

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MISSOURI**

In re:)	
)	Case No. 10-44965-11
DAMON PURSELL CONSTRUCTION)	
COMPANY)	
)	Chapter 11
Debtor.)	

DEBTOR'S DISCLOSURE STATEMENT

1. **INTRODUCTION**

Debtor filed its petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Missouri, on September 15, 2010. Debtor has continued to operate its business throughout the course of the Chapter 11 case, and has been a debtor in possession. The Debtor owns and operates the Rockridge Quarry (the "Quarry"), which sells crushed rock and rip rap products for road construction and other construction projects. The Quarry is located at 9001 Hickman Mills Drive, Kansas City, Missouri 64132. The Debtor also owns a construction business that provides grading, excavation, utility and other miscellaneous construction services. The office for the construction operation is located at 300 N. Church Road, Liberty, Missouri 64068.

2. **PURPOSE OF THIS DISCLOSURE STATEMENT**

Damon Pursell Construction Company prepared this Disclosure Statement (the "Disclosure Statement") in connection with its solicitation of acceptances of the Debtor's Plan of Reorganization dated December 18, 2010 (the "Plan") filed in the Debtor's bankruptcy reorganization case (the "Reorganization Case") under Chapter 11, Title 11, United States Code (the "Bankruptcy Code"), pending before the United States Bankruptcy Court for the Western District of Missouri, Western Division (the "Bankruptcy Court"). After a hearing and by order

entered on _____, 2011, the Bankruptcy Court approved the Disclosure Statement as containing information of a kind, and in sufficient detail as far as is reasonably practicable, that would enable a hypothetical reasonable investor and a typical holder of a claim of the classes being solicited to make an informed judgment whether to vote to accept or reject the Plan. The Disclosure Statement is the only document authorized by the Court to be used in connection with the solicitation of votes accepting or rejecting the Plan. The Plan is attached hereto as **Exhibit A**.

The Plan reflects Debtor's determined effort to maintain the economic integrity of the business of the Debtor and obtain the greatest value for benefit of its creditors. Debtor believes that creditors will receive more value under the Plan than they would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code, and that the Plan offers prospects for the highest and best recovery to creditors that can be obtained.

Your vote on the Plan is important. As a general rule, confirmation of the Plan requires acceptance by each of the voting classes. Pursuant to §1126 of the Bankruptcy Code, in order for the Plan to be accepted by a voting class, creditors holding at least two-thirds in dollar amount and more than one-half in number of claims allowed for voting purposes in such class and who actually vote to accept or reject the Plan must vote in favor of the Plan. Any class that fails to accept the Plan will be deemed to have rejected the Plan.

THIS DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN BY EACH HOLDER OF A CLAIM OR INTEREST ENTITLED TO VOTE THEREON, BUT IS INTENDED TO AID AND SUPPLEMENT SUCH REVIEW. THE DESCRIPTION OF THE PLAN HEREIN IS A SUMMARY ONLY. HOLDERS OF CLAIMS ARE

CAUTIONED TO REVIEW THE PLAN ITSELF AND ANY RELATED AGREEMENTS OF TRANSACTIONS FOR A FULL UNDERSTANDING OF ITS PROVISIONS. THE DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN. THE TERMS OF THE PLAN AND ANY RELATED AGREEMENTS ARE CONTROLLING IF ANY INCONSISTENCY EXISTS BETWEEN THEM AND THIS DISCLOSURE STATEMENT.

The following is a list of the Exhibits accompanying this Disclosure Statement:

EXHIBIT	A	The Chapter 11 Reorganization Plan
EXHIBIT	B-1	Debtor's Pro Forma Profit and Loss Statement for 2011
EXHIBIT	B-2	Debtor's Pro Forma Profit and Loss Statement for 2012
EXHIBIT	B-3	Debtor's Pro Forma Profit and Loss Statement for 2013
EXHIBIT	C	Debtor's Profit and Loss Statement for 2008, 2009 and 2010
EXHIBIT	D	Debtor's Balance Sheet for 2008, 2009 and 2010
EXHIBIT	E	Table of Unsecured Allowed Claims
EXHIBIT	F	Table of Administrative Convenience Unsecured Allowed Claims
EXHIBIT	G	List of Equipment

This Disclosure Statement, the Plan and all Exhibits remain subject to modification and amendment in their entirety. All financial information provided herein constitutes the best information available to the Debtor as of the date of the filing of this Disclosure Statement and remains subject to revision.

Capitalized terms used in the Disclosure Statement that are not specifically defined herein have the meanings set forth in the Plan. All Exhibits to the Disclosure Statement are incorporated by reference into and made a part of the Disclosure Statement.

YOU SHOULD READ THE DISCLOSURE STATEMENT AND ITS EXHIBITS IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN. NO STATEMENTS OR INFORMATION CONCERNING THE DEBTOR OR ANY OTHER ENTITY DESCRIBED IN THE DISCLOSURE STATEMENT OR THE PLAN, PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS, PROFITS, FINANCIAL CONDITIONS, ASSETS, LIABILITIES ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THE DISCLOSURE STATEMENT.

The financial information set forth in the Disclosure Statement has not been audited by independent certified public accountants. The Debtor is unable to represent and warrant that the information set forth in the Disclosure Statement is without any inaccuracy. To the extent practicable, however, the information has been prepared from the Debtor's financial books and records and great effort has been made to ensure that all such information is fairly presented.

3. PROCEDURAL INFORMATION

Under §1126 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 3018(a), only creditors whose claims are deemed allowed pursuant to §502 of the Bankruptcy Code or have been allowed by an Order of the Bankruptcy Court are entitled to vote on the Plan.

Except as otherwise provided in the Disclosure Order, ballots are being sent with the Disclosure Statement to the known holders of all claims against the Debtor as of the commencement date of this case on September 15, 2010, including those that have been or will be objected to by the Debtor. These parties may distribute the ballots to the beneficial owners of the claims as they deem necessary. The holders of claims and interest that have been objected to by the Debtor are not entitled to vote on the Plan unless otherwise ordered by the Bankruptcy Court in accordance with Federal Rule of Bankruptcy Procedure 3018(a), which provides in

pertinent part, that: "Notwithstanding objection to a claim or interest, the court after notice and hearing may temporarily allow the claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan." Additional rules governing the voting process are set forth in the Disclosure Order that accompanies the Disclosure Statement.

All pleadings and other documents referred to in the Disclosure Statement as being on file with the Bankruptcy Court are available for inspection and review during normal business hours at the Clerk of the Bankruptcy Court, 400 E. Ninth St., Kansas City, MO 64106. In addition, such pleadings and documents may be viewed online at http://www.mow.uscourts.gov/bk_cmecf.htm using PACER access. ANY CHANGES TO THESE DOCUMENTS WILL BE DESCRIBED AT THE HEARING ON THE CONFIRMATION OF THE PLAN.

After carefully reviewing the Plan, the Exhibits annexed thereto, this Disclosure Statement and exhibits annexed thereto, please indicate your vote(s) with respect to the Plan on the ballot sent to you and return it by the deadline to Debtor's counsel. If you have a claim in more than one voting class, you are entitled to vote each claim. **PLEASE VOTE AND RETURN EVERY BALLOT THAT YOU RECEIVE. IN ORDER TO BE COUNTED, BALLOTS MUST BE RECEIVED BY _____, 20____.**

The Court will hold a hearing on confirmation of the Plan commencing at _____ p.m. on _____, 2010 (the "Confirmation Hearing").

THE DEBTOR BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTEREST OF CREDITORS AND RECOMMENDS THAT YOU VOTE TO ACCEPT THE PLAN.

Dated: December 18, 2010

4. BRIEF EXPLANATION OF CHAPTER 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. It allows a business debtor to remain in operation and work out its financial difficulties. Unlike a case under Chapter 7 of the Bankruptcy Code, which automatically results in the appointment of a trustee to manage the affairs of the entity filing under the Bankruptcy Code, the debtor in a Chapter 11 case remains in control of the Estate as the “debtor in possession,” generally with the same powers and duties as a trustee, unless and until a creditor’s committee or other party obtains the appointment of a trustee to operate the business.

Upon filing a petition for Chapter 11 reorganization and during the pendency of a reorganization case, the Bankruptcy Code imposes an automatic stay against creditors’ attempts to collect or enforce, through litigation or otherwise, claims against the debtor. The automatic stay provisions of §362 of the Bankruptcy Code, unless lifted by court order, will generally prohibit or restrict attempts by secured or unsecured creditors or other claimants to collect or enforce any claims against the debtor that arose prior to the commencement of the Chapter 11 case.

Formulation and confirmation of a Plan of reorganization is the principal purpose of a Chapter 11 reorganization case. The Plan of reorganization is the vehicle for satisfying the holders of claims against, and equity interests in, a debtor. After a Plan of reorganization has been filed, the holders of claims against, or interests in, a debtor are permitted to vote to accept or reject the Plan. Section 1125 of the Bankruptcy Code requires the debtor, before soliciting acceptances of the proposed Plan, to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to

make an informed judgment about the Plan. The Disclosure Statement is presented to holders of Claims in impaired classes to satisfy the requirements of § 1125 of the Bankruptcy Code.

Chapter 11 does not require that each holder of a claim against, or interest in, a debtor vote in favor of a Plan of reorganization in order for the Bankruptcy Court to confirm the Plan. At a minimum, however, a Plan must be accepted by a majority in number and at least two-thirds in amount of those claims actually voting in at least one class of claims impaired under such Plan. In the present case, holders of claims who fail to return ballots will not be counted as either accepting or rejecting the Plan for purposes of determining whether the Plan is adopted or rejected.

Classes of claims or interests that are not “impaired” under a Plan of reorganization are conclusively presumed to have accepted the Plan of reorganization. Consequently, holders of claims or interests in such classes are not entitled to vote. Acceptances of the Plan in this case are being solicited only from those who hold claims in an impaired class. A class of claims is impaired under a Plan of reorganization unless, as set forth in § 1124 of the Bankruptcy Code, with respect to each claim or equity interest of such class, the Plan: (1)(a) leaves unaltered the legal, equitable and contractual provision or applicable law that entitles the holder of a claim or interest after the occurrence of a default; (b) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code other than a default of a kind specified in § 365(b)(2) of the Bankruptcy Code; (c) reinstates the maturity of such a claim or interest as such maturity existed before such default; (d) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (e) does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such a claim or interest;

or (2) provides that, on the Effective Date of the Plan, the holder of such claim or interest receives, on account of such claim or interest, cash equal to: (a) with respect to a claim, the allowed amount of such claim; or (b) with respect to an interest, if applicable, the greater of: (i) any fixed liquidation preference to which the terms of any security representing such interest entitle the holder of such interest; or (ii) any fixed price at which the debtor, under the terms of the security, may redeem such security from such holder.

Even if all classes of claims and interests accept a Plan of reorganization, the Bankruptcy Court nevertheless might not confirm that Plan. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a Plan of reorganization and, among other things, requires that a Plan of reorganization be (1) in the “best interests” of creditors and equity holders and (2) feasible. The “best interests” test generally requires that the value of the consideration be distributed under a Plan to holders of claims or interests who have not voted to accept the Plan may not be less than those parties would receive if the debtor were liquidated under a hypothetical liquidation occurring under Chapter 7 of the Bankruptcy Code. Under the “feasibility” requirement, the court generally must find that there is a reasonable probability that the debtor will be able to perform the obligations incurred under the Plan and to continue operations without the need for further financial reorganization.

If the proponent of a Plan of reorganization seeks confirmation of such a Plan under the “cramdown” provisions of § 1129(b) of the Bankruptcy Code, the Plan must meet all applicable requirements of § 1129(a) of the Bankruptcy Code (except § 1129(a)(8), which requires acceptance by all impaired classes). Among these requirements are that the Plan must (1) comply with the applicable provisions of the Bankruptcy Code and applicable law, (2) be proposed in good faith, and (3) be accepted by at least one impaired class of creditors.

The court may confirm a Plan of reorganization is “fair and equitable” as to a class if, among other things, the Plan provides: (1) with respect to secured claims, that each holder of such claim included in the rejecting class will receive or retain on account of such claim property that has a value, as of the Effective Date of the Plan, equal to the allowed amount of such claim; and (2) with respect to unsecured claims and interests, that the holder of any claim or interest that is junior to the claims or interests of such class will not receive or retain on account of such junior claim or interest any property at all unless the senior class is paid in full. The Bankruptcy Court must further find that the economic terms of the Plan of reorganization do not unfairly discriminate with respect to the particular objecting class, as provided in § 1129(b) of the Bankruptcy Code.

Other significant aspects of Chapter 11 are (1) a debtor’s right and duty to seek avoidance of certain pre-petitioned or post-petitioned transfers of interests in the Debtor’s Estate and (2) the right and duty of a debtor to evaluate all pre-petition executory (i.e., uncompleted) contracts (including unexpired leases) and to assume or reject such contracts.

5. OVERVIEW OF THE REORGANIZATION CASE

The Debtor’s purpose in seeking relief under Chapter 11 and in proposing a Plan of Reorganization is to pay its secured and unsecured creditors in a timely fashion. The Debtor proposes to retain its existing property and continue the business. Debtor will pay all Allowed Claims in full over time through the Plan using income the Debtor earns after confirmation of the Plan to fund Plan payments.

6. OVERVIEW OF THE PLAN

The holders of Allowed Claims against the Debtor will be classified and receive the treatment specified in the Plan. The Classification of such Allowed Claims and Interests,

distributions to Claimants and other aspects of the consummation of the Plan are discussed in greater detail in **Article 14** of the Disclosure Statement entitled “Summary of the Plan.” However, for overview purposes only, the classification and treatment of certain secured, priority and unsecured Allowed Claims are summarized below.

The Plan divides Allowed Claims against and Interests in the Debtor into various Classes in accordance with the Bankruptcy Code. Secured Allowed Claims, priority unsecured Allowed Claims and non-priority unsecured Allowed Claims are each assigned to separate Classes under the Plan. A Claim shall receive a distribution under the Plan only if it is an “Allowed Claim” or an “Allowed Interest,” as defined in the Plan.

Administrative expenses and other Allowed Claims will be treated in a manner consistent with the requirements set forth in the Bankruptcy Code. The holders of secured Allowed Claims, as determined in accordance with § 506 of the Bankruptcy Code, are classified separately within Classes 2 through 16. The holders of unsecured Allowed Claims with priority are classified separately within Classes 17 through 24. The holders of general unsecured Allowed Claims other than the claims of Debtor’s affiliated companies are classified as Class 25. The holders of contingent, unliquidated Secured Allowed Claims are classified as Class 26. The Claims by the equity owners of the Debtor are classified as Class 27 claims. These holders will receive the treatment specified for such Classes in the Plan. Overtime all Allowed Claims will be paid in full.

A summary of the classification and treatment of Allowed Claims is set forth in subsection c of **Article 14** of the Disclosure Statement entitled “Classification and Treatment of Allowed Claims”.

7. HISTORY AND BACKGROUND OF DEBTOR AND ITS BUSINESS

(a) Bankruptcy Case.

Debtor filed its petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Missouri, on September 15, 2010. Debtor has continued to operate its business throughout the course of the Chapter 11 case and has been a debtor in possession.

(b) The Debtor's Property and Business.

Debtor owns and operates the Quarry, which produces and sells many common limestone products, including crushed and screened products, rip rap and other by-products of the crushing process. The Quarry operation also allows clean fill materials and organic materials to be dumped on the site. The clean fill is used to fill the void created by the mining process. The organic materials are ground into various mulch and dirt products and resold to the public. The Quarry property consists of approximately 450 acres and is located at 9001 Hickman Mills Drive, Kansas City, Missouri 64132. The Debtor also operates a construction business that performs many contracting functions, including, but limited to the following: grading and excavation, sanitary and storm sewers, waterlines, road work, landfill work and residential subdivisions.

The Debtor was incorporated in 1953 by Damon Pursell. Michael Pursell took over as President in the 1980s and still leads the Debtor at the present time. The Quarry property was purchased in 1996 and was reopened as a quarry operation in 1999. It has been operating since that time.

The revenues for the construction business peaked in 2005 and have steadily decreased every year since. This has been a common trend in the industry and generally can be tied to the downturn in the economy and a lack of funding for private and public projects around the

country. Conversely, the revenues of the Quarry have generally increased over the past seven (7) years. This can attributed to the improved sales, marketing, and quality of the Quarry's products.

8. THE DEBTOR'S FINANCIAL OPTIONS

(a) Liquidation.

In order to pay its Creditor's, the Debtor has studied other options to confront the financial difficulties forced upon it by one secured creditor, as discussed below. The Debtor's first option is to liquidate all assets and dissolve. As further discussed in **Article 27**, the Debtor's estimate of cash generated by liquidation would not be sufficient to pay all of the creditors.

The liquidation of assets would drastically reduce the value of the Quarry. The Quarry is a very unique property. Due to prior mining, the Quarry property was blighted and is undevelopable. Debtor has developed a process to simultaneously mine and reclaim the Quarry property. To date, the Quarry operations have reclaimed a small portion of the property, but the majority remains blighted. Without Debtor's continued operation, the Quarry property will remain blighted and unusable. Thus, the Allowed Claims will only be paid in full by allowing Debtor's continued operation.

(b) Sale as Going Concern.

The second option would be to sell off the Debtor's business segments as a going concern to a third party which would continue to operate the businesses. Given the current economic conditions and the lack of work in the industry, it is highly unlikely that the business segments could be sold for an amount sufficient to pay all creditors.

In addition, financing the purchase of a major business is extremely difficult in this current economic market. There have been many failures of firms in the construction industry in the area and around the country. Most banks are actively working to reduce their exposure to the industry, and Debtor anticipates that will continue into the future. Any such sale would likely include seller financing, which would likely provide a payment stream to the creditors over a longer period of time than the Plan proposed by the Debtor.

The nature of the Quarry property would also make it difficult to sell. As discussed above, the property was heavily mined, and as a result is now blighted by several previous operators. The instability of the property and the costly procedures necessary to mine and reclaim the property prevent most prospective buyers from purchasing the Quarry.

The current state of the industry would make the construction side of the business very difficult to sell. It would make much more sense to start a new construction business. This division would need to be liquidated and that option has already been discussed above.

9. REASONS FOR FILING BANKRUPTCY

While the total revenues of the Debtor have declined over the past few years, the Debtor responded by selling equipment and cutting employees and expenses in order to maintain positive cash flow. The Debtor's profit and loss statements for the years 2008 through 2010 are attached hereto as **Exhibit C**, and the Debtor's balance sheet for the years 2008 through 2010 are attached hereto as **Exhibit D**. For the reason discussed immediately below, the Debtor was forced to file for Chapter 11 bankruptcy.

Foreclosure action by CML-MO City Development, LLC.

On August 22, 2008, The Columbian Bank and Trust Company was closed by the FDIC and all loans at the bank were retained and held by the FDIC as receiver. As of this date, the Debtor's loan (Loan No. 10500784) with Columbian Bank and Trust Company was not in default. After the takeover of Columbian Bank and Trust Company, the local FDIC representatives and Debtor negotiated and agreed upon a reduced payoff amount for Loan No. 10500784. During this negotiation period, Loan No. 10500784 matured. In early 2010, while the Debtor was awaiting final approval from the FDIC regional office in Dallas, Loan No. 10500784 was packaged with loans from other failed banks and sold at a discounted rate (estimated at 20% of the amount of the loan based upon a press release from CML's parent organization) to a predecessor in interest of CML-MO City Development, LLC ("CML"), which subsequently acquired Loan No. 10500784. In May 2010, Debtor began negotiating with, and at one point went to New York to meet with, representatives of CML regarding the renewal of the matured Loan No. 10500784. Over the following three months, Debtor and CML had many discussions, but were unable to come to an agreement on terms for that renewal. In August 2010, CML began foreclosure proceedings on the Quarry property with a sale date of September 15, 2010. With no agreement, and the Quarry property being the location of Debtor's most profitable operation, Debtor was forced to file for Chapter 11 bankruptcy protection to stop those proceedings. If the foreclosure proceedings had been completed, Debtor's revenues would have been substantially reduced, thereby eliminating Debtor's ability to pay its creditors.

10. OWNERSHIP OF THE DEBTOR

The Debtor is a Missouri S-Corporation formed on December 23, 1953 and is in good standing with the Office of the Missouri Secretary of State. As of the date of this Disclosure

Statement, the Debtor's ownership structure is as follows: Michael Pursell owns 100% of the Debtor.

11. MANAGEMENT AND EMPLOYEES OF THE DEBTOR

Currently, the Debtor has 55 employees. The number of employees varies. During the peak construction season, the Debtor will have as many as 90-100 employees, and during the winter off season, the Debtor will have about 30 employees.

The Debtor is managed daily by the President, Michael Pursell. Mr. Pursell has worked for the Company in some capacity for over forty (40) years and is very knowledgeable in the industry. The Debtor also employs the following key employees: (i) officers of Debtor are William Woodside as Vice President, Gary Paukey as Secretary and Estimator and Jason Goertzen as Treasurer; and (ii) Supervisors of Debtor are Casey Kelley as Quarry Supervisor and Fred Stitt as Equipment Supervisor. The salaries of the President and other Officers are provided in Exhibit B-1.

12. POST PETITION ADMINISTRATION

Subsequent to filing its petition, Debtor has operated in the ordinary course of business. The Debtor negotiated an agreement with MCK Partnership, LLC, Bank of the West and Commercial Credit Group, LLC for use of cash collateral conditioned upon monthly payments being deposited in an escrow account in the amount of \$40,000.00, and the Debtor has made those payments each month. An Order approving the cash collateral agreement was entered on October 18, 2010 (Docket No. 82).

Since filing the Chapter 11 case, the Debtor has been able to operate successfully and pay all of its post petition obligations in the ordinary course of its business.

13. THE REORGANIZED DEBTOR

On the Effective Date of the Plan, the Reorganized Debtor will assume and continue to own and operate its business and assets presently being operated by the Debtor. The Reorganized Debtor will take all steps necessary to protect its interest in its assets and restore their value through appropriate management of the Reorganized Debtor's operations. As was discussed in above **Article 11**, Michael Pursell will remain as President and will continue to manage the day-to-day operations of the Debtor. The other key employees listed in above **Article 11**, except for William Woodside, will continue to be employed by the Debtor in their current positions. Mr. Woodside will be retained as a paid consultant over a time frame that the Debtor deems necessary to transition his duties to other employees of the Debtor. The salary expense for all of these employees is included in the General and Administrative Expense section on the Debtor's pro-forma financial projections attached as Exhibits hereto. The Debtor's pro-forma financial projections set forth on **Exhibits B-1 through B-3** are the representations of the Debtor of the future financial performance of the Debtor's business. The Plan may be in effect for as long as six (6) years since the Plan calls for the payments to continue for six (6) years for unsecured Allowed Claims. Debtor shall make every effort to refinance the pre-petition loans with other financial institutions after the Plan is confirmed. In fact, the Debtor has already spoken with several other local bank/financing organizations which have expressed an interest in refinancing portions of the pre-petition Debt. Thus, Debtor will seek to pay off many of the Allowed Claims as early as possible, and the timeframe of the Plan could be substantially reduced for many creditors.

MUCH EFFORT HAS BEEN MADE TO ENSURE THAT THE FINANCIAL PROJECTIONS AND THE ASSUMPTIONS ON WHICH THEY ARE BASED ARE

ACCURATE AND REASONABLE. HOWEVER, NO REPRESENTATION CAN BE MADE WITH RESPECT TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR THE ABILITY OF THE REORGANIZED DEBTOR TO ACHIEVE THE PROJECTED RESULTS. MANY OF THE ASSUMPTIONS UPON WHICH THE FINANCIAL PROJECTIONS ARE BASED ARE SUBJECT TO UNCERTAINTIES. SOME OR ALL OF THE ASSUMPTIONS MAY NOT MATERIALIZE, AND UNANTICIPATED EVENTS AND CIRCUMSTANCES MAY OCCUR THAT WILL AFFECT THE FINANCIAL PROJECTIONS AND THE ASSUMPTIONS ON WHICH THEY ARE BASED. ACCORDINGLY, THE ACTUAL RESULTS ACHIEVED THROUGHOUT THE PROJECTION PERIOD MAY VARY FROM THE PROJECTED RESULTS SET FORTH IN THE FINANCIAL PROJECTIONS AND THE VARIATIONS MAY BE MATERIAL. ALL PARTIES ARE URGED TO CAREFULLY REVIEW THE FINANCIAL PROJECTIONS AND THE ASSUMPTIONS ON WHICH THEY ARE BASED BEFORE DECIDING TO VOTE TO ACCEPT OR REJECT THE PLAN.

14. SUMMARY OF PLAN OF REORGANIZATION

The Debtor's Plan in its entirety is attached as **Exhibit A** to the Disclosure Statement. THE FOLLOWING IS A BRIEF SUMMARY OF THE PLAN. THIS SUMMARY SHOULD NOT BE RELIED ON FOR VOTING PURPOSES. CREDITOR IS URGED TO READ THE ENTIRE PLAN AND TO CONSULT WITH COUNSEL OR EACH OTHER IN ORDER TO FULLY UNDERSTAND THE PLAN. THE PLAN IS COMPLEX AND REPRESENTS A PROPOSED LEGALLY BINDING AGREEMENT BY THE DEBTOR. AN INTELLIGENT JUDGMENT CONCERNING THE PLAN THEREFORE CANNOT BE MADE WITHOUT UNDERSTANDING IT.

(a) Financial Basis for the Plan.

The Plan is based upon the belief that the present enforced liquidation value of the Debtor's assets is less than the Debtor's total indebtedness. The Plan provides to the creditors a larger distribution than the creditors, in their respective priorities, would receive if the Debtor were to be subjected to a forced liquidation under Chapter 7 of the Bankruptcy Code. In fact, the Plan provides for full payment of all Allowed Claims. Moreover, the Debtor will continue as an ongoing business and preserve the jobs for the employees of the Company. Debtor therefore, believes the confirmation of the Plan would be in the best interest of the creditors and the Debtor.

Attached to the Plan are the Debtor's pro-forma financial projections for the years 2011 through 2013. The expense figures used in these financial projections are based upon the actual operating experience of the Debtor from previous years and expectations of revenues in the future.

(b) Administrative Expenses

Administrative Expenses are treated under the Plan in the manner required by the Bankruptcy Code and, therefore, are unclassified. The Plan provides that all administrative expenses, which include the costs and expenses incurred in connection with the Reorganization Case subsequent to the filing date, will be paid in full in cash according to the ordinary terms under which they are incurred or, if due and not previously paid, on the Effective Date. They include all fees and costs of the Debtor's attorneys, accountants, consultants, other professionals employed at the expense of the Debtor's Estate pursuant to Final Orders of the Bankruptcy Court, and the fees of the Office of the United States Trustee. Such fees, costs and expenses will be paid at a time and in an amount allowed by the Bankruptcy Court. From the Petition date to November 30, 2010, Debtor's counsel submitted \$57,383.00 for legal fees and \$507.88 for expenses.

All payments to be made to authorized professionals in the Reorganization Case will be made in accordance with specific procedures established by the Bankruptcy Court relating to the payment of interim compensation and are subject to final allowance by the Bankruptcy Court. After the Confirmation Date, the Bankruptcy Court may review all previously unreviewed fees paid and to be paid to the authorized professionals and any additional requests for compensation and reimbursement of expenses. The Bankruptcy Court may then determine the final fee and cost allowances for these authorized professionals to the extent their fees and costs need to be determined in a final fee and cost allowance.

At the present time, the Court has approved the employment by the Chapter 11 Estate of the law firm of Dunn & Davison, LLC.

(c) Classification and Treatment of Claims

Class 1 – Allowed Claims paid as Administrative Convenience

Pursuant to 11 U.S.C. § 1122(b), Debtor shall pay all Allowed Claims in the amount of \$1,000.00 or below as an administrative convenience within thirty (30) days of the confirmation of the Plan. The aggregate amount of Class 1 Allowed Claims is \$24,797.86, such Allowed Claims are more particularly described on **Exhibit F** attached hereto and Debtor disputes all amounts claimed by Class 1 creditors in excess of the Allowed Claims listed on Exhibit F.

Class 2 – Secured Claims of CML-MO City Development, LLC

CML-MO City Development, LLC – Although Debtor disputes the claim of CML-MO City Development, LLC (“CML”) pending receipt and review of CML’s loan and assignments documents, Debtor acknowledges that CML may have a claim in the amount of \$3,099,975.00, which balance shall be ultimately

determined upon Debtor's review of the CML loan and assignment documents. The potential claim is secured by a first deed of Trust on Debtor's real property located at 9001 Hickman Mills Drive, Kansas City, Missouri. In the event Debtor determines that such claim is an Allowed Claim, Debtor intends to pay this claim at a market rate. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal based upon a twenty-five (25) year amortization schedule for a five (5) year term and a single balloon payment after such term, with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$18,575.18. Debtor has an existing Additional Property Purchase and Sale Agreement, dated June 8, 2004 (the "Property Purchase Agreement") which includes an option for the sale of approximately ten (10) acres of the acreage subject to CML's first deed of trust. Upon confirmation of the Plan, Debtor and the Purchaser under the Property Purchase Agreement shall complete the sale of the property pursuant to the terms of the Property Purchase Agreement. It is estimated that the proceeds to be received by the Debtor (after previous down payments) under the Property Purchase Agreement will be approximately \$600,000, but the exact purchase price will be determined by a survey of the parcel to be sold. At the time of the sale, and so that Debtor can deliver to the Purchaser the parcel with clean title, the proceeds will be used first to pay the real estate taxes on Debtor's property of approximately \$392,258.60. The remaining proceeds will be placed in a loan payment reserve account to be used to make the above monthly payments to CML. This claim will be secured

by a first deed of trust on the same property, less that portion sold pursuant to the Property Purchase Agreement, as this obligation was secured prepetition. Terms contained in CML's prepetition loan documents regarding terms related to interest rates, amount and timing of payment, financial covenants, personal guarantees and defaults related to this bankruptcy or the financial condition of the Debtor will not control after confirmation of the Plan. Class 2 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 3 –Secured Allowed Claim of Allen Financial

Allen Financial Corporation – Allowed Claim by Allen Financial Corporation in the amount of \$55,143.50, which is secured by a first position security interest in specific personal property of the Debtor. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal of \$2,085.00 based on the previous agreement with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in full payment after twenty-seven (27) monthly payments. This claim will be secured by a UCC filing on the same personal property as this obligation was secured prepetition. Terms contained in Allen Financial's prepetition loan documents, including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan and the Creditor will retain only the rights set forth in the Plan. Class 3 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 4 –Secured Allowed Claim of Wells Fargo

Wells Fargo Equipment Finance – Allowed Claim by Wells Fargo Equipment Finance (“Wells Fargo”) in the amount of \$153,753.88, which is secured by a first position security interest in specific personal property of the Debtor. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal based upon a five (5) year amortization schedule, with “annual skips” from March through May, with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$3,906.37. The “annual skips” are common practice in construction equipment financing. During the borrower’s slow business season, the borrower makes no payments, but the entire amount due over twelve (12) months is paid proportionately over the remaining nine (9) months. This claim will be secured by a UCC filing on the same personal property as this obligation was secured prepetition. Terms contained in Wells Fargo’s prepetition loan documents, including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan and the Creditor will retain only the rights set forth in the Plan. Class 4 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 5 –Secured Allowed Claim of Citizens Bank & Trust Company

Citizens Bank & Trust Company – Debtor submits that Citizens Bank & Trust Company (“Citizens”) has an Allowed Claim in the amount of

\$2,416,020.86 and disputes all amounts claimed by Citizens in excess of such Allowed Claim. The Allowed Claim is secured by a first position security interest in specific personal property of the Debtor. The liquidation value of the personal property subject to Citizens first position security interest is estimated to be \$1,600,000.00, and therefore an unsecured balance of \$816,020.86 exists. This amount will be added to the Class 25 unsecured claims. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal on the secured balance based upon a five (5) year amortization schedule, with “annual skips” from March through May, with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$40,650.66. The “annual skips” are common practice in construction equipment financing. During the borrower’s slow business season, the borrower makes no payments, but the entire amount due over twelve (12) months is paid proportionately over the remaining nine (9) months. This claim will be secured by a UCC filing on the same personal property as this obligation was secured prepetition. Terms contained in Citizen’s prepetition loan documents, including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan and Citizens will retain only the rights set forth in the Plan. Class 5 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 6 – Secured Allowed Claim of MCK Partnership, LLC

MCK Partnership LLC – Allowed Claim by MCK Partnership, LLC (“MCK”) in the amount of \$2,458,302.24, which MCK claims is secured by a first position security interest in the accounts receivable and inventory of the Debtor. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal of \$20,350.00, based the original loan agreement signed on September 3, 2009, with a rate tied to the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan). This claim will be secured by a UCC filing on the same property as this obligation was secured prepetition. Terms contained in the MCK’s prepetition loan documents (other than the payoff provision), including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan and the Creditor will retain only the rights set forth in the Plan. Class 6 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 7 – Secured Allowed Claim of Commercial Credit Group, Inc.

Commercial Credit Group, Inc. – Allowed Claim by Commercial Credit Group, Inc. (“CCG”) in the amount of \$998,873.13, which is secured by a first position security interest in specific personal property of the Debtor. The Debtor plans to sell certain equipment before January 15, 2011. The proceeds from this sale are estimated to be \$583,000, which will be used to reduce CCG’s total balance. This will leave a remaining balance of \$425,873.13. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly

payments of interest and principal based upon a five (5) year amortization schedule, with “annual skips” from March through May, with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$10,807.31. The “annual skips” are common practice in construction equipment financing. During the borrower’s slow business season, the borrower makes no payments, but the entire amount due over twelve (12) months is paid proportionately over the remaining nine (9) months. This claim will be secured by a UCC filing on the same personal property as this obligation was secured prepetition. Terms contained in CCG’s prepetition loan documents, including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan, and CCG will retain only the rights set forth in the Plan. Class 7 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 8 –Secured Allowed Claim of Ford Motor Credit Company LLC

Ford Motor Credit Company LLC – Allowed Claim by Ford Motor Credit (“Ford”) in the amount of \$46,551.55, which is secured by a first position security interest in specific personal property of the Debtor. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal based upon a two (2) year amortization schedule with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$2,047.50. This

claim will be secured by the same liens on the same personal property as this obligation was secured prepetition. Terms contained in the Ford's prepetition loan documents, including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan, and Ford will retain only the rights set forth in the Plan. Class 8 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 9 – Secured Allowed Claim of Kraus Anderson Capital

Kraus Anderson Capital – Allowed Claim by Kraus Anderson Capital (“Kraus”) in the amount of \$407,882.52, which is secured by a first position security interest in specific personal property of the Debtor. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal based upon a five (5) year amortization schedule, with “annual skips” from March through May, with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$10,180.85. The “annual skips” are common practice in construction equipment financing. During the borrower's slow business season, the borrower makes no payments, but the entire amount due over twelve (12) months is paid proportionately over the remaining nine (9) months. This claim will be secured by the same UCC filings on the same property as this obligation was secured prepetition. Terms contained in Kraus's prepetition loan documents, including but not limited to terms regarding interest rates, amount and

timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan, and Kraus will retain only the rights set forth in the Plan. Class 9 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 10 – Secured Allowed Claim of M & I Bank

M & I Bank – Allowed Claim by M & I Bank (“M & I”) in the amount of \$288,896.02, which is secured by a first deed of trust on Debtor’s real property located at 6401 NW Riverside Park Drive, Riverside, Missouri and specific personal property of the Debtor. Debtor intends to pay both loans in this claim at a market rate. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal based upon a twenty-five (25) year amortization schedule for a five (5) year term and a single balloon payment after such term, with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$1,047.13. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal on the personal property based upon a five (5) year amortization schedule, with “annual skips” from March through May, with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$2,680.90. The “annual skips” are common practice in construction equipment financing. During the borrower’s slow business season, the borrower makes no payments, but the entire amount due over twelve (12) months is paid proportionately over the remaining nine (9)

months. Debtor also has a letter of credit issued by M & I in the amount of \$182,854 to support Debtor's partially self-insured insurance program. The letter of credit will be renewed by M & I prior to its scheduled expiration on July 1, 2011. This claim will be secured by the same deed of trust and UCC filings on the same property as this obligation was secured prepetition. Terms contained in M & I's prepetition loan documents, including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan, and M & I will retain only the rights set forth in the Plan. Class 10 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 11 – Secured Allowed Claim of National Bank of Kansas City

National Bank of Kansas City – Allowed Claim by National Bank of Kansas City ("NBKC") in the amount of \$208,099.39, which is secured by a first position security interest in specific personal property of the Debtor. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal based upon a five (5) year amortization schedule, with "annual skips" from March through May, with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$4,579.45. The "annual skips" are common practice in construction equipment financing. During the borrower's slow business season, the borrower makes no payments, but the entire amount due over twelve (12) months is paid proportionately over the remaining nine (9)

months. This claim will be secured by the same UCC filings on the same personal property as this obligation was secured prepetition. Terms contained in NBKC's prepetition loan documents, including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan, and NBKC will retain only the rights set forth in the Plan. Class 11 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 12 – Secured Allowed Claim of SG Equipment Finance

SG Equipment Finance – Allowed Claim by SG Equipment Finance (“SGEF”) in the amount of \$195,740.27, which is secured by a first position security interest in specific personal property of the Debtor. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal based upon a five (5) year amortization schedule, with “annual skips” from March through May, with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in a monthly payment of \$4,872.53. The “annual skips” are common practice in construction equipment financing. During the borrower's slow business season, the borrower makes no payments, but the entire amount due over twelve (12) months is paid proportionately over the remaining nine (9) months. This claim will be secured by the same UCC filings on the same personal property as this obligation was secured prepetition. Terms contained in SGEF's prepetition loan documents, including but not limited to terms regarding interest rates,

amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan, and SGEF will retain only the rights set forth in the Plan. Class 12 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 13 – Secured Allowed Claim of Pony Express Bank

Pony Express Bank – Allowed Claim by Pony Express Bank (“PEB”) in the amount of \$44,660.99, which is secured by a first position security interest in specific personal property of the Debtor. Beginning thirty (30) days following the confirmation of the Plan, Debtor will make monthly payments of interest and principal of \$5,679.27 based on the previous agreement, which results in full payment after eight (8) payments. This claim will be secured by a UCC filing on the same personal property as this obligation was secured prepetition. Terms contained in PEB’s prepetition loan documents, including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan, and PEB will retain only the rights set forth in the Plan. Class 13 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 14 – Secured Allowed Claim of UMB Bank

UMB Bank – Allowed Claim by UMB Bank (“UMB”) which is secured by a first position security interest in specific personal property of the Debtor in the amount of \$80,269.35. Beginning thirty days following the confirmation of

the Plan, Debtor will make monthly payments of interest and principal of \$8,378.11, based on the previous agreement with interest accruing at the current prime rate plus 2% (5.25%, to remain fixed for the duration of the loan), which results in full payment after ten (10) payments. This claim will be secured by UCC filings on the same personal property as this obligation was secured prepetition. Terms contained in UMB's prepetition loan documents, including but not limited to terms regarding interest rates, amount and timing of payment, financial covenants, personal guarantees, defaults and all other terms not specifically provided in the Plan will not control after confirmation of the Plan, and UMB will retain only the rights set forth in the Plan. Class 14 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 15 – Secured Allowed Claim of Jackson County

Jackson County – Secured Allowed Claim of Jackson County consists of real property taxes as of October 28, 2010 is \$392,258.60. This entire amount will be paid from the proceeds generated from the real estate sale pursuant to the option in the Property Purchase Agreement referenced above in the paragraph for Class 2. Class 15 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 16 – Secured Allowed Claim of Platte County

Platte County – Secured Allowed Claim of Platte County consists of real property taxes in the amount of \$3,588.55, such amount shall be paid in full in one (1) installment within thirty (30) days following the confirmation of the plan.

Class 16 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 17 – Unsecured Allowed Claim with Priority of Jackson County

Jackson County - Unsecured Allowed Claim with priority of Jackson County consists of business personal property taxes in the amount of \$110,345.00. Starting thirty (30) days after the Plan has been confirmed, the Debtor will make a monthly payment of \$1,839.08 until this balance has been paid in full. Class 17 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 18 – Unsecured Allowed Claim with Priority of Platte County

Platte County - Unsecured Allowed Claim with priority of Platte County consists of business personal property taxes in the amount of \$35,733.20. Starting thirty (30) days after the Plan has been confirmed, the Debtor will make a monthly payment of \$595.55 until this balance has been paid in full. The Class 18 creditor is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 19 – Unsecured Allowed Claim with Priority of Missouri Division of Employment Security

Missouri Division of Employment Security - Unsecured Allowed Claim with priority of the Missouri Division of Employment Security consists of unemployment taxes in the amount of \$167,795.87. Starting thirty (30) days after the Plan has been confirmed, the Debtor will make a monthly payment of \$2,796.60 until this balance has been paid in full. The Class 19 creditor is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 20 – Unsecured Allowed Claim with Priority of Clay County

Clay County - Unsecured Allowed Claim with priority of Clay County consists of personal and property taxes in the amount of \$117,536.54. Starting thirty (30) days after the Plan has been confirmed, the Debtor will make a monthly payment of \$1,958.94 until this balance has been paid in full. The Class 20 creditor is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 21 – Unsecured Allowed Claim with Priority of Missouri Department of Revenue

Missouri Department of Revenue - Unsecured Allowed Claim with priority of the Missouri Department of Revenue consists of sales taxes in the amount of \$71,874.45. Starting thirty (30) days after the Plan has been confirmed, the Debtor will make a monthly payment of \$1,197.91 until this balance has been paid in full. The Class 21 creditor is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 22 – Unsecured Allowed Claim with Priority of Mo-Kan Teamsters Fringe Benefits

Mo-Kan Teamsters Fringe Benefits - Unsecured Allowed Claim with priority of the Mo-Kan Teamsters consists of fringe benefit payments in the amount of \$40,827.87. Starting thirty (30) days after the Plan has been confirmed, the Debtor will make a monthly payment of \$680.46 until this balance has been paid in full. The Class 22 creditor is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 23 – Unsecured Allowed Claim with Priority of Operating Engineers Local 101 Fringe Benefits

Operating Engineers Local 101 Fringe Benefits - Unsecured Allowed Claim with priority of the Operating Engineers Local 101 consists of fringe benefit payments in the amount of \$134,102.09. Starting thirty (30) days after the Plan has been confirmed, the Debtor will make a monthly payment of \$2,235.03 until this balance has been paid in full. The Class 23 creditor is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 24 – Unsecured Allowed Claim with Priority of Heavy Construction Laborers Union Fringe Benefits

Heavy Construction Laborers Union Fringe Benefits - Unsecured Allowed Claim with priority of the Heavy Construction Laborers Union consists of fringe benefit payments in the amount of \$18,187.86. Starting thirty (30) days after the Plan has been confirmed, the Debtor will make a monthly payment of \$303.13 until this balance has been paid in full. The Class 24 creditor is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 25 – General Unsecured Allowed Claims without Priority

General Unsecured Allowed Claims without Priority. Class 25 consists of all general unsecured claims not entitled to any priority and excludes all contingent, unliquidated unsecured claims. Class 25 claims shall be paid in cash 100% of their allowed amount without previous finance charges or interest as follows: Starting thirty (30) days after the Plan has been confirmed, Debtor will make monthly payments of \$27,423.46 to be paid on a pro-rata basis to the Class 25 creditors. The scheduled sum of the Class 25 Allowed Claims is in the

aggregate approximate amount of \$1,974,489.08, as more particularly described on **Exhibit E** attached hereto and Debtor disputes all amounts claimed by Class 25 creditors in excess of the Allowed Claims listed on Exhibit E. Class 25 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 26 – Contingent, Unliquidated Secured Allowed Claim of Bank of the West

Contingent, Unliquidated Secured Allowed Claim of Bank of the West (“BOW”). The Debtor pledged certain assets to BOW to secure the loans of an affiliated company, M & R Land, LLC (“M & R”). M & R is owned by Michael Pursell. The total balance owed to BOW by M & R is \$3,752,309.53. BOW’s Claim is secured primarily by certain real estate owned by M & R and located in Kansas City, Clay County, Missouri (the “M & R Property”). M & R values the M & R Property at \$3,200,000. Debtor has been advised by M & R that it has signed two certain Commercial Exclusive Right to Represent Seller Agreements between M & R and The Land Source, LLC dated December 1, 2010 collectively listing the M & R Property in excess of \$3,200,000. The sale proceeds (net of selling expenses) from the sale of the M & R Property shall be used to pay down the Claim of BOW. BOW’s Claim is further secured by a first lien on certain of Debtor’s equipment, and BOW claims a first position security interest on Debtor’s accounts receivable and inventory of rock from the Quarry (hereafter “BOW’s Other Collateral”). Deducting the value of the M & R Property from the BOW Claim amount leaves a balance of \$552,309.53 (hereinafter the “BOW Deficiency Claim”). Debtor intends to sell certain pieces of BOW’s Other Collateral as shown on Schedule A of the Plan over the next nine (9) months and use the cash

proceeds (net of selling expenses) to pay down the BOW Deficiency Claim. BOW shall maintain its lien on BOW's Other Collateral in the same priority as prior to Debtor's filing until such time as the BOW Claim is paid in full. Debtor may also sell other pieces of the BOW Other Collateral at prices listed on Exhibit G attached hereto and use such net cash proceeds to further pay down the BOW Claim prior to the M & R Property being sold. M & R and the Debtor anticipate that the M & R Property may take nine (9) months to one (1) year to effectively market and sell for the listing price. In addition to the above and starting thirty (30) days after the Plan has been confirmed, Debtor shall make monthly interest payments with interest accruing at the current prime rate plus 2% (5.25 %, to remain fixed for the duration of the obligation) on the outstanding balance of the BOW Claim until the BOW Claim is paid in full. At the time the BOW Claim is paid in full, the BOW will release any and all further claim to Debtor assets. BOW's Class 26 Claim is fully secured and Class 26 is an impaired class within the meaning of Section 1124 of the Bankruptcy Code.

Class 27 – Interest of the Member and Owner of Debtor

Interest of the Member and Owner of Debtor. Class 27 consists of the interest of the member and owner of Debtor. This interest will not be modified by the Plan.

15. EXECUTORY CONTRACTS

All executory contracts and unexpired leases that are not specifically rejected by the Debtor prior to confirmation of the Plan, or for which the Debtor has not applied to the Court for permission to reject prior to confirmation, or which have not been rejected pursuant to the terms

of the Plan, will be assumed. Debtor reserves the right to reject executory contracts any time prior to confirmation. Notwithstanding the foregoing, Debtor hereby elects to modify (i) that certain Collective Bargaining Agreement with the Heavy Construction Laborers Union, (ii) that certain Collective Bargaining Agreement with the International Union of Operating Engineers, and (iii) that certain Collective Bargaining Agreement with the International Brotherhood of Teamsters Local 541.

16. MEANS FOR EXECUTION OF THE PLAN

(a) Cash Flow from Business Operations.

The Debtor will execute the Plan through a continuation of its operations as contemplated under the Plan. The operation of Debtor's business is expected to generate sufficient cash to pay all Allowed Claims that are to be paid by or on the Effective Date, and all remaining Allowed Claims will be paid in full over an extended period of time from the Debtor's operating revenue in accordance with the Plan.

(b) Sale of Equipment.

From time to time while the Confirmed Plan is in effect and as an integral part of Debtor's Confirmed Plan, Debtor intends to sell certain pieces of its equipment no longer needed for Debtor's reorganized business operations (hereinafter collectively the "Sale Equipment"). Debtor may sell and convey title to the Sale Equipment free and clear of all liens and claims without having to obtain the prior consent or any further consent from any creditor holding a lien on the Sale Equipment; provided however, that Debtor sells the Sale Equipment for the minimum sale prices shown on **Exhibit G** for each particular piece of Sale Equipment (the "Release Price") and the "Net Sale Proceeds" (as defined below) from the sale are delivered to creditor holding the first lien (the "First Lien Creditor") within thirty (30) days of the sale to be

applied against the First Lien Creditor's Allowed Claim. "Net Sale Proceeds" means the Release Price or the gross sale price, if higher, for an item of Sale Equipment less the usual and customary expenses incurred for the sale including brokerage and sales commissions not exceeding ten percent (10%) of the sales price plus other reasonable expenses not exceeding another five percent (5%) of the sales price for a total of fifteen percent (15%).

BOW holds a first lien on some of Debtor's equipment and a blanket second lien on all other of Debtor's equipment. To the extent an item of Sale Equipment is not subject to a first perfected lien held by a creditor other than BOW (hereinafter the "BOW Equipment"), then the BOW Equipment may also be sold and the Net Sale Proceeds delivered to BOW (and applied against its Allowed Claim) in accordance with the terms and conditions of this Section 16(b). Pursuant to the provisions of this Section 16, the BOW Equipment may be sold and conveyed free and clear of BOW's lien, without BOW's prior consent and free and clear of all other liens and claims.

CCG holds a first lien on some of Debtor's equipment and a blanket third lien on all other of Debtor's equipment. In the event the debt secured by BOW's blanket second lien is paid in full, and to the extent an item of Sale Equipment is not subject to a first perfected lien held by a creditor other than CCG (hereinafter the "CCG Equipment"), then the CCG Equipment may also be sold and the Net Sale Proceeds delivered to CCG (and applied against its Allowed Claim) in accordance with the terms and conditions of this Section 16(b). Pursuant to the provisions of this Section 16, the CCG Equipment may be sold and conveyed free and clear of CCG's lien, without CCG's prior consent and free and clear of all other liens and claims.

17. VOTING ON ACCEPTANCE OR REJECTION OF THE PLAN AS GOVERNED BY
THE PROVISIONS OF THE BANKRUPTCY CODE

Each voting creditor will be supplied with an official ballot in the form prescribed by the bankruptcy court. Creditors may vote to accept or reject the Plan by filing a completed ballot with the clerk of the bankruptcy court. A class of creditors will be considered to have accepted the Plan, (1) if accepted by creditors holding at least two-thirds an amount and more than one half in number of the Allowed Claims of such class that have voted; or (2) if the class is unimpaired within the meaning of the Bankruptcy Code.

After time for voting on the Plan passes, the bankruptcy court will hold a hearing and rule on confirmation of the Plan in accordance with the Bankruptcy Code. If all requirements for confirmation of Plan under the Bankruptcy Code are satisfied except that the Plan is not accepted by the creditors, the bankruptcy court may confirm the Plan without acceptance of creditors if the court finds that the Plan does not discriminate unfairly, and is fair and equitable within the meaning of the bankruptcy code with respect to any class of creditors that does not accept the Plan.

18. TREATMENT OF EQUITY INTEREST HOLDERS

The holder of equity interests in Debtor shall retain its equity interests in shares of stock in the Reorganization Debtor equal to the number of shares of stock it held in Debtor prepetition.

19. REORGANIZED DEBTOR AND THE DESIGNATION OF ALLOWED CLAIMS AND DISPUTED CLAIMS

On and after the Effective Date, the Reorganized Debtor will make all distributions under the Plan required to be made by the Reorganized Debtor to or for the benefit of the holders of Allowed Claims.

Pursuant to § 1123(b)(3)(B) of the Bankruptcy Code, the Reorganized Debtor may investigate, file, enforce, exercise, abandon, prosecute, adjust, settle or compromise all Claims,

proceedings, rights and causes of action of the Debtor and its Estate, other than Claims, proceedings, rights and causes of action that have been waived, released, compromised or settled under or in connection with the Plan or otherwise. After the Effective Date, the Reorganized Debtor reserves its right to pursue any avoidance actions under §§ 544, 545, 547, 548, and 549 of the Bankruptcy Code.

All proceedings relating to the allowance, disallowance, subordination or estimation of Claims will be diligently investigated, filed, enforced, exercised, abandoned, adjusted, settled or compromised by the Reorganized Debtor at its sole cost and expense.

Each and every holder of an Allowed Claim that elects to participate in the distributions provided for under the Plan represents and warrants to the Debtor that such holder is authorized to accept in consideration of such Allowed Claims the distributions provided for under the Plan and that there are no outstanding commitments, agreements or understandings, express or implied, that may, or shall, in any way defeat or modify the rights conveyed or released or obligations undertaken under the Plan.

20. REVERTING OF PROPERTY AND DISCHARGE OF CLAIMS

(a) Reverting of Property and Assumption of Business: Substantial Consummation.

On the Effective Date, all property of the Debtor and its Estate shall revert to the Reorganized Debtor free and clear of any and all Liens, Claims, encumbrances or restrictions, and the Reorganized Debtor shall assume the businesses of the Debtor and its Estate, except as otherwise provided in the Plan or the Confirmation Order. The Reorganized Debtor will thereafter operate the business and may use, sell, acquire, lease or otherwise dispose of its property in accordance with the Plan and the Confirmation Order, but otherwise shall be free of

any restrictions imposed by the Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules or the Office of the United States Trustee.

Substantial consummation of the Plan within the meaning of the Bankruptcy Code shall have occurred on the Effective Date when the Reorganized Debtor has assumed the business of the Debtor and its Estate and the distributions under the Plan have commenced in the manner provided in the Plan and the Confirmation Order.

(b) Discharge of Claims and Debts.

Except as otherwise expressly provided in the Plan, the Confirmation Order or any Final Order with respect to any particular Allowed Claim made pursuant to an agreement or stipulation entered into by the Debtor and the holder of that Allowed Claim, the entry of the Confirmation Order shall, on the Effective Date, discharge and release the Debtor and its Estate from any and all Claims, debts and Liens that arose before the Confirmation Date and any and all Claims and debts of the kind described in §§ 502(g), 502(h) or 502(l) of the Bankruptcy Code, including, but not limited to, any Claim or debt based on a deficiency, whether or not:

- i. A Proof of Claim based on such Claim or debt is filed or deemed filed under § 1111(a) of the Bankruptcy Code;
- ii. Such Claim or debt is an Allowed Claim; or
- iii. The holder of such Claim or debt has accepted the Plan.

The confirmation of the Plan does not discharge the Debtor from any debt excepted from discharge under 11 U.S.C. § 523.

(c) Effect of Discharge

The discharge and release provided for under the Plan shall have the effects set forth in the Bankruptcy Code, including, but not limited to:

- i. Voiding any judgment obtained against the Debtor on any discharged Claim or debt;
- ii. Operating as an injunction against the commencement or continuation of any action, employment or process or any act to collect, recover or offset any discharged Claim or debt; and
- iii. Operating as injunction against the commencement or continuation of any action, the employment of process or any act to collect, recover or offset any Claim or debt against any property of the Debtor or its Estate, except as otherwise permitted by the Plan or the Confirmation Order.

21. JURISDICTION OF THE BANKRUPTCY COURT

Section 11.1 of the Plan provides that, after the Confirmation Date and after the Effective Date, the Bankruptcy Court will retain the authority and jurisdiction as is allowed under Title 28 of the United States Code, the Bankruptcy Code or other applicable law. Section 11.10.1 further describes a number of specific matters and proceedings with respect to which the Bankruptcy Court will continue to have jurisdiction, including, but not limited to, (1) proceedings relating to Claims, Interests or rights in, Liens on or title to property the Debtor or its Estate; (2) the enforcement, interpretation or modification of the Plan, the Confirmation Order or any document, instrument, agreement or action undertaken in connection with the Plan or the Confirmation Order or any order entered in the Reorganization Case before or after the Effective Date; (3) taxed, tax refunds, tax attributes and tax benefits and similar related matters with respect to the Debtor, its Estate or the Reorganized Debtor arising prior to the Effective Date or relating to the period of administration of the Reorganized Case; and (4) applications for compensation or reimbursement of expenses incurred before or after the Effective Date, to the

extent provided under the Bankruptcy Code, the Bankruptcy Rules, the Plan or the Confirmation Order.

22. CONDITIONS TO THE EFFECTIVENESS OF THE PLAN

(a) Conditions.

The following conditions must occur and be satisfied on or before the Effective Date for the Plan to be effective on the Effective Date:

- i. The Confirmation Order shall have been signed by the Bankruptcy Court and duly entered on the docket for the Reorganization Case by the Clerk of the Bankruptcy Court in form and substance acceptable to the Debtor;
- ii. There shall not be any stay in effect with respect to the Confirmation Order;
- iii. The Confirmation Order shall be a Final Order; and
- iv. The Plan shall have been approved by the Bankruptcy Court.

(b) Waiver of Conditions.

The conditions set forth above in paragraphs 1.b. and 1.c. may be waived or modified in whole or in part by the Debtor. The conditions set forth above in paragraphs 1.a. and 1.d. may not be waived or modified in whole or in part by the Debtor.

23. MISCELLANEOUS PROVISIONS

(a) Dates on which Distributions are Made.

All distributions under the Plan to be made to or for the benefit of the holders of Allowed Claims shall be made by the Reorganized Debtor to or for the benefit of the holders of Allowed Claims as and when due in the manner set forth in the Plan, or as soon thereafter within thirty (30) days as is practicable.

All distributions to be made by the Reorganized Debtor to the holders of Allowed Claims shall be made by checks.

(b) Modification of the Plan.

The Plan may be altered, amended or modified only by the Debtor before, on, or after the Confirmation Date pursuant to § 1127 of the Bankruptcy Code. The Plan may not be altered, amended, or modified without the written consent of the Debtor or Order of the Bankruptcy Court, as the case may be.

(c) Addresses for Distributions to the Holders of Allowed Claims.

Unless otherwise provided in the Plan or a Final Order of the Bankruptcy Court, distributions to be made under the Plan by Debtor to the holders of Allowed Claims shall be made by first class United States mail, postage prepaid, to the latest mailing address set forth in a Proof of Claim timely filed with the Bankruptcy Court by or on behalf of the holders of the Allowed Claim or, if no such Proof of Claim has been timely filed, the mailing address set forth in the Schedules of Assets and Liabilities filed by the Debtor in the Reorganization Case, as amended. It is the duty and responsibility of each holder of an Allowed Claim entitled to participate in distributions under the Plan to notify the Debtor of its most recent address. The Debtor is not required to make any other effort to locate or ascertain the address of the holder of any Allowed Claims.

(d) Cramdown.

If any impaired Class under the Plan fails to vote to accept the Plan, the Debtor has reserved the right to request that the Bankruptcy Court find that the Plan does not discriminate unfairly and is fair and equitable with respect to each such impaired Class, and confirm the Plan pursuant to § 1129(b) of the Bankruptcy Code.

24. RISK ANALYSIS

The following is intended to be a summary of certain material risks associated with the Plan and the Reorganized Debtor, but is not exclusive. Each creditor should analyze and evaluate the Plan and the risks and the other information set forth in this Disclosure Statement as a whole with its, his, or her advisors in determining whether to vote to accept or reject the Plan.

(a) Inherent Uncertainty in the Financial Projections.

The projections set forth in **Exhibits B-1 through B-3** to this Disclosure Statement represent the best possible prediction of future events based on certain assumptions set forth with such projections. These future events may or may not occur, and the projections may not be relied upon as guarantee, representation or other assurance of the actual results that will occur. Because of the numerous risks and inherent uncertainties that will affect the operations of the Reorganized Debtor, the actual results of the Reorganized Debtor may be different from those projected, and such differences may be material and may adversely affect the Reorganized Debtor and its operations.

(b) Tax Consequences.

Consumption of the Plan may have significant tax consequences that may adversely affect the Reorganized Debtor and certain creditors. See Section 25 below.

(c) Other Factors.

In addition, other issues unidentified or unquantified at the present may adversely affect the Reorganized Debtor.

25. TAX CONSEQUENCES OF THE PLAN

(a) Introduction.

THE DEBTOR BELIEVES THAT EACH HOLDER OF A CLAIM SHOULD DISCUSS ANY POTENTIAL INCOME TAX CONSEQUENCES OF THE PLAN WITH COMPETENT TAX COUNSEL IN ORDER TO FULLY UNDERSTAND THE TAX IMPACT OR POTENTIAL IMPACT OF THE PLAN ON SUCH HOLDER OF A CLAIM OR INTEREST.

(b) Federal Taxes.

A summary description of certain United States (“U.S.”) federal income tax consequences of the Plan is provided below. The description of tax consequences below is for informational purposes only and, due to lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various U.S. federal income tax consequences of the Plan as discussed herein. Only potential material U.S. federal income tax consequences of the Plan to the Debtor are described below. No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan, and no tax opinion is being given in this Disclosure Statement. No rulings or determinations of the Internal Revenue Service (the “IRS”) or any other tax authorities have been obtained or sought with respect to any tax consequences of the Plan, and the discussion below is not binding upon the IRS or such authorities. No representations are being made regarding the particular tax consequences of the confirmation and consummation of the Plan to the Debtors or to any particular holder of claims or Interests. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position from any discussed herein.

The discussion of the U.S. federal income tax consequences below is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), Treasury Regulations promulgated and proposed thereunder, judicial decisions, and administrative rulings and

pronouncements of the IRS and other applicable authorities, all as in effect on the date hereof. Legislative, judicial or administrative changes or interpretations enacted or promulgated in the future could alter or modify the analyses and conclusions set forth below. It cannot be predicted at this time whether any tax legislation will be enacted or, if enacted, whether any tax law changes contained herein would affect the tax consequences to the holders of claims or Interests. Any such changes or interpretations may be retroactive and could significantly affect the U.S. federal income tax consequences discussed below.

The Plan may modify or affect the timing of the federal income tax treatment of Claims. The Plan is not a plan that proposes to pay less than 100% of any Allowed Claims. Accordingly, it is not anticipated that the Debtor will have cancellation of debt issues with respect to Federal income tax consequences, and to the best of the knowledge, information and belief of Debtor's representatives there are no known material Federal tax consequences of the Plan to the Debtor.

THIS DISCUSSION DOES NOT ADDRESS FOREIGN, STATE OR LOCAL TAX CONSEQUENCES OF THE PLAN, NOR DOES IT PURPORT TO ADDRESS THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO SPECIAL CLASSES OF TAXPAYERS (SUCH AS FOREIGN ENTITIES, NONRESIDENT ALIEN INDIVIDUALS, PASS-THROUGH ENTITIES, S CORPORATIONS, MUTUAL FUNDS, INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, SMALL BUSINESS INVESTMENT COMPANIES, REGULATED INVESTMENT COMPANIES, CERTAIN SECURITIES TRADERS, BROKER-DEALERS AND TAX-EXEMPT ORGANIZATIONS). FURTHERMORE, ESTATE AND GIFT TAX ISSUES ARE NOT ADDRESSED HEREIN AND TAX CONSEQUENCES RELATING TO THE ALTERNATIVE MINIMUM TAX ARE GENERALLY NOT DISCUSSED HEREIN.

DEBTOR MAKES NO REPRESENTATION NOR RENDERS ANY OPINION AS TO WHAT THE INCOME TAX CONSEQUENCES WILL BE OR ARE LIKELY TO BE IN THE CASE OF CONFIRMATION OF THE PLAN TO ANY CREDITOR. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. EACH MEMBER OF EACH CLASS IS SOLELY RESPONSIBLE FOR DETERMINING THE FEDERAL INCOME TAX CONSEQUENCES APPLICABLE TO ITS OWN CIRCUMSTANCES. CREDITORS ARE ADVISED TO CONSULT WITH THEIR TAX ADVISORS CONCERNING THE INDIVIDUAL TAX CONSEQUENCES OF THE PLAN AS IT AFFECTS THEIR PARTICULAR CLAIM OR INTEREST, INCLUDING THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN, INCLUDING WITH RESPECT TO TAX REPORTING AND RECORD KEEPING REQUIREMENTS. NO OPINION OF TAX COUNSEL HAS BEEN SOUGHT AFTER OR OBTAINED IN CONNECTION WITH THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED HEREIN ARE ONLY GENERAL OBSERVATIONS AND ARE NOT TO BE INTERPRETED OR CONSTRUED AS LEGAL ADVICE.

THE IRS REQUIRES WRITTEN ADVICE REGARDING ONE OF MORE U.S. FEDERAL TAX ISSUES TO MEET CERTAIN STANDARDS. THOSE STANDARDS INVOLVE A DETAILED AND CAREFUL ANALYSIS OF THE FACTS AND APPLICABLE LAW WHICH HAVE NOT BEEN ASKED TO MAKE THAT TYPE OF ANALYSIS IN CONNECTION WITH ANY ADVICE GIVEN IN THE FOREGOING DISCUSSION. AS A RESULT, WE ARE REQUIRED TO ADVISE YOU THAT ANY U.S. FEDERAL TAX ADVICE RENDERED IN THE FOREGOING DISCUSSION IS NOT INTENDED OR

WRITTEN TO BE USED AND CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED BY THE IRS.

26. ALTERNATIVES TO THE PLAN

The Debtor believes the Plan provides Claimants with the greatest possible value that can be realized on their Allowed Claims and recommends that you vote to accept the Plan. In the event that the Plan is not confirmed, the alternatives for creditors include the filing of another plan by Debtor or another party-in-interest, conversion of the Chapter 11 proceeding to Chapter 7 liquidation, or dismissal of the case. Each of the foregoing alternatives is discussed below.

27. LIQUIDATION UNDER CHAPTER 7 OF THE BANKRUPTCY CODE

(a) Description.

Alternatively, a liquidation of the Debtor could be conducted. For the reasons set forth below, the Debtor believes that the distributions to all Allowed Claims under the Plan will be greater than the distributions that might be received after a liquidation of the Debtor pursuant to Chapter 7 of the Bankruptcy Code. To calculate what a member of each Class of Claims and Interests would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code, the Bankruptcy Court must first determine the dollar amount that would be generated from the liquidation of the Debtor (the "Gross Liquidation Value").

As set forth in the Liquidation Table below, the Gross Liquidation Value must be reduced by the costs of the Chapter 7 liquidation in order to ascertain the possible distributions to holders of Claims and Interests. The Debtor's costs of liquidation under Chapter 7 would likely include at least the following: (1) the fees and expenses of the Chapter 7 trustee, as well as those of counsel and other professionals that might be retained by the Chapter 7 trustee; and (2) commissions and selling expenses. These Allowed Claims, and such other Allowed Claims as

might arise in the Chapter 7 liquidation or result from the Reorganization Case, such as tax Allowed Claims, would be paid in full out of the proceeds from a Chapter 7 liquidation before the balance would be made available to make a distribution on account of non-priority unsecured Allowed Claims.

In determining the likely distributions to the holders of Allowed Claims in a Chapter 7 liquidation case, the Bankruptcy Court will also consider whether, and to what the extent, the Allowed Claims in a Chapter 7 liquidation would be greater than would be the case if the Plan were confirmed, thereby significantly diminishing the recovery of all unsecured creditors in the Chapter 7 liquidation scenario. Additionally, in any Chapter 7 liquidation case, the Bankruptcy Court would have to determine the extent, priority and possible subordination of various Classes of Claims. These issues could result in litigation and Claims that would both delay and reduce substantially the distribution to creditors in any Chapter 7 liquidation case.

The starting point for determining Gross Liquidation Value is determining the liquidation value of the Debtor's assets. In the event of a liquidation of the assets of the Debtor, either under Chapter 7 or by the secured creditors themselves, if the case were dismissed and they proceed to foreclose against their collateral, there would be no chance of any excess value to be available for unsecured creditors or holders of tax penalty Claims.

After considering the effect that a Chapter 7 liquidation is likely to have on the net value of the Debtor's assets, including the adverse effect of a forced sale on the prices obtained for the Debtor's assets, the costs and expenses of a Chapter 7 liquidation, the likely increase in Claims against the Debtor in a Chapter 7 case, and the delay in the distribution, the Debtor has determined that no material liquidation proceeds would be available for distributions to creditors

other than the secured creditors. The Liquidation Table below reflects the Debtor's computations of the result of a liquidation.

(b) Liquidation Table

The Debtor estimates the value of its properties as follows:

**DAMON PURSELL CONSTRUCTION COMPANY
LIQUIDATION ANALYSIS**

Assets	Liquidation Value with <u>Assets Sold Separately</u>	Liquidation Value if <u>Sold as a Quarry Operation</u>
Land ¹	\$2,500,000 ¹	
Accounts Receivable	\$2,000,000	
Inventory	\$1,500,000	
Equipment ²	\$6,500,000	
Autos and Trucks ²	\$250,000	
Furniture and Fixtures	\$50,000	
 Total Assets	 \$12,800,000	\$13,000,000 ³
 Total Debt	 \$16,481,994.34 ⁴	

Footnotes:

- 1 The land comprises \$2,000,000 for the quarry property without quarry permits or development plans, plus \$500,000 for the property in Riverside, Missouri. The permits required to operate a quarry include, but are not limited to, (i) a surface mining permit from the Missouri Department of Natural Resources; (ii) an operating permit from the City of Kansas City; (iii) a surface water runoff permit from the Missouri Department of Natural Resources; (iv) a Permit to Engage in Surface Mining from the Missouri Land Reclamation Commission; (v) an air quality permit from the Kansas City Health Department. New permits could not be easily acquired and subsequent delays would substantially affect the value of the property.
- 2 Based upon the Debtor's estimated auction liquidation value, less all sale and administrative costs.
- 3 Based on research of the quarry industry and recent sales in the area. This figure is before any commission due to a broker.
- 4 Based only on Allowed Claims and the potential Allowed Claim of CML.

28. DISMISSAL

Dismissal of the case would have the effect of restoring (or attempting to restore) all parties to their status prior to the filing of the Reorganization Case. The likely consequence of a

dismissal is the institution of foreclosure proceedings by one or more of the secured creditors and lawsuits by unsecured creditors who would then attempt to levy on the Debtor's assets. These foreclosures would terminate the Debtor's business operations and virtually assure all other creditors of a zero distribution on their debts. Therefore, the Debtor believes that dismissal of the case is not a viable alternative to the Plan.

29. CONFIRMATION REQUIREMENTS

At the hearing on the confirmation of the Plan, the Bankruptcy Court will confirm the Plan only if the requirements of the Bankruptcy Code, particularly those set forth in §1129, have been satisfied.

30. ACCEPTANCES NECESSARY TO CONFIRM THE PLAN

At the hearing on the confirmation of the Plan, the Bankruptcy Court must determine, among other things, whether the Plan has been accepted by the requisite amount and number of Allowed Claims in each impaired Class. Under the Bankruptcy Code, a Class of creditors is impaired if their legal, equitable or contractual rights are altered by a proposed Plan of Reorganization. If a Class is not impaired, each creditor in such unimpaired Class is conclusively presumed to have accepted the Plan pursuant § 1126(f) of the Bankruptcy Code. All Classes are impaired under the Plan and holders of Allowed Claims in such Classes are entitled to vote for or against the Plan by completing and returning the ballots mailed to them with the Disclosure Statement in the manner set forth in the ballots.

Under § 1126 of the Bankruptcy Code, an impaired Class of creditors and each holder of a Claim in such Class will be deemed to have accepted a Plan if the holder of at least two-thirds in amount and more than one-half in number of the Allowed Claims in such impaired Class for which completed ballots have been received have voted for acceptance of the Plan. An impaired

Class of equity Interests and each holder of an Interest in such Class will be deemed to have accepted a Plan if the Plan has been accepted by at least two-thirds in amount of the Interests in such Class who actually vote on the Plan.

If all impaired Classes under the Plan do not accept the Plan, the Debtor intends to request the Bankruptcy Court to confirm the Plan pursuant to § 1129(b) of the Bankruptcy Code. To confirm the Plan under § 1129(b) of the Bankruptcy Code, the Bankruptcy Court must determine, among other things, that the Plan does not discriminate unfairly and that it is fair and equitable with respect to each Class of impaired Allowed Claims that have not voted to accept the Plan.

31. BEST INTEREST OF CREDITORS

To satisfy one of the requirements necessary for confirmation of the Plan, the Debtor must establish and the Bankruptcy Court must find that, with respect to each Class of Allowed Claims under the Plan, each holder of an Allowed Claim in that Class either has accepted the Plan or will receive or retain under the Plan on account of such Allowed Claims property of a value that is at least the amount that such holder would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. Section 27 of this Disclosure Statement entitled “Liquidation Under Chapter 7 of the Bankruptcy Code” contains the Debtor’s analysis of the likely results of a Chapter 7 liquidation of the Debtor. The Bankruptcy must compare the value of the distributions that would be made to each Class in a Chapter 7 liquidation case to the value of the distributions to each Class under the Plan to determine if the Plan is in the best interest of each Class of Allowed Claims. THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTEREST OF THE HOLDERS OF ALL ALLOWED CLAIMS AND PROVIDES

VALUE TO ALL OF THEM AT LEAST IN THE AMOUNTS THEY WOULD RECEIVE IN A CHAPTER 7 LIQUIDATION CASE OF THE DEBTOR.

32. FEASIBILITY

As a condition to confirmation of the Plan, the Bankruptcy Code requires the Bankruptcy Court to determine that confirmation is not likely to be followed by liquidation of the Reorganized Debtor or the need for its further financial reorganization. For purposes of determining whether the Plan meets this “feasibility” standard, the Debtor has projected the ability of the Reorganized Debtor to meet its obligations under the Plan and to continue operations. As shown in the Debtor’s pro-forma financial projections (**Exhibit B-1 through B-3**) the Reorganized Debtor will be able to meet its obligations under the Plan.

The Debtor believes that the results set forth in the financial projections are reasonable and attainable by the Reorganization Debtor and that the Reorganized Debtor will have sufficient funds available to operate and meet the obligations under the Plan. Much effort has been made to ensure that the financial projections and the assumptions on which they are based are reasonable. The Debtor cautions, however, that no representations can be made by the Debtor with respect to the accuracy of the financial projections or the Reorganized Debtor’s ability to achieve the projected results. Many of the assumptions on which the financial projections are based are subject to major uncertainties. Some assumptions inevitably will not materialize and unanticipated event may affect the actual financial results. Therefore, the actual results achieved throughout the projection period will vary from the projected results and the variations may be material.

HOLDERS OF CLAIMS AGAINST THE REORGANIZED DEBTOR SHOULD CAREFULLY READ AND CONSIDER THE FACTORS SET FORTH ABOVE AS WELL AS

OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THE REORGANIZATION DEBTOR'S ABILITY TO MAKE DISTRIBUTIONS IN ACCORDANCE WITH THE PLAN IS BASED ON THE REORGANIZED DEBTOR'S ABILITY TO EARN FUNDS FROM THE BUSINESS COMPARABLE TO THE PREVIOUS FIVE (5) YEARS' EARNINGS. THE DEBTOR BELIEVES THAT THE PLAN IS FEASIBLE, AND THE DEBTOR URGES THE HOLDERS OF ALL ALLOWED CLAIMS VOTING ON THE PLAN TO VOTE TO ACCEPT THE PLAN.

THE DEBTOR

DAMON PURSELL CONSTRUCTION
COMPANY

By: Michael Pursell, President

By: /s/ Michael Pursell

By: Michael Pursell

Title: President

Respectfully submitted,

DUNN & DAVISON, LLC

/s/ Thomas G. Stoll

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ATTORNEYS FOR DEBTOR

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing was, on this 18th day of December, 2010, filed and served electronically by the Clerk of the Court to all parties receiving electronic notice and by U.S. Mail, postage prepaid, to the following:

Office of the U.S. Trustee
400 E. 9th Street
Room 3440
Kansas City, Missouri 64106

Quick Fuel Fleet Services
Attn: David Schier
11815 W. Bradley Road
Milwaukee, Wisconsin 53224

Buckley Powder Company
Attn: Howard Wichter
42 Inverness Drive East
Englewood, Colorado 80112

Holliday Sand and Gravel Company
Attn: Mary Kathryn (Katie) Richardson
9660 Legler Road
Lenexa, Kansas 66219

/s/ Thomas G. Stoll

Thomas G. Stoll