

UNITED STATES BANKRUPTCY COURT
DISTRICT OF PUERTO RICO

IN RE:

EMPRESAS INTEREX, INC.

Debtor

CASE NO. 11-10475 (MCF)

CHAPTER 11

FIRST AMENDED
DISCLOSURE STATEMENT
FOR
EMPRESAS INTEREX, INC.

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I. INTRODUCTION

Pursuant to Section 1125 of the United States Bankruptcy Code, 11 U.S.C. § 101, et seq. (the "Bankruptcy Code"), Empresas Interex, Inc. ("Debtor"), provides this First Amended Disclosure Statement (the "Disclosure Statement") to all of Debtor's known creditors. The purpose of the Disclosure Statement is to provide such information as Debtor believes may be deemed necessary for its creditors to make an informed decision in exercising their rights to vote on the Joint Amended Plan of Reorganization filed by Debtor and DF Services, LLC ("DF") (the "Plan"), dated as of the date of the Disclosure Statement. The Plan is being filed with the Bankruptcy Court simultaneously herewith.

Debtor recommends that you vote to accept the Plan. Each creditor must, however, review the Plan and the Disclosure Statement carefully, including all exhibits in their entirety, and determine whether or not to accept or reject the Plan based upon that creditor's independent judgment and evaluation. The description of the Plan in the Disclosure Statement is in summary form and is qualified by reference to the actual terms and conditions of the Plan, which should be reviewed carefully before making a decision to accept or reject the Plan. Capitalized terms not otherwise defined herein have the same meaning as set forth in the Plan; other terms shall have the meaning ascribed to them in the Bankruptcy Code.

The information contained in the Disclosure Statement has been provided by Debtor based upon the information arising from Debtor's records, business and affairs, as represented thereby. Except as otherwise expressly indicated, the information provided in the Disclosure Statement has not been subject to an audit or independent review. Although great efforts have been made to be accurate, Debtor, its counsel and other professional advisors do not warrant the accuracy of the information contained herein.

The Disclosure Statement has not yet been approved by the Bankruptcy Court as providing information deemed adequate to permit Debtor's creditors to make an informed judgment in exercising their right to vote for or against the Plan.

No representations concerning Debtor, including the value of its assets, or the aggregate dollar amount of claims which may be allowed are authorized other than as set forth in the Disclosure Statement. Any representations, warranties or agreements made to secure acceptance or rejection of the Plan by Debtor's creditors that differ from those contained in the Disclosure Statement should not be relied upon in voting on the Plan.

Debtor believes that the Plan provides the quickest recovery to Creditors and will maximize the return thereto on their Claims. ACCORDINGLY, DEBTOR URGES ALL CREDITORS TO VOTE IN FAVOR OF THE PLAN.

II. SUMMARY OF THE PLAN

The Plan specifies the manner in which the Claims and the Interest of Debtor's shareholder, Universidad Interamericana de Puerto Rico (the "University") are to be treated. Allowed Administrative Expense Claims and Allowed Priority Tax Claims are not classified for purposes of voting under the Plan, but the Plan does provide for the treatment of such Claims. The table below provides a summary of the treatment of those claims and of the various Classes of Claims against Debtor, as well as of the University's interest in Debtor. To the extent that the terms of the Disclosure Statement vary from those of the Plan, the terms of the Plan will control.

DESCRIPTION OF CLAIM	CLASS	ESTIMATE D AMOUNT OF ALLOWED CLAIM	TREATMENT UNDER THE PLAN ESTIMATED RECOVERY UNDER THE PLAN
Holders of Allowed Administrative Expense Claims	N/A	\$57,600.00 (Estimated)	<p>Unimpaired.</p> <p>Estimated Recovery: 100%</p> <p>Except as otherwise agreed to by Debtor and the Holder of an Allowed Administrative Expense Claim, each such Holder shall be paid in full by Debtor in the regular course of Debtor's business or as authorized by the Court, on or before the Effective Date.</p>
Holders of Allowed Priority Tax Claims	N/A	\$62,552.87	<p>Unimpaired.</p> <p>Estimated Recovery: 100%</p> <p>Holders of Allowed Priority Tax Claims, in excess of \$1,000.00, except for the Center for Collection of Municipal Income's ("CRIM") claims for real property taxes for \$24,457.53 regarding unsold units at the residential housing development known as Ciudad Atlantis, Hato Abajo Ward, Arecibo, Puerto Rico, to be transferred (the "Units to be Transferred") to DF Services, LLC ("DF") on the Effective Date of the Plan, as indicated below, and Law Number 7 claims by the Department of the Treasury of Puerto Rico ("Treasury"), totaling \$22,690.25, which will be paid by DF upon the sale of each transferred unit (Treasury's claim), shall be paid by Debtor either: (i) upon such terms as may be agreed to with such Holders, (ii) on the later of the Effective Date of the Plan or the date that such Allowed Priority Tax Claims would have been due if the Bankruptcy Case had not been commenced, or (iii) in deferred equal consecutive monthly installments commencing on the Effective Date of the Plan and continuing on the last day of each month thereafter over a 48-month period after the Effective Date, equal to the amount of such Allowed Priority Tax Claims, plus the statutory rate of interest prevailing during the month the Plan is confirmed, estimated at 4% per annum, provided that the payment to the holders of Allowed Priority Tax Claims is effected in a manner not less favorable than the most favored non-priority unsecured claims provided for in the Plan, other than those payments made to a Class of creditors consisting only of every unsecured claim that is less than or reduced to an amount as reasonably necessary for administrative convenience.</p> <p>Except as indicated above, Holders of Allowed Priority Tax Claims for \$1,000.00 or less, totaling \$816.96 (State Insurance Fund \$793.36 and IRS \$23.60) will be paid by Debtor, on the Effective Date of the Plan.</p>

DESCRIPTION OF CLAIM	CLASS	ESTIMATE D AMOUNT OF ALLOWED CLAIM	TREATMENT UNDER THE PLAN ESTIMATED RECOVERY UNDER THE PLAN
The Claim of DF Services, LLC ("DF")	Class 1	\$7,547,006.08	<p>Impaired.</p> <p>Estimated Recovery: Undetermined</p> <p>The claim of DF for \$7,547,006.08 arising from a loan issued by Doral Bank ("Doral") to Debtor and assigned by Doral to DF, secured by a first mortgage on the real property (the "Property") described as follows in the Spanish language, where Debtor developed a construction project consisting of 131 residences, with seventy (70) having been sold, and of the remaining sixty-one (61) units (the "Units to be Transferred"), eighteen (18) are substantially completed and forty-three (43) are completed with use permits and ready for delivery (the "Project"):</p> <p>"RÚSTICA: Parcela de terreno denominada letra "A" en el plano de inscripción compuesta de veinte cuerdas con cincuenta y dos milésimas de terreno, en lindes por el Norte con la Parcela "A-1" y con la Parcela "B"; por el Sur, con Don José Ramón Santiago; por el Este, con Don Benigno Soberal Dorta; y por el Oeste, con Don José Ramón Santiago y Don Felipe Santiago Matos. Inscrita al Folio 155, Tomo 663, Finca número 30300, del Registro de la Propiedad de Arecibo."</p> <p>The Property subject to prior segregations and the Units to be Transferred by Debtor to DF on the Effective Date of the Plan pursuant to 11 U.S.C. §§ 363 (b), 363 (f), 1123 (a) (5), 1123 (b) (4), and 1146 (a), in full and absolute payment of any and all of DF's claims against Debtor, the University and their affiliates.</p> <p>In consideration of the transfer of the Property and the Units to be Transferred, DF's claim will be reduced to \$6,870,728.99, and DF will fund the fifty percent (50%) payment to be made to Class 4, Holders of Allowed General Unsecured Claims, estimated in \$175,694.01, after the exclusion of Santerini Construction, Inc.'s ("Santerini") claim for \$649,443.78 to be assumed by DF, as negotiated with Santerini, and the University's claim for \$810,000.00, fifty percent (50%) of such funding to be recovered by DF from the gross profits of the sale of the Units to be Transferred, if any, after recovery of DF's claim for \$6,870,668.99. Thereafter, any such gross profits, up to \$200,000.00, to be paid by DF to the University in consideration of the University's</p>

DESCRIPTION OF CLAIM	CLASS	ESTIMATE D AMOUNT OF ALLOWED CLAIM	TREATMENT UNDER THE PLAN ESTIMATED RECOVERY UNDER THE PLAN
			<p>General Unsecured Claim for \$810,000.00.</p> <p>DF will complete the Project by allocating reasonable soft costs in line with its history and will provide Debtor and the University with a quarterly report on the sale of the Units to be Transferred, indicating their sales price, and will provide all reasonable information requested by Debtor and the University in reference thereto.</p> <p>In the event that the University does not receive the \$200,000.00 indicated above, DF will provide a complete accounting to the University of the source and use of the funds generated by the sale of the Units to be Transferred, within 120 days from the Project's sellout.</p>
The Secured Claims of P.R. Asset Portfolio 2013-1 International, LLC ("PRAPI")	Class 2	\$1,367,036.74	<p>Impaired.</p> <p>Estimated Recovery: 100%</p> <p>The Claims of PRAPI secured by certain of Debtor's real estate, as finally determined and allowed by the Court, will be paid in full as follows:</p> <ol style="list-style-type: none"> The Promissory Note with an estimated balance of \$183,295.64 as of November 30, 2011, secured by a first mortgage on Debtor's commercial parcel of land of 7,999.93 square meters with a single story building located at Jardines de Caparra Shopping Center and the assignment of Debtor's interest in the leases thereat, will be paid in 59 consecutive monthly installments of \$1,984.00 plus interest at 5.25% per annum, commencing on the 30th day of the month following the Effective Date and continuing on the 30th day of the subsequent fifty eight (58) months, with a balloon payment of the balance due on the 30th day of the 60th month after the first installment. The line of credit due PRAPI for approximately \$600,000.00, as of the filing date will be paid based on a 25-year amortization schedule, on the basis of \$3,595.00 per month, including interest at 5.25% per annum, commencing on the 30th day of the month following the Effective Date and continuing on 30th day of the subsequent fifty eight (58) months, with a balloon payment of the balance due on the 30th day of the 60th month after the first installment. Secured mortgage note payable for approximately \$583,741.00, as of the filing date, secured by a first mortgage on Debtor's commercial real property, consisting of a parcel of land of 1,738.656 square

DESCRIPTION OF CLAIM	CLASS	ESTIMATE D AMOUNT OF ALLOWED CLAIM	TREATMENT UNDER THE PLAN ESTIMATED RECOVERY UNDER THE PLAN
			<p>meters with a two-story multi-tenant medical office building, at San Juan Gardens Development, and the assignment of Debtor's interest in the leases thereat, will be paid \$3,489.00 per month including interest at 5.25%, per annum, commencing on the 30th day of the month following the Effective Date and continuing on the 30th day of the subsequent fifty eight (58) months, with a balloon payment on the 30th day of the 60th month for the balance due.</p> <p>PRAPI will retain its liens on Debtor's realty securing its claims as set forth above until full payment.</p>
The Claim of Universidad Interamericana de Puerto Rico (the "University")	Class 3	\$360,440.46	<p>Impaired.</p> <p>Estimated Recovery: 100%</p> <p>The Allowed Claim of the University, as assignee of Oriental Bank ("OB"), for \$360,440.46, bearing annual interest at 2% over the prime rate, with a floor of 6%, collateralized by a parcel of land of 1,598.8550 square meters at PR-830, Bayamón, Puerto Rico will be paid on the basis of \$1,953.00 per month, including principal and interest at 4.25% per annum, over a period of twenty-five (25) years, commencing on the thirtieth (30th) day of the month following the Effective Date.</p> <p>The University will retain its lien on Debtor's realty securing its claim until full payment.</p>
Holders of Allowed General Unsecured Claims	Class 4	\$175,694.01	<p>Impaired.</p> <p>Estimated Recovery: 50%</p> <p>Holders of Allowed General Unsecured Claims, except Santerini's claim for \$649,443.78, which will be assumed by DF, and the University's claim for \$810,000.00, which will not receive any dividends under Class 4, will be paid pro-rata from the \$87,847.01 to be provided by DF, as set forth above, on the Effective Date of the Plan in full satisfaction of said claims.</p>
Interest in Debtor	Class 5	N/A	<p>Unimpaired.</p> <p>Estimated Recovery: N/A</p> <p>Debtor's shareholder, the University, will retain its shares in Debtor, unaltered.</p>

For a more detailed description of the treatment of the foregoing classes of Claims

and Interest, see "Treatment of Claims and Interest under the Plan".

The Disclosure Statement has been prepared by Debtor to provide creditors with adequate information so that they can make an informed judgment about the Plan.

Each creditor should read the Disclosure Statement and the Plan in their entirety before voting on the Plan. No solicitation of votes on the Plan may be made except pursuant to the Disclosure Statement and no person has been authorized to utilize any information concerning the Debtor's assets other than the information contained herein for purposes of solicitation.

III. INFORMATION ABOUT THE REORGANIZATION PROCESS

3.1 Purpose of a Disclosure Statement

This Disclosure Statement includes background information about the Debtor and identifies the classes into which creditors have been placed in the Plan. The Disclosure Statement describes the proposed treatment of each of those classes if the Plan is confirmed. In addition, it contains information concerning the prospects in the event of confirmation or, in the alternative, the prospects if confirmation is denied or the proposed Plan does not become effective.

Upon its approval by the Bankruptcy Court, the Disclosure Statement and the Exhibits thereto will have been found to contain, in accordance with the provisions of the Bankruptcy Code, adequate information of a kind and in sufficient detail to enable a reasonable, hypothetical investor, typical of a holder of an impaired claim or an interest to make an informed judgment about the Plan. Approval of the Disclosure Statement, however, does not constitute a recommendation by the Bankruptcy Court either for or against the Plan.

3.2 Voting Procedure

All creditors entitled to vote on the Plan may cast their votes for or against the Plan by completing, dating, signing and causing the Ballot Forms accompanying this Disclosure Statement as Exhibits A1, A2, A3, and A4, to be returned to the following address:

Empresas Interex, Inc.
c/o Charles A. Cuprill, P.S.C., Law Offices
356 Fortaleza Street – Second Floor
San Juan, PR 00901

The Ballots must be received on or before 4:00 P.M. (Eastern Standard Time) on _____, 2013, to be counted in the voting. Ballots received after this time will not be counted in the voting unless the Bankruptcy Court so orders.

Debtor recommends a vote for "ACCEPTANCE" of the Plan.

3.3 Ballots

Pursuant to the provisions of the Bankruptcy Code, only classes of claims or equity interests which are "impaired" under the terms and provisions of a plan are entitled to vote to accept or reject such plan. Classes 4 and 6 are unimpaired and not entitled to vote.

Members of Classes 1, 2, 3, and 4 are impaired under the Plan and entitled to vote. The members of impaired Classes will be asked to vote for acceptance or rejection of the Plan. A party who holds claims in more than one impaired Class should complete a Ballot for each Class with respect to the applicable portion of the claim included in each Class.

3.4 The Confirmation Hearing

Pursuant to Section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing on confirmation of the Plan to commence on _____, 2013 at _____ M., or as soon thereafter as the parties can be heard. The Confirmation Hearing will be held before the Honorable Mildred Cabán Flores, United States Bankruptcy Judge, in the United States Bankruptcy Court, 300 Recinto Sur Street, San Juan,

Puerto Rico 00901, or before other Bankruptcy Judge that may be designated to hold the same. At the Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the various requirements of the Bankruptcy Code, including whether it is feasible and in the best interests of holders of claims and the interest holder. The Bankruptcy Court will also receive and consider a Report of Plan Voting prepared by Debtor, summarizing the votes for acceptance or rejection of the Plan by parties entitled to vote.

The Confirmation Hearing may be adjourned from time to time without further notice except for the announcement of the adjourned date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

At the Confirmation Hearing, with respect to the Plan, the Bankruptcy Court will (i) determine whether the requisite votes have been obtained for each Class, (ii) hear and determine objections, if any, to the Plan and to the confirmation of the Plan, that have not been previously disposed of, (iii) determine whether the Plan meets the confirmation requirements of the Bankruptcy Code, and (iv) determine whether to confirm the Plan.

Any objection to confirmation of the Plan must be in writing, filed and served as required by the Bankruptcy Court pursuant to the order approving the Disclosure Statement, a copy of which is attached as Exhibit B hereto.

3.5 Acceptances Necessary to Confirm the Plan

The vote of each holder of an impaired claim entitled to vote is important, since at the Confirmation Hearing and as condition to the confirmation of the Plan on a consensual basis, the Bankruptcy Court must determine, among other things, whether each impaired Class has accepted the Plan. Under Section 1126 of the Bankruptcy Code, an impaired Class is deemed to have accepted the Plan if at least $\frac{2}{3}$ in amount and more than $\frac{1}{2}$ in number of the Allowed Claims of the Class members who actually cast ballots to accept or reject the

Plan, accept the Plan. Further, unless there is acceptance of the Plan by all members of an impaired Class, the Bankruptcy Court must also determine that under the Plan, Class members will receive property of a value, as of the Effective Date, that is not less than the amount that such Class members would receive or retain if Debtor were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

3.6 Confirmation of the Plan Without the Necessary Acceptances

If a Class or Classes of impaired Claims do not accept the Plan, Debtor will request confirmation of the Plan under the “cram down” provisions of Section 1129 (b) of the Bankruptcy Code, which permit confirmation, notwithstanding non-acceptance by one or more impaired classes, if the Bankruptcy Court finds that the Plan does not discriminate unfairly against and is fair and equitable as to each non-accepting Class, as long as at least one class of impaired creditors votes to accept the Plan. Section 1129 (b) of the Bankruptcy Code requires among other things, that claimants must either receive the full value of their claims and if they receive less, that no Class with junior liquidation priority may receive anything. THESE CALCULATIONS ARE BASED ONLY ON THE CLAIMS AMOUNTS AND NUMBER OF CREDITORS WHO ACTUALLY VOTE. ANY BALLOT THAT IS VALIDLY EXECUTED THAT DOES NOT CLEARLY INDICATE REJECTION OF THE PLAN SHALL BE DEEMED TO CONSTITUTE A VOTE FOR ACCEPTANCE OF THE PLAN. THE VOTE OF EACH CREDITOR IS IMPORTANT.

IV. GENERAL INFORMATION

4.1 Description, Historical View of the Debtor and Chapter 11 Filing

Debtor is a domestic corporation established pursuant to the laws of Puerto Rico, with address at Number 1 Las Cumbres Avenue, Santa Rosa Street, San Juan, Puerto Rico, and engaged in the development, construction, and lease of real estate. Debtor has

four (4) employees.

During 2006, the local government having overspent its budget and being short of funds closed down for several weeks creating fear and uncertainty in the commercial and private community.

As a result, the construction industry and housing markets, weakened noticeably with housing permits hitting a 7 year low in 2007. This situation coupled with the sub-prime banking crisis, surplus of new homes and a lack of infrastructure expansion, created a negative impact on the construction market in Puerto Rico, and caused a reduction in sales of Debtor's construction project known as Ciudad Atlantis at Hato Bajo Ward, Arecibo, Puerto Rico (the "Project").

Doral Bank ("Doral") opted not to continue advancing funds to Debtor for the completion of the Project under the loan agreement between Debtor and Doral of October 13, 2005, assigned by Doral to DF on July 28, 2010 (the "Loan"). The Loan became due on October 13, 2007. As a result of DF's collection and foreclosure actions, in Case No. KCD 2011-1010, before the Court of First Instance of Puerto Rico, San Juan Section (the "Court of First Instance"), Debtor filed its Chapter 11 Petition (the "Petition") on December 7, 2011.

The Project consists of 131 residences, with seventy (70) having been sold, and of the remaining sixty-one (61) units (the "Units to be Transferred"), eighteen (18) are substantially completed and forty-three (43) are completed with use permits and ready for delivery.

As a result of the filing by Debtor of the Petition, Debtor has received the benefits of 11 U.S.C. § 362 (a), which stays all collection actions and judicial proceedings against Debtor, thus preventing a run to the courthouse, providing Debtor with the opportunity to

reorganize itself, without the pressures that drove Debtor into Chapter 11, through a plan of reorganization as envisioned by the Bankruptcy Code.

4.2 Events After Debtor's Chapter 11 Filing

Upon Debtor's applications on February 22, 2012, the Court appointed Charles A. Cuprill, PSC Law Offices ("Cuprill") and CPA Luis R. Carrasquillo & Co., PSC, ("Carrasquillo"), respectively as Debtor's counsel and financial consultant in Debtor's Chapter 11 proceedings.

On July 24, 2012, Debtor filed a motion for an order to obtain a \$700,000.00 post-petition loan from its shareholder, the University, to complete the Project and sell the residential units thereat, with priority over any and all administrative expenses and a senior lien on the Project over that of DF, subordinating DF's first mortgage to the mortgage to be granted to the University under the post-petition loan and its provisions.

On August 23, 2012, DF objected Debtor's motion and the Bankruptcy Court scheduled a hearing on the motion and the objection for August 29, 2012, which was continued on December 11, 2012, to allow Debtor and DF time to attempt to reach an agreement on the extent, nature and other factors of the University's post-petition loan to Debtor. The hearing was further continued for January 16, 2013 and thereafter to June 11, 2013.

On October 11, 2012, Debtor retained the professional services of Valdés, García, Marín & Martínez, LLP, for said firm to conduct the external audit of Debtor's books and records for the year ended on June 30, 2012. On January 18, 2013, the Court granted the employment of said firm.

On June 7, 2013, Debtor and DF filed a joint motion for the continuance of the hearing scheduled for June 11, 2013, indicating that they had reached an agreement to settle their differences and were in the process of completing the

settlement documents. The hearing scheduled for June 11, 2013 was rescheduled for August 8, 2013, At which time the Court was informed that the settlement agreement had been reached, as set forth herein and in the Plan. Through the transfer of the Property, subject to prior segregations, and the Units to be Transferred, under the terms and conditions set forth herein and in the Plan, Debtor and DF seek to preserve and maximize the value of the Units to be Transferred, provide DF with a fair and equitable treatment, generate the most value and benefit to Debtor's estate. The settlement agreement between Debtor and DF has disposed of the following contested matters between them:

- (1) "Motion Requesting Entry of Order, Authorizing Debtor to Obtain Post-Petition Financing, Scheduling of a Hearing Thereon and the Modification of the Automatic Stay" [Docket No. 57];
- (2) "Opposition to Motion to Obtain Post-Petition Financing" [Docket No. 80];
- (3) "Objection to Claim No. 6 filed by DF Servicing, LLC" [Docket No. 170];
- (4) "Objection to Confirmation of Plan and to Credit Bid pursuant to 11 U.S.C. § 1129 (b)(2)(A)" [Docket No. 213].

The value of the Units to be Transferred as per a gross sellout analysis, at an average sales price of \$149,000.00 is \$9,089,000.00. From the expected total gross proceeds DF will be required to incur in certain additional costs and expenses to complete the construction of Units to be Transferred and other facilities of the Property, and sell the Units to be Transferred to prospective purchasers. These expenses are estimated, as follows:

Gross Sales Proceeds		\$9,089,000.00
Less: Brokerage Commission	3.00%	272,670.00
Less: Marketing, Incentive, Operational	7.00%	636,230.00
Less: CRIM	3,688	158,600.00
Less: Law No. 7	81	3,478.00
Less: House Construction		644,242.00
Less: Recreational Facilities		65,000.00
Less: Tree Mitigation		31,600.00
Less: Mailbox/Structure		57,000.00
Less: Site Grading/Clean Up		10,000.00
Less: Pest Control		12,505.00
Less: Permitting and Agency Endorsements		23,850.00
Less: Electrical and Plumbing Certifications		15,250.00
Net Cash Proceeds		\$7,158,576.00

The net cash proceeds expected to be received by DF amount to \$6,870,728.99, after deducting the \$87,847.01 to be recovered from the funding of Class 4 General Unsecured Creditors and the \$200,000.00 to be paid to the University from the profits of the Project, if any.

Given that the Units to be Transferred require maintenance and a marketing effort, the transfer to DF is a sound business decision and the best alternative for Debtor's estate and its creditors, particularly the General Unsecured Creditors, who will receive an immediate dividend as a result thereof, and no dividends, under a liquidation scenario.

On May 21, 2012, Iván J. Rocafort-Rivas ("Mr. Rocafort") filed general unsecured proof of claim number 12, for alleged professional services rendered to Debtor.

On June 8, 2012, Debtor filed an objection to Mr. Rocafort's claim on the grounds that it was time barred for been filed more than thirty-nine (39) days

after the bar date set by the Court for filing proofs of claims.

On July 27, 2012, the Court entered an order granting Debtor's objection, as unopposed, disallowing Mr. Rocafort's claim.

On September 25, 2012, Mr. Rocafort filed a motion to alter or amend the order of July 27, 2012 under Rule 59 (e) of the Federal Rules of Civil Procedure, requesting the reinstatement of the claim. Debtor opposed Mr. Rocafort's motion.

On December 12, 2012, the Bankruptcy Court entered an order allowing Mr. Rocafort's claim as timely filed, since he had not been notified of the bar date to file proof of claims because he was not considered to be a creditor, without prejudice to Debtor to renew its objection.

On May 7, 2013, Debtor filed an objection to Mr. Rocafort's amended claim since Debtor sustains that Mr. Rocafort has been paid in full.

On June 5, 2013, Mr. Rocafort amended his claim by increasing the amount claimed to \$40,935.02, consisting of \$18,555.02 for alleged services provided and \$19,800.000 for alleged interest due.

On June 6, 2012, the Center for Collection of Municipal Income ("CRIM") filed proof of claim number 13 for \$79,323.70, of which \$62,238.99 is claimed as secured and the balance of \$17,084.71 as a general unsecured claim.

CRIM's secured claim is premised on an attachment for \$62,238.99 effected thereby, prior to the filing of Debtor's Chapter 11 Petition, on account number XXX-3534 with Banco Popular de Puerto Rico ("BPPR") maintained in the name of Ryan Corp. for the reasons indicated below. The balance claimed as due as unsecured is unaccounted for.

CRIM sustains that the attachment of the account with BPPR was effected to collect personal property taxes claimed as due by Ryan Corp., not by Debtor.

As it appears from Debtor's second amended request for dissolution of the attachment, filed with the Court of First Instance of Puerto Rico, San Juan Section, in the case styled: "Empresas Interex, Inc., Demandante, vs. Centro de Recaudación de Ingresos Municipales de Puerto Rico (CRIM); Ryan Construction Corp., Demandados, vs. United Surety & Indemnity Company (USIC), Interventora", Civil No. KCO-2008-0550 (504), the funds attached by CRIM belong to Debtor and not to Ryan Corp., included as an Exhibit to CRIM's proof of claim, Debtor and Ryan Corp. entered into a construction contract for the site work at Debtor's development project known as Ciudad Atlantis, Hato Abajo Ward, Arecibo Puerto Rico (the "Project").

As indicated in said Exhibit, for the purpose of guaranteeing the completion of the site work by Ryan Corp., payment of construction materials, suppliers and other expenses of the Project, Ryan Corp. obtained payment and performance bond number 06107429 from USIC in Debtor's favor. Ryan Corp.'s default in its contractual obligations to Debtor commenced in January 2007, and by June 2007, Ryan Corp. voluntarily abandoned the Project.

Said Exhibit also reveals that as a result of Ryan Corp.'s voluntary abandonment of the Project, Debtor had two alternatives: (1) turn over the site work to USIC for its completion, which would have been detrimental to Debtor's good name, image and the conclusion of the Project; or (2) for Debtor to continue with the site work by administration with USIC's consent. The second alternative was selected and for the purpose of completing the site work and other disbursements of the Project, on June 5, 2017, account number XXXX-3524 with

BPPR was established, for the only purpose of paying the certifications submitted by contractors and suppliers for work performed at the Project. The account was opened in Ryan Corp.'s name, with the consent of its President, Mr. Manuel Rivera, in order to maintain the payment and performance bond issued by USIC. It is clear that the funds attached by CRIM are property of Debtor's estate.

On June 18, 2013, Debtor filed an Objection to CRIM's claim.

4.3 Subsequent Responsibility and Releases

Neither DF, Doral or any of their respective designees, assignees or transferees (as a successor entity, successor employer or otherwise) will acquire or assume, or be deemed to have acquired or assumed, any obligations or liabilities of the Debtor, asserted or unasserted, known or unknown, including employee related claims, payroll taxes, employees' contracts, seniority accrued by employees while employed by the Debtor, pension plan contributions and successor liability, and all persons and/or entities will be permanently enjoined and restrained under the Plan from asserting or prosecuting any claim against Debtor, DF or Doral or their respective affiliates or designees or agents, to recover on any such claim any person has or may have against the Debtor, its estate, the Property, and/or the Units to be Transferred, relating to their ownership, use or operation, including, without limitation, any present or future right of first refusal or right of set-off or recoupment or under or on account of any theory of successor liability.

Neither DF or Doral, their respective affiliates or designees, or their respective successors, assignees or transferees, shall be obligated or liable, either directly or indirectly, as successor, transferee or otherwise, for any liabilities or

interests of the Debtor, or any of Debtor's affiliates (whether under federal or state law or the laws of the Commonwealth of Puerto Rico or otherwise) as a result of the transfer of the Property and the Units to be Transferred or the employment of any former employee of the Debtor, including without limitation, any retention agreements entered into by the Debtor prepetition or post-petition or assumed post-petition by order of the Court or otherwise.

Neither DF or Doral, their respective affiliates or designees, or their respective successors, assigns or transferees, shall be or be deemed to be a successor or successor in interest or responsible person or potentially responsible person to the Debtor or any current or former creditor, employee, equity holder or other party in interest with respect to any liability or interest, and none shall have any liability (whether under federal or state law or the laws of the Commonwealth of Puerto Rico or otherwise) for successor liability, including, without limitation, with respect to any liabilities or interests arising from or under products liability, tax, environmental, employment or other laws and statutes of the United States, and any of its states, territories and possessions, including the Commonwealth of Puerto Rico.

Under no circumstances, shall DF or Doral be deemed a successor of or to the Debtor for any interest against or in the Debtor, the Property or the Units to be Transferred, of any kind or nature whatsoever. The transfer and delivery of the Property and the Units to be Transferred shall not be subject to any interest. All persons holding interests against or in the Debtor or the Property and the Units to be Transferred, of any kind or nature whatsoever, shall be forever barred, stopped, and permanently enjoined under the Plan from asserting, prosecuting, or otherwise pursuing such interests of any kind or nature whatsoever against

Debtor, DF or Doral, their respective property, their respective successors, assigns and transferees, the Property or the Units to be Transferred with respect to any interest of any kind or nature whatsoever, such persons had, have, or may have against or in the Debtor, its estate, officers, directors, shareholders, or the Property and the Units to be Transferred. Following the transfer of the Property and the Units to be Transferred, no holder of an interest in the Debtor shall interfere with DF or Doral's title to or use and enjoyment of the Property and the Units to be Transferred based on or related to such interest.

DF or Doral, or their designees, will acquire the Property and the Units to be Transferred pursuant to 11 U.S.C. §§ 363 (b), 363 (f), 1123 (a)(5), 1123 (b)(4), and 1146 (a), in good faith within the meaning of 11 U.S.C. § 363 (m) and will be entitled to all of the protections in accordance thereto. Accordingly, the reversal or modification on appeal of the Confirmation Order shall not affect the validity of such transfer, unless the Confirmation Order is stayed pending an appeal.

Both, Debtor and DF, will hold each other harmless from any claims between them arising from the loan agreements referred to above and upon the completion of the transfer of the Property and the Units to be Transferred, Debtor will be forever discharged from any and all liabilities arising from said loan agreements.

V. CLAIMS AGAINST DEBTOR AND ITS ASSETS

5.1 Claims Against Debtor

Claims against Debtor that are Allowed Claims, as defined in the Plan, will be entitled to Distribution pursuant thereto, as indicated in pages 6 to 9 hereof.

The Plan provides that only the holders of Allowed Claims, that is, holders of Claims not in dispute, not contingent, liquidated in amount and not subject to objection or

estimation are entitled to receive distribution thereunder. Until a claim becomes an Allowed Claim, distribution will not be made to the holder of such claim.

5.2 Objections to Claims

The amounts set forth as due to holders of unclassified and classified claims are estimates only, based upon Debtor's Schedules or Debtor's belief as to amounts due thereto. Debtor is including as Exhibit C hereto a Summary of Claims and Plan Payments.

All objections to Claims must be filed and served on the holders of Claims by the Claims Objection Bar Date. If an objection has not been filed to a Claim by the Claims Objection Bar Date, the Claim will be treated as an Allowed Claim.

Any objections to Claims against Debtor are to be prosecuted by Debtor, including any application to estimate or disallow Claims for voting purposes. Debtor has objected the following Claims:

POC NO.	CLAIMANT	TOTAL AMOUNT CLAIMED	CLASSIFICATION OF CLAIM BY CLAIMANT	AMOUNT TO BE ALLOWED	DECISION [ACTION]
2	Internal Revenue Service	\$2,480.25	Unsecured Priority and General Unsecured Claims	\$23.60 as Unsecured Priority and \$63.48 as General Unsecured Claims	Claimant amended its POC as a result of the evidence presented in Debtor's Objection.
3	Puerto Rico Electric Power	\$13,869.06	General Unsecured Claims	\$1,369.27	Objection Granted
8	Ryam Construction Corp.	\$290,000.00	General Unsecured Claims	\$0.00	Pending
9	Zigma Construction, Inc.	\$144,741.43	General Unsecured Claim	\$113,985.32	Objection Granted
12	Mr. Ivan J. Rocafort Rivas	\$40,935.02	Secured Claim	\$0.00	Pending
13	CRIM	\$62,238.99	Secured Claim	\$0.00	Pending

POC NO.	CLAIMANT	TOTAL AMOUNT CLAIMED	CLASSIFICATION OF CLAIM BY CLAIMANT	AMOUNT TO BE ALLOWED	DECISION [ACTION]
15	Internal Revenue Service	\$2,158.19	Priority Claim	\$0.00	Claimant amended its POC as a result of the evidence presented in Debtor's Objection.

VI. DESCRIPTION OF THE PLAN

The following is a summary of the significant provisions of the Plan and is qualified in its entirety by said provisions. In the event and to the extent that the description of the Plan contained in the Disclosure Statement is inconsistent with any provisions of the Plan, the provisions of the Plan shall control and take precedence. All creditors are urged to carefully read the Plan.

6.1 Unclassified Claims

In accordance with Section 1123 (a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified in the Plan. A description of the unclassified claims and the claims in each class, as well as the estimated principal amounts thereof as of the Effective Date and their treatment, are set forth in the Plan and summarized in pages 6 to 9 hereof. Administrative Expense Claims are generally the ordinary and necessary costs of administering and operating during a Chapter 11 case.

6.2 Administrative Expenses

Except as otherwise agreed to by Debtor and the Holder of an Allowed Administrative Expense Claim, each such Holder shall be paid in full in the regular course of Debtor's business or as authorized by the Court, on or before the Effective Date.

6.3 Professional Fee Claims

The professionals retained in Debtor's Chapter 11 case have and will incur fees and expenses from the date of their appointment through the Effective Date of the Plan. It is impossible to predict the amount of the professional administrative expense fees that will be incurred through the Effective Date of the Plan. Pursuant to orders of the Bankruptcy Court, certain professionals have been paid interim fees and expenses. As of the filing of this Disclosure Statement, Debtor has paid \$47,841.00 and \$88,143.00 in fees and expenses respectively to Carrasquillo and Cuprill, including retainers. At present, Debtor estimates that additional Allowed Professionals Fee Claims to its professionals will amount to around \$50,000.00 for unpaid services rendered and expenses incurred up to the Confirmation of the Plan. All amounts paid to professionals through the Confirmation Date, including interim fees and expenses already paid are subject to final Bankruptcy Court approval. Debtor reserves the right to contest the allowance of any professional fees.

6.4 Priority Tax Claims

Priority Tax Claims are Claims entitled to priority pursuant to Section 507 (a) (8) of the Bankruptcy Code. Such Priority Tax Claims consist of corporate income, workmen's compensation insurance corporation, Internal Revenue Services' claims, real property taxes relative to Law Number 7, and CRIM's taxes accrued prior to the filing of the Petition. The estimated potential Priority Tax Claims are listed in Exhibit D hereto.

Holders of Allowed Priority Tax Claims, in excess of \$1,000.00, except for the Center for Collection of Municipal Income's ("CRIM") claims for real property taxes for \$24,457.53 unsold units at the residential housing development, known as Ciudad Atlantis, Hato Abajo Ward, Arecibo, Puerto Rico, to be transferred ("the Units to be Transferred") to DF Services, LLC ("DF") on the Effective Date of the Plan, as indicated below, and Law Number 7 claims by the Department of the Treasury of Puerto Rico ("Treasury"), totaling \$22,690.25, which will be paid by

DF upon the sale of each transferred unit ("Treasury's Claim"), shall be paid by Debtor either: (i) upon such terms as may be agreed to with such Holders, (ii) on the later of the Effective Date of the Plan or the date that such Allowed Priority Tax Claims would have been due if the Bankruptcy Case had not been commenced, or (iii) in deferred equal consecutive monthly installments commencing on the Effective Date of the Plan and continuing on the last day of each month thereafter over a 48-month period after the Effective Date, equal to the amount of such Allowed Priority Tax Claims, plus the statutory rate of interest prevailing during the month the Plan is confirmed, estimated at 4% per annum, provided that the payment to the holders of Allowed Priority Tax Claims is effected in a manner not less favorable than the most favored non-priority unsecured claims provided for in the Plan, other than those payments made to a Class of creditors consisting only of every unsecured claim that is less than or reduced to an amount as reasonably necessary for administrative convenience.

Except as indicated above, Holders of Allowed Priority Tax Claims for \$1,000.00 or less totaling \$816.96 (State Insurance Fund \$793.36 and IRS \$23.60) will be paid by Debtor on the Effective Date of the Plan.

6.5 Classes of Claims and Equity Interest

A description of all classes of Claims and the Equity Interest, the estimated principal amount of each Class as of the Effective Date, and its treatment are set forth below. The Classes of Claims and the Interest in Debtor set forth in the Plan are as follows:

Class 1 – The Claim of DF Services, LLC ("DF") – for \$7,547,006.08, secured by a first mortgage on Debtor's residential housing development at Hato Abajo Ward, Arecibo, Puerto Rico.

Class 2 – The Secured Claims of P.R. Asset Portfolio International, LLC ("PRAPI") – for \$1,367,036.74 secured by certain of Debtor's

real estate.

Class 3 – The Claim of Universidad Interamericana de Puerto Rico (the “University”) – The Allowed Claim of the University, as assignee of Oriental Bank (“OB”), for \$360,440.46, bearing annual interest at 2% over the prime rate, with a floor of 6%, collateralized by a parcel of land of 1,598.8550 square meters at PR-830, Bayamón, Puerto Rico.

Class 4 – Holders of Allowed General Unsecured Claims – Estimated in \$175,694.01.

Class 5 – Interest in Debtor – Consisting of the University’s shares in Debtor.

6.6 Treatment of Claims

Class 1 – The Claim of DF Services, LLC (“DF”)

(a) Impairment and Voting – Class 1 is impaired under the Plan. DF will be entitled to vote to accept or reject the Plan.

(b) Distribution – The claim of DF for \$7,547,006.08 arising from a loan issued by Doral Bank (“Doral”) to Debtor and assigned by Doral to DF, secured by a first mortgage on the real property (the “Property”) described as follows in the Spanish language, where Debtor developed a construction project consisting of 131 residences, with seventy (70) having been sold, and of the remaining sixty-one (61) units (the “Units to be Transferred”), eighteen (18) are substantially completed and forty-three (43) are completed with use permits and ready for delivery (the “Project”):

“RÚSTICA: Parcela de terreno denominada letra “A” en el plano de inscripción compuesta de veinte cuerdas con cincuenta y dos milésimas de terreno, en lindes por el Norte con la Parcela “A-1” y con la Parcela “B”; por el Sur, con Don José Ramón Santiago; por el Este, con Don Benigno Soberal Dorta; y por el Oeste, con Don José

Ramón Santiago y Don Felipe Santiago Matos. Inscrita al Folio 155, Tomo 663, Finca número 30300, del Registro de la Propiedad de Arecibo.”

The Property subject to prior negotiations and the Units to be Transferred by Debtor to DF on the Effective Date of the Plan pursuant to 11 U.S.C. §§ 363 (b), 363 (f), 1123 (a)(5), 1123 (b)(4), and 1146 (a), in full and absolute payment of any and all of DF’s claims against Debtor, the University and their affiliates.

In consideration of the transfer of the Property and the Units to be Transferred, DF’s claim will be reduced to \$6,870,728.99 and DF will fund the fifty percent (50%) payment to be made to Class 4, Holders of Allowed General Unsecured Claims, estimated in \$175,694.01, after the exclusion of Santerini Construction, Inc.’s (“Santerini”) claim for \$649,443.78 to be assumed by DF, as negotiated with Santerini, and the University’s claim for \$810,000.00, fifty percent (50%) of such funding to be recovered by DF from the gross profits of the sale of the Units to be Transferred, if any result, after recovery of DF’s claim for \$6,870,668.99. Thereafter, any such gross profits, up to \$200,000.00, to be paid by DF to the University in consideration of the University’s General Unsecured Claim for \$810,000.00.

DF will complete the Project by allocating reasonable soft costs in line with its history and will provide Debtor and the University with a quarterly report on the sale of the Units to be Transferred, indicating their sales price, and will provide all reasonable information requested by Debtor and the University in reference thereto.

In the event that the University does not receive the \$200,000.00 indicated above, DF will provide a complete accounting to the University of the source and use of the funds generated by the sale of the Units to be Transferred, within 120 days from the Project’s sellout.

Class 2 – The Secured Claims of P.R. Asset Portfolio International, LLC (“PRAPI”)

- (a) Impairment and Voting – Class 2 is impaired under the Plan. PRAPI will be entitled to vote to accept or reject the Plan.
- (b) Distribution – The Claims of PRAPI secured by certain of Debtor's real estate, as finally determined and allowed by the Court, will be paid in full as follows:
 - a. The Promissory Note with an estimated balance of \$183,295.64 as of November 30, 2011, secured by a first mortgage on Debtor's commercial parcel of land of 7,999.93 square meters with a single story building located at Jardines de Caparra Shopping Center and the assignment of Debtor's interest in the leases thereat, will be paid in 59 consecutive monthly installments of \$1,984.00 plus interest at 5.25% per annum, commencing on the 30th day of the month following the Effective Date and continuing on the 30th day of the subsequent fifty eight (58) months, with a balloon payment of the balance due on the 30th day of the 60th month after the first installment.
 - b. The line of credit due to PRAPI for approximately \$600,000.00, as of the filing date, will be paid based on a 25-year amortization schedule, on the basis of \$3,595.00 per month, including interest at 5.25% per annum, commencing on the 30th day of the month following the Effective Date and continuing on 30th day of the subsequent fifty eight (58) months, with a balloon payment of the balance due on the 30th day of the 60th month after the first installment.
 - c. Secured mortgage note payable for approximately \$583,741.00, as of the filing date, secured by a first mortgage on Debtor's commercial real property, consisting of a parcel of land of 1,738.656 square meters with a two-story multi-tenant medical office building, at San Juan Gardens Development, and the assignment of Debtor's interest in the leases thereat, will be paid \$3,489.00 per month including interest at 5.25% per annum, commencing on the 30th day of the month following the Effective Date and continuing on the

30th day of the subsequent fifty eight (58) months, with a balloon payment on the 30th day of the 60th month for the balance due.

PRAPI will retain its liens on Debtor's realty securing its claims as set forth above until full payment.

Class 3 – The Claim of Universidad Interamericana de Puerto Rico (the "University")

- (a) Impairment and Voting – Class 3 is impaired under the Plan. OB will be entitled to vote to accept or reject the Plan.
- (b) Distribution – The Allowed Claim of the University, as assignee of Oriental Bank, for \$360,440.46, bearing annual interest at 2% over the prime rate, with a floor of 6%, collateralized by a parcel of land of 1,598.8550 square meters at PR-830, Bayamón, Puerto Rico, will be paid on the basis of \$1,953.00 per month, including principal and interest at 4.25% per annum, over a period of twenty-five (25) years, commencing on the thirtieth (30th) day the month following the Effective Date.

The University will retain its lien on Debtor's realty securing its claim until full payment.

Class 4 – Holders of Allowed General Unsecured Claims

- (a) Impairment and Voting – Class 4 is impaired under the Plan. The Holders of Allowed General Unsecured Claims shall be entitled to vote to accept or reject the plan.
- (b) Distribution – Holders of Allowed General Unsecured Claims, except Santerini's claim for \$649,443.78, which will be assumed by DF, and the University's claim for \$810,000.00, which will not receive any dividends under Class 4, will be paid pro-rata from the \$87,847.01 to be provided by DF, as set forth above, on the Effective Date of the Plan in full satisfaction of said claims.

Class 5 – Interest in Debtor

- (a) Impairment and Voting – Class 5 is unimpaired under the Plan. The Holder of the Equity Interests in Debtor is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Treatment – Debtor's shareholder, the University, will retain its shares in Debtor, unaltered.

6.7 Means for Implementation of the Plan

Except as otherwise provided in the Plan, Debtor will pay Priority Tax Claims not exceeding \$1,000.00 and Administrative Expense Claims from available Estate's funds on or before the Effective Date. The Secured Claims and General Unsecured Claims will be satisfied, as indicated above, including with the utilization of the Estate's funds arising from the collection of Debtor's accounts receivable, the surrender of certain properties, and Debtor's future rental income.

6.8 Debtor's Post Confirmation Management

After confirmation of the Plan, Debtor will continue with its current Management, consisting of its President, Héctor L. Álvarez. His future compensation package will consist of \$84,000.00 yearly salary, \$1,800 per month car allowance, payment of his health insurance plan, and other fringe benefits with an annual estimated cost of \$9,652.00. Such compensation will be reduced to 50% effective on January 1, 2014.

6.9 Executory Contracts and Unexpired Leases

Except as stated in Section 7.4 below, all executory contracts and unexpired leases which have not expired by their own terms on or prior to the Confirmation Date shall be deemed assumed on the Effective Date, and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumption pursuant to Sections 365 (a)

and 1123 (b)(2) of the Bankruptcy Code.

VII. LIQUIDATION AND FINANCIAL ANALYSIS

7.1 Best Interest of Creditors and Comparison with Chapter 7 Liquidation

In the event Debtor's Chapter 11 case is converted to Chapter 7 of the Bankruptcy Code, Debtor would be required to cease all activities and a Chapter 7 trustee appointed for Debtor's Estate to liquidate the Estate's assets pursuant to the provisions of the Bankruptcy Code. After attending to the immediate issues of securing Debtor's assets, and the resolution of any issues involving the administration of Debtor, the Chapter 7 trustee would move to sell Debtor's assets or to abandon the same. Debtor's monthly operating report as of April 30, 2014; Debtor's audited financial statements as of June 30, 2012; and as of June 30, 2011, are attached hereto as Exhibit E, E-1, and E-2 respectively.

A Liquidation Analysis with respect to Debtor's assets as of April 30, 2014, is attached as Exhibit F hereto (the "Liquidation Analysis").

The Liquidation Analysis reveals that in the event of a liquidation of Debtor's assets, there would be a substantial loss to Debtor's Estate, taking into account DF's Secured Claim, Chapter 7 costs of administration and the expected reduction in value of the Estate's assets in a liquidation scenario.

Confirmation of the Plan will assure that holders of Administrative Expense Claims, Allowed Priority Tax Claims, CRIM, Secured Claims, and General Unsecured Claims will receive prompt consideration for their claims.

The Liquidation Analysis contains estimates and assumptions that, although developed and considered reasonable by Debtor, are inherently subject to significant economic uncertainties and contingencies beyond Debtor's control.

7.2 Feasibility of the Plan

A. Financial Projections

Debtor has prepared financial projections (the "Projections") based on the confirmation and implementation of the Plan. The Projections are based upon estimates and assumptions that, although developed and considered reasonable by Debtor are inherently subject to significant economic uncertainties and contingencies beyond Debtor's control, as well as to certain assumptions with regard to the value of assets that are subject to change. Accordingly, there can be no assurance that the projected performance reflected in the Projections will be realized.

The Projections are attached as Exhibit G to this Disclosure Statement. As Exhibit H hereto, Debtor is including a summary of its monthly operating reports filed with the Court from the filing date to April 30, 2014.

B. Assets and Liabilities

As of the Petition Date, Debtor owned assets and had liabilities, as more particularly described in its Schedules and Statement of Financial Affairs, which together with Debtor's monthly operating reports are available for public inspection at the office of the Clerk of the Bankruptcy Court, during regular business hours.

a) Real Property

According to Debtor's Schedules, Debtor is the owner in fee simple of realty with an estimated value of \$10,992,000.00 as of February 2, 2012, described as follows:

PROPERTY A	Parcel of land of 1,598.8550 square meters, located at PR-830, identified as Parcel C, Plaza Caná, Cerro Gordo Ward, Bayamón, Puerto Rico 00959.
PROPERTY B	Commercial real property consisting of a parcel of land of 7,999.93 square meters with a single story building located at Jardines de Caparra Shopping Center, Colectora Central Avenue, Jardines de Caparra Development, Bayamón, Puerto Rico 00959.

PROPERTY C	Residential housing development at Arecibo, consisting of 61 unifamiliar housing units (unsold inventory) and developed land at Ciudad Atlantis Residential Complex, Hato Abajo Ward, Arecibo, Puerto Rico 00612.
PROPERTY D	Commercial real property consisting of parcel of land of 1,738.656 square meters with a two-story office building located at a multi-tenant medical office building, Santa Rosa Street, San Juan Gardens Development, San Juan, Puerto Rico 00936.

b) Personal Property

Debtor's Schedules list Debtor as having personal property of an approximate value of \$420,500.31, consisting of cash, accounts receivable, furniture, and equipment.

For purposes of the Liquidation Analysis attached as Exhibit F hereto, Debtor has considered the estimated value of its assets as of April 30, 2014.

7.3 Pending Litigation

At the time of the filing of the Chapter 11 petition, the following cases were pending:

CASE CAPTION AND NUMBER	ACTION	BEFORE
DF Services, LLC v. Empresas Interex, Inc. Civil No. KCD-2011-1010 (503)	Breach of Contract and Collection of Money	Court of First Instance of Puerto Rico, San Juan Section Stayed by Section 362 (a) of the Bankruptcy Code
Empresas Interex, Inc. v. Centro de Recaudación de Ingresos Municipales de Puerto Rico (CRIM); Ryam Contractor Corp. Defendants; United Surety and Indemnity Corp. (USIC), Intervenor Civil No. KCO-2008-0050 (504)	Collection of Money	Court of First Instance of Puerto Rico, San Juan Section -Pending-

7.4 Leases and Contracts

As of the Petition Date, Debtor was a party to the following unexpired leases and executory contracts, all of which will be assumed on the Effective Date:

NAME AND MAILING ADDRESS INCLUDING ZIP CODE OF OTHER PARTIES TO LEASE OR CONTRACT	DESCRIPTION OF CONTRACT OF LEASE AND NATURE OF DEBTOR'S INTEREST
CAFETERIA QUICK LUNCH Centro Comercial Jardines de Caparra Ave. Ruiz Soler San Juan, PR 00092	CONTRACT TYPE: Lease Agreement TERM: Month to Month DESCRIPTION: Commercial space at debtor's property, Jardines de Caparra Shopping Center, Colectora Central Avenue, Jardines de Caparra Development, Bayamón, Puerto Rico 00959. ASSUMED UNDER THE PLAN
DR. CARLOS PLACER ROMAN Santa Rosa 1 Ave. Las Cumbres San Juan, PR 00926	CONTRACT TYPE: Lease Agreement TERM: Five (5) years with automatic Five (5) years renewal DESCRIPTION: Medical office space at Las Cumbres Avenue, Santa Rosa Street 1, San Juan Gardens, Río Piedras, Puerto Rico, 00926. ASSUMED UNDER THE PLAN
LABORATORIO CLINICO DE SAN JUAN PO Box 10045 Caparra Heights San Juan, PR 00922-0045	CONTRACT TYPE: Lease Agreement TERM: Five years (5) with automatic Five (5) years renewal DESCRIPTION: Commercial space at Las Cumbres Avenue, Santa Rosa Street 1, San Juan Gardens, Río Piedras, Puerto Rico 00926. ASSUMED UNDER THE PLAN
SINDICO LIQUIDADOR SDM Santa Rosa 1 Ave. Las Cumbres San Juan Gardens San Juan, PR 00926	CONTRACT TYPE: Lease Agreement TERM: Five (5) years with automatic Five (5) years renewal DESCRIPTION: Office space at Las Cumbres Avenue, Santa Rosa Street 1, San Juan Gardens, Río Piedras, Puerto Rico 00926. ASSUMED UNDER THE PLAN
SUPERMERCADO MI GENTE Centro Comercial Jardines de Caparra Ave. Ruiz Soler, Local 1 Bayamon, PR 00959	CONTRACT TYPE: Lease Agreement TERM: Seven (7) years with automatic Seven (7) years renewal DESCRIPTION: Commercial space at Jardines de Caparra Shopping Center, Colectora Central Avenue, Jardines de Caparra Development, Bayamon Puerto Rico 00959. ASSUMED UNDER THE PLAN
TRIPLE-S SALUD PO Box 71548 San Juan, PR 00936-8648	CONTRACT TYPE: Service Contract TERM: One (1) year DESCRIPTION: Medical Insurance Plan ASSUMED UNDER THE PLAN
UNIVERSIDAD INTERAMERICANA DE PUERTO RICO PO Box 363255 San Juan, PR 00936-3255	CONTRACT TYPE: Lease Agreement TERM: Five (5) years with automatic Five (5) years renewal DESCRIPTION: Parcel of land of 26,587 square feet at PR-830, Parcel C, Plaza Caná, Cerro Gordo Ward, Bayamón, Puerto Rico 00959 ASSUMED UNDER THE PLAN

NAME AND MAILING ADDRESS INCLUDING ZIP CODE OF OTHER PARTIES TO LEASE OR CONTRACT	DESCRIPTION OF CONTRACT OF LEASE AND NATURE OF DEBTOR'S INTEREST
XEROX CORPORATION PO Box 660501 Dallas, TX 75266-0501	CONTRACT TYPE: Lease Contract TERM: Five (5) years DESCRIPTION: Photocopiers ASSUMED UNDER THE PLAN

VIII. BAR DATE AND DETERMINATION OF CLAIMS

8.1 Bar Date

On December 12, 2011, in the "Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors and Deadlines" issued in Debtor's case, the Bankruptcy Court fixed April 12, 2012, as the bar date for the filing of proofs of claims and interests (except for Governmental Units), and June 9, 2012, for such filings by Governmental Units.

8.2 Determination of Claims

The Plan specifies procedures for estimating disputed claims and objecting to claims. Debtor may object to Claims within thirty (30) days before the first date fixed by the Bankruptcy Court for the hearing on the confirmation of the Plan (the "Claims Objection Bar Date"). No payments will be made under the Plan on account of Disputed Claims until their allowance by the Bankruptcy Court. The Plan provides that Distributions on Disputed Claims will be held in reserve until the Disputed Claims are allowed (at which time the reserves will be distributed and the Claims will be treated according to the terms of the Plan) or disallowed (at which time the reserves will be distributed on account of Allowed Claims pursuant to the terms of the Plan).

Any Claims which (a) are not listed as an Allowed Claim on Debtor's Schedules, as amended; (b) are not evidenced by a valid, timely filed Proof of Claim; or (c) are not

listed in the Plan or exhibits to the Plan as Allowed Claims, shall not receive any distribution of cash or property under the Plan until the same become Allowed Claims, and shall be disallowed and discharged if they are not Allowed by Order of the Bankruptcy Court.

IX. ALTERNATIVES TO THE PLAN

If the Plan is not confirmed and consummated, the alternatives include (a) Debtor's liquidation under Chapter 7 of the Bankruptcy Code, (b) dismissal of Debtor's Chapter 11 Case, or (c) the proposal of an alternative plan.

A. Liquidation Under Chapter 7

If a plan cannot be confirmed, the Case may be converted to Chapter 7 of the Bankruptcy Code, and a trustee would be elected or appointed to liquidate Debtor's assets for distribution to creditors in accordance with the priorities established by the Bankruptcy Code.

As set forth in the Liquidation Analysis attached as Exhibit F hereto, Debtor believes that conversion of the Case to Chapter 7 of the Bankruptcy Code would result in diminished distributions to creditors due to increased costs of administration, additional decreased values of Debtor's assets, and delay in distribution on account of such conversion.

Thus, Debtor believes that the interest of creditors and the goals of Chapter 11 are better served by the confirmation of the Plan.

B. Dismissal of the Case

Dismissal of the Case would likely create substantial problems for all parties involved, including a run to the courthouse, which would result, in an abandonment of the orderly and structured equitable payments provided by the Plan. Therefore, dismissal of the Case is not a viable alternative for creditors.

C. Alternative Plan of Reorganization

If the Plan is not confirmed, an attempt to formulate a different plan could be made. However, Debtor believes that the Plan described herein will provide the greatest and most expeditious return to creditors.

X. TAX EFFECTS

Based on Debtor's net operating loss resulting from the surrender of units to be transferred for a price under their value on Debtor's books and records, the tax exemptions provided by the Puerto Rico Internal Revenues Code as to any gain resulting from the implementation of a Plan of Reorganization under Chapter 11, and other of its provisions, Debtor expects that the confirmation of the Plan will not have any significant tax effects, if any.

XI. CONCLUSION

Debtor submits that the Plan is fair and reasonable and in the best interest of the Estate and Creditors and offers the best possible recoveries for Creditors under the circumstances. Debtor therefore, urges creditors to vote in favor of the Plan.

San Juan, Puerto Rico this 19th day of August, 2013.

EMPRESAS INTEREX, INC.

By: 

Héctor Álvarez
President