debtor and to adjudicate and enforce all other causes of action that may exist on behalf of the Debtor.

B. Specific Purposes

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain after the Effective Date exclusive jurisdiction of all matters arising out of, arising in or related to the Chapter 11 Cases to the fullest extent permitted by applicable law, including, without limitation, jurisdiction to:

- (1) classify or establish the priority or secured or unsecured status of any Claim (whether Filed before or after the Effective Date and whether or not contingent, Disputed or unliquidated) or resolve any dispute as to the treatment of any Claim pursuant to the Plan;

(2) grant or deny any applications for allowance of compensation or reimbursement of expenses pursuant to sections 330, 331, or 503(b) of the Bankruptcy Code, or otherwise provided for in the Plan, for periods ending on or before the Effective Date;

(3) determine and resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which the Debtor is a party or with respect to which the Debtor may be liable, and to hear, determine and, if necessary, liquidate any Claims arising therefrom;

(4) ensure that all payments due under the Plan and performance of the provisions of the Plan are accomplished as provided herein and resolve any issues relating to distributions to Holders of Allowed Claims pursuant to the provisions of the Plan;

(5) construe, take any action and issue such orders, prior to and following the Confirmation Date and consistent with section 1142 of the Bankruptcy Code, as may be necessary for the enforcement, implementation, execution, and consummation of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, including, without limitation, the Disclosure Statement and the Confirmation Order, for the maintenance of the integrity of the Plan and protection of the Plan Administrator in accordance with sections 524 and 1141 of the Bankruptcy Code following consummation;

(6) determine and resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, implementation, or enforcement of the Plan (and all Exhibits to the Plan) or the Confirmation Order, including the indemnification and injunction provisions set forth in and contemplated by the Plan or the Confirmation Order, or any Entity's rights arising under or obligations incurred in connection therewith;

(7) hear any application of the Plan Proponents or Reorganized Debtor to modify the Plan after the Effective Date, pursuant to section 1127 of the Bankruptcy Code and Section 12.04 hereof, or modify the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code and the Plan;

(8) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity

with consummation, implementation, or enforcement of the Plan or the Confirmation Order;

(9) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

(10) determine any other matters that may arise in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order, except as otherwise provided in the Plan;

(11) determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(12) hear and determine any other matters related hereto and not inconsistent with chapter 11 of the Bankruptcy Code;

(13) hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan;

(14) enter the Final Decree closing the Case;

(15) determine and resolve any and all controversies relating to the rights and obligations of the Plan Administrator in connection with the Case;

(16) allow, disallow, determine, liquidate, or estimate any Claim, including the compromise, settlement, and resolution of any request for payment of any Claim, the resolution of any Objections to the allowance of Claims, and to hear and determine any other issue presented hereby or arising hereunder, including during the pendency of any appeal relating to any Objection to such Claim (to the extent permitted under applicable law);

(17) permit the Debtor (and the Reorganized Debtor, to the extent provided for in the Plan) to recover all of the Debtor's Assets and Property of the Estate wherever located;

(18) hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes, tax benefits, and similar or related matters with respect to the Debtor or the Debtor's Estate arising prior to the Effective Date or relating to the period of administration of the Case, including, without limitation, matters concerning federal, state, and local taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(19) hear and determine any motions, applications, adversary proceedings, contested matters, and other litigated matters pending on, Filed, or commenced after the Effective Date that may be commenced by the Reorganized Debtor, the

Plan Proponents, or the Plan Administrator (as applicable) thereafter, including Avoidance Actions, proceedings with respect to the rights of the Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable) to recover property under sections 542, 543, or 553 of the Bankruptcy Code, or proceedings to otherwise collect to recover on account of any claim or Action that the Debtor may have had; and

(20) hear any other matter not inconsistent with the Bankruptcy Code.

XVI. RECOMMENDATION AND CONCLUSION

The Plan Proponents believe that confirmation and consummation of the Plan is in the best interests of the Debtor, its Creditors, and parties-in-interest. The Plan Proponents believe that any alternative to confirmation of the Plan, such as liquidation under Chapter 7 of the Bankruptcy Code or confirmation of a competing plan could result in significant delay and other costs as well as a reduction in the total distributions to be made under the Plan. Consequently, the Plan Proponents urge all Holders of Claims eligible to vote to ACCEPT the plan, and to complete and return their Ballots so that such Ballots are RECEIVED by the Balloting Agent on or before the Ballot Deadline.

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Dated this the 10th day December of 2010.

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EXHIBIT "1"

**AMEGY BANK NATIONAL ASSOCIATION AND LONE STAR PCA
JOINT PLAN OF LIQUIDATION**

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION**

_____ x
In re: :
: Chapter 11
: :
CAMP COOLEY, LTD., :
: Case No. 09-61311 (RBK)
: :
Debtor. :
: :
_____ x

**AMEGY BANK NATIONAL ASSOCIATION AND LONE STAR, PCA
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Dated: December 10, 2010
San Antonio, Texas

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INTRODUCTION

Amegy Bank, National Association (“*Amegy*”) and Lone Star, PCA (“*LoneStar*”) (collectively, “*Plan Proponents*”) propose this chapter 11 plan of liquidation, dated as of December 10, 2010 (as further amended or modified hereafter, the “*Plan*”), for the bankruptcy estate of *In re Camp Cooley, LTD.*, (the “*Debtor*”). Reference is made to the Disclosure Statement accompanying the Plan for a discussion of the Debtor’s assets, history, business, risk factors, a summary and analysis of the Plan and certain related matters.

ALL CREDITORS OF THE DEBTOR ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3019 AND THE PLAN, THE PLAN PROPONENTS RESERVE THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE, OR WITHDRAW THE PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

ARTICLE I

DEFINITIONS

1.01. Definitions.

As used in this Plan, the following terms shall have the respective meanings set forth below, and such meanings shall be equally applicable to the singular and plural forms of the terms defined unless the context requires otherwise.

“*Actions*” shall mean all actions that a trustee or debtor-in-possession is empowered to bring pursuant to the Code, including, without limitation, any cause of action, lawsuit, adversary proceeding, contested matter, claim objection, Avoidance Action, or right of the Debtor or the Estate against any Person.

“*Administrative Claim*” shall mean a claim for payment of an administrative expense under section 503 of the Code that is entitled to priority under section 507(a)(2) of the Code and any fees or charges assessed against the Estate pursuant to 28 U.S.C. § 1930.

“*Administrative Claimant*” shall mean the holder of an Administrative Claim.

“*Administrative Claims Bar Date*” shall mean _____, 2011, the last day for Creditors to file a request for allowance and payment of Administrative Claims.

“*Affiliate*” shall mean with respect to any Person, any other Persons that would fall within the definition assigned to such term in section 101(2) of the Code, if such Person was a debtor in a case under the Code.

“*Allowed*” shall mean any Claim or Equity Interest which is not a Disputed Claim or Disputed Equity Interest for which an Allowed Amount has been finally determined in such Allowed Amount.

“Allowed Amount” shall mean with respect to a Claim, (a) the amount of a Claim that was listed in the Debtor’s Schedules as not disputed, contingent or unliquidated, if the holder of such Claim has not filed a proof of claim with the Bankruptcy Court within the applicable period of limitation fixed by the Bankruptcy Court pursuant to Rule 3003(c)(3) of the Rules, or (b) if a holder of a Claim has filed a proof of claim with the Bankruptcy Court within the applicable period of limitation fixed by the Bankruptcy Court pursuant to 3003(c)(3) of the Rules: (i) the amount stated in such proof of claim or in the Schedules if no objection to such proof of claim or amount listed in the Schedules has been interposed within the applicable period of limitation fixed by the Code or Rules, or as otherwise fixed by the Bankruptcy Court, or (ii) such amount as shall be fixed by an order of the Bankruptcy Court which has become a Final Order, if an objection has been interposed within the applicable period of limitation fixed by the Code, the Rules, or the Bankruptcy Court, or (c) with respect to a Fee Request, such amount as shall be fixed by an order of the Bankruptcy Court which has become a Final Order. In no event shall the Allowed Amount of any Priority Claim or Unsecured Claim include interest accrued on such Claim after the Petition Date.

“Allowed Equity Interest” shall mean any Equity Interest which has not been timely disputed, or if timely disputed, which has been allowed by order of the Bankruptcy Court which has become a Final Order.

“Agricredit” shall mean Agricredit Acceptance LLC, the holder of the Allowed Class 7 Claim.

“Agricredit Collateral” shall mean the John Deere Model 7220 Tractor and Loader, Serial No. RW7220R34542, and the John Deere Model 726 Farm Loader, Serial No. W00726D002057.

“Article” shall mean one of the numbered Articles of the Plan.

“Amegy” shall mean Amegy Bank National Association, the holder of the Allowed Class 2 Claim.

“Amegy Collateral” shall mean all Assets that are subject to Liens securing Amegy’s Secured Claim as more fully described in the Amegy Loan Documents including, but not limited to, the Ranch and Minerals.

“Amegy Loan Documents” shall mean the various loan documents, including but not limited to the Loan Agreement, Revolving Promissory Note, Deed of Trust, Security Agreement, and Assignment of Rents, Deed of Trust and Security Agreement (Oil and Gas), UCC Financing Statements, and other loan documents evidencing and governing the Amegy Secured Claim.

“APA” shall mean the Asset Purchase Agreement(s) or other such conveyance documents by and between Reorganized Debtor, as seller, and Purchaser(s) for any Assets.

“Assets” shall mean all of the right, title, and interest of the Debtor in and to Property of the Estate, whether tangible or intangible.

“Assumed Contract” shall mean an Executory Contract (as modified or amended pursuant to the Plan, prior order of the Bankruptcy Court, or by agreement of the parties) that is assumed by the Debtor pursuant to the Plan.

“Assumption List” shall mean the list of executory contracts and/or unexpired leases sought to be assumed pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code under the terms of Article VI of the Plan.

“Avoidance Actions” shall mean the Actions pursuant to Chapter 5 of the Code, including, without limitation, rights to recover property or money pursuant to sections 542-553 of the Code.

“Ballot” shall mean the ballot accompanying the Disclosure Statement upon which holders of Claims and Equity Interests in each Impaired Class of Claims and Equity Interests that are entitled to vote on the Plan shall indicate their acceptance or rejection of the Plan and, if applicable, such other elections as may be made thereon are to be indicated.

“Ballot Agent” shall mean Haynes and Boone, LLP.

“Ballot Deadline” shall mean shall mean the last day established by order of the Bankruptcy Court for delivering a Ballot to the Ballot Agent.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the Western District of Texas, Waco Division, or, if such Bankruptcy Court ceases to exercise jurisdiction over this proceeding, the Bankruptcy Court or adjunct thereof that exercises jurisdiction over the Case.

“Bankruptcy Rules” shall mean (a) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under section 2075 of title 28 of the United States Code; (b) the Federal Rules of Civil Procedure, as amended and promulgated under section 2072 of title 28 of the United States Code; (c) any local rules applicable to the Bankruptcy Court; and (d) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Case or proceedings therein, as the case may be.

“Bar Date” shall mean March 22, 2010, the applicable bar date by which a proof of Claim must have been Filed as established by an order of the Bankruptcy Court.

“Business Day” shall mean a day other than a Saturday, a Sunday, or a day on which the Bankruptcy Court is authorized or required to close.

“Camp Cooley” shall mean Debtor Camp Cooley, Ltd.

“Case” shall mean the Chapter 11 Case No. 09-61311 (RBK) pending before the United States Bankruptcy Court for the Western District of Texas.

“Cash” shall mean legal tender of the United States of America.

“Claim” shall mean (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed or contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured; (c) without limiting the generality of the foregoing, all Administrative Claims, Priority Claims, Secured Claims, and Unsecured Claims.

“Claims Objection Deadline” shall mean the latest of (a) ninety (90) days after the Effective Date; (b) ninety (90) days after the date on which any Claim is Filed; or (c) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clauses (a) and (b) above.

“Class” shall mean a group of Claims or Equity Interests classified together pursuant to Article IV of the Plan.

“Class 1” shall mean the Other Priority Claims, as described, classified and treated in Section 4.01 of this Plan.

“Class 2” shall mean the Secured Claim of Amegy, as described, classified and treated in Section 4.02 of this Plan.

“Class 3” shall mean the Secured Claim of Lone Star, as described, classified and treated in Section 4.03 of this Plan.

“Class 4” shall mean the Secured Claim of GMAC, as described, classified and treated in Section 4.04 of this Plan.

“Class 5” shall mean the Secured Claim of Chrysler, as described, classified and treated in Section 4.05 of this Plan.

“Class 6” shall mean the Secured Claim of Toyota, as described, classified and treated in Section 4.06 of this Plan.

“Class 7” shall mean the Secured Claim of Agricredit, as described, classified and treated in Section 4.07 of this Plan.

“Class 8” shall mean the Other Secured Claims, as described, classified and treated in Section 4.08 of this Plan.

“Class 9” shall mean the Allowed Unsecured Claims, as described, classified and treated in Section 4.09 of this Plan.

“Class 10” shall mean the Allowed Equity Interests, as described, classified and treated in Section 4.10 of this Plan.

“Closing Date” shall the closing of the sale of any Asset pursuant to an APA approved by the Bankruptcy Court.

“Code” shall mean the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as in effect on the Petition Date, together with all amendments and modifications thereto.

“Collateral” shall mean any property or interest in Property of the Estate of the Debtor subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Code or otherwise is invalid under the Code or applicable state law.

“Confirmation” shall mean the entry by the Bankruptcy Court of the Confirmation Order.

“Confirmation Date” shall mean the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the Docket.

“Confirmation Hearing” shall mean a hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to section 1128 of the Code.

“Confirmation Order” shall mean the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

“Creditor” shall mean any Person holding a Claim or Equity Interest, including Administrative Claimants and Claims of the kind specified in sections 502(b), 502(h), and 502(i) of the Code, and such Person’s heirs, successors, assigns, executors, and personal representatives.

“Chrysler” shall mean Chrysler Financial Services Americas L.L.C. F/K/A Daimler Chrysler Financial Services Americas L.L.C., the holder of the Allowed Class 5 Claim.

“Chrysler Collateral” shall mean that certain 2007 Dodge Ram 2500, VIN 1D7KS28A07J617825.

“Debtor” or “Debtor-in-Possession” shall mean Camp Cooley, Ltd. Any reference to the “Debtor” shall also include the Debtor in its capacity as a debtor-in-possession in this Case, and vice-versa.

“Disclosure Statement” shall mean the Disclosure Statement filed by the Plan Proponents in connection with the Plan, including all exhibits, appendices, schedules and annexes, if any, attached thereto, as the same may be altered, amended, supplemented or modified from time to time, and which was prepared and distributed in accordance with sections 1125 and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018.

“Disputed” shall mean any Claim or Equity Interest for which an Allowed Amount has not yet been determined, and with respect to which an objection has been interposed pursuant to this Plan or otherwise, or such other dates as may be fixed by the Bankruptcy Court and which objection has not been withdrawn or determined by a Final Order, or which is listed on the Schedules as disputed, contingent or unliquidated.

“Disputed Amount” shall mean with respect to a particular Disputed Claim, that amount which is equal to the difference, if any, between the Face Amount of such Claim and the amount, if any, of such Claim which the party objecting thereto concedes.

“Disputed Claims Reserve” shall have the meaning set forth in Section 5.04 of the Plan.

“Disputed Equity Interest” shall mean any Equity Interest which has not yet been allowed and with respect to which an objection has been interposed on or prior to the Confirmation Date or such other date fixed by the Bankruptcy Court and which objection has not been withdrawn or determined by a Final Order, or which is listed on the Schedules as disputed, contingent or unliquidated.

“Distributable Cash” shall mean Reorganized Debtor’s Cash from and after the Effective Date that is not subject to any Liens of any Secured Creditor.

“Distribution” shall mean funds to be paid to holders of Claims or Equity Interests as detailed in Article II, Article IV and Article V of the Plan.

“Distribution Date” shall mean the dates upon which Distributions may be made as detailed in Article II, Article IV and Article V of the Plan.

“Docket” shall mean the docket maintained in this Case by the Clerk of the Bankruptcy Court.

“Effective Date” shall mean the first Business Day following the date on which all conditions to consummation set forth in Article VIII hereof have been satisfied or waived (if capable of being duly and expressly waived), provided that no stay of the Confirmation Order is then in effect.

“Entity” shall mean any individual, corporation, limited or general partnership, joint venture, association, joint stock company, limited liability company, estate, trustee, United States Trustee, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code), agency or political subdivision thereof.

“Equity Interest” shall mean any ownership or equity interest in the Debtor, including without limitation, equity interests or other rights to purchase any ownership or equity interest in the Debtor.

“Estate” shall mean the bankruptcy estate created in this Case pursuant to section 541 of the Code.

“Executory Contract” shall mean a contract or unexpired lease to which the Debtor is a party and that is executory within the meaning of section 365 of the Code.

“Face Amount” shall mean with respect to a particular Claim, (a) if the holder of such Claim has not filed a proof of claim with the Bankruptcy Court within the applicable period of limitation fixed by the Bankruptcy Court pursuant to Rule 3003(c)(3) of the Rules, the amount of such Claim that was listed in the Schedules as not disputed, contingent or unliquidated; or (b) if

the holder of such Claim has filed a proof of claim with the Bankruptcy Court within the applicable period of limitation fixed by the Bankruptcy Court pursuant to Rule 3003(c)(3) of the Rules, the amount stated in such proof of claim, or (c) with respect to a Fee Request, the net amount to which the applicant would be entitled if its application were to be granted in full.

“Fee Request” shall mean an application or request for payment for compensation for services rendered or reimbursement of expenses, pursuant to Rule 2016 of the Rules or other applicable provision of the Code or the Rules.

“File,” “Filed,” or “Filing” shall mean file, filed or filing with the Bankruptcy Court in the Case.

“Final Decree” shall mean the final decree entered by the Bankruptcy Court after the Effective Date and pursuant to section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022.

“Final Order” shall mean an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket of such court, the operation or effect of which has not been stayed, reversed, vacated, modified or amended; *provided, however*, that the possibility that a motion may be filed pursuant to Rules 9023 or 9024 of the Bankruptcy Rules or Rules 59 or 60(b) of the Federal Rules of Civil Procedure shall not mean that an order or judgment is not a Final Order.

“GMAC” shall mean GMAC, the holder of the Allowed Class 4 Claim.

“GMAC’s Collateral” shall mean that certain 2008 Chevrolet Suburban, VIN 1GNFC16058G196322.

“Holder” shall mean an Entity holding a beneficial interest in a Claim or Interest and, when used in conjunction with a Class or type of Claim or Interest, means a holder of a beneficial interest in a Claim or Interest in such Class or of such type.

“Impaired” shall mean an Allowed Claim or Equity Interest that is Impaired within the meaning of section 1124 of the Code.

“Insider(s)” shall mean those Persons defined in section 101(31)(B) of the Code.

“Late Filed Claim” shall mean a Claim filed after the Bar Date.

“Lien” shall mean, with respect to any Asset or Property of the Estate (or the rents, revenues, income, profits or proceeds therefrom), and in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise: (a) any and all mortgages, liens, pledges, attachments, charges, leases evidencing a capitalizable lease obligation, conditional sale or other title retention agreement, or other security interest or encumbrance or other legally cognizable security devices of any kind in respect of any asset or Property, or upon the rents, revenues, income, profits or proceeds therefrom; or (b) any arrangement, express or implied, under which any Property is transferred, sequestered or otherwise identified for the purpose of subjecting or making available the same for the payment

of debt or performance of any other obligation in priority to the payment of general unsecured Creditors.

“Lone Star” shall mean Lone Star, PCA, the holder of the Allowed Class 3 Claim.

“Lone Star Collateral” shall mean all Assets that are subject to Liens securing Lone Star’s Secured Claim as more fully described in the Lone Star Loan Documents.

“Lone Star Loan Documents” shall mean the various loan documents, including but not limited to Loan Number 254100317, Loan Number 254100318, and all other loan documents evidencing and governing Lone Star’s Secured Claim.

“Members” shall mean each of the members of the Plan Steering Committee as more fully described in Article 7.05 herein.

“Minerals” shall mean any and all of the Debtor’s mineral and royalty interests as such interests are defined as “Oil and Gas Property” and further described in the Amegy Loan Documents.

“Objection” shall mean any objection, application, motion, complaint or any other legal proceeding seeking, in whole or in part, to disallow, determine, liquidate, classify, reclassify or establish the priority, expunge, subordinate or estimate any Claim (including the resolution of any request for payment of any Administrative Claim) or Equity Interest other than a Claim or an Equity Interest that is Allowed.

“Other Priority Claims” shall mean a Claim (other than an Administrative Claim or Priority Tax Claim) that is entitled to priority under section 507 of the Code.

“Other Secured Claims” shall mean Secured Claims other than the Class 2 through 7 Claims.

“Person” shall mean any individual, sole proprietorship, Equity (general or limited), joint venture, trust, unincorporated organization, association, corporation, institution, entity, or government (whether federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body, political subdivision or department thereof).

“Petition Date” shall mean November 8, 2009, the date on which the Debtor commenced this Case by filing a voluntary petition under Chapter 11 of the Code.

“Plan” shall mean that certain Amegy Bank National Association and Lone Star PCA Joint Plan of Liquidation filed by the Plan Proponents in the present form including all exhibits, appendices, schedules and annexes, if any, attached hereto, as such Plan may be altered, amended, supplemented or modified from time to time in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Confirmation Order and the terms and conditions hereof.

“Plan Administrator” shall mean the person to be designated and retained, as of the Effective Date, by the Reorganized Debtor with approval of the Bankruptcy Court, as the fiduciary responsible for, among other things, the sale or other disposition of the remaining property of the Reorganized Debtors, prosecution of causes of action of the estates, holding and distributing the consideration to be distributed to holders of Allowed Claims and Allowed Equity Interests pursuant to this Plan, the Confirmation Order, or such other order as may be entered by the Bankruptcy Court, the completion of the process of prosecution and settlement of objections to Disputed Claims and the completion of all other obligations of the Reorganized Debtor.

“Plan Injunction” shall mean that certain injunction as more fully described in Article 8.06 of this Plan.

“Plan Steering Committee” shall mean the committee that is to be created pursuant to Article VII of the Plan to assist the Plan Administrator in carrying out the provisions of the Plan.

“Plan Proponents” shall have the meaning set forth in the Introduction.

“Post-Confirmation Administrative Claim” shall mean a Claim for services rendered or expenses incurred after the Confirmation Date in connection with this Case.

“Post-Petition Interest” shall mean all interest accrued but unpaid after the Petition Date that is awarded by the Bankruptcy Court on account of any Allowed Claim, which shall be calculated based upon the rate set forth in any contract (including any default rate, if applicable and authorized under the Code) evidencing the Claim and, if no such rate is set forth therein, then the legal rate of interest, which for purposes of this Plan shall mean the federal judgment rate of interest in effect on the Effective Date.

“Pre-Petition” shall mean prior to the Petition Date.

“Priority Claims” shall mean a Claim (other than an Administrative Claim or Priority Tax Claim) that is entitled to priority under section 507(a) of the Code.

“Priority Tax Claim” shall mean a Claim (other than an Administrative Claim or Priority Claim) that is entitled to priority under section 507(a)(8) of the Code.

“Pro Rata” shall mean proportionately, so that the ratio of the amount of consideration distributed to an account of a particular Allowed Claim to the Allowed Amount of such Claim is the same as the ratio of the amount of consideration distributed on account of all Allowed Claims of the Class in which the particular Claim is included to the amount of all Allowed Claims of that Class, unless otherwise defined in the Plan. Whenever a Disputed Claim has not been finally resolved, an appropriate reserve for payment of such Disputed Claim shall be established so that there will be sufficient consideration available to make a Pro Rata Distribution to the holder of such Disputed Claim upon final resolution of the dispute.

“Professional” shall mean any professional employed in this Case pursuant to sections 327, 328 or 1103 of the Code or otherwise pursuant to an order of the Bankruptcy Court.

“Professional Fee and Expense Claims” shall mean fees of Professionals and reimbursement of expenses incurred by Professionals are Administrative Claims pursuant to sections 503(b)(2), 503(b)(3), 503(b)(4) and 503(b)(5) of the Code.

“Property of the Estate” shall mean all assets or property of the Debtor’s Estate of any nature whatsoever, real or personal, tangible or intangible, including contract rights, accounts and Actions, previously or now owned by the Debtor, or acquired by the Debtor’s Estate, as defined in section 541 of the Bankruptcy Code.

“Purchaser(s)” shall mean such purchaser(s) who shall acquire any Assets pursuant to an APA as authorized by this Plan and approved by the Bankruptcy Court.

“Ranch” shall mean that approximately 10,744 acre Camp Cooley Ranch located in Robertson County, Texas as more fully described in the Amegy Loan Documents, less any such acres that have been sold during the Case as approved by the Bankruptcy Court or sold pursuant to the terms of the Plan. For the avoidance of doubt, the term “Ranch” shall not include the term “Minerals.”

“Rejected Contract” shall mean an Executory Contract that is rejected at any time during this Case or pursuant to Article VI of the Plan.

“Rejection Claim” shall mean a Claim arising under section 502(g) of the Code in its Allowed Amount.

“Reorganized Camp Cooley” shall mean Camp Cooley on and after the Effective Date.

“Reorganized Debtor” shall mean Reorganized Camp Cooley.

“Reorganized Debtor’s Operating Budget” shall mean the operating budget for the Reorganized Debtor prepared in accordance with Section 7.04 of the Plan.

“Rules” shall mean the Federal Rules of Bankruptcy Procedure.

“Schedules” shall mean the Schedules of assets and liabilities originally filed by the Debtor with the Bankruptcy Court and as the same may be amended from time to time by the Debtor.

“Section” shall mean a numbered subsection of any Article of the Plan.

“Secured Claim” shall mean a Claim secured by a Lien on property in which the Estate has an interest or that is subject to set-off under section 553 of the Code to the extent of the value of the interest attributable to such Claim in the Estate’s interest in such property or to the extent of the amount subject to set-off.

“Secured Creditor” shall mean the holder of a Secured Claim.

“Secured Tax Claims” shall mean ad valorem taxes assessed against the real property owned by the Debtor in the ordinary course of its business.

“*Tax*” shall mean any tax, charge, fee, levy, impost or other assessment by any federal, state, local or foreign governmental authority, including, without limitation, income, excise, property, sales, transfer, employment, payroll, franchise, profits, license, use, *ad valorem*, estimated, severance, stamp, occupation and withholding tax, together with any interest, penalties, fines or additions attributable to, imposed on or collected by any such federal, state, local or foreign governmental authority.

“*Toyota*” shall mean Toyota Motor Credit Corporation/Toyota Financial Services/Lexus Financial Servicest, the holder of the Allowed Class 6 Claim.

“*Toyota Collateral*” shall mean that certain 2007 Toyota 4Runner, VIN JTEBU14RX70112497 and that certain 2009 Toyota Tundra, VIN 5TBET34186S552586.

“*Unclaimed Property*” shall mean any distribution of Cash or any other Property made to the Holder of an Allowed Claim pursuant to the Plan that is returned to Reorganized Debtor as undeliverable and no appropriate forwarding address is received prior to the date on which the Final Decree is entered in this Chapter 11 Case, and in the case of a distribution made in the form of a check, is not negotiated and no request for reissuance is made as provided for in Section 5.05 hereof.

“*Unimpaired*” shall mean an Allowed Claim or Allowed Equity Interest that is *not* Impaired within the meaning of section 1124 of the Code.

“*United States Trustee*” shall mean the Office of the United States Trustee appointed under section 581(a)(3) of title 28 of the United States Code to serve in the Western District of Texas.

“*Unsecured Claim*” shall mean a Claim other than a Secured Claim, a Priority Claim, a Priority Tax Claim, or an Administrative Claim.

“*Unsecured Creditor*” shall mean the holder of an Unsecured Claim.

“*Working Capital Reserve*” shall mean all Cash held by the Debtor on the Effective Date, which shall be transferred from the Debtor to the Reorganized Debtor and reserved to provide adequate working capital for continuing operations of Reorganized Debtor. The Working Capital Reserve may be used by the Plan Administrator to operate, maintain and sell the Property of the Estate in accordance with the terms of the Plan. The amount of the Working Capital Reserve shall be reset in accordance with the Reorganized Debtor’s Operating Budget and funded, as necessary, as detailed in the Plan.

1.02. Rules of Construction and Interpretation.

The following rules of construction shall be applicable for all purposes of the Plan unless the context clearly requires otherwise:

(a) The terms “include,” “including,” and similar terms shall be construed as if followed by the phrase “without being limited to.”

(b) Words of masculine, feminine, or neutral gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice-versa.

(c) All article, section, and exhibit or appendix captions are used for convenience and reference only, and in no way define, limit, or describe the scope or intent of, or in any way affect, any such article, section, exhibit, or appendix.

1.03. Exhibits.

All exhibits to the Plan are incorporated into and are a part of the Plan as if set forth in full herein, regardless of when Filed.

ARTICLE II

**TREATMENT OF UNCLASSIFIED CLAIMS:
ADMINISTRATIVE CLAIMS, PRIORITY TAX CLAIMS
AND UNITED STATES TRUSTEE'S FEES**

2.01. Generally.

Pursuant to section 1122 of the Bankruptcy Code, set forth in Article II and Article III herein is a designation of Classes of Claims and Equity Interests. A Claim or an Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of the Class and is classified in a different Class to the extent the Claim or Equity Interest qualifies within the description of that different Class. A Claim or Equity Interest is placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or an Allowed Equity Interest in that Class and such Claim or Equity Interest has not been paid, released, settled, or otherwise satisfied prior to the Effective Date.

2.02. Unclassified Claims.

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified and are excluded from the Classes designated in Article III of the Plan. The treatment accorded Administrative Claims and Priority Tax Claims is set forth in this Article II of the Plan.

2.03. Allowed Administrative Claims.

Administrative Claims are Claims constituting a cost or expense of the administration of the Case allowed under sections 503(b) and 507(a)(2) of the Code. Such Claims include any actual and necessary costs and expenses of preserving the Estate of the Debtor, any actual and necessary costs and expenses of operating the business of the Debtor in Possession, any indebtedness or obligations incurred or assumed by the Debtor in Possession in connection with the conduct of its business, including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, all compensation and reimbursement of expenses to the extent Allowed by the Bankruptcy Court under section 330, 331 or 503 of the

Code, all costs associated with the cure of any executory contracts and unexpired leases between the Debtor and any Person, and any fees or charges assessed against the Estate of the Debtor under section 1930 of title 28 of the United States Code.

(a) Ordinary Course Claims.

Except to the extent that any entity entitled to payment of any Allowed Administrative Claim representing liabilities incurred by the Debtor in Possession in the ordinary course of its business (excluding Allowed Professional Fee Expense Claims) agrees to a different treatment, each such holder of an Allowed Administrative Claim shall be paid in full, in Cash, in full satisfaction of such Claim, on the later of the Effective Date or the date on which such Administrative Claim becomes an Allowed Claim, *provided, however*, that Allowed Administrative Claims representing (1) postpetition liabilities incurred in the ordinary course of business by the Debtor or (2) postpetition contractual liabilities arising under loans or advances to the Debtor, whether or not incurred in the ordinary course of business, shall be paid in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements relating thereto.

(b) Professional Fee and Expense Claims.

The Bankruptcy Court will review and determine all applications for compensation for services rendered and reimbursement of expenses. All entities seeking an award by the Bankruptcy Court of Professional Fee and Expense Claims shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred through the Effective Date pursuant to section 330 of the Code and Rule 2016 by the Administrative Claims Bar date unless or such other date fixed by the Bankruptcy Court. The time for filing objections to applications for allowance and payment of Professional Fee and Expense Claims, and the date and time for a hearing in respect of such applications and the related objections, if any, shall be set by order of the Bankruptcy Court.

Except to the extent that any Professional entitled to payment of Allowed Professional Fee and Expense Claims agrees to a different treatment, such Allowed Professional Fee Expense Claims shall be paid from Distributable Cash ten (10) business days after the later of (i) the Effective Date, or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim by Final Order. In the event the Distributable Cash is insufficient to pay all Allowed Professional Fee Expense Claims in full on the relevant Distribution Date above, then such Allowed Professional Fee Expense Claims shall be paid from Distributable Cash on a Pro Rata basis in installments commencing thirty (30) days after the occurrence of the above applicable Distribution Date and continuing on each ninety (90) day anniversary of such Distribution Date until all Allowed Professional Fee Expense Claims are paid in full.

2.04. Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim under section 507(a)(8) of the Code has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall be paid in full in Distributable Cash ten (10) business days after the later of (i) the Effective Date or (ii) the date

such Claim becomes an Allowed Priority Tax Claim by Final Order. In the event the Distributable Cash is insufficient to pay all Allowed Priority Tax Claims in full on the relevant Distribution Date above, then such Allowed Priority Tax Claims shall be paid from Distributable Cash on a Pro Rata basis in installments commencing thirty (30) days after the occurrence of the above applicable Distribution Date and continuing on each ninety (90) day anniversary of such Distribution Date until all Allowed Priority Tax Claims are paid in full. The Plan Administrator shall not make a Plan installment payment to holders of Allowed Priority Tax Claims until all Allowed Administrative Claims and all Allowed Professional Fee Expense Claims have been paid in full.

2.05. United States Trustee’s Fees.

The Debtor shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) through Confirmation on the Effective Date. The Plan Administrator shall further pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) for post-confirmation periods within the time periods set forth in 28 U.S.C. §1930(a)(6), until the earlier of the closing of this Case by the issuance of a Final Decree by the Bankruptcy Court, upon the entry of an order of this Bankruptcy Court dismissing this Case, or upon entry of an order converting this Case to another chapter under the Code, and the Plan Administrator shall provide to the United States Trustee upon the payment of each post-confirmation payment an appropriate declaration indicating disbursement for the relevant periods.

ARTICLE III

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

3.01. Classes of Claims and Equity Interests.

For purposes of this Plan, Claims against, and Equity Interests in, the Debtor shall be classified as follows:

| <u>Class</u> | <u>Description</u> | <u>Status</u> | <u>Voting Status</u> |
|---------------------|-------------------------------------|----------------------|-----------------------------|
| Class 1 | Allowed Other Priority Claims | Unimpaired | No. Deemed to Accept |
| Class 2 | Allowed Secured Claim of Amegy | Impaired | Yes |
| Class 3 | Allowed Secured Claim of Lone Star | Impaired | Yes |
| Class 4 | Allowed Secured Claim of GMAC | Impaired | Yes |
| Class 5 | Allowed Secured Claim of Chrysler | Impaired | Yes |
| Class 6 | Allowed Secured Claim of Toyota | Impaired | Yes |
| Class 7 | Allowed Secured Claim of Agricredit | Impaired | Yes |
| Class 8 | Allowed Other Secured Claims | Impaired | Yes |
| Class 9 | Allowed Unsecured Claims | Impaired | Yes |
| Class 10 | Allowed Equity Interests | Impaired | Yes |

ARTICLE IV

TREATMENT OF CLAIMS AND EQUITY INTERESTS

4.01. Class 1. Allowed Other Priority Claims.

(a) **Description.** Class 1 consists of the Allowed Other Priority Claims which are entitled to priority in accordance with section 507(a) of the Code (other than Administrative Claims and Priority Tax Claims).

(b) **Treatment.** Each holder of an Allowed Other Priority Claim shall receive, in full satisfaction, release and exchange for such Claim, Distributable Cash in an amount equal to the amount of such Allowed Other Priority Claim in accordance with section 1129(a)(9) of the Code ten (10) business days after the later of (i) the Effective Date, or (ii) the date such Claim becomes an Allowed Other Priority Claim by Final Order. In the event the Distributable Cash is insufficient to pay all Allowed Other Priority Claims in full on the relevant Distribution Date above, then such Allowed Other Priority Claims shall be paid from Distributable Cash on a Pro Rata basis in installments commencing thirty (30) days after the occurrence of the above applicable Distribution Date and continuing on each ninety (90) day anniversary of such Distribution Date until all Allowed Other Priority Claims are paid in full. The Plan Administrator shall not make a Plan installment payment to holders of Allowed Other Priority Claims until all Allowed Administrative Claims, all Allowed Professional Fee Expense Claims, and all Priority Tax Claims have been paid in full.

(c) **Impairment.** The Class 1 Claim is Unimpaired.

4.02. Class 2. Allowed Secured Claim of Amegy.

(a) **Description.** Class 2 consists of the Allowed Secured Claim held by Amegy.

(b) **Treatment.** The Amegy Allowed Class 2 Claim shall be treated as follows:

i. Amegy shall retain its Liens on any and all Amegy Collateral securing the Amegy Class 2 Allowed Secured Claim.

ii. From the Effective Date until Amegy's Allowed Secured Claim is paid in full, Reorganized Debtor shall pay Amegy, in Cash, one hundred percent (100%) of any and royalty income received by Reorganized Debtor from Amegy's Mineral Collateral, less such amounts authorized by Amegy to be placed in the Working Capital Reserve. Such payments shall be applied by Amegy to its Class 2 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Amegy Loan Documents.

iii. On the Closing Date for the sale of any Amegy Collateral, Reorganized Debtor shall pay Amegy, in Cash, one hundred percent (100%) of the

proceeds (net of applicable sales costs approved by Amegy) realized from any such sale of Amegy Collateral until Amegy's Allowed Class 2 Claim is paid in full. Such payments shall be applied by Amegy to its Class 2 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Amegy Loan Documents.

iv. Amegy shall retain the right to credit bid its Secured Claim in accordance with 11 U.S.C. § 363(k) with regard to any sale of Amegy Collateral.

v. If the Minerals are not sold by the date detailed in Section 7.03(a) of the Plan, then the Plan Injunction shall automatically terminate to permit Amegy to foreclose its Liens and security interests in the Minerals.

vi. If the Ranch is not sold by the date detailed in Section 7.03(b) of the Plan and Amegy's Claim has not been paid in full, then the Plan Injunction shall automatically terminate to permit Amegy to foreclose its Liens and security interests in the Ranch.

vii. Any Allowed deficiency Claim of Amegy shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Allowed Class 2 Claim is Impaired.

4.03. Class 3. Allowed Secured Claim of Lone Star.

(a) **Description.** Class 3 consists of the Allowed Secured Claim of Lone Star.

(b) **Treatment.** The Lone Star Allowed Class 3 Claim shall be treated as follows:

i. Lone Star shall retain its Liens on any and all Lone Star Collateral securing the Loan Star Class 3 Allowed Secured Claim.

ii. On the Closing Date for the sale of any Lone Star Collateral, excluding the Ranch, Reorganized Debtor shall pay Lone Star, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Lone Star) realized from any such sale of Lone Star Collateral (excluding the Ranch) less such amounts authorized by Lone Star to be placed in the Working Capital Reserve. Such payments shall be applied by Lone Star to its Class 3 Allowed Secured Claim pursuant to the terms and conditions as detailed in the Lone Star Loan Documents, until Lone Star's Allowed Class 3 Claim is paid in full.

iii. On the Closing Date for the sale of all or any part of the Ranch, after payment of the Amegy Class 2 Secured Claim in full, Reorganized Debtor shall then pay Lone Star, in Cash, one hundred percent (100%) of the remaining net proceeds, if any, realized from any sale or sales of the Ranch. Such payments shall be applied by Lone Star to its Class 3 Allowed Secured Claim pursuant to

the terms and conditions as detailed in the Lone Star Loan Documents, until Lone Star's Allowed Class 3 Claim is paid in full.

iv. Lone Star shall retain the right to credit bid its Secured Claim in accordance with 11 U.S.C. § 363(k) with regard to any sale of Lone Star's Collateral.

v. If the Ranch is not sold by the date detailed in Section 7.03(b) of the Plan and Lone Star's Claim has not been paid in full, then the Plan Injunction shall automatically terminate to permit Lone Star to foreclose its Liens and security interests in the Ranch, subject to the Liens of Amegy.

vi. Any Allowed deficiency Claim of Lone Star shall be treated as a Class 9 Unsecured Claim.

vii. Notwithstanding anything in the Disclosure Statement or the Plan to the contrary, Lone Star, PCA: (1) shall have an allowed secured claim in the amount of at least \$5,525,000.00 (less any post-petition credits received under the terms of a cash collateral order in this case or otherwise) and shall vote as a secured creditor in Class 3; (2) shall have an unsecured claim in the amount of \$1,500,000.00 for purposes of voting in Class 9 as an unsecured creditor; and (3) shall have the right to recover interest on its loans with the Debtor, attorneys' fees, costs, and expenses that Lone Star, PCA has incurred since the petition date to the extent Lone Star, PCA is oversecured.

(c) **Impairment.** The Allowed Class 3 Claim is Impaired.

4.04. Class 4. Allowed Secured Claim of GMAC.

(a) **Description.** Class 4 consists of the Allowed Secured Claim of GMAC.

(b) **Treatment.** The Allowed Class 4 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 4 Claim shall be treated as follows:

i. GMAC shall retain its Liens on any and all GMAC Collateral securing the GMAC Class 4 Allowed Secured Claim.

ii. At its option, GMAC may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 4 GMAC Collateral to the holder of the Allowed Class 4 Claim. The surrender of Class 4 GMAC Collateral hereunder shall constitute the "indubitable equivalent" of such Allowed Class 4 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any GMAC Collateral, Reorganized Debtor shall pay GMAC, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by GMAC or the Bankruptcy Court) realized from the sale of GMAC Collateral, until the Allowed Class 4 Claim is paid in full. Further, the holder of the Allowed Class 4 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 4 Claim's GMAC Collateral.

iii. In the event that the holder of the Allowed Class 4 Claim fails to timely elect Class 4 Option 1 and/or Class 4 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 4 GMAC Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 4 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of GMAC shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 4 Claim is Impaired.

4.05. Class 5. Allowed Secured Claim of Chrysler.

(a) **Description.** Class 5 consists of the Allowed Secured Claim of Chrysler.

(b) **Treatment.** The Allowed Class 5 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 5 Claim shall be treated as follows:

i. Chrysler shall retain its Liens on any and all Chrysler Collateral securing the Chrysler Class 5 Allowed Secured Claim.

ii. At its option, Chrysler may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 5 Chrysler Collateral to the holder of the Allowed Class 5 Claim. The surrender of Class 5 Chrysler Collateral hereunder shall constitute the "indubitable equivalent" of such Allowed Class 5 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any Chrysler Collateral, Reorganized Debtor shall pay Chrysler, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Chrysler or the Bankruptcy Court) realized from the sale of Chrysler Collateral, until the Allowed Class 5 Claim is paid in full. Further, the holder of the Allowed Class 5 Claim shall retain the right to

credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 5 Claim's Chrysler Collateral.

iii. In the event that the holder of the Allowed Class 5 Claim fails to timely elect Class 5 Option 1 and/or Class 5 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 5 Chrysler Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 5 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of Chrysler shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 5 Claim is Impaired.

4.06. Class 6. Allowed Secured Claim of Toyota.

(a) **Description.** Class 6 consists of the Allowed Secured Claim of Toyota.

(b) **Treatment.** The Allowed Class 6 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 6 Claim shall be treated as follows:

i. Toyota shall retain its Liens on any and all Toyota Collateral securing the Toyota Class 6 Allowed Secured Claim.

ii. At its option, Toyota may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 6 Toyota Collateral to the holder of the Allowed Class 6 Claim. The surrender of Class 6 Toyota Collateral hereunder shall constitute the "indubitable equivalent" of such Allowed Class 6 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any Toyota Collateral, Reorganized Debtor shall pay Toyota, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Toyota or the Bankruptcy Court) realized from the sale of Toyota Collateral, until the Allowed Class 6 Claim is paid in full. Further, the holder of the Allowed Class 6 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 6 Claim's Toyota Collateral.

iii. In the event that the holder of the Allowed Class 6 Claim fails to timely elect Class 6 Option 1 and/or Class 6 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 6 Toyota

Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 6 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of Toyota shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 6 Claim is Impaired.

4.07. Class 7. Allowed Secured Claim of Agricredit.

(a) **Description.** Class 7 consists of the Allowed Secured Claim of Agricredit.

(b) **Treatment.** The Allowed Class 7 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 7 Claim shall be treated as follows:

i. Agricredit shall retain its Liens on any and all Agricredit Collateral securing the Agricredit Class 7 Allowed Secured Claim.

ii. At its option, Agricredit may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 7 Agricredit Collateral to the holder of the Allowed Class 7 Claim. The surrender of Class 7 Agricredit Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 7 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any Agricredit Collateral, Reorganized Debtor shall pay Agricredit, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by Agricredit or the Bankruptcy Court) realized from the sale of Agricredit Collateral, until the Allowed Class 7 Claim is paid in full. Further, the holder of the Allowed Class 7 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 7 Claim’s Agricredit Collateral.

iii. In the event that the holder of the Allowed Class 7 Claim fails to timely elect Class 7 Option 1 and/or Class 7 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 7 Agricredit Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 7 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of Agricredit shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 7 Claim is Impaired.

4.08. Class 8. Allowed Secured Claim of Other Secured Claims.

(a) **Description.** Class 8 consists of the Allowed Other Secured Claims, other than the Allowed Class 2 through 7 Claims.

(b) **Treatment.** The Allowed Class 8 Claim shall be treated as follows:

Unless otherwise surrendered by order of the Bankruptcy Court prior to the Effective Date, the holder of the Allowed Class 8 Claim shall be treated as follows:

i. The Other Secured Claim Holders, if any, shall retain its/their Liens on any and all Collateral securing the their respective Class 8 Allowed Secured Claim.

ii. At its option, any Other Secured Creditor may select one of the following treatment:

(a) *Option #1:* On the Effective Date, Reorganized Debtor shall surrender its right, title, and interest in and to the Class 8 Collateral to the holder of the Allowed Class 8 Claim. The surrender of Class 8 Collateral hereunder shall constitute the “indubitable equivalent” of such Allowed Class 8 Claim in accordance with 11 U.S.C. § 1129(b)(2)(A)(iii); or

(b) *Option #2:* On the Closing Date for the sale of any Other Secured Creditor Collateral, Reorganized Debtor shall pay the Other Secured Creditor, in Cash, one hundred percent (100%) of the proceeds (net of applicable sales costs approved by the Other Secured Creditor or the Bankruptcy Court) realized from the sale of the Other Secured Creditor Collateral, until the Allowed Class 8 Claim of such Other Secured Creditor is paid in full. Further, the holder of the Allowed Class 8 Claim shall retain the right to credit bid in accordance with 11 U.S.C. § 363(k) with regard to any sale of the holder of the Allowed Class 8 Claim’s Collateral.

iii. In the event that the holder of the Allowed Class 8 Claim fails to timely elect Class 8 Option 1 and/or Class 8 Option 2, the Reorganized Debtor shall surrender all of its right, title, and interest in and to the Class 8 Collateral on the Effective Date in full and complete satisfaction of any Secured Claim the holder of the Allowed Class 8 Claim may hold against the Debtor and the Estate pursuant to 11 U.S.C. § 506(b).

iv. Any Allowed deficiency Claim of any Other Class 8 Secured Creditor shall be treated as a Class 9 Unsecured Claim.

(c) **Impairment.** The Class 8 Claim is Impaired.

4.09. Class 9. Allowed Unsecured Claims.

(a) **Description.** Class 9 consists of Allowed Unsecured Claims.

(b) **Treatment.** Each Holder of an Allowed Unsecured Claim shall, in full and final satisfaction of such Allowed Unsecured Claim, be paid its pro rata share of Distributable Cash, if any, after payment in full of all Allowed Claims in Classes 1 through 8 on such Distribution Dates as designated by the Plan Administrator in accordance with the terms and guidelines contained in Article VII herein. Notwithstanding anything in the Disclosure Statement or this Plan to the contrary, Lone Star, PCA shall have an unsecured claim in the amount of \$1,500,000.00 for purposes of voting in Class 9 as an unsecured creditor.

(c) **Impairment.** The Class 9 Claim is Impaired.

4.10. Class 10. Allowed Equity Interests.

(a) **Description.** Class 10 consists of Allowed Equity Interests.

(b) **Treatment.** On the Effective Date, Holders of Allowed Equity Interests shall have their Equity Interests cancelled under the Plan, however, such Holders of Equity Interests shall receive Distributions from Reorganized Debtor of any Assets or Distributable Cash, if any, that remains after payment in full of all Allowed Claims in Classes 1 through 9.

(c) **Impairment.** The Class 10 Interests are Impaired.

ARTICLE V

**PROVISIONS REGARDING VOTING AND DISTRIBUTIONS
UNDER THE PLAN, ALLOWANCE OF CERTAIN CLAIMS, AND
TREATMENT OF DISPUTED, CONTINGENT AND UNLIQUIDATED
ADMINISTRATIVE EXPENSE CLAIMS, CLAIMS AND EQUITY INTERESTS**

5.01. Voting of Claims and Equity Interests.

Each holder of an Allowed Claim or Equity Interest in an Impaired Class of Claims or Equity Interests that is entitled to vote on the Plan pursuant to the Code shall be entitled to vote separately to accept or reject the Plan as provided in such order as may be entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order or orders of the Bankruptcy Court.

5.02. Nonconsensual Confirmation (“Cramdown”).

Notwithstanding that any Impaired Class of Claims or Equity Interests entitled to vote does not accept the Plan by the statutory majorities required by section 1126(c) of the Code, the Plan Proponents are requesting confirmation of the Plan under the cram down provisions of section 1129(b) of the Code.

5.03. Method of Distribution Under the Plan.

(a) Subject to Rule 9010, and except as otherwise provided in this Section 5.03 of the Plan, all Distributions under the Plan shall be made by the Plan Administrator to the holder of each Allowed Claim at the address of such holder as listed on the Schedules unless the Plan Administrator has been notified in writing of a change of address, including by the filing of a proof of Claim by such holder that provides an address different from the address reflected on the Schedules.

(b) Any payment of Cash made pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer.

(c) Any payment or Distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

(d) No payment of Cash less than one hundred dollars (\$10.00) shall be made to any holder of a Claim unless a request therefor is made in writing to the Plan Administrator or unless the Distribution is a final Distribution.

(e) When any Distribution on account of an Allowed Claim pursuant to the Plan would otherwise result in a Distribution that is not a whole number, the actual Distribution shall be rounded as follows: (i) fractions of $\frac{1}{2}$ or greater shall be rounded to the next higher whole number, and (ii) fractions of less than $\frac{1}{2}$ shall be rounded to the next lower whole number. Cash to be distributed pursuant to the Plan shall be adjusted as necessary to account for the rounding provided in this Section 5.03(e) of the Plan.

(f) Any Distributions of Cash or other property under the Plan which are unclaimed for a period of six (6) months after the Distribution Date shall be vested in Reorganized Debtor and any entitlement of any holder of any Claim to such Distributions shall be extinguished and forever barred.

(g) At the close of business on the Effective Date, the claims register shall be closed, and there shall be no further changes in the record holders of any Claims. The Plan Administrator shall have no obligation to recognize any transfer of any Claims occurring after the Effective Date; provided, however, that the foregoing will not be deemed to prohibit the sale or transfer of any Claim subsequent to the Effective Date and prior to the Effective Date. The Plan Administrator shall instead be entitled to recognize and deal for all purposes under the Plan with only those record holders as of the close of business on the Effective Date.

5.04. Distributions Withheld for Disputed General Unsecured Claims.

(a) Establishment and Maintenance of Reserve.

On any Distribution Date, the Plan Administrator shall reserve from the Distributions to be made on such dates to the holders of Allowed Claims, an amount equal to one-hundred percent (100%) of the Distributions to which holders of Disputed Claims would be entitled under the Plan as of such dates if such Disputed Claims were Allowed Claims in their Disputed Claim Amounts or as estimated by the Debtor or the Bankruptcy Court in accordance with Section 5.09 of the Plan (the “*Disputed Claims Reserve*”).

(b) Property Held in Disputed Claims Reserve.

Cash in the Disputed Claims Reserve shall (together with all other accretions or distributions thereon) be held by the Plan Administrator for the benefit of the potential recipients of such Cash.

(c) Distributions Upon Allowance of Disputed General Unsecured Claims.

The holder of a Disputed Claim that becomes an Allowed Claim subsequent to any Distribution Date shall receive Distributions of Cash and any other consideration from the Disputed Claims Reserve from the Plan Administrator within ten (10) days following the date on which such Disputed Claim becomes an Allowed Claim pursuant to a Final Order. Such Distributions shall be made in accordance with the Plan.

(d) No Surplus Distributions to Holders of Allowed General Unsecured Claims.

To the extent that a Disputed Claim is not Allowed or becomes an Allowed Claim in an amount less than the Disputed Claim, the excess of Cash and any other consideration in the Disputed Claims Reserve over the amount of Cash and any other consideration actually distributed on account of such Disputed Claim shall vest in Reorganized Debtor and be available for distributions to Holders of Allowed Claims and Allowed Equity Interests as provided in Article IV herein.

(e) Expenses of Disputed Claims Reserve.

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable expenses incurred by the Plan Administrator on or after the Effective Date with respect to the Disputed Claims Reserve shall be paid by Reorganized Debtor.

5.05. Procedures for Allowance or Disallowance of Disputed Claims.

(a) Objections to and Resolution of Administrative Claims and Claims.

Except as to applications for allowance of compensation and reimbursement of expenses under sections 330 and 503 of the Code, the Plan Administrator shall have the

exclusive right to make and file objections to Administrative Claims and Claims subsequent to the Effective Date. All objections shall be litigated to Final Order. The Plan Administrator shall have the authority to compromise, settle, otherwise resolve or withdraw any of their objections without approval of the Bankruptcy Court, except as otherwise provided herein. Unless otherwise ordered by the Bankruptcy Court, the Plan Administrator shall file all objections to Claims and serve such objections upon the holder of the Claim as to which the objection is made as soon as is practicable, but in no event later than one hundred twenty (120) days after the Effective Date or such later date as may be approved by the Bankruptcy Court. The Plan Administrator reserves the right to object to Administrative Claims as such claims arise in the ordinary course of business. Reorganized Debtor shall bear all costs and expenses relating to the investigation and prosecution of Disputed Claims filed by the Plan Administrator from and after the Effective Date.

(b) No Distribution Pending Allowance.

Notwithstanding any other provision of the Plan, if any portion of a Claim is disputed, the full amount of such Claim shall be treated as a Disputed Claim for purposes of this Plan, and no payment or Distribution provided under the Plan shall be made on account of such unless and until such Disputed Claim becomes an Allowed Claim (in whole or in part).

(c) Disallowed Claims.

All Claims or Equity Interests held by Persons against whom the Plan Administrator has commenced an Action under sections 542, 543, 544, 545, 547, 548, 549, and/or 550 of the Code, shall be deemed "disallowed" Claims or Equity Interests pursuant to section 502(d) of the Code and holders of such Claims or Equity Interests shall not be entitled to vote to accept or reject the Plan. Claims or Equity Interests that are deemed disallowed pursuant to this Section 5.05(c) of the Plan shall continue to be disallowed for all purposes until the Action against such party has been settled or resolved by Final Order and any sums due to the Estate from such party have been paid.

5.06. Preservation of Rights.

Except to the extent that any Claim is Allowed during the Case or expressly by this Plan or the Confirmation Order, nothing, including, but not limited to, the failure of the Debtor, the Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable) to object to a Claim or Equity Interest for any reason during the pendency of the Case, shall affect, prejudice, diminish or impair the rights and legal and equitable defenses of the Debtor, the Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable) with respect to any Claim or Equity Interest, including, but not limited to, all rights of the Debtor, the Reorganized Debtor, Proponent, or Plan Administrator (as applicable) to contest or defend themselves against such Claims or Equity Interests in any lawful manner or forum when and if such Claim or Equity Interest is sought to be enforced by the Holder thereof.

5.07. Setoffs and Recoupment.

The Plan Administrator may, but shall not be required to, set off (pursuant to the provisions of sections 553 and 362 of the Code or other applicable law) against or recoup from any Claim and the payments to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that the Estate may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Estate of any setoff or recoupment right they may have against the holder of such Claim.

5.08. Allocation of Plan Distributions Between Principal and Interest.

To the extent that any allowed Administrative Claim, Priority Claim, or Unsecured Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall be allocated to the principal amount (as determined for federal income tax purposes) of such Claim first, and then to accrued but unpaid interest. To the extent that any allowed Secured Claim entitled to a Distribution under the Plan is comprised of indebtedness, costs, and accrued but unpaid interest thereon, such distribution shall be allocated as detailed in the applicable contract or loan documents of such Secured Creditor. If such contract or loan documents do not provide for the allocation of payments, then such payments shall be allocated first to unpaid costs, then accrued but unpaid interest and then to the principal amount.

5.09. Estimations of Claims.

For purposes of calculating and making Distributions under the Plan, the Plan Administrator shall be entitled to estimate, in good faith and with due regard to litigation risks associated with Disputed Claims, the maximum dollar amount of Allowed and Disputed Claims, inclusive of contingent and/or unliquidated Claims in a particular Class. The Plan Administrator may at any time request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Code or otherwise regardless of whether the Debtor or Plan Administrator previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning such objection to any Claim, including without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, the amount so estimated shall constitute either the Allowed Amount of such Claim or a maximum limitation on the amount of such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Plan Administrator may pursue supplementary proceedings to object to the allowance of such Claim. All of the foregoing objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

5.10. No Recourse.

Notwithstanding that the Allowed Amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Code and Rules or is Allowed in an amount

for which after application of the payment priorities established by the Plan there is insufficient value to provide a recovery equal to that received by other holders of Allowed Claims in the respective Class, no Claim holder shall have recourse against Reorganized Debtor, the Plan Proponents, or the Plan Administrator, or any of their respective Professionals, consultants, partners or Affiliates or their respective successors or assigns, or any of their respective property. However, nothing in the Plan shall modify any right of a holder of a Claim under section 502(j) of the Code. THE ESTIMATION OF CLAIMS AND ESTABLISHMENT OF RESERVES UNDER THE PLAN MAY LIMIT THE DISTRIBUTION TO BE MADE ON INDIVIDUAL DISPUTED CLAIMS, REGARDLESS OF THE AMOUNT FINALLY ALLOWED ON ACCOUNT OF SUCH DISPUTED CLAIMS.

5.11. Amendments to Claims.

A Claim may be amended prior to the Confirmation Date only as agreed upon by the Debtor and the holder of such Claim, or as otherwise permitted by the Bankruptcy Court, the Rules or applicable law. After the Confirmation Date, a Claim may not be amended without the authorization of the Bankruptcy Court. Any amendment to a Claim filed after the Confirmation Date shall be deemed disallowed in full and expunged without any action by Reorganized Debtor or the Plan Administrator unless the Claim holder has obtained prior Bankruptcy Court authorization for the filing of such amendment.

ARTICLE VI

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.01. Assumption or Rejection of Executory Contracts and Unexpired Leases.

(a) Executory Contracts and Unexpired Leases.

The Code grants the Debtor the power, subject to the approval of the Bankruptcy Court, to assume or reject executory contracts and unexpired leases. If an executory contract or unexpired lease is rejected, then the other party to the agreement may file a claim for damages incurred by reason of the rejection. In the case of rejection of leases of real property, such damage claims are subject to certain limitations imposed by the Code.

Pursuant to sections 365(a) and 1123(b)(2) of the Code, all executory contracts and unexpired leases between the Debtor and any Person shall be deemed rejected as of the Effective Date, except for any executory contract or unexpired lease (i) which previously has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) as to which a motion for approval of the assumption or rejection of such executory contract or unexpired lease has been filed and served prior to the Effective Date or (iii) which is listed on the Assumption List which shall be filed with the Bankruptcy Court and served on the affected parties by no later than ten (10) days prior to the Balloting Deadline; *provided, however*, that the Plan Proponents shall have the right, on or prior to the Confirmation Date, to amend the Assumption List to delete any executory contract or unexpired lease therefrom or add any

executory contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be deemed, respectively, assumed or rejected. The Plan Proponents shall provide notice of any amendments to the Assumption List to the non-debtor parties to the executory contracts and unexpired leases affected thereby. The listing of a document on the Assumption List shall not constitute an admission by the Estate or the Plan Proponents that such document is an executory contract or an unexpired lease or that the Estate has any liability thereunder.

(b) **Schedules of Rejected Executory Contracts and Unexpired Leases; Inclusiveness.**

Each executory contract and unexpired lease listed or to be listed on the Assumption List that relates to the use or occupancy of real property shall be deemed to include (i) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on the Assumption List and (ii) all executory contracts or unexpired leases appurtenant to the premises listed on the Assumption List, including, without limitation, all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vault, tunnel or bridge agreements or franchises, and any other interests in real estate or rights in rem relating to such premises, unless any of the foregoing agreements previously have been assumed.

(c) **Insurance Policies.**

Each of the Debtor's insurance policies and any agreements, documents or instruments relating thereto, including without limitation, any retrospective premium rating plans relating to such policies, shall be treated as executory contracts under the Plan. Notwithstanding the foregoing, distributions under the Plan to any holder of a Claim covered by any insurance policies and related agreements, documents or instruments that are assumed hereunder, shall comply with the treatment provided under the Plan. Nothing contained in the Plan shall constitute or be deemed a waiver or release of any Action that the Estate may hold against any entity, including, without limitation, the insurers under any of the Debtor's policies of insurance.

(d) **Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases.**

Subject to the occurrence of (a) the Effective Date, and (b) the entry of the Confirmation Order, the Confirmation Order shall constitute the approval, pursuant to sections 365(a) and 1123(b)(2) of the Code, of the assumption by the Estate of the executory contract(s) and unexpired lease(s) assumed hererin.

Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute the approval, pursuant to sections 365(a) and 1123(b)(2) of the

Code, of the rejection of any and all executory contracts and unexpired leases rejected pursuant to the Plan.

6.02. Cure of Defaults.

To the extent that cure payments are due with respect to an executory contract or unexpired lease to be assumed pursuant to the Plan, the amount of such cure payment shall be listed in the motion or the Assumption List. To the extent that the non-debtor party to any executory contract or unexpired lease disagrees with the cure amount disclosed on the Assumption List, such party must file a notice of dispute with the Bankruptcy Court and serve such notice on the Debtor and the Plan Proponents by no later than five (5) business days prior to the Confirmation Hearing. Except as may otherwise be agreed to by the parties Reorganized Debtor shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed pursuant to the Plan in accordance with section 365(b)(1) of the Code. All cure payments, if any, shall be made within the later of ten (10) days following (i) the Effective Date, or the entry of a Final Order determining the amount, if any, of the Estate's liability with respect thereto, or as may otherwise be agreed to by the parties. If there are any objections filed, then the Bankruptcy Court shall hold a hearing. In the event the Bankruptcy Court determines that the cure amount is greater than the cure amount listed on the Assumption List, the Plan Administrator may elect to reject the contract or unexpired lease and not pay such greater cure amount.

6.03. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan.

Claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan must be filed with the Bankruptcy Court and served upon Reorganized Debtor and the Plan Administrator or as otherwise may be provided in the Confirmation Order, by no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such executory contract or unexpired lease, (ii) notice of entry of the Confirmation Order and (iii) notice of an amendment to the Assumption List. Any Claim not filed within such time will be forever barred from assertion against Reorganized Debtor, or the Plan Administrator. Unless otherwise ordered by the Bankruptcy Court, all Claims arising from the rejection of executory contracts and unexpired leases shall be treated as Unsecured Claims under the Plan.

6.04. Indemnification Obligations.

For purposes of the Plan, the obligations of the Debtor to defend, indemnify, reimburse, or limit the liability against any claims or obligations of their present and former partners or employees who served as partners, respectively, on or after the Petition Date, pursuant to state law or specific agreement, or any combination of the foregoing, shall survive confirmation of the Plan, remain unaffected thereby, and not be discharged, irrespective of whether indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before, on or after the Petition Date.

6.05. Compensation and Benefit Programs.

All employment and severance practices and policies, and all compensation and benefit plans, policies, and programs of the Debtor including, without limitation, all savings plans, retirement plans (exclusive of defined benefit plans), health care plans, severance benefit plans, incentive plans, workers' compensation programs and life, disability and other insurance plans, are treated as executory contracts under the Plan and are rejected in the Plan.

ARTICLE VII

**MEANS FOR IMPLEMENTATION
AND EFFECT OF CONFIRMATION OF PLAN**

7.01. Reorganized Debtor's Amended Governance Documents.

The partnership agreements, operating agreements, and/or other governing documents of Debtor shall be amended and all necessary action shall be taken on behalf of Reorganized Debtor to: (i) provide for the conversion of Camp Cooley from a limited partnership to a limited liability corporation; (ii) provide for the termination of all managing partners, directors, officers, members, and managers of the Debtor on the Effective Date; (iii) provide for the election and appointment of the Plan Administrator as the sole director and as the sole officer, manager, or member of Reorganized Debtor on the Effective Date and prohibit the removal, substitution, and replacement of the Plan Administrator by any Equity Interest Holder, subject in any event to the ability of the Bankruptcy Court to remove, substitute, or replace the Plan Administrator upon appropriate motion and notice of hearing; and (iv) provide for such provisions, terms, and conditions necessary to comply, conform with, and implement the terms, conditions, and requirements of the Plan, including the provisions regarding the Plan Administrator's rights and obligations set forth herein. On the Effective Date, all Equity Interests in the Debtor shall be canceled and the obligations of the Debtor arising under, evidenced by, or relating to any agreements, contracts, indentures, certificates of designation, bylaws, certificates or articles of incorporation, or similar documents governing the Equity Interests shall be released and discharged.

7.02. Revesting of Assets.

All Assets comprising Property of the Estate, including, but not limited to, all Avoidance Actions and all Actions shall automatically be retained and revested in Reorganized Debtor or its respective successor, free and clear of all Claims, Liens, contractually-imposed restrictions, charges, encumbrances and Equity Interests of Creditors and equity security holders on the Effective Date, with all such Claims, Liens, contractually-imposed restrictions, charges, encumbrances and Equity Interests being extinguished except as otherwise provided in the Plan. For avoidance of doubt, all Secured Creditors' Liens shall survive as detailed in Article IV of the Plan. The Reorganized Debtor or its successor shall have the rights, powers, and duties of a trustee under the Bankruptcy Code with respect to all Avoidance Actions and all Actions. Reorganized Debtor may pay the charges it incurs for professional fees, disbursements, expenses or related support services after the Effective Date without any application to the Bankruptcy Court.

7.03. Liquidation of Assets.

The Plan Administrator shall liquidate the Assets of Reorganized Debtor pursuant to the terms and conditions in the Plan. Specifically with respect to the Minerals and Ranch, however, the Minerals and Ranch must be liquidated as detailed below or the Plan Injunction shall automatically terminate to permit Amegy and Lone Star to foreclose their respective Liens and security interests in their Minerals and/or Ranch Collateral as set forth herein.

(a) Minerals.

The Plan Administrator shall close a sale of the Minerals on or before _____, 2011 or the Plan Injunction shall automatically terminate to permit Amegy to foreclose its Liens and security interests in the Minerals.

(b) Ranch.

The Plan Administrator shall close a sale of the Ranch or otherwise pay off, in full, the Claims of Amegy and Lone Star on or before _____, 2011 or the Plan Injunction shall automatically terminate to permit Amegy and Lone Star to foreclose their respective Liens and security interests in the Ranch.

7.04. The Plan Administrator.

On the Effective Date, all managing partners, officers, directors, managers, and partners of the Debtor shall be deemed removed pursuant to the Confirmation Order and the Plan Administrator shall have sole management responsibility for Reorganized Debtor, as appropriate. The operation of the Reorganized Debtor in accordance with the provisions of the Plan shall become the general responsibility of the Plan Administrator pursuant to and in accordance with the provisions of the Plan and the governance documents of Reorganized Debtor.

(a) Appointment of Plan Administrator.

The Plan Administrator shall serve as the Plan Administrator until the earlier to occur of (i) the completion of the wind-up and dissolution of the Reorganized Debtor, (ii) the payment in full of all Allowed Claims in Classes 1 through 9, or (iii) the death, resignation, or removal of the Plan Administrator as provided in the Plan. The initial Plan Administrator shall be selected by the Plan Proponents and identified by the filing of a notice of designation of Plan Administrator in the Case no later than ten (10) days prior to the Confirmation Hearing.

(b) Responsibilities.

The responsibilities of the Plan Administrator shall include the preparation of an Operating Budget reflecting the projected ordinary expenses of the Reorganized Debtor from the Effective Date to the end of the third full month thereafter and providing a rolling three month Operating Budget every month following the Effective Date, setting

the amount of the Working Capital Reserve; liquidating remaining assets; prosecuting objections to and estimations of Claims and Equity Interests, including objections and estimations that were initiated prior to the Confirmation Date; calculating and implementing all Distributions from the Distributable Cash in accordance with the Plan; filing all required tax returns, and paying taxes and all other obligations on behalf of the Reorganized Debtor until such time as (a) the Plan is substantially consummated and (b) the Claims and Equity Interests resolution process is complete. The Plan Administrator shall have such other responsibilities as may be vested in the Plan Administrator pursuant to the Plan or the Confirmation Order, or other Bankruptcy Court order, or as required or authorized by state law, or as may be necessary and proper to carry out the provisions of the Plan.

(c) **Powers.**

i. Without Necessity of Bankruptcy Court Approval. The Plan Administrator shall have all duties, powers, authority, and standing necessary to implement the Plan and to administer and liquidate the Assets of Reorganized Debtor for the benefit of Holders of Allowed Claims. Included among the powers of the Plan Administrator, and not by way of limitation, the Plan Administrator may undertake the following on behalf of the Reorganized Debtor, without the need for further Bankruptcy Court approval:

- (i) Collect and receive income, notes, and other claims and receivables of Reorganized Debtor;
- (ii) Establish and administer the Working Capital Reserve;
- (iii) Incur, at the expense of the Reorganized Debtor, such charges, costs and fees as are necessary and appropriate in connection with the operation of the Reorganized Debtor's business;
- (iv) Pay all lawful expenses, debts, charges, and liabilities incurred by the Reorganized Debtor;
- (v) Pay all taxes, make all tax withholdings, and file tax returns and tax information returns and make tax elections by and on behalf of the Reorganized Debtor;
- (vi) Establish one or more checking, savings, and investment accounts in the name of the Reorganized Debtor, and have exclusive control over the disbursement of the Reorganized Debtor's funds on deposit or invested therein;
- (vii) Operate and manage the day to day operations of the Reorganized Debtor;
- (viii) Execute and deliver documents and instruments and take any and all acts to consummate the transactions contemplated by the Plan or approved by Orders of the Bankruptcy Court;

- (ix) File with the Bankruptcy Court the reports and other documents required by the Plan or otherwise required to close the Chapter 11 case;
- (x) Communicate, consult and report to the Plan Steering Committee with regard to the operations, assets, finances, and sales of assets of the Reorganized Debtor;
- (xi) Object to the amount or priority of payment of any Claim or Equity Interest under the Plan;
- (xii) Make interim and final distributions of proceeds from Reorganized Debtor's Assets in accordance with the Plan and Orders of the Bankruptcy Court;
- (xiii) Wind up the affairs of Reorganized Debtor under applicable law;
- (xiv) Exercise such other powers and duties as necessary or appropriate, in the discretion of the Plan Administrator, to accomplish the purposes of the Plan as set out herein; and
- (xv) Provide for storage and destruction of records.

ii. With Necessity of Plan Steering Committee Approval. The Plan Administrator may undertake the following on behalf of the Reorganized Debtor upon prior approval of the majority of the Plan Steering Committee:

- (i) Collect the proceeds of the sale of Assets of Reorganized Debtor;
- (ii) Bring suit on behalf of or defend any suit against Reorganized Debtor;
- (iii) Discharge, compromise, and settle any unascertained, unliquidated or contingent debts, liabilities, or obligations of Reorganized Debtor, including settlement of objections to claims filed in the Case; and
- (iv) Retain such professionals, legal counsel, public accountants, brokers, and other experts as the Plan Administrator may deem advisable in connection with the administration of Reorganized Debtor or the exercise of the Plan Administrator's other powers set out herein.

iii. With Necessity of Plan Steering Committee and Bankruptcy Court Approval. The Plan Administrator may undertake the following on behalf of the Reorganized Debtor upon prior approval of the majority of the Plan Steering Committee and Order of the Court approving such actions:

- (i) Sell or otherwise transfer for value the non-Cash Assets pursuant to the terms and conditions of the Plan; and

- (ii) Compromise and settle claims and causes of action of Reorganized Debtor.

(d) Compensation.

i. Base Compensation. The Plan Administrator shall be paid at the rate of \$_____ per hour and reimbursed actual out-of-pocket expenses for services rendered on behalf of Reorganized Debtor. Any dispute with respect to such compensation shall be resolved by agreement among the Plan Administrator, the majority of the Plan Steering Committee, and the Equity Interest Holder. If the parties are unable to agree, then such dispute will then be determined by the Bankruptcy Court after notice and opportunity for hearing.

ii. Performance Bonus. In addition to the Base Compensation provided above, the Plan Administrator shall be entitled to the following performance bonuses upon the occurrence of any or all of the following circumstances and conditions:

- (i) If the Plan Administrator closes on a sale of the Minerals on or before _____ with a gross sales price of not less than \$_____, the Plan Administrator shall be entitled to a bonus of \$_____. The bonus shall increase ___% for each additional \$_____ increment in the gross sales price for the Minerals.
- (ii) If the Plan Administrator closes a sale of any portion of the Ranch within _____ (__) months after the Effective Date based on a sales price of not less than \$_____ per acre and resulting in a Cash Distribution to Amegy of not less than \$_____, then the Plan Administrator shall be entitled to a bonus of \$_____. The bonus shall increase by ___% for each additional \$_____ increment in the per acre sales price.
- (iii) If the Plan Administrator closes a sale of any portion of the Ranch within _____ (__) months after the Effective Date based on a sales price of not less than \$_____ per acre and resulting in a Cash Distribution to Amegy of not less than \$_____, then the Plan Administrator shall be entitled to a bonus of \$_____. The bonus shall increase by ___% for each additional \$_____ increment in the per acre sales price.

(e) Prior Stay Relief.

Notwithstanding anything in the Plan or Disclosure Statement to the contrary neither the Plan Administrator nor any person other than Lone Star, PCA shall be authorized to liquidate or otherwise dispose of the property made subject of the October 7, 2010 Order granting in part Lone Star, PCA's Motion for Relief from Automatic Stay, which permits, among other things, Lone Star to foreclose on certain of its collateral. Nothing in the Plan or the Disclosure Statement affects or otherwise modifies the October

7, 2010 Order granting in part Lone Star, PCA's Motion for Relief from Automatic Stay or Lone Star, PCA's rights to foreclose on the collateral made subject of that order.

(f) Information and Reporting.

The Plan Administrator shall provide to the Plan Steering Committee not less than monthly financial reports including, but not limited to an unaudited balance sheet, a cash flow statement reflecting receipts and disbursements during each reporting period, copies of all bank statements for the preceding month, reports on the sale of Assets and disbursements of proceeds, and such other reports and documents that the Plan Steering Committee may reasonably request and/or that are required under the Amegy Loan Documents or Lone Star Loan Documents. The Plan Steering Committee shall also be provided access to the books and records and property of Reorganized Debtor during normal business hours upon reasonable notice to the Plan Administrator. Financial reporting shall commence on the fifteenth (15) day of the first full month following the Effective Date and shall continue thereafter until the Plan Administrator is discharged.

(g) Successor Plan Administrator.

In the event the Plan Administrator resigns or is terminated, a successor Plan Administrator shall be appointed by the Plan Steering Committee.

(h) Termination.

The duties, responsibilities and powers of the Plan Administrator shall terminate on the date Reorganized Debtor is dissolved under applicable state law in accordance with the Plan.

7.05. The Plan Steering Committee.

On the Effective Date, without further order of the Bankruptcy Court, the individuals or entities designated in the Confirmation Order as the members of the Plan Steering Committee shall be appointed and authorized to act as the Plan Steering Committee. The Plan Steering Committee shall have three (3) Members. If any Member resigns or is no longer able to serve, then a replacement Member shall be appointed by the Court upon Motion of the Plan Administrator or Plan Steering Committee. On the Effective Date, Amegy, Lone Star and the Equity Interest Holder shall each designate one member to the Plan Steering Committee.

(a) Duties and Powers.

The Plan Steering Committee shall have the following duties and powers:

- (i) consult with the Plan Administrator on the sale or transfer for value of the Assets;
- (ii) consult with and advise the Plan Administrator on the administration of the Plan and operations of Reorganized Debtor;

- (iii) consult with the Plan Administrator on the retention of professionals;
- (iv) appoint any successor Plan Administrator and members of the Plan Steering Committee as provided in this Plan, subject to Court approval; and
- (v) consult with the Plan Administrator on Reorganized Debtor's Operating Budget and the Working Capital Reserve.

(b) Reimbursement of Expenses.

The Members of the Plan Steering Committee shall be reimbursed by the Plan Administrator for all actual and necessary expenses (excluding attorneys' fees and costs) in acting as a Member of the Plan Steering Committee.

7.06. Exculpation of the Plan Administrator, Reorganized Debtor, and Plan Steering Committee.

From and after the Effective Date, the Plan Administrator and the Plan Steering Committee and each of their representatives shall be exculpated by Debtor, Reorganized Debtor, and all holders of Claims or Equity Interests from any and all claims or causes of action and assertions of liability arising out of their respective performance of the duties conferred upon the Plan Administrator and Plan Steering Committee by the Plan or the Confirmation Order and any other Orders of the Bankruptcy Court, except to the extent an act constitutes (i) bad faith; (ii) actual fraud; (iii) willful misconduct; or (iv) gross negligence. No holder of a Claim or Equity Interest or representative thereof shall have or pursue any claim or cause of action against the Plan Administrator, the Plan Steering Committee or any of their respective representatives for taking any action in accordance with the Plan to implement the provisions of the Plan or any order of the Bankruptcy Court.

The Reorganized Debtor and any of its respective members, officers, directors, employees, agents, advisors, or professionals shall not have or incur any liability to any holder of a Claim or Equity Interest, for any act, event, or omission from the Petition Date to the Effective Date in connection with or arising out of the Case, the confirmation of the Plan, the consummation of the Plan, the administration of the Plan, or the assets and property to be distributed pursuant to the Plan, unless such person or entity's action is determined as (i) bad faith; (ii) actual fraud; (iii) willful misconduct; or (iv) gross negligence.

7.07. Dissolution of the Reorganized Debtor.

As soon as practicable after the Plan Administrator exhausts the assets of the Debtor's Estate by making the final distribution of Distributable Cash under the Plan, the Plan Administrator shall (a) effectuate the dissolution of Reorganized Debtor and file appropriate documentation to carry out such dissolution and take all such other actions in order to carry out such dissolution and (b) resign as the sole director and officer of Reorganized Debtor.

7.08. Actions and Avoidance Actions.

As of the Effective Date, pursuant to section 1123(b)(3)(B) of the Code, any and all Actions accruing to the Debtor, including, without limitation, the Avoidance Actions under sections 510, 542, 544, 545, 547, 548, 549, 550, 551, and 553 of the Code, shall remain Assets of Reorganized Debtor, and the Plan Administrator shall have the authority to commence and prosecute any and all such Actions for the benefit of Reorganized Debtor, and shall have the rights, powers, and duties of a trustee under the Bankruptcy Code with respect to such Actions. The Plan Administrator shall continue to prosecute any Action pending on the Effective Date. *Notwithstanding anything to the Plan to the contrary, and unless otherwise ordered by the Bankruptcy Court, the Estate preserves, and does not waive, any and all Action, including, without limitation, Avoidance Actions against any party who may have received transfers of interest in property of the Debtor or payments within 90-days prior to the Petition Date, including, without limitation, any recipient listed in response to Question 3 on the Debtor's Statement of Financial Affairs.*

7.09. Change of Control.

The transactions contemplated under the Plan shall not be deemed or considered a change of control that would result in any acceleration, vesting, or similar change of control rights under any agreements or arrangements triggered by the consummation of the Plan shall be waived or otherwise cancelled under the Plan.

7.10. Effectiveness of Instruments and Agreements.

On the Effective Date, all documents described in and all other agreements entered into or documents issued pursuant to the Plan and/or any agreement entered into or instrument or document issued in connection with any of the foregoing, as applicable, shall become effective and binding upon the parties thereto in accordance with their respective terms and conditions and shall be deemed to become effective simultaneously.

7.11. Operation of Debtor Between the Confirmation Date and the Effective Date.

The Debtor shall continue to operate as Debtor in Possession in the ordinary course, subject to the supervision of the Bankruptcy Court and pursuant to the Code, the Rules, and applicable orders of the Bankruptcy Court during the period from the Confirmation Date through and until the Effective Date, and any obligation incurred by the Debtor during that period shall constitute a Post-Confirmation Administrative Claim to the extent permitted by law.

7.12. Administration After the Effective Date.

After the Effective Date, the Reorganized Debtor and the Plan Administrator shall take required actions consistent, and in accordance, with the Plan.

7.13. Injunction Against Interference with the Plan.

Upon the entry of a Confirmation Order with respect to the Plan, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to

interfere with the implementation or consummation of the Plan, except with respect to actions any such entity may take in connection with the pursuit of appellate rights.

Notwithstanding anything herein to the contrary, nothing herein is intended to waive or impair any claims or rights that any Creditor may have against any third party, or any claims or defenses that any third party may hold or possess in response to or against any such claims, on account of, or in connection with, any (a) personal guaranty of any Claim against the Debtor and (b) any claim against any third party who is a co-debtor on a Claim against the Debtor. Any and all such claims and defenses are expressly preserved.

ARTICLE VIII

CONFIRMATION AND EFFECTIVENESS OF THE PLAN

8.01. Conditions Precedent to Confirmation.

The Plan shall not be confirmed by the Bankruptcy Court unless and until the following conditions shall have been satisfied or waived pursuant to Section 8.04 of the Plan:

(a) The Confirmation Order shall be in form and substance reasonably acceptable to the Plan Proponents and shall include, among other things, a finding of fact that the Plan Proponents and their respective partners, members, officers, directors, employees, advisors, attorneys, and agents acted in good faith within the meaning of and with respect to all of the actions described in section 1125(e) of the Code and are, therefore, not liable for the violation of any applicable law, rule or regulation governing such actions; and

(b) the Clerk of the Bankruptcy Court shall have entered the Confirmation Order on the Docket.

8.02. Conditions Precedent to Effectiveness.

The Plan shall not become effective unless and until the following conditions have been satisfied or waived pursuant to Section 8.04 of the Plan:

(a) the Confirmation Order shall have been entered and shall be a Final Order (with no modification or amendment thereof), and there shall be no stay or injunction that would prevent the occurrence of the Effective Date;

(b) the Bankruptcy Court shall have entered an order (contemplated to be part of the Confirmation Order) authorizing and directing the Debtor, Reorganized Debtor, and the Plan Administrator to take all actions necessary or appropriate to enter into, implement and consummate the documents created, amended, supplemented, modified or adopted in connection with the Plan;

(c) the statutory fees owing to the United States Trustee through the Effective Date shall have been paid in full; and

(d) all other actions, authorizations, filings, consents and regulatory approvals required (if any) shall have been obtained, effected or executed in a manner acceptable to the Plan Proponents and remain in full force and effect or waived, in writing, by the Person or Persons entitled to the benefit thereof.

8.03. Effect of Failure of Conditions.

If each condition to the Effective Date specified in the Plan has not been satisfied or duly waived within ninety (90) days after the Confirmation Date, then upon the filing of a motion by the Plan Proponents made before the time that all conditions have been satisfied or duly waived, the Confirmation Order will be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions to the Effective Date is either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated, the Plan shall be deemed null and void in all respects, including without limitation the assumptions or rejections of executory contracts and unexpired leases as provided by the Plan, and nothing contained herein shall (1) constitute a waiver or release of any Action by, or Claims against, the Debtor, or (2) prejudice in any manner the rights of the Estate, any Creditor or party in interest.

8.04. Waiver of Conditions.

The Plan Proponents may waive one or more of the conditions precedent to confirmation of the Plan, or the condition precedent to effectiveness of the Plan set forth in Sections 8.01 and 8.02 of the Plan, without further notice to parties in interest or Bankruptcy Court order.

8.05. Discharge.

To the fullest extent permitted by applicable law (including, without limitation, section 105 of the Bankruptcy Code), and except as otherwise provided in the Plan or in the Confirmation Order, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge and release of, all Claims of any nature whatsoever against the Reorganized Debtor or any of its assets or properties, regardless of whether any Property shall have been distributed or retained pursuant to the Plan on account of such Claims. To the fullest extent permitted by applicable law (including, without limitation, section 105 of the Bankruptcy Code), upon the Effective Date, and except as expressly contemplated in this Plan, the Reorganized Debtor shall be deemed discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, debts (as such term is defined in section 101(12) of the Bankruptcy Code), Liens, security interests, and encumbrances of and against all Property of the Estate or the Reorganized Debtor that arose prior to the Effective Date, including, without limitation, all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not: (a) such Claim has been Allowed pursuant to section 502 of the Bankruptcy Code; or (b) the Holder of such Claim has voted to accept the Plan. Further, to the fullest extent under applicable law (including, without limitation, section 105 of the Bankruptcy Code), as of the Effective Date, all entities, including, without limitation, all Holders of Claims or Interests, shall be barred and enjoined from asserting against

the Debtor, Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable), their Property or their successors or assigns any other or further Claims, debts, rights, Causes of Action, liabilities, or Interests relating to the Debtor based upon any act, omission, transaction or other activity of any nature that occurred prior to the Effective Date, except for those obligations expressly created by, or reserved in, this Plan. In accordance with the foregoing, to the fullest extent permitted by applicable law (including, without limitation, section 105 of the Bankruptcy Code), except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities against the Debtor and termination of all Interests, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge and termination shall void any judgment obtained against the Debtor, Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable) at any time, to the extent that such judgment relates to a discharged Claim or terminated Interest.

8.06. Injunction.

(a) Discharged Claims and Terminated Interests.

Except as otherwise expressly provided for in the Plan or the Confirmation Order, and to the fullest extent authorized or provided by the Bankruptcy Code, including sections 524 and 1141 thereof, the entry of the Confirmation Order shall, provided that the Effective Date occurs, permanently enjoin all Persons that have held, currently hold, or may hold a Claim or other debt or liability that is discharged or an Equity Interest or other right of an equity security holder that is Impaired or terminated pursuant to the terms of the Plan from taking any of the following actions against the Debtor, Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable), or the property of any of the foregoing on account of any such discharged Claims, debts, or liabilities or such terminated Interests or rights: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (ii) enforcing, levying, attaching, collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree or order; (iii) creating, perfecting or enforcing in any manner, directly or indirectly, any Lien or encumbrance of any kind; (iv) asserting any setoff, offset, right of subrogation, or recoupment of any kind, directly or indirectly, against any debt, liability or obligation due to the Debtor, other than for defensive purposes only; and (v) proceeding in any manner in any place whatsoever, including employing any process, that does not conform to or comply with or is inconsistent with the provisions of the Plan.

(b) Released Claims.

As of the Effective Date, the Confirmation Order shall constitute an injunction permanently enjoining any Person that has held, currently holds or may hold a Claim, demand, debt, right, Action, or liability that is released pursuant to Section 8.06 hereof from enforcing or attempting to enforce any such Claim, demand, debt, right, Action, or liability against the Plan Proponents, the Plan Administrator and any of their members, officers, directors, employees, agents, advisors, attorneys, or professionals or any of their respective property, based on, arising from or relating to, in whole or in part, any act, omission, or other occurrence taking place on or prior to the Effective Date with respect

to or in any way relating to the Case, all of which claims, demands, debts, rights, Action or liabilities shall be deemed released on and as of the Effective Date; *provided, however*, that this injunction shall not apply to: (i) any Claims that Creditors may assert under the Plan to enforce their rights thereunder, to the extent permitted by the Bankruptcy Code; or (ii) any claims Creditors or other third parties may have against each other, which Claims are not related to the Debtor, it being understood, however, that any defenses, offsets, or counterclaims of any kind or nature whatsoever that the Debtor may have or assert in respect of any of the claims of the type described in (i) or (ii) of this proviso are fully preserved.

8.07. Exculpation.

Neither the Debtor, Reorganized Debtor, the Plan Proponents or the Plan Administrator nor any of their members, officers, directors, employees, agents, advisors, attorneys, or professionals shall have or incur any liability to any Person, including, without limitation, any Holder of a Claim or Equity Interest or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys or Affiliates or any of their successors or assigns, for any act taken or omission made in connection with, relating to, or arising out of, the Case, the Plan, negotiating, prosecuting, administering, formulating, implementing, confirming or consummating this Plan, or the property to be distributed under this Plan, including all activities leading to the promulgation and confirmation of the Plan, the Disclosure Statement (including any information provided or statement made in the Disclosure Statement or omitted therefrom), or any contract, instrument, release or other agreement or document created in connection with or related to the Plan or the administration of the Debtor or this Case; provided, however, that the foregoing exculpation shall not apply to any act of gross negligence or willful misconduct.

8.08. Injunction Relating to Exculpation.

The Confirmation Order will contain an injunction, effective on the Effective Date, permanently enjoining the commencement or prosecution against Reorganized Debtor, the Plan Administrator, and any other Person, whether derivatively or otherwise, of any Action or causes of action exculpated, released, or discharged pursuant to this Plan.

Notwithstanding anything herein to the contrary, nothing herein is intended to waive or impair any claims or rights that any Creditor may have against any third party, or any claims or defenses that any third party may hold or possess in response to or against any such claims, on account of, or in connection with, any (a) personal guaranty of any Claim against the Debtor and (b) any claim against any third party who is a co-debtor on a Claim against the Debtor. Any and all such claims and defenses are expressly preserved.

8.09. Releases.

(a) Releases by Reorganized Debtor.

Effective as of the Effective Date, and except as otherwise provided in the Plan or the Confirmation Order, for good and valuable consideration, the adequacy of which is hereby confirmed, the Reorganized Debtor, as debtor in possession, will be deemed to

have forever released, waived and discharged the Plan Proponents, and their respective current and former officers, directors, employees, agents, stockholders, managers, members, Affiliates, partners, attorneys, advisors, and professionals, from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Actions, and liabilities (other than the rights of the Reorganized Debtor or the Plan Administrator to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder), whether for tort, contract, violations of federal or state securities laws or otherwise, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event, or other occurrence, including actions in connection with indebtedness for money borrowed by the Reorganized Debtor, taking place on or prior to the Effective Date in any way relating to the Reorganized Debtor, the Case, or the Plan.

(b) Releases by Holders of Claims and Interests.

Effective as of the Effective Date, and except as otherwise provided in the Plan or the Confirmation Order, to the fullest extent permitted under applicable law, in consideration for the obligations of the Persons set forth below under the Plan and, if applicable, the Cash, securities, contracts, releases and other agreements or documents to be delivered in connection with the Plan, each Holder of a Claim or Equity Interest who votes or is deemed to have voted in favor of the Plan, and any Affiliate of any such Holder (as well as any trustee or agent on behalf of each such Holder) shall be deemed to have forever waived, released and discharged the Debtor, Reorganized Debtor, the Plan Proponents, and the Plan Administrator and their respective current and former officers, directors, employees, agents, stockholders, managers, members, Affiliates, partners, attorneys, advisors, and professionals from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights of the Plan Proponents and the Plan Administrator to enforce the Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder), whether for tort, contract, violations of federal or state securities laws or otherwise, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event or other occurrence, including actions in connection with indebtedness for money borrowed by the Debtor, taking place on or prior to the Effective Date in any way relating to the Debtor, the Case or the Plan.

8.10. No Successor Liability.

Except as otherwise expressly provided in the Plan, the Debtor, Reorganized Debtor, the Plan Proponents, and the Plan Administrator (as applicable) do not, pursuant to the Plan or otherwise, assume, agree to perform, pay or indemnify, or otherwise have any responsibilities for any liabilities or obligations of the Debtor or any other party relating to or arising out of the operations of or assets of the Debtor, whether arising prior to, on or after the Effective Date. The Reorganized Debtor, the Plan Proponents, and the Plan Administrator (as applicable) are not, and

shall not be, successors to the Debtor by reason of any theory of law or equity, and none shall have any successor or transferee liability of any kind or character, except that the Reorganized Debtor and Plan Administrator shall assume the obligations specified in the Plan and the Confirmation Order.

ARTICLE IX

MISCELLANEOUS PROVISIONS

9.01. Binding Effect of Plan.

The Plan shall be binding upon and inure to the benefit of the Debtor, Reorganized Debtor, the holders of Claims and Equity Interests, and their respective successors and assigns, including, without limitation, the Plan Administrator.

9.02. Withdrawal of the Plan.

The Plan Proponents reserve the right, at any time prior to Confirmation of the Plan to withdraw the Plan. If the Plan is withdrawn, the Plan shall be null and void and have no force and effect. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtor or any other Person or to prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor.

9.03. Final Order.

Except as otherwise expressly provided in the Plan, any requirement in the Plan for a Final Order may be waived by the Plan Proponents or, after the Effective Date, the Reorganized Debtor upon written notice to the Bankruptcy Court. No such waiver shall prejudice the right of any party in interest to seek a stay pending appeal of any order that is not a Final Order.

9.04. Amendment or Modification of Plan.

Alterations, amendments, or modifications of the Plan may be proposed in writing by the Plan Proponents at any time prior to the Confirmation Date in conformity with section 1127(a) of the Code, provided that the Plan, as altered, amended, or modified, satisfies the conditions of sections 1122, 1123 and 1129 of the Code, and the Plan Proponents shall have complied with section 1125 of the Code. The Plan may be altered, amended, or modified by the Proponent at any time after the Confirmation Date in conformity with section 1127(b) of the Code; provided that the Plan, as altered, amended, or modified, satisfies the requirements of sections 1122 and 1123 of the Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended, or modified, under section 1129 of the Code and the circumstances warrant such alterations, amendments, or modifications. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder.

9.05. Effectuating Documents and Further Transactions.

Reorganized Debtor and the Plan Administrator, as the case may be, are authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to implement, effectuate and further evidence the terms and conditions of the Plan and any notes or other interests issued pursuant to the Plan.

9.06. Exemption from Transfer Taxes.

Pursuant to section 1146(a) of the Code, the issuance, transfer or exchange of notes or other interests under the Plan, including creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, any merger agreements or agreements of consolidation, deeds, bills of sale or assignments executed in connection with any of the transactions contemplated by the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

9.07. Authorization to Request Prompt Tax Determinations.

The Debtor and, as the case may be, are authorized to request an expedited determination under section 505(b) of the Code of the tax liability of the Debtor, for all taxable periods through the Effective Date.

9.08. Payment of Statutory Fees.

Reorganized Debtor or Plan Administrator, as the case may be, shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6). After confirmation, the Plan Administrator shall file with the Bankruptcy Court and serve on the United States Trustee a quarterly financial report regarding all income and disbursements, including all plan payments, for each quarter (or portion thereof) the Case remains open.

9.09. Severability.

In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision in the Plan is invalid, void or unenforceable, such provision shall be invalid, void or unenforceable with respect to the holder or holders of such Claims or Equity Interests as to which the provision is determined to be invalid, void or unenforceable. The invalidity, voidness or unenforceability of any such provision shall in no way limit or affect the enforceability and operative effect of any other provision of the Plan. The Bankruptcy Court, at the request of the Plan Proponents, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

9.10. Revocation or Withdrawal of the Plan.

The Plan Proponents reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Plan Proponents revoke or withdraw the Plan prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Actions by or against the Estate or any other Person, an admission against interests of the Estate, nor shall it prejudice in any manner the rights of the Estate or any Person in any further proceedings involving the Debtor or its Estate.

9.11. Notices.

All notices, requests and demands to or upon the Plan Proponents, Reorganized Debtor, or the Plan Administrator to be effective shall be in writing and, unless otherwise expressly provided in the Plan, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Plan Proponents:

AMEGY BANK NATIONAL ASSOCIATION

c/o: Terry O. McCarter
2501 N. Harwood Street, 16th Floor
Dallas, Texas 75201
214.754.6035
214.754.9694 (fax)

With copies to:

HAYNES AND BOONE, LLP

c/o: Mark X. Mullin, Esq.
2323 Victory Avenue, Suite 700
Dallas, Texas 75219
214.651.5539
214.200.0695 (fax)

Lone Star PCA

c/o: _____

With copies to:

KELLY HART & HALLMAN LLP

c/o: Stephanie Kaiser, Esq.

201 Main Street, Suite 2500
Fort Worth, Texas 76102
817.878.3590
817.878.9790 (fax)

If to the Plan Administrator:

With a copy to:

If to Reorganized Debtor:

Camp Cooley, Ltd.

With copies to:

9.12. Governing Law.

Except to the extent the Code, Rules or other federal law is applicable, or to the extent the Plan or any agreement entered into pursuant to the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to the principles of conflicts of law of such jurisdiction.

9.13. Withholding and Reporting Requirements.

In connection with the consummation of the Plan, Reorganized Debtor or the Plan Administrator, as the case may be, shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements.

9.14. Section 1125(e) of the Code.

As of the Confirmation Date, the Plan Proponents shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Code. As of the Confirmation Date, the Plan Proponents and its respective partners, members, officers, directors, agents, financial advisors, attorneys, employees, equity holders, partners, Affiliates and representatives shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Code in the offer and issuance of the new securities hereunder, and therefore are not, and on account of such offer, issuance and solicitation shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections hereof or other offer under the Plan.

9.15. Filing of Additional Documents.

On or before Substantial Consummation of the Plan, Reorganized Debtor and the Plan Administrator shall file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

9.16. No Admissions.

Notwithstanding anything in the Plan to the contrary, nothing contained in the Plan shall be deemed as an admission by any Person with respect to any matter set forth in the Plan or herein.

9.17. Waiver of Bankruptcy Rule 3020(e) and 7062.

The Proponents may request that the Confirmation Order include (a) a finding that Rules 3020(e) and 7062 shall not apply to the Confirmation Order, and (b) authorization for the Plan Proponents, the Debtor, and the Plan Administrator to consummate the Plan immediately after entry of the Confirmation Order.

9.18. Time.

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Rule 9006 shall apply.

9.19. Post-Confirmation Conversion/Dismissal.

A creditor or party in interest may bring a motion to convert or dismiss the Case under section 1112(b)(7) of the Code after entry of the Confirmation Order if there is a default in performing the conditions to effectiveness of the Plan. If the Bankruptcy Court orders the Case converted to chapter 7 after the entry of the Confirmation Order, this Plan provides that property of the Debtor's estate that have not been disbursed pursuant to the provisions herein will revert in the chapter 7 estate and that the automatic stay will be reimposed upon the revested property to the extent that relief from the stay was not previously authorized by the Bankruptcy Court during the pendency of the Case. The Confirmation Order may also be revoked under certain limited circumstances. The Bankruptcy Court may revoke the Confirmation Order if and only if such order was procured by fraud and if a party in interest brings a motion to revoke such Confirmation Order within 180 days after the entry of the Confirmation Order.

9.20. Final Decree.

Once there has been Substantial Consummation of the Plan, the Plan Administrator shall file a motion with the Bankruptcy Court to obtain a Final Decree to close the Case.

9.21. Inconsistency.

In the event of any inconsistency between the Plan and the Disclosure Statement, any exhibit to the Plan or the Disclosure Statement or any other instrument or document created or executed pursuant to the Plan, the Plan shall govern. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall govern.

9.22. Successors and Assigns.

This Plan and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9.23. Headings.

The headings of articles, paragraphs and sub-paragraphs in this Plan are inserted for convenience only and shall not affect the interpretation of any provision of this Plan.

9.24. No Penalty for Prepayment.

Reorganized Debtor and the Plan Administrator shall at any time be permitted to prepay, in whole or in part, any claim treated under this Plan. Neither Reorganized Debtor nor the Plan Administrator shall be liable for payment of any sum or interest in the form of a penalty relating to the partial or full prepayment of any claim treated under this Plan, as permitted herein.

9.25. Savings Clause.

Any minor defect or inconsistency in the Plan may be corrected or amended by the Confirmation Order.

9.26. Remedy of Defects.

After the Effective Date, the Plan Proponents and the Plan Administrator may, with approval of the Bankruptcy Court, and so long as it does not materially and adversely affect the interests of Creditors, remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the purposes and effect of the Plan.

ARTICLE X

RETENTION OF JURISDICTION

10.01. Exclusive Jurisdiction of Bankruptcy Court.

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain after the Effective Date exclusive jurisdiction of all matters arising out of, arising in or related to the Chapter 11 Cases to the fullest extent permitted by applicable law, including, without limitation, jurisdiction to:

(a) classify or establish the priority or secured or unsecured status of any Claim (whether Filed before or after the Effective Date and whether or not contingent, Disputed or unliquidated) or resolve any dispute as to the treatment of any Claim pursuant to the Plan;

(b) grant or deny any applications for allowance of compensation or reimbursement of expenses pursuant to sections 330, 331, or 503(b) of the Bankruptcy Code, or otherwise provided for in the Plan, for periods ending on or before the Effective Date;

(c) determine and resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which the Debtor is a party or with respect to which the Debtor may be liable, and to hear, determine and, if necessary, liquidate any Claims arising therefrom;

(d) ensure that all payments due under the Plan and performance of the provisions of the Plan are accomplished as provided herein and resolve any issues relating to distributions to Holders of Allowed Claims pursuant to the provisions of the Plan;

(e) construe, take any action and issue such orders, prior to and following the Confirmation Date and consistent with section 1142 of the Bankruptcy Code, as may be necessary for the enforcement, implementation, execution, and consummation of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, including, without limitation, the Disclosure Statement and the Confirmation Order, for the maintenance of the integrity of the Plan and protection of the Plan Administrator in accordance with sections 524 and 1141 of the Bankruptcy Code following consummation;

(f) determine and resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, implementation, or enforcement of the Plan (and all exhibits to the Plan) or the Confirmation Order, including the indemnification and injunction provisions set forth in and contemplated by the Plan or the Confirmation Order, or any Entity's rights arising under or obligations incurred in connection therewith;

(g) hear any application of the Plan Proponents or Reorganized Debtor to modify the Plan after the Effective Date, pursuant to section 1127 of the Bankruptcy Code and Section 12.04 hereof, or modify the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code and the Plan;

(h) issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation, or enforcement of the Plan or the Confirmation Order;

(i) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

(j) determine any other matters that may arise in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order, except as otherwise provided in the Plan;

(k) determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(l) hear and determine any other matters related hereto and not inconsistent with chapter 11 of the Bankruptcy Code;

(m) hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan;

(n) enter the Final Decree closing the Case;

(o) determine and resolve any and all controversies relating to the rights and obligations of the Plan Administrator in connection with the Case;

(p) allow, disallow, determine, liquidate, or estimate any Claim, including the compromise, settlement, and resolution of any request for payment of any Claim, the

resolution of any Objections to the allowance of Claims, and to hear and determine any other issue presented hereby or arising hereunder, including during the pendency of any appeal relating to any Objection to such Claim (to the extent permitted under applicable law);

(q) permit the Debtor (and the Reorganized Debtor, to the extent provided for in the Plan) to recover all of the Debtor's Assets and Property of the Estate wherever located;

(r) hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes, tax benefits, and similar or related matters with respect to the Debtor or the Debtor's Estate arising prior to the Effective Date or relating to the period of administration of the Case, including, without limitation, matters concerning federal, state, and local taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(s) hear and determine any motions, applications, adversary proceedings, contested matters, and other litigated matters pending on, Filed, or commenced after the Effective Date that may be commenced by the Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable) thereafter, including Avoidance Actions, proceedings with respect to the rights of the Reorganized Debtor, the Plan Proponents, or the Plan Administrator (as applicable) to recover property under sections 542, 543, or 553 of the Bankruptcy Code, or proceedings to otherwise collect to recover on account of any claim or Action that the Debtor may have had; and

(t) hear any other matter not inconsistent with the Bankruptcy Code.

10.02. Failure of Bankruptcy Court to Exercise Jurisdiction.

If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Debtor, including with respect to the matters set forth above in Section 10.01 hereof, this Article X shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

ARTICLE XI

CONCLUSION

The aforesaid provisions shall constitute the Plan of Liquidation of the Debtor. This Plan, when approved and confirmed by the Bankruptcy Court, shall be deemed binding on the Plan Proponents, the Debtor, Reorganized Debtor, the Plan Administrator, and all Creditors, and all parties in interest and their successors and assigns in accordance with section 1141 of the Code.

**CAMP COOLEY, LLP
PLAN OF LIQUIDATION**

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