

Richard W. Ward  
6860 N. Dallas Pkwy., Suite 200  
Plano, TX 75024  
Attorney for Eastern Hills Country Club

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re: Eastern Hills Country Club, § Case No. 13-33123-sgj-11  
Debtor § Small Business Case under Chapter 11

**EASTERN HILLS COUNTRY CLUB'S PLAN OF REORGANIZATION,  
DATED APRIL 17, 2014**

**ARTICLE I – SUMMARY AND DEFINITIONS**

This Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of Eastern Hills Country Club (the "Debtor") from the proceeds of the sale of the real property owned by the Debtor that comprises the Eastern Hills Country Club. The sale of the property has been approved by order of this Court and the closing of the sale should occur on the fifteenth (15<sup>th</sup>) day after the date of entry of the order approving the sale. The sale should have closed before the date of hearing on the Confirmation of this Plan.

This Plan provides for 8 classes of secured claims; 4 classes of unsecured claims; and one class of equity security holders. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately one hundred cents on the dollar. This Plan also provides for the payment of administrative and priority claims in full.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

Definitions. Except as expressly provided herein or unless the context otherwise requires, capitalized terms not defined elsewhere in the Plan shall have the meanings assigned to them in this Article.

1.1(a) "Administrative Claim": A Claim for payment of an administrative expense of a kind specified in section 503(b) of the Bankruptcy Code and referred to in section 507(a)(2) of the Bankruptcy Code, other than a Professional Fee Claim (as defined herein), including, without limitation, the actual, necessary costs and expenses incurred on or after the Petition Date for preserving the Estate of the Debtor, any actual and necessary costs and expenses of operating the business of the Debtor incurred on or after the Petition Date but prior to the Effective Date (including any Claim incurred in the ordinary course of a Debtor's business which may be paid

in the ordinary course of the Debtor's business without order of the Bankruptcy Court), any indebtedness or obligations incurred or assumed by a Debtor's Estate in connection with the conduct of the Debtor's business on or after the Petition Date and prior to the Effective Date, compensation for legal and other professional services and reimbursement of expenses awarded under sections 330(a) or 331 of the Bankruptcy Code, outside vendor costs incurred in connection with the duplication and service of the Disclosure Statement, Plan, Ballots and notices associated with the Plan and Confirmation Hearing, and all fees and charges assessed against the Estate under Chapter 123, Title 28, United States Code.

1.1(b) "Administrative Claims Bar Date": The first date that is thirty (30) days following the Effective Date, unless not a Business Day, in which case the Administrative Claims Bar Date will be the first Business Day thereafter.

1.1(c) "Allowed": When used with respect to a Claim, means the Claim (a) to the extent that it is listed in the Schedules in a liquidated, non-contingent, and undisputed amount, but only if no proof of Claim is Filed with the Bankruptcy Court to evidence such Claim on or before the Bar Date; or (b) as evidenced by a proof of Claim Filed on or before the Bar Date, but only to the extent asserted in a liquidated amount, and only if no objection to the allowance of the Claim and no motion to expunge the proof of Claim is Filed on or before the Claims Objection Deadline; or (c) to the extent allowed by a Final Order.

1.1(d) "Allowed Administrative Claim": All or that portion of an Administrative Claim which (a) is or becomes an Allowed Claim, (b) was incurred on or after the Petition Date, but prior to the Effective Date, in the ordinary course of a Debtor's business which may be paid in the ordinary course of the Debtor's business without order of the Bankruptcy Court, or (c) constitutes a fee or charge assessed against the Estate under Chapter 123, Title 28, United States Code.

1.1(e) "Allowed Unsecured Claim": A Claim that is not a Claim in Classes 1-8, and 10-12 which is or becomes an Allowed Claim.

1.1(f) "Allowed Priority Tax Claim": All or that portion of a Priority Tax Claim which is or becomes an Allowed Claim.

1.1(g) "Allowed Secured Claim": All or that portion of a Secured Claim which (a) is or becomes an Allowed Claim secured by a valid, perfected, enforceable and unavoidable Lien on Collateral, or that is subject to setoff under section 553 of the Bankruptcy Code, and (b) has been or hereafter is duly established in the Bankruptcy Cases as a Secured Claim, but only to the extent of the value of the interest of the holder of such Secured Claim in the Debtor's interests in the Assets which the Bankruptcy Court finds to be valid Collateral for such Claim (except if the Class in which such Claim is classified validly and timely makes the election provided in section 1111(b)(2) of the Bankruptcy Code, in which case the entire amount of the Allowed Claim shall be an Allowed Secured Claim).

1.1(h) "Bankruptcy Case": The Debtor's bankruptcy case was commenced by the filing of a voluntary petition on June \_\_\_\_, 2013, with the United States Bankruptcy Court for the Northern District of Texas under Chapter 11 of the Bankruptcy Code and is Case No. 13-33123-sgj-11.

1.1(i) "Bankruptcy Code": Title 11 of the United States Code, as applicable to the Bankruptcy Cases as of the Petition Date, including any and all amendments thereto which have been made or are hereafter made retroactively applicable to the Bankruptcy Cases.

1.1(j) "Bankruptcy Court": The United States Bankruptcy Court for the Northern District of Texas, Dallas Division, or in the event such court ceases to exercise jurisdiction over

the Bankruptcy Cases, the United States District Court for the Northern District of Texas or any adjunct thereof which comes to exercise jurisdiction over the Bankruptcy Cases.

1.1(k) "Bankruptcy Rules": The Federal Rules of Bankruptcy Procedure, as amended and prescribed under section 2075, Title 28, United States Code, as applicable to the Bankruptcy Cases, together with the Local Rules of the Bankruptcy Court.

1.1(l) "Business Day": Any day other than a Saturday, Sunday or "legal holiday" as defined in Bankruptcy Rule 9006(a).

1.1(m) "Cash": Cash and Cash equivalents, including certified checks and wire transfers, that evidence immediately available legal tender of the United States of America.

1.1(n) "Causes of Action": Any action, cause of action, suit, account, controversy, agreement, promise, right to legal remedies, right to equitable remedies, right to payment, and Claim, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured and whether asserted or assertable directly or indirectly or derivatively, in law, equity or otherwise, including (a) damages (general, exemplary, or both) relating to or based on (i) fraud, negligence, gross negligence, willful misconduct, or any tort actions, (ii) violations of federal or state securities laws, (iii) violations of applicable corporate or partnership laws, (iv) breaches of fiduciary or agency duties, or (v) causes of action based upon alter ego or other liability theories; (b) damages based on any other claim of the Debtor, to the extent not specifically compromised or released pursuant to the Plan or an agreement referred to, or incorporated into, the Plan or a Final Order entered after notice and opportunity for hearing; (c) any claims of the Debtor for equitable subordination under section 510(c) of the Bankruptcy Code or under other applicable laws; (d) any claim of the Debtor to recharacterize one or more Claims as Equity Interests; and (e) any objection to any Disputed Claim which includes as a basis any counterclaim by Debtor, Reorganized Debtor, Plan Agent, or the Debtor's Estate for affirmative relief, and which is pending and unresolved as of the Effective Date, together with all liability of the Reorganized Debtor or the Estate on account of such Disputed Claim. Causes of Action also specifically include: (i) all claims and defenses asserted by the Debtor and/or Plan Agent in an adversary proceeding or other civil litigation pending as of the Effective Date; (ii) all tort and common law claims held by the Debtor against any Person; (iii) all claims held by the Debtor whether in contract, tort, or statutory law against the Debtor's: (a) customers, (b) Creditors, (c) former officers and directors; (d) suppliers (including any Person with whom the Debtor ever did business), (e) former employees, (f) former managers and affiliates, (g) insurers (including, without limitation, for Directors and officers liability coverage, business interruption, or similar claims), (h) Persons that were or are joint venturers or partners with, or controlling persons of, the Debtor; (i) Governmental Units, including taxing authorities and the United States, and (j) the Debtor's prior professionals, including the Debtor's former attorneys and accountants.

1.1(o) "Claim": Any right to payment from a Debtor or Debtor's Estate, whether or not such right is reduced to judgment, liquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, known or unknown; or any right to an equitable remedy against the Debtor or Debtor's Estate for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, known or unknown.

1.1(p) "Claimant": A Person asserting a Claim.

1.1(q) "Claims Objection Deadline": Fourteen (14) days after the Effective Date, unless

extended by the Bankruptcy Court, for cause shown, upon motion Filed with the Bankruptcy Court on or prior to such date.

1.1(r) “Class”: Any group of substantially similar Claims classified by the Plan pursuant to section 1122 of the Bankruptcy Code.

1.1(s) “Collateral”: An Asset subject to a valid, enforceable, and non-avoidable Lien securing the payment or performance of a Claim.

1.1(t) “Confirmation Date”: The date of entry of the Confirmation Order by the Bankruptcy Court.

1.1(u) “Confirmation Hearing”: The hearing held by the Bankruptcy Court regarding confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.1(v) “Confirmation Order”: A Final Order of the Bankruptcy Court, and any amendments thereto, confirming the Plan in accordance with the provisions of section 1129 of the Bankruptcy Code, including any findings of fact and conclusions of law in relation thereto.

1.1(w) “Creditor”: Any Person that is the holder of a Claim that arose on or before the Petition Date or a Claim of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code.

1.1(x) “Debtor”: Eastern Hills Country Club.

1.1(y) “Deficiency Claim”: The amount of a Secured Claim which is not an Allowed Secured Claim; *provided, however*, that if the Secured Claim is within a Class that validly and timely makes the election provided in section 1111(b)(2) of the Bankruptcy Code, there shall be no Deficiency Claim with respect to such Secured Claim.

1.1(z) “Disallowed”: When used with respect to a Claim, any portion thereof, that (a) has been disallowed by either a Final Order or pursuant to a settlement; (b) has been withdrawn by the holder of the Claim; (c)(i) is set forth in the Schedules at zero or as contingent, disputed, or unliquidated and (ii) as to which the Bar Date has been established but no proof of Claim has been Filed or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely Filed under applicable law; or (d) has not been scheduled in the Schedules and as to which no Proof of Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to the Bankruptcy Code, a Final Order, or the Plan.

1.1(aa) “Disclosure Statement”: The Disclosure Statement Pursuant to 11 U.S.C. § 1125 in Support of Debtor’s Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code, issued in connection with the Plan and approved by the Bankruptcy Court, together with all exhibits, schedules, amendments, modifications, and supplements thereto that have been approved by the Bankruptcy Court.

1.1(bb) “Disclosure Statement Hearing”: The hearing scheduled by the Bankruptcy Court to consider approval of the Disclosure Statement, which hearing will be conducted at the same time as the Confirmation Hearing.

1.1(cc) “Disputed”: The portion (including, when appropriate, the whole) of a Claim that is not an Allowed Claim as to which: (a) a proof of Claim has been Filed, or deemed Filed under applicable law or order of the Bankruptcy Court; (b) an objection has been or may be timely Filed; and (c) such objection has not been: (i) withdrawn, (ii) overruled or denied in whole or in part pursuant to a Final Order, or (iii) granted in whole or part pursuant to a Final Order. Before the time that an objection has been or may be Filed, a Claim shall be considered a Disputed Claim (a) if the amount or classification of the Claim specified in the proof of Claim

exceeds the amount or classification of any corresponding Claim scheduled by the Debtor in his Schedules, to the extent of such excess; (b) in its entirety, if any corresponding Claim scheduled by the Debtor has been scheduled as disputed, contingent or unliquidated in its Schedules; or (c) in its entirety, if no corresponding Claim has been scheduled by the Debtor in his Schedules.

1.1(dd) “Distribution”: Any property delivered under the Plan to any holder of a Claim, including but not limited to Administrative Claims, on account of such Claim.

1.1(ee) “Effective Date”: The first date on which all conditions precedent set forth in section 10 have been satisfied or waived by the Plan Proponent.

1.1(ff) “Estate”: The bankruptcy estate of the Debtor created upon the Filing of the Debtor’s voluntary petition for bankruptcy relief commencing this Bankruptcy Case, pursuant to, and consisting of all property interests described in or provided by, section 541 of the Bankruptcy Code, including, without limitation, all property interests becoming part of any such estate after the Petition Date in accordance with section 541 of the Bankruptcy Code.

1.1(gg) “File, Filed, or Filing”: Means file, filed, or filing with the Bankruptcy Court in the Bankruptcy Case.

1.1(hh) “Final Order”: An order, judgment or decree which has not been reversed, amended, vacated or stayed and as to which (a) the time to appeal, petition for *certiorari*, or to move for reargument or rehearing has expired and no appeal, petition for *certiorari*, or request for reargument or rehearing has been made by any party, (b) any right to appeal, petition for *certiorari*, or to seek reargument or rehearing has been waived in writing in form and substance satisfactory to the Debtor, Reorganized Debtor, or Plan Agent (as applicable if subsequent to the Effective Date), or (c) an appeal, writ of *certiorari*, reargument or rehearing has been taken or sought, and the order, judgment or decree has been upheld or *certiorari*, reargument or rehearing has been denied and, in either case, the time to take any further appeal, to petition for *certiorari*, or to move for reargument or rehearing has expired; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be Filed relating to such order, shall not cause such order not to be a Final Order.

1.1(ii) “Governmental Unit”: A governmental unit as such term is defined in section 101(27) of the Bankruptcy Code.

1.1(jj) “Impaired”: Has the meaning set forth in section 1124 of the Bankruptcy Code.

1.1(kk) “Lien”: A charge against or interest in property to secure payment of a debt or performance of an obligation, including, but not limited to, a mortgage, deed of trust lien, security interest, judicial lien, pledge, encumbrance or writ of attachment.

1.1(ll) “Order”: Any mandate, precept, command, or direction formally given or entered by the Bankruptcy Court.

1.1(mm) “Person”: An individual, corporation, partnership, joint venture, association, limited liability company, limited liability partnership, trust, estate, unincorporated organization, governmental entity or political subdivision thereof, or any other entity.

1.1(nn) “Petition Date”: June 21, 2013, the date of the Filing of the of the Bankruptcy Case.

1.1(oo) “Plan”: This Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code pursuant to section 1121(a) of the Bankruptcy Code, in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance with the Plan or applicable provisions of the Code.

1.1(pp) “Plan Agent”: Shall mean Robert Yaquinto, Jr. That individual appointed

pursuant to the Plan and the Confirmation Order to carry out the duties and responsibilities consistent with the Plan.

1.1(qq) "Post-Confirmation Debtor": The Debtor, following the Effective Date of the Plan.

1.1(rr) "Priority Non-Tax Claim": A Claim entitled to priority in payment under section 507(a) of the Bankruptcy Code other than an Administrative Claim or Priority Tax Claim.

1.1(ss) "Priority Tax Claim": A Claim of a Governmental Unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code, including any Secured Claim that would otherwise meet the description of an Unsecured Claim of a Governmental Unit under section 507(a)(8) of the Bankruptcy Code but for the secured status of that Claim, but excluding any portion of such Claim that is a Subordinated Claim.

1.1(tt) "Professional": Any employed Person by the Debtor or the Trustee during the Bankruptcy Case.

1.1(uu) "Professional Fee Claim": The Allowed Claim of a Professional pursuant to sections 327, 328, 330, 331, 363, 503(b) or 1103 of the Bankruptcy Code for compensation or reimbursement of costs and expenses relating to services performed from and after the Petition Date and before and including the Effective Date.

1.1(vv) "Secured Claim": A Claim which is secured by a Lien on Collateral, or that is subject to setoff under section 553 of the Bankruptcy Code, and shall include, but not be limited to, any amounts which are asserted under section 506(b) of the Bankruptcy Code as part of such Claim; *provided, however*, that a Claim shall only be subject to Secured Claim status to the extent such Claim has been duly and timely evidenced as a Secured Claim in the Bankruptcy Cases. To the extent the value of any property securing such Claim is less than the amount of such Claim, the difference between such value and such Claim is a Deficiency Claim unless the holder of such Claim validly elects under section 1111(b) of the Bankruptcy Code to have such Claim treated as a Secured Claim to the extent Allowed.

1.1(ww) "Unimpaired": A Claim that is not Impaired.

1.1(xx) "Unsecured Claim": A Claim which is not an Administrative Claim, Priority Tax Claim, Priority Non-Tax Claim, or Secured Claim. Unsecured Claims shall include, without limitation, Deficiency Claims and Claims arising from the rejection of executory contracts and/or unexpired leases pursuant to sections 365 and/or 1123(b)(2) of the Bankruptcy Code.

1.1(yy) "Voting Deadline": The deadline for the receipt of completed and duly-executed Ballots by the Balloting Agent, as set forth within the Bankruptcy Court's Order approving the Disclosure Statement or such other Order of the Bankruptcy Court entered thereafter which extends such deadline.

## **ARTICLE II - CLASSIFICATION OF CLAIMS AND INTERESTS**

2.1 Class 1. All allowed claims of the Internal Revenue Service. These claims are secured by a tax lien filing against the assets of the Debtor in the real property records of Dallas County, Texas and with the Texas Secretary of State.

2.2 Class 2. All allowed claims of the State of Texas. These claims are secured by a tax lien filing against the assets of the Debtor in the real property records of Dallas County, Texas and with the Texas Secretary of State.

2.3 Class 3. All claims of Tax Ease Funding, LLC. These claims are secured by a tax lien filing against the assets of the Debtor in the real property records of Dallas County, Texas.

2.4 Class 4. All claims owed to governmental entities that are based on ad

valorem taxes. These claims are secured by a tax lien filing against the assets of the Debtor in the real property records of Dallas County, Texas and with the Texas Secretary of State.

- 2.5 Class 5. Secured claim of PNC Equipment Finance.
- 2.6 Class 6. Secured claim of Agricredit Acceptance Corp.
- 2.7 Class 7. Secured Claim of VGM Financial Services a Division of TCF Equipment Finance, Inc.
- 2.8 Class 8. Claim of King Ranch Turfgrass, L.P. This claim is secured by a materialman’s lien filed against the Property, but not yet reduced to judgment.
- 2.9 Class 9. Unsecured claims, except for the claims of Existing EHCC Equity Members.
- 2.10 Class 10. Claims of Existing EHCC Equity Members. These claims are unsecured, but are to be paid from \$500,000 segregated from the proceeds of the sale of the Property, which funds are earmarked for payment to the Existing EHCC Equity Members.
- 2.11 Class 11. Claims of J.D. Harvey for loans made to the Debtor.
- 2.12 Class 12. Equity interests in the Debtor.

**ARTICLE III -TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS, U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

3.1 Unclassified Claims. Under section §1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

3.2 Administrative Expense Claims. Each holder of an administrative expense claim except professionals employed by the Debtor, the trustee, professionals employed by the trustee or the bankruptcy estate that are allowed under § 503 of the Code will be paid in full on the Effective Date of this Plan, in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.3 Priority Tax Claims. Each holder of a priority tax claim will be paid in cash in full on the later of the Effective Date or the date on which such tax liability is established by filing of a return or determination by the appropriate taxing authority.

3.4 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

**ARTICLE IV - TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

4.1 Claims and interests shall be treated as follows under this Plan:

<b>Class</b>	<b>Impairment</b>	<b>Treatment</b>
Class 1 – Secured Claim of Internal Revenue Service	Impaired.	Claim will be paid in cash, in full on the earlier of (a) closing of the sale of the Property or (b) the Effective Date. Upon payment any and all liens shall be released and, if necessary the Class 1 Claimant shall execute documents releasing any and all lien claims.

Class 2- Secured Claim of the State of Texas	Impaired.	Claim will be paid in cash, in full on the earlier of (a) closing of the sale of the Property or (b) the Effective Date. Upon payment any and all liens shall be released and, if necessary the Class 2 Claimant shall execute documents releasing any and all lien claims.
Class 3- Secured Claim of Tax Ease Funding, LLC	Impaired.	Claim will be paid in cash, in full on the earlier of (a) closing of the sale of the Property or (b) the Effective Date. Upon payment any and all liens shall be released and, if necessary the Class 3 Claimant shall execute documents releasing any and all lien claims.
Class 4 – Secured Claims of Claimants holding ad valorem tax claims	Impaired.	Claims will be paid in cash, in full on the earlier of (a) closing of the sale of the Property or (b) the Effective Date. Upon payment any and all liens shall be released and, if necessary each of the Class 4 Claimants shall execute documents releasing any and all lien claims.
Class 5-Secured Claim of PNC Mortgage	Unimpaired.	On the Effective Date the Plan Agent shall pay the Class 5 claimant an amount equal to all payments that are due, but have not been paid, on each debt instrument executed by the Debtor. Such payments will include late, charges and interest. PNC shall be entitled to seek attorneys' fees by filing an application with this court and all attorneys' fees that the Debtor does not dispute are reasonable or that the Court determines are reasonable, after notice and hearing, shall be deemed Allowed and shall be paid by the Plan Agent. The Class 5 claimant shall retain any and all liens securing the claims of class 5 claimant. The Plan Agent shall make any and all future payments on the debt instruments in accordance with the terms of the Debtor instrument. The payments provided in this treatment shall constitute be cured and the maturity date of any debt instrument shall be reinstated as provided in section 1124(2). Except for the cure of defaults and reinstatement of maturity dates no terms of any agreement between the Debtor and the Class 5 claimant shall be modified or altered by this Plan.
Class 6- Secured Claim of Agricredit Acceptance, Corp.	Unimpaired.	The secured claim of the Class 6 claimant has been paid, in part, by the Class 6 claimant's sale of all collateral securing the Class 6 claim. The deficiency remaining on the Class 6 claim after such sale, shall be treated as a claim under Class 9 of the Plan.



Class 7- Secured Claim of VGM Financial Services	Impaired.	On the Effective Date, the Plan Agent shall pay the Class 6 claim in full, unless the collateral securing the claims of the Class 6 claimant have previously been sold. If the collateral has not been sold on or before the Effective Date, the Plan Agent shall pay the class 7 claim in Cash, in full and the Class 9 claimant shall release any and all liens or claims against any collateral securing the Class 9 claim. If prior to the Effective Date the collateral securing the claim of the Class 7 claimant has been sold by the class 7 claimant any Deficiency Claim shall be treated as a claim under Class 9 of this Plan.
Class 8- Claim of King Ranch Turfgrass, L.P.	Impaired.	On the Effective Date the Plan Agent shall pay the class 8 claim in Cash, in full. On receipt of such payment, the Class 8 claimant shall release any lien claims filed against the Debtor or the Property.
Class 9 - General Unsecured Creditors	Impaired.	On the 14 <sup>th</sup> day following the Effective Date, the Plan Agent shall pay all Allowed claims of class 9 claimants, unless an objection has been filed to a claim. If an objection to Class 9 claim is timely filed the procedures stated in Article V of this Plan shall govern the time of payment of the claim. Pending resolution of any such objection, the Plan Agent shall retain 125% of the amount of the claim.
Class 10-Claims of Existing EHCC Equity Members	Unimpaired.	The Debtor shall segregate with the Plan Agent the amount of \$500,000. The Debtor shall file an interpleader under Fed. R. Civ.P. 22 with the United States District Court for the Northern District of Texas, listing all parties who may qualify or meet the definition in the plan of reorganization for an Existing EHCC Equity Member. Upon filing of the interpleader, the Debtor shall have no liability to any person asserting any claim as an Existing EHCC Equity Member.
Class 11-Claims of J.D. Harvey	Impaired.	Claims of the class 11 claimant shall be paid in full by the Plan Agent after all claims in Class 1-10, inclusive, and all Priority Claims, including claims of Professionals, have been paid in full, but before any distribution to members of Class 12.
Class 12 - Equity Security Holders of the Debtor	Unimpaired.	Equity Security Holders of the Debtor shall retain their interests in the Debtor.

## **ARTICLE V - ALLOWANCE AND DISALLOWANCE OF CLAIMS**

5.1 **Disputed Claim.** A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated. All objections to Claims arising by virtue of the rejection of executory contracts or unexpired leases shall be in writing and must be filed on or before the Claims Objection Deadline. Any Disputed Claim as to which an objection is not Filed on or before the Claims Objection Deadline shall be deemed to constitute an Allowed Claim under the Plan following the Claims Objection Deadline.

5.2 **Post-Confirmation Proofs of Claim and Amendments.** Except as otherwise expressly contemplated by the Plan, following the later of the Effective Date or the applicable Bar Date, no original or amended proof of Claim may be Filed in the Bankruptcy Case to assert a Claim against the Debtor or his Estate without prior authorization of the Bankruptcy Court, and any such proof of Claim which is Filed without such authorization shall be deemed null, void and of no force or effect; *provided, however*, that the holder of a Claim that has been evidenced in the Bankruptcy Case by the Filing of a proof of Claim on or before the Bar Date shall be permitted to File an amended proof of Claim in relation to such Claim at any time if the sole purpose of the amendment is to reduce the amount of the Claim asserted.

5.3 **Delay of Distribution on a Disputed Claim.** No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.4 **Settlement of Disputed Claims.** The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

## **ARTICLE VI - PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

The Debtor rejects any and all executory contracts and/or unexpired leases effective upon the Effective Date of this Plan. Any person asserting a claim for damages arising from the rejection of an executory contract or unexpired lease shall file a claim on or before the Effective Date.

## **ARTICLE VII - MEANS FOR IMPLEMENTATION OF THE PLAN**

The Plan will be implemented by the sale of the Property. The purchase price that will be received from the sale of the Property will allow the Debtor to pay all claims in full, in cash on the Effective Date or, for claims subject to objection, on the fifteenth (15<sup>th</sup>) day following the date of entry of an order allowing all or a portion of the claim. All claims and causes of action held by the Debtor shall be preserved for the Debtor and may be prosecuted by the Debtor after the Effective Date in any court of competent jurisdiction. The claims and causes of action preserved for the Debtor include, but are not limited to, claims against the former controller of the Debtor for theft, embezzlement or misappropriation of funds and claims of the Debtor against insurance carrier(s) for losses caused by the actions of the former controller of the Debtor.

All payments to be made under the Plan shall be made by the Plan Agent. All funds of the Debtor shall be deposited in an account maintained by the Plan Agent in the name of the Debtor. The Plan Agent shall be paid for services rendered at the hourly rate charged for legal

services by the Plan Agent; such payments shall be from the account maintained by the Plan Agent. Upon payment of all Allowed Claims in classes 1 through 11, the Plan Agent shall transfer all remaining funds to the Debtor.

#### **ARTICLE VIII - GENERAL PROVISIONS**

8.1 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the definitions contained in this Plan.

8.2 Effective Date of Plan. The effective date of this Plan is the first business day following the date that is fourteen days after the entry of the order of confirmation. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated.

8.3 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.4 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.5 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

#### **ARTICLE IX- DISCHARGE**

Discharge. On the confirmation date of this Plan, the debtor will be discharged from any debt that arose before confirmation of this Plan, subject to the occurrence of the Effective Date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure; or (iii) of a kind specified in § 1141(d)(6)(B).

#### **ARTICLE X- DISTRIBUTIONS UNDER THE PLAN**

10.1 Form of Distributions. Any Cash payment to be made pursuant to the Plan may be made by check or wire transfer, at the option of the Plan Agent in his sole discretion, as applicable.

10.2 Conditions to Distributions; Warranty of Entitlement. Each and every Creditor who receives and accepts a Distribution under the Plan on account of an Allowed Claim is deemed to have warranted to the Debtor and/or Plan Agent that such Creditor is the lawful holder of the Allowed Claim, is authorized to receive the Distribution, and that there are no outstanding commitments, agreements or understandings, express or implied, that may or can, in any way defeat or modify the right of the Creditor to receive the Distribution.

10.3 Withholding Taxes. Any federal, state or local withholding taxes or other amounts required to be withheld under applicable law in relation to a Distribution under the Plan shall be deducted from the Distribution and remitted by the Reorganized Debtor and/or Plan Agent to the applicable taxing authority(ies). To the extent that this provision affects the holder of a particular Allowed Claim, such holder shall provide to the Reorganized Debtor and/or Plan Agent all such information as the Reorganized Debtor and/or Plan Agent requires in order to

comply with such law(s), and no Distribution shall be made to such holder unless and until such information is provided.

10.4 Setoffs. Except as otherwise expressly provided in the Plan and pursuant to sections 502(d) or 553 of the Bankruptcy Code or any applicable non-bankruptcy law, the Plan Agent may upon application and approval by the Bankruptcy Court, setoff against any Distribution to be made pursuant to the Plan on account of an Allowed Claim any claims, rights or Causes of Action held by the Plan Agent against the holder of the Allowed Claim in relation to the Allowed Claim; *provided, however*, that neither the failure to effect such a setoff nor the allowance of any Claim shall constitute a waiver or release by the Plan Agent of any such claims, rights or Causes of Action. If the Plan Agent fails to setoff against a Claim and seeks to collect from the holder of such Claim after Distribution to that holder pursuant to the Plan, the Plan Agent shall be entitled to full recovery on the claims of the Debtor, Reorganized Debtor or his Estate, if any, against the holder of such Claim.

10.5 Rounding. Where the calculation of a distribution results in a fraction of a cent owing, the calculation shall be rounded down to the nearest whole cent for purposes of paying (or reserving) the distribution.

10.6 Undeliverable and Unclaimed Distributions. Any Person that is entitled to receive a Cash Distribution under the Plan but fails to cash a check within ninety (90) days of its issuance shall be entitled to receive a reissued check from the Reorganized Debtor and/or Plan Agent for the amount of the original check, without any interest, if such Person requests the Reorganized Debtor and/or Plan Agent to reissue such check and provides such documentation as may be requested to verify that such Person is entitled to such check prior to the later of (i) the first anniversary of the Effective Date and (ii) six (6) months after such Person's Claim becomes an Allowed Claim. If a Person fails to cash a check within ninety (90) days of its issuance and fails to request reissuance of such check prior to the later to occur of (i) the first anniversary of the Effective Date, (ii) six (6) months following the date such Person's Claim becomes an Allowed Claim, or (iii) for any Distribution issued more than two years after the Effective date, such Person shall not be entitled to receive any Distribution under the Plan corresponding to the amount of such check. If the Distribution to any holder of an Allowed Claim is returned to the Reorganized Debtor and/or Plan Agent as undeliverable, no further Distributions will be made to such holder unless and until the Reorganized Debtor and/or Plan Agent is notified in writing of such holder's current address. Neither the Reorganized Debtor nor Plan Agent have any obligation to independently undertake any investigation to determine the whereabouts of any holder of an Allowed Claim.

All claims for undeliverable Distributions must be made on or before the later to occur of (i) the first anniversary of the Effective Date and (ii) six (6) months following the date such Person's Claim becomes an Allowed Claim, provided however that, in the case of any Distribution issued more than two years after the Effective Date, a claim for undeliverable Distributions must be made within 180 days following the date of issuance of the original Distribution. After such date, all unclaimed property shall revert to the Reorganized Debtor and/or Plan Agent for further disbursement in accordance with the Plan, and the Claim of any holder or successor to such holder with respect to such property shall be discharged, disallowed, and forever barred notwithstanding any federal or state escheatment laws to the contrary. Disputed Distributions. No Distribution will be made on a Disputed Claim unless and until it becomes Allowed.

April 17, 2014

Respectfully submitted,

Eastern Hills Country Club

By: /s/ J.D. Harvey

J.D. Harvey

The Plan Proponent

By: /s/ Richard W. Ward

Attorney for the Plan Proponent, Eastern Hills  
Country Club