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ATTORNEYS FOR DEBTOR
AND DEBTOR IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:)
)
MOORE SORRENTO, LLC,) Case No. 11-44651-rfn11
)
Debtor.) Chapter 11 Case

**DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE UNITED STATES
BANKRUPTCY CODE WITH RESPECT TO THE DEBTOR'S CHAPTER 11 PLAN OF
REORGANIZATION FOR MOORE SORRENTO, LLC**

Dated: October 3, 2011.

Moore Sorrento, LLC hereby submits this Disclosure Statement Pursuant to Section 1125 of the United States Bankruptcy Code with Respect to the Debtor's Chapter 11 Plan of Reorganization for Moore Sorrento, LLC (the "Disclosure Statement"). This Disclosure Statement is to be used in connection with the solicitation of votes on the Debtor's Chapter 11 Plan of Reorganization for Moore Sorrento, LLC dated October 3, 2011 (the "Plan"). A copy of the Plan is attached hereto as **Exhibit "A"**. Unless otherwise defined herein, terms used herein have the meanings ascribed thereto in the Plan (see Article I of the Plan).

For a general summary of the proposed treatment of Claims or Interests under the Plan, please see the chart below.

I. NOTICE TO HOLDERS OF CLAIMS

A. Generally

The purpose of this Disclosure Statement is to enable Creditors whose Claims are Impaired to make an informed decision in exercising their right to vote to accept or reject the Plan.

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

On [REDACTED], 20[REDACTED], the Bankruptcy Court entered an order pursuant to section 1125 of the Bankruptcy Code (the "Disclosure Statement Order") approving this Disclosure Statement as containing information of a kind, and in sufficient detail, adequate to enable a hypothetical, reasonable investor, typical of the solicited holders of Claims against and Interests in the Debtor, to make an informed judgment with respect to the acceptance or rejection of the Plan. A copy of the Disclosure Statement Order is included in the materials accompanying this Disclosure Statement. APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT REGARDING THE FAIRNESS OR MERITS OF THE PLAN.

The statements contained in the Disclosure Statement are made as of the date hereof unless another time is specified, and neither delivery of the Disclosure Statement nor any exchange of rights made in connection with the Plan shall, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date the Disclosure Statement and the materials relied on in preparation of the Disclosure Statement were compiled.

Accounting information set forth in the Disclosure Statement and attached projections is, unless otherwise noted, based upon the accrual method of accounting.

For the convenience of Creditors and parties in interest, this Disclosure Statement summarizes the terms of the Plan, but the Plan itself qualifies all summaries. This Disclosure Statement is qualified in its entirety by the terms of the Plan. If any inconsistency exists between the Plan and the Disclosure Statement, the terms of the Plan are controlling.

Each Claimant should consult the Claimant's individual attorney, accountant and/or financial advisor as to the effect of the Plan on such Claimant.

Each holder of a Claim or Interest entitled to vote to accept or reject the Plan should read this Disclosure Statement and the Plan in their entirety before voting. No solicitation of votes to

accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. Except for the Debtor and its professionals, no person has been authorized to use or promulgate any information concerning the Debtor, its business, or the Plan, other than the information contained herein, in connection with the solicitation of votes to accept or reject the Plan. No holder of a Claim entitled to vote on the Plan should rely upon any information relating to the Debtor, its business, or the Plan other than that contained in this Disclosure Statement and the exhibits hereto. Unless otherwise indicated, the source of all information set forth herein is the Debtor.

The Disclosure Statement may not be relied on for any purpose other than to determine whether to vote in favor of or against the Plan and related options and elections, and nothing contained herein shall constitute an offer to sell or purchase a security as defined by state or Federal securities law or an admission of any fact or liability by any party, or be admissible in any proceeding involving the Debtor or any other party, or be deemed conclusive evidence of the tax or other legal effects of the reorganization of the Debtor on holders of Claims or Interests. Certain of the information contained in the Disclosure Statement, by its nature, is forward looking, contains estimates and assumptions which may prove to be wrong, and contains forecasts which may prove to be wrong or which may be materially different from actual results.

After carefully reviewing this Disclosure Statement, including the attached exhibits, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed ballot and returning the same to the address set forth on the ballot, in the enclosed return envelope so that it will be received by no later than 5:00 P.M., CENTRAL TIME, ON _____, 20__.

If you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim or Interest, you may be bound by the Plan if it is accepted by the requisite holders of Claims or Interests. See "Confirmation of the Plan – Solicitation of Votes; Vote Required for Class Acceptance" beginning on page 37 and "Cramdown" beginning on page 41 of this Disclosure Statement.

TO BE SURE YOUR BALLOT IS COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN 5:00 P.M., CENTRAL TIME, ON _____, 20__. For detailed voting instructions and the name, address, and phone number of the person you may contact if you have questions regarding the voting procedures, see "Confirmation of the Plan – Solicitation of Votes; Voting Procedures – Parties In Interest Entitled to Vote" beginning on page 36 of this Disclosure Statement.

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan (the "Confirmation Hearing"), on _____, 20__ at _____:_____.m., Central Time, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before 5:00 p.m., Central Time, _____, 20__, in the manner described under the caption, "Confirmation of the Plan – Confirmation Hearing" beginning on page 37 of this Disclosure Statement.

THE DEBTOR SUPPORTS CONFIRMATION OF THE PLAN AND URGES ALL HOLDERS OF IMPAIRED CLAIMS AND INTERESTS TO VOTE TO ACCEPT THE PLAN.

B. Summary of Treatment Under The Plan

The following is an estimate of the numbers and amounts of classified Claims and Interests to receive treatment under the Plan, and a summary of the proposed treatment of such Claims and Interests under the Plan. Reference should be made to the entire Disclosure Statement and to the Plan for a complete description of the classification and treatment of Claims and Interests.

The Bar Date for filing proofs of claim is December 20, 2011. The table below is drawn from the Debtor's Schedules and filed proofs of claim. The final universe of Claims, as actually Allowed, may differ from this table.

Class	Treatment
<p><u>Class 1</u> – Convenience Claims</p> <p>Estimated Amount: \$385</p> <p>Estimated Number of Holders: 3</p>	<p>Impaired.</p> <p>Any holder of a General Unsecured Claim may make an election under Section 5.1(a) of the Plan ("<u>Convenience Election</u>"), to be treated as a Class 1 Allowed Convenience Claim. An election under Section 0 of the Plan shall constitute a vote to accept the Plan and an agreement to accept as full satisfaction of such General Unsecured Claim an amount that is equal to the lesser of the Convenience Claim Limit or the Claimant's Allowed General Unsecured Claim.</p> <p>On the later of: (i) the 60th day after the Effective Date, or (ii) the date on which the Convenience Claim becomes an Allowed Convenience Claim, each holder of an Allowed Convenience Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for, such Allowed Convenience Claim, a single Cash payment equal to 100% of such Allowed Convenience Claim without interest.</p> <p>Estimated Recovery: 100%</p>
<p><u>Class 2</u> – Wells Fargo Secured Claim</p> <p>Estimated Amount: \$39,870,000</p> <p>Estimated Number of Holders: 1</p>	<p>Impaired.</p> <p><u>Claim based on the Note</u></p> <p>Wells Fargo's Allowed Claim based upon the Note and the First Security Documents ("<u>Allowed Note Claim</u>") shall receive the following treatment pursuant to the Plan:</p> <p>The Allowed Note Claim shall bear interest from and after the Effective Date at a fixed rate equal to 5% per annum;</p> <p>Subject to Section 5.2(c) of the Plan, beginning on the tenth (10th) day of the first calendar month following the Effective Date, and on the tenth (10th)</p>

Class	Treatment
	<p>day of each successive calendar month thereafter, the holder of the Allowed Note Claim shall receive sixty (60) substantially equal Distributions equal to the amount of interest accruing on the Note during the immediately preceding calendar month;</p> <p>In addition, on the twentieth (20th) day of the first calendar month following the Effective Date, and on the twentieth (20th) day of each calendar month thereafter, the holder of the Allowed Note Claim shall also receive any appropriate Distribution of Excess Funds along with an accounting of the manner in which such Excess Funds Distribution was calculated;</p> <p>The Liens securing the Allowed Note Claim pursuant to the First Security Documents shall be renewed and extended as security for the Allowed Note Claim; and</p> <p>Debtor shall execute and deliver to the holder of the Allowed Note Claim the Wells Fargo Renewal and Extension Agreement renewing and extending the Note and the First Security Documents in substantially the same form as Exhibit "B" to the Plan.</p> <p><u>Claim based on the Second Note</u></p> <p>Wells Fargo's Allowed Claim based upon the Second Note and the Second Security Documents ("<u>Allowed Second Note Claim</u>") shall receive the following treatment pursuant to the Plan:</p> <p>The Allowed Second Note Claim shall bear interest from and after the Effective Date at a fixed rate equal to 7% per annum;</p> <p>Subject to Section 5.2(c) of the Plan, beginning on the tenth (10th) day of the first calendar month following the Effective Date, and on the tenth (10th) day of each successive calendar month thereafter, the holder of the Allowed Second Note Claim shall receive sixty (60) substantially equal Distributions equal to the amount of interest accruing on the Second Note during the immediately preceding calendar month;</p> <p>In addition, on the twentieth (20th) day of the first</p>

Class	Treatment
	<p>calendar month following the Effective Date, and on the twentieth (20th) day of each calendar month thereafter, the holder of the Allowed Second Note Claim shall also receive any appropriate Distribution of Excess Funds along with an accounting from the Debtor reflecting the manner in which such Excess Funds Distribution was calculated;</p> <p>The Liens securing the Allowed Second Note Claim pursuant to the Second Security Documents shall be renewed and extended as security for the Allowed Second Note Claim; and</p> <p>Debtor shall execute and deliver to the holder of the Allowed Second Note Claim a document renewing and extending the Second Note and the Second Security Documents in substantially the same form as Exhibit "B" to the Plan.</p> <p><u>Provisions applicable to both Note Claim and Second Note Claim</u></p> <p>The ultimate Allowed amount of both the Note Claim and the Second Note Claim shall be determined by the Final Order in the Lawsuit. As soon as reasonably possible after the Effective Date, the Bankruptcy Court shall estimate the unpaid amount of both the Note Claim ("<u>Estimated Note Claim</u>") and Second Note Claim ("<u>Estimated Second Note Claim</u>") without any offset or credit for either Causes of Action or Estate Defenses held or asserted by the Debtor against Wells Fargo. Thereafter, Distributions of interest on account of the Note Claim and Second Note Claim shall be calculated using the respective amounts of Estimated Note Claim and Estimated Second Note Claim until the ultimate Allowed amount of such Claims is determined through the Lawsuit. In addition, Distributions to the holder of the Class 2 Claims and Excess Cash shall be calculated, until the Final Order in the Lawsuit, based upon the Estimated Note Claim and the Estimated Second Note Claim.</p> <p>Once the amount of the Allowed Note Claim and Allowed Second Note Claim is determined through the Lawsuit, the application and allocation of all payments of interest or from the Operating Reserve Account shall be recalculated and re-allocated based upon the actual respective amounts of the</p>

Class	Treatment
	<p>Allowed Note Claim and the Allowed Second Note Claim. If the Distributions for interest payments and of Excess Funds exceed the amount of the Estimated Note Claim or the Estimated Second Note Claim, the excess shall be credited against the principal balance, respectively, of such Claims as Allowed. If the Distributions for interest payments and of Excess Funds are less than the interest accruing on the Allowed Note Claim and Allowed Second Note Claim, the shortfall should be added to the principal balance of such Claims as Allowed.</p> <p>The Reorganized Debtor shall continue to fund escrow accounts for the payment of property taxes and insurance.</p> <p>The Class 2 Claim, as renewed and extended pursuant to the Plan, shall be due and payable on the seventh (7th) anniversary of the Effective Date ("Maturity Date").</p> <p>Estimated Recovery: 100%</p>
<p><u>Class 3 – General Unsecured Claims</u></p> <p>Estimated Amount: \$ <input type="text"/></p> <p>Total Holders: <input type="text"/></p>	<p>Impaired.</p> <p>Each holder of an Allowed General Unsecured Claim shall receive, in full satisfaction of such Claim, sixty (60) substantially equal Distributions equal to the amount of each Allowed Class 3 Claim, but without interest. Such Distributions shall begin on the first day of the third (3rd) calendar month following the Effective Date with a like Distribution being made on the first day of each successive calendar month thereafter.</p> <p>Estimated Recovery: 100%</p>
<p><u>Class 4 – Secured Tax Claims</u></p> <p>Estimated Amount: \$ <input type="text"/></p> <p>Estimated Number of Holders: <input type="text"/></p>	<p>Impaired</p> <p>Secured Tax Claims shall be satisfied in full through sixty (60) substantially equally monthly installments, with the first such installment due and payable on the first day of the first calendar month more than sixty (60) days after the Effective Date, and with a like payment being due and payable on the first day of each calendar month thereafter until paid in full. Secured Tax Claims shall bear interest at a rate of interest to be fixed by the Bankruptcy Court.</p>

Class	Treatment
	Estimated Recovery: 100%
Class 5 – Interests in the Debtor	<p>Impaired.</p> <p>Collins and Lippman shall make a capital contribution ("Capital Contribution") to the Debtor as of the Effective Date in the amount of \$1.0 million.</p> <p>In consideration of this Capital Contribution, Holders of Class 5 Interests shall retain their Interests.</p>

The total universe of Claims, as ultimately Allowed, may be greater or smaller than as reflected in the above analysis.

II. EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to chapter 11, the debtor-in-possession attempts to reorganize its business for the benefit of the debtor, its creditors, and other parties in interest. The present Case commenced with the filing of a voluntary chapter 11 petition by the Debtor on August 17, 2011.

The commencement of a chapter 11 case creates an estate comprising all the legal and equitable interests of the debtor in property as of the date the petition is filed. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession" unless the bankruptcy court orders the appointment of a trustee. In the present Case, the Debtor has remained in possession of its property and has continued to operate its business as debtor-in-possession.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, *inter alia*, for an automatic stay of all attempts to collect pre-petition claims from the debtor or otherwise interfere with its property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the effective date of a confirmed plan of reorganization.

The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying the claims against and interests in the debtor. Generally, unless a trustee is appointed, only the debtor may file a plan during the first 120 days of a chapter 11 case (the "Exclusive Period"). However, section 1121(d) of the Bankruptcy Code permits the court to extend or reduce the Exclusive Period upon a showing of "cause." After the Exclusive Period has expired, a creditor or any other party in interest may file a plan, unless the debtor has filed a plan within the Exclusive Period, in which case, the debtor is generally given 60 additional days (the "Solicitation Period") during which it may solicit acceptances of its plan. The Solicitation Period may also be extended or reduced by the court upon a showing of "cause."

B. Plan of Reorganization

Although referred to as a plan of reorganization, a plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of the debtor's assets. In this Case, the Plan, as proposed by the Debtor, provides for 100% payment of unsecured claims and a restructuring and extension of certain secured indebtedness. Holders of Interests in the Debtor shall retain their Interests based on Collins and Lippman making the Capital Contribution to the Debtor in the amount of \$1.0 million.

After a plan of reorganization has been filed, the holders of impaired claims against or interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. This Disclosure Statement is presented to holders of Claims against and Interests in the Debtor to satisfy the requirements of section 1125 of the Bankruptcy Code.

If all classes of claims and interests accept a plan of reorganization, the bankruptcy court may nonetheless still not confirm the plan unless the court independently determines that the requirements of section 1129 of the Bankruptcy Code have been satisfied. Section 1129 sets forth the requirements for confirmation of a plan and, among other things, requires that a plan meet the "best interests of creditors" test and be "feasible." The "best interests of creditors" test generally requires that the value of the consideration to be distributed to the holders of claims and interests under a plan may not be less than those parties would receive if the debtor were liquidated pursuant to a hypothetical liquidation occurring under chapter 7 of the Bankruptcy Code. Under the "feasibility" requirement, the court generally must find that there is a reasonable probability that the debtor will be able to meet its obligations under its plan without the need for further financial reorganization.

The Debtor believes that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code, including, in particular, the "best interests of creditors" test and the "feasibility" requirement. The Debtor supports confirmation of the Plan and urges all holders of Impaired Claims to accept the Plan.

Chapter 11 does not require that each holder of a claim against or interest in a debtor vote in favor of a plan of reorganization in order for the bankruptcy court to confirm the plan. At a minimum, however, the plan must be accepted by a majority in number and two-thirds in amount of those claims actually voting in at least one class of impaired claims under the plan. The Bankruptcy Code also defines acceptance of the plan by a class of interests (equity securities) as acceptance by holders of two-thirds of the number of shares actually voting. In the present Case, only the holders of Claims or Interests who actually vote will be counted as either accepting or rejecting the Plan.

In addition, classes of claims or interests that are not "impaired" under a plan of reorganization are conclusively presumed to have accepted the plan and thus are not entitled to vote. Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or interests in an impaired class. A class is "impaired" if the legal, equitable, or contractual rights attaching to the claims or interests of that class are modified in any way under the plan. However, if holders of the claims or interests in a class do not receive or retain any property on account of such claims or interests, then each such holder is deemed to have voted to reject the plan and does not actually cast a vote to accept or reject the plan.

All Classes of Claims and Interests are Impaired under the Plan and, therefore, each holder of a Claim or Interest in each Class is entitled to vote on the Plan.

The bankruptcy court may also confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept it. For a plan of reorganization to be confirmed despite its rejection by a class of impaired claims or interests, the proponents of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or interests that has not accepted the plan.

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

A plan does not "discriminate unfairly" against a rejecting class of claims if (a) the relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated claims, and (b) no senior class of claims is to receive more than 100% of the amount of the claims in such class.

The Debtor believes that the Plan has been structured so that it will satisfy these requirements as to any rejecting Class of Claims, and can therefore be confirmed, if necessary, over the objection of any Classes of Claims. The Debtor, however, reserves the right to request confirmation of the Plan under the "cramdown" provisions of section 1129 of the Bankruptcy Code.

III. THE DEBTOR AND ITS BUSINESS

A. The Debtor

The Debtor is a Nevada limited liability company formed in 2004. The Debtor is the owner of the Shopping Center, which is an open-air retail shopping center. Space in the Shopping Center is currently leased by the Debtor to over 20 tenants, which tenants offer various goods and services to retail customers. The Debtor's tenants include a number of large retailers, such as Best Buy, Ross, Office Depot and PetsMart.

Construction of the Shopping Center is approximately [REDACTED] % complete. The only portion of the Shopping Center that has yet to be constructed is the New Addition. Under the Plan, the Construction Reserve Account shall be created and shall be funded by (i) the Capital Contribution to be made by Collins and Lippman, (ii) the Net Pad Site Proceeds, and (iii) payments received by the Reorganized Debtor pursuant to the Tax Rebate Agreement. Such funds shall be utilized to, *inter alia*, construct the New Addition and to pay for Finish-Out Costs relating to the New Addition. Once the New Addition is complete, the Shopping Center will comprise approximately [REDACTED] square feet of lease space.

The Interests in the Debtor are owned by its members. The members of the Debtor, and the percentage membership Interest owned by each are as follows:

<u>Name</u>	<u>Percentage Membership Interest</u>
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Burk Collins	47.5%
L. Dwayne Collins	2.5%
William Lippman, Trustee of the William Lippman Living Trust dated August 11, 1989	44.0%
Wendy Lippman	5.0%
Yellow Road, LLC	1.0%

B. Debtor's Management and Operational Structure

Yellow Road, LLC is the Managing Member of the Debtor. The Debtor does not have any direct employees, and Yellow Road, LLC does not manage the Shopping Center. Management of the Shopping Center and other activities necessary to the operation of the Debtor's business is carried out by employees of the property management company Burk Collins & Co., Ltd. ("**BC&C**"). BC&C is located in Hurst, Texas and provides property management services to a number of entities other than the Debtor. The Debtor believes BC&C qualifies as an Insider. Six of BC&C's employees perform work related to the Debtor's operations. Such employees perform services essential to the Debtor's business, including services relating to leasing, accounting, financing and administrative matters.

The Debtor also utilizes the services of Mid America Development, LLC ("**Mid America**"). Mid America is located in Oklahoma and the Debtor obtains services of Mid America because of its proximity to the Shopping Center and the ability of its employees to provide on-site services necessary to the Debtor's business operations. The Debtor believes Mid America also qualifies as an Insider. Three individuals employed by Mid America perform work related to the Debtor's operations. The services provided by such employees include services relating to leasing matters and physical maintenance of the Shopping Center. As is the case with BC&C, Mid America also provides services to entities other than the Debtor.

Because the employees of BC&C and Mid America do not devote 100% of their time and efforts to matters relating to the Debtor's operations, such employees record the amount of time they dedicate to the Debtor's operations. Based on the amount of each employee's time spent on the Debtor's operations during any given pay period, BC&C and Mid America calculate the portion of that employee's salary attributable to work performed for the Debtor. BC&C and Mid America then invoice the Debtor for payment of such amounts. The Debtor is typically invoiced by BC&C and Mid America on a weekly basis. In addition to amounts invoiced for work performed, certain of the employees of BC&C and Mid America also seek reimbursement from the Debtor for out-of-pocket expenses incurred when the employees are working on behalf of the Debtor. Such expenses are typically limited to travel expenses and generally total less than \$1,000 in the aggregate each month.

BC&C shall continue to serve as the property management company for the Debtor from and after the Effective Date. The Debtor will also continue to obtain the services of Mid America from and after the Effective Date.

C. Prepetition Financing Structure of the Debtors

Prior to the Petition Date, the Debtor, as borrower, entered into the Loan Agreement and the Second Loan Agreement, each dated November 7, 2007, with Wachovia, as lender. Pursuant to such loan agreements, Wachovia made two loans (the "Loans") to the Debtor to allow the Debtor to refinance its acquisition of the Shopping Center and to fund construction of certain improvements to the Shopping Center. The first loan is evidenced by the Note and the First Security Documents. The second loan was a mezzanine loan transaction and is evidenced by the Second Note and the Second Security Documents. Under the First Security Documents and Second Security Documents, the Debtor granted to Wachovia security interests in and liens on various property of the Debtor, including but not limited to the Shopping Center and all accounts, equipment, inventory, leases and rents. Collins guaranteed full payment of the Note pursuant to the Collins Guaranty and guaranteed full payment of the Second Note pursuant to the Second Collins Guaranty. Lippman guaranteed full payment of the Note pursuant to the Lippman Guaranty and guaranteed full payment of the Second Note pursuant to the Second Lippman Guaranty.

The Note and Second Note were originally scheduled to mature on November 6, 2009, but were extended by agreement to June 30, 2011 pursuant to the Note Extension Agreement and Second Note Extension Agreement. Pursuant to the Note Extension Agreement, Lippman was released from all personal liability on the Lippman Guaranty. As of the Petition Date, Wachovia alleged that the outstanding aggregate principal amount owed on the Note and Second Note was at least \$39 million.

IV. FINANCIAL PROJECTIONS AND ASSUMPTIONS / FEASIBILITY

The Debtor's long term business plan and the underlying operating projections and assumptions serve as the basis for the Plan. The Debtor believes that the assumptions that underlie the projections are reasonable under the circumstances and that achieving the projections set forth herein will maximize the value of the Debtor's business. The Debtor's operating projections for its fiscal years 20[] - 20[] are attached to this Disclosure Statement as **Exhibit "B"**. The Debtor's fiscal year runs [] 1 through [] 31.

The Bankruptcy Code conditions confirmation of a plan of reorganization on, among other things, a finding that it is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor. For purposes of determining whether the Plan satisfies this condition, the Debtor has analyzed its capacity to service its obligations under the Plan. Based upon this analysis and the supporting projections, the Debtor believes it will be able to make all payments and Distributions required under the Plan.

V. THE CHAPTER 11 CASE

A. Factors Leading To Filing of the Chapter 11 Case

In the spring of 2009, Wells Fargo acquired Wachovia using federal bailout funds obtained under the Troubled Asset Relief Program. Thereafter, the Debtor's communications regarding the Note and Second Note were with representatives of Wells Fargo. In the fall of 2009, as the original maturity date of the Note and Second Note approached, the Debtor and Wells Fargo entered into negotiations to extend the Note and Second Note. Those negotiations resulted in an agreement pursuant to which the Debtor was given an option to extend the Note and Second Note to June 30, 2011 and a second option to further extend the Note and Second Note to June 30, 2012. The Debtor exercised the first option and the Note and Second Note were extended to June 30, 2011 pursuant to the Note Extension Agreement and Second Note Extension Agreement.

Beginning in 2011, the Debtor began seeking a purchaser for the Shopping Center. Potential buyers for the Shopping Center that were contacted declined to pursue a sale on the basis that the payoff for the Note and Second Note was too high. In early 2011, while attempting to locate a buyer for the Shopping Center, the Debtor learned that Wells Fargo was attempting to sell the Note and Second Note to private investors at a discount, notwithstanding the fact that, under the Loan Agreement and Second Loan Agreement, the Loans could only be sold to another institutional lender. The Debtor then communicated to Wells Fargo that Wells Fargo should be willing to accept a discounted payoff from the Debtor on the Note and Second Note if Wells Fargo was willing to sell the same at a discount. Thereafter, Wells Fargo agreed and represented to the Debtor that it would accept \$36 million in full payment of the Note and Second Note.

In reliance on Wells Fargo's representation that it would accept \$36 million in satisfaction of the Loans, the Debtor did not exercise its option to extend the maturity date of the Note and Second Note to June 30, 2012. Rather, the Debtor devoted its efforts to locating a buyer for the Shopping Center and pursuing a sale that would allow for payment of \$36 million to Wells Fargo. The Debtor obtained a letter of intent from one purchaser for a \$39 million sale transaction. Such transaction contemplated the use of \$36 million to retire the Wells Fargo indebtedness and use of the remaining purchase price for completion of final construction projects at the Shopping Center, including the New Addition. This transaction contemplated that Collins and Lippman would be involved in the final construction projects at the Shopping Center. Wells Fargo initially agreed to the proposed transaction, but later withdrew such consent and demanded a payoff of \$37.5 million, based on its belief that Collins and Lippman might receive some form of compensation for their efforts to complete the remaining construction projects.

Also during the time in which the Debtor and Wells Fargo were negotiating a potential discounted payoff of the Loans, the Debtor received funds from the City of Moore, Oklahoma in May, 2011 pursuant to the Tax Rebate Agreement. After payment of a portion of such funds to JC Penney, as required pursuant to an agreement between the Debtor and JC Penney, the Debtor deposited the balance of such funds – \$899,504.79 – in its operating account at Wells Fargo. Wells Fargo immediately placed a hold on the Debtor's account in the amount of \$899,504.79, but represented to the Debtor that such funds would be available for completion of construction work at the Shopping Center and reimbursement of Finish-Out Costs owed by the Debtor to various tenants once the parties reached a final agreement on a discounted payoff of the Loans. Wells Fargo then swept the \$899,504.79 from the Debtor's account on or about June 29, 2011, immediately prior to the extended maturity date of the Note and Second Note. This action by Wells Fargo left the Debtor with insufficient funds to, among other things, reimburse a number of tenants that were owed money for Finish-Out Costs under their leases with the Debtor.

Following Wells Fargo's actions in sweeping the tax rebate funds from the Debtor's account, the Debtor and Wells Fargo agreed in an email exchange that Wells Fargo would accept \$36.5 million as a discounted payoff of the Loans. The Debtor then requested that Wells Fargo further extend the maturity date of the Note and Second Note to June 30, 2012 to allow sufficient time for the Shopping Center to be sold without the Loans being in default. Wells Fargo responded to such request by stating that it would not accept any discounted payoff of the Loans and that the Debtor possessed no right to further extend the maturity date of the Note and Second Note.

Wells Fargo's actions left the Debtor unable to satisfy, among other things, reimbursement obligations with respect to Finish-Out Costs associated with a number of leases. As of the Petition Date, the Debtor owed over \$350,000 to various tenants on account of unreimbursed Finish-Out

Costs. The Debtor commenced the Lawsuit against Wachovia and Wells Fargo and affiliates thereof on or about July 15, 2011. Wachovia then commenced the Cleveland County Litigation (defined and discussed in Article VI herein) seeking appointment of a receiver for the Shopping Center and to foreclose its alleged Liens against the same. Therefore, based on the actions of Wells Fargo and the commencement of the Cleveland County Litigation, the Debtor was required to seek the protection of the Bankruptcy Code to preserve its going concern value and to obtain the opportunity to formulate a plan of reorganization to satisfy all Creditor Claims against it.

B. Commencement of the Chapter 11 Case

On August 17, 2011, the Debtor filed a voluntary petition for protection under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. The Case is presided over by the Honorable Russell F. Nelms, United States Bankruptcy Judge.

C. The Debtors' Professionals

The following is a list of each of the Professionals that has been employed by the Debtor in the Case, with a description of the role of each such Professional:

<u>Professional</u>	<u>Role of Professional</u>
Forshey & Prostok, LLP	Lead bankruptcy counsel
Hill Gilstrap, P.C.	Special litigation counsel for the Debtor in the Lawsuit

D. Formation and Representation of the Committee

E. Professional Fees and Expenses

The total amount of Professional fees and expenses incurred by Professionals employed by the Debtor and the Committee, for the period beginning on the Petition Date and ending on _____, 2011, is approximately \$_____. Forshey & Prostok, LLP was paid a retainer in the amount of \$50,000 by the Debtor prior to the Petition Date. As of the Petition Date, the unapplied balance of the retainer paid to Forshey & Prostok, LLP was \$_____. Hill Gilstrap, P.C. was also paid a retainer in the amount of \$50,000 by the Debtor prior to the Petition Date. As of the Petition Date, the unapplied balance of the retainer paid to Hill Gilstrap, P.C. was \$_____.

In addition to fees and expenses incurred by Professionals employed by the Debtor and the Committee, the Debtor's estate may be liable, pursuant to section 506(b) of the Bankruptcy Code, for payment of certain postpetition fees and expenses incurred by professionals retained by Wachovia and/or Wells Fargo, to the extent such fees and expenses are determined to be reasonable by the Bankruptcy Court. Based on communications between counsel for the Debtor and counsel for Wachovia and Wells Fargo, Majestic understands that Wachovia and/or Wells Fargo claim to have incurred approximately \$_____ in professional fees and expenses for the period beginning on the Petition Date and ending on _____, 2011.

F. Continuation of Business after the Petition Date

Since the Petition Date, the Debtor has continued to operate its business and manage its affairs as debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtor has sought Bankruptcy Court approval for all transactions that were outside the ordinary course of its businesses. As discussed below, the Debtor also sought and obtained authority from the Bankruptcy Court during the period immediately following the Petition Date with respect to matters deemed by the Debtor to be essential to its smooth and efficient transition into chapter 11 and the stabilization of its operations.

1. The Debtor's Use of Cash Collateral

On the Petition Date, the Debtor filed an *Emergency Motion for an Interim and Final Order (A) Authorizing Use of Cash Collateral and (B) Granting Adequate Protection to Secured Lender (the "Cash Collateral Motion")* (Docket No. 4) seeking authority to use cash, including cash collateral of Wachovia/Wells Fargo, on an interim basis in accordance with a set cash collateral budget, pending final approval of the Cash Collateral Motion. The Bankruptcy Court entered interim orders on the Cash Collateral Motion allowing the Debtor to use the cash collateral of Wachovia/Wells Fargo in accordance with set cash collateral budgets on: August 24, 2011 (see Docket No. 17); September 20, 2011 (see Docket No. 48); and [REDACTED], 2011 (see Docket No. [REDACTED]) (collectively, the "**Interim Cash Collateral Orders**"). In the Interim Cash Collateral Orders, the Bankruptcy Court granted replacement liens to Wachovia/Wells Fargo, to the extent of any diminution in the value of their collateral resulting from the Debtor's use of cash or cash collateral, on: (a) prepetition Wachovia/Wells Fargo collateral; and (b) property acquired by the Debtor after the Petition Date which is of the same nature, kind and character as the prepetition Wachovia/Wells Fargo collateral, and all proceeds and products thereof. The Interim Cash Collateral Orders also authorized the Debtor to make certain payments of interest on the Note and Second Note to Wachovia/Wells Fargo and to make payments on a monthly basis to Wachovia/Wells Fargo to be held in escrow for property taxes and insurance on the Shopping Center as adequate protection.

2. Relief Immediately Following the Petition Date Regarding Utility Service

On the Petition Date, the Debtor filed a *Motion of Moore Sorrento, LLC Pursuant to 11 U.S.C. § 366(b) for an Order (I) Prohibiting Utility Companies from Altering, Refusing or Discontinuing Service and (II) Granting Related Relief (the "Utility Motion")* (Docket No. 5). In the Utility Motion, the Debtor requested an order prohibiting utility companies from altering, refusing or discontinuing service to the Debtor and establishing procedures pursuant to which the Debtor would provide utility companies with adequate assurance of future payment. The Bankruptcy Court granted the Utility Motion pursuant to an Order (Docket No. 12) entered on August 22, 2011. Thereafter, the Debtor provided adequate assurance deposits to its utility companies in accordance with such Order.

G. Schedules and General Bar Dates

After having received an extension from the Bankruptcy Court, the Debtor filed its Schedules on September 14, 2011 (see Docket Nos. 44 and 45). The Debtor filed amended Schedules on [REDACTED], 2011 (see Docket No. [REDACTED]).

Pursuant to a *Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, & Deadlines* entered in the Case, December 20, 2011 was fixed as the Bar Date for all holders of alleged Claims (except for governmental units) against the Debtor to file proofs of claim against the Debtor.

H. Operating Information During Pendency of the Chapter 11 Case

The Debtor files monthly operating reports with the Bankruptcy Court and the United States Trustee. Copies of the filed monthly operating reports are available for inspection and copying at the office of the Clerk of the Bankruptcy Court. A copy of the most recently filed monthly operating report is attached hereto as **Exhibit "C"**.

I. Matters Relating to Executory Contracts and Unexpired Leases

Section 365 of the Bankruptcy Code grants a debtor the power, subject to the approval of the Bankruptcy Court, to assume or reject executory contracts and unexpired leases. Pursuant to the Plan, each of the Debtor's executory contracts and unexpired leases shall be deemed assumed on the Effective Date unless such executory contract or unexpired lease (a) has been rejected pursuant to an order of the Bankruptcy Court; (b) is identified in the Plan or the Confirmation Order as an executory contract or unexpired lease to be rejected; or (c) is the subject of a motion to reject filed on or before the Confirmation Hearing. The Debtor has not yet rejected any executory contract or unexpired lease.

J. Exclusivity

Pursuant to sections 1121(b) and (c)(3) of the Bankruptcy Code, a debtor has (a) 120 days after the petition date within which to file its plan of reorganization (the "Filing Period"), and (b) 180 days after the petition date to solicit acceptances of its timely filed plan of reorganization (the "Solicitation Period") before other parties in interest are permitted to file plans. The Debtor filed the Plan prior to expiration of the Filing Period. Accordingly, no other party may file a plan unless the Solicitation Period expires or the Bankruptcy Court orders otherwise.

K. Anticipated Post-Confirmation Future of the Debtor

Post-confirmation, the Debtor will continue to operate its business as a going concern. The Debtor will fully complete construction of the Shopping Center by constructing the New Addition, utilizing funds from the Construction Reserve Account. The Debtor will also market and, as soon as reasonably practicable, sell the Pad Sites post-confirmation.

L. Preservation of NOLs

The Debtor shall preserve any operating loss carry-forwards under the Plan to offset taxable income resulting from future operations.

M. Collectability of Accounts Receivable

The Debtor collects approximately \$ [REDACTED] per month in rents from its tenants at the Shopping Center. While tenants in any retail shopping center sometimes default on their obligations to pay rent, the Debtor does not anticipate difficulties in collecting rents post-confirmation.

N. Projected Avoidance Action Recoveries

Although all rights with respect to Avoidance Actions are preserved under the Plan, the Plan does not contemplate the prosecution of any Avoidance Actions against any Persons.

VI. LITIGATION INVOLVING THE DEBTOR

A. Litigation By and Against the Debtor

As of the Petition Date, the Lawsuit was pending in state court. Wells Fargo removed the Lawsuit postpetition to the United States District Court for the Northern District of Texas, Dallas Division, where the Lawsuit remains pending. In the Lawsuit, the Debtor, Collins and Lippman assert claims against Wachovia, Wells Fargo and other affiliates thereof for, among other things, breach of contract, fraud, breach of the duty of good faith and fair dealing, negligence, wrongful economic coercion, conversion and tortious interference. The Debtor will continue to prosecute its claims against the defendants in the Lawsuit post-confirmation and, pursuant to the Plan, the Final Order entered in the Lawsuit shall determine the ultimate Allowed amount, if any, of the Note Claim and Second Note Claim. The Debtor is represented in the Lawsuit by the law firm of Hill Gilstrap, P.C.

As of the Petition Date, the Debtor was also a plaintiff in the civil action styled *TOKA General Contractors, Ltd. and Moore Sorrento, L.L.C. v. Amerisure Mutual Insurance Company; National Surety Corporation; and Wm. Rigg Co.*, Cause No. 017-230268-08, 17th Judicial District, Tarrant County, Texas (the "**Tarrant County Litigation**"). In the Tarrant County Litigation, the Debtor asserts claims, among others, against Wm. Rigg Co. for damages based on [REDACTED]. The Debtor is seeking damages in the Tarrant County Litigation in the amount of \$[REDACTED]. Trial in the Tarrant County Litigation is scheduled to commence [REDACTED], 2012. The Debtor will continue to prosecute its claims in the Tarrant County Litigation post-confirmation. The Debtor is represented in the Tarrant County Litigation by the law firm of Shackelford, Hawkins & Searcy.

As of the Petition Date, the Debtor was a defendant in the civil action styled *Wachovia Financial Services, Inc., a subsidiary of Wells Fargo Bank, N.A. v. Moore Sorrento, LLC, Burk Collins, and William Lippman*, Case No. CJ-2011-1121, District Court of Cleveland County, Oklahoma (the "**Cleveland County Litigation**"). In the Cleveland County Litigation, Wachovia sought appointment of a receiver with respect to the Shopping Center and foreclosure of its alleged Liens on the Shopping Center. From and after the Petition Date, the automatic stay of section 362 of the Bankruptcy Code has stayed the Cleveland County Litigation and precluded Wachovia from continuing to prosecute the same. Wachovia has not sought and the Bankruptcy Court has not granted any relief from the automatic stay to allow the Cleveland County Litigation to continue. From and after the Effective Date of the Plan, Wachovia's claims against the Debtor in the Cleveland County Litigation shall be discharged and Wachovia shall be permanently enjoined from prosecuting the Cleveland County Litigation against the Debtor. The allowable amount, if any, of Wachovia's Claims against the Debtor shall be determined by Final Order in the Lawsuit and satisfied in accordance with the terms of the Plan.

B. Additional and Potential Litigation by the Debtor

Except as expressly provided in the Plan, nothing contained in the Disclosure Statement, the Plan or the Confirmation Order shall waive, relinquish, release or impair the Reorganized Debtor's right to object to any Claim.

The Reorganized Debtor will retain all rights pursuant to section 505 of the Bankruptcy Code as to any Tax Claim.

Except as expressly set forth in the Plan, all Causes of Action (including all Avoidance Actions), claims, counterclaims, Estate Defenses, defenses and rights of offset or recoupment belonging to the Debtor shall, upon the occurrence of the Effective Date, be retained by, received by and vested in the Reorganized Debtor for the benefit of the Debtor and the Debtor's Estate. Except as expressly set forth in the Plan, the rights of the Reorganized Debtor to commence, prosecute or settle such Causes of Action, respectively, shall be preserved notwithstanding the occurrence of the Effective Date. **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtor or Reorganized Debtor will not pursue any and all available Causes of Action (including all Avoidance Actions) against them. The Debtor and its Estate expressly reserve all rights to prosecute any and all Causes of Action (including all Avoidance Actions) against any Person, except as otherwise provided in the Plan.** Unless any Causes of Action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, the Debtor expressly reserves all Causes of Action (including all Avoidance Actions) for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action upon or after the confirmation or consummation of the Plan.

VII. THE PLAN

THE FOLLOWING IS A SUMMARY OF THE MATTERS CONTEMPLATED TO OCCUR EITHER PURSUANT TO OR IN CONNECTION WITH THE CONSUMMATION OF THE PLAN. THIS SUMMARY HIGHLIGHTS THE SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT, NOR IS IT INTENDED TO BE, A COMPLETE DESCRIPTION OR A SUBSTITUTE FOR A FULL AND COMPLETE REVIEW OF THE PLAN. THE FOLLOWING SUMMARY IS COMPLETELY QUALIFIED BY THE TERMS OF THE PLAN. IN THE EVENT OF ANY CONFLICT BETWEEN THE FOLLOWING SUMMARY AND THE PLAN, THE PLAN WILL CONTROL.

A. Classification and Treatment Summary

The Plan classifies the various Claims against and Interests in the Debtor. These Classes take into account the different nature and priority of Claims against and Interests in the Debtor. In addition, in accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified for purposes of voting under the Plan. Rather, all such Claims are treated separately as unclassified Claims.

1. Unclassified Claims Against the Debtor

Unclassified Claims against the Debtor consist of Administrative Claims and Priority Tax Claims. An Administrative Claim is a Claim based on any cost or expense of administration of the Case allowed under subsections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estate of the Debtor, any actual and necessary expenses of operating the business of the Debtor, any indebtedness or obligations incurred or assumed by the Debtor, as debtor in possession, during the Case including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of

services, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estate of the Debtor under section 1930 of title 28 of the United States Code.

Administrative Claims include both ordinary postpetition business expenses and Claims attributable to Professionals. Trade debt will be paid in the ordinary course of business. Fees and expenses owed to Professionals are payable upon the Allowance of an appropriate fee application.

a. Treatment of Administrative Expense Claims

The Confirmation Order will establish the Administrative Claims Bar Date for filing of all Administrative Claims, including substantial contribution Claims (but not including Professional Fee Claims) which date will be forty-five (45) days after the Effective Date. Holders of asserted Administrative Claims, other than Professional Fee Claims, claims for U.S. Trustee fees under 28 U.S.C., section 1930, Administrative Tax Claims and administrative ordinary course liabilities, must submit proofs of Administrative Claim on or before such Administrative Claims Bar Date or forever be barred from doing so.

On, or as soon as reasonably practicable thereafter, the later of (i) the Effective Date, (ii) the tenth (10th) Business Day after such Administrative Claim becomes an Allowed Administrative Claim or (iii) the date such Administrative Claim becomes payable pursuant to any agreement between the holder of such Administrative Claim and the Debtor, the holder of each Allowed Administrative Claim shall receive from the Reorganized Debtor in full satisfaction, settlement, release, and discharge of such Allowed Administrative Claim: (A) Cash equal to the unpaid portion of such Allowed Administrative Claim; or (B) treatment in accordance with the terms of any written agreement between the Debtor and the holder of such Allowed Administrative Claim regarding such Allowed Administrative Claim; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business after the Petition Date will be paid in the ordinary course of business in accordance with the terms and conditions of any agreement relating thereto. Administrative Tax Claims shall be paid on or before the time when payment thereof is due under applicable non-bankruptcy law.

Holders of Administrative Claims that are based on liabilities incurred in the ordinary course of the Debtor's business (other than Professional Fee Claims or Claims of governmental units for taxes and for interest and/or penalties related to such taxes) shall not be required to file any request for payment of such Claims. Such Administrative Claims, unless objected to by the Debtor, shall be assumed and paid by the Reorganized Debtor, in Cash, pursuant to the terms and conditions of the particular transaction giving rise to such Administrative Claim.

All requests for payment of Administrative Claims by a governmental unit for taxes (and for interest and/or penalties related to such taxes) for any tax year or period, and for which no bar date has otherwise been previously established, must be filed and served on the Debtor and any other party specifically requesting a copy in writing on or before the later of (a) thirty (30) days following the Effective Date; and (b) one hundred and twenty (120) days following the filing of the tax return for such taxes for such tax year or period with the applicable governmental unit. Any holder of any such Claim that is required to file a request for payment of such taxes and does not file and properly serve such a Claim by the applicable bar date shall be forever barred from asserting any such Claim against the Estate, the Debtor, or the Assets, regardless of whether any such Claim is deemed to arise prior to, on, or subsequent to the Effective Date. Any interested party desiring to object to an

Administrative Tax Claim must file and serve its objection on counsel to the Debtor and the relevant Taxing Authority no later than ninety (90) days after the Taxing Authority files and serves its application.

All final requests for compensation or reimbursement of Professional Fee Claims pursuant to sections 327, 328, 330, 331, 363, 503(b) or 1103 of the Bankruptcy Code for services rendered to or on behalf of the Debtor or the Committee prior to the Effective Date must be filed and served no later than sixty (60) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of expenses must be filed and served on the Debtor, its counsel and the requesting Professional or other entity no later than 24 days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served.

b. Treatment of Priority Tax Claims

On, or as soon as reasonably practicable after, the later of (a) the Effective Date or (b) the date on which each such Priority Tax Claim becomes Allowed, each holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Priority Tax Claim, Cash from the Reorganized Debtor equal to the due and unpaid portion of such Allowed Priority Tax Claim, or such lesser amount as may be agreed upon by the holder of such Claim. The Allowed Priority Tax Claims will bear interest at a rate of interest fixed by the Bankruptcy Court from and after the Effective Date until paid in full.

c. Treatment of United States Trustee's Fees

All quarterly U.S. Trustee's fees pursuant to 28 U.S.C. section 1930(a)(6) shall be paid as of the Effective Date and thereafter as the same may become due.

2. Classified Claims and Interests

Classified Claims and Interests shall receive the treatment as described in Article V of the Plan, which treatment is summarized in the table set forth in Article I.B of this Disclosure Statement above.

B. Acceptance or Rejection of the Plan

Claim and Interest holders in Impaired Classes of Claims and Interests are entitled to vote as a Class to accept or reject the Plan.

Each Impaired Class of Claims that will (or may) receive or retain property or any interest in property under the Plan shall be entitled to vote to accept or reject the Plan. An Impaired Class of Claims shall have accepted the Plan if (a) the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. An Impaired Class of Interests shall have accepted the Plan if the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Interests actually voting in such Class have voted to accept the Plan.

If any Class of Claims or Interests entitled to vote on the Plan does not vote to accept the Plan, the Debtor shall (a) seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code or (b) amend or modify the Plan in accordance with Section 12.5 of the Plan. With respect to any Class of Claims or Interests that is deemed to reject the Plan, the Debtor shall request that the Bankruptcy Court confirm or "cram down" the Plan pursuant to section 1129(b) of the Bankruptcy Code.

C. Means of Implementation of the Plan

1. Revesting of Assets in the Debtor

On the Effective Date, all Assets shall vest or revest in the Reorganized Debtor free and clear of all Liens, Claims and Interests, except as expressly provided in the Plan.

2. Plan Distributions

The Reorganized Debtor shall have the right and duty to make all Distributions required pursuant to the Plan.

3. Wells Fargo Renewal Documents

The provisions of section 5.2 of the Plan relating to the Allowed Class 2 Claim shall be effectuated by delivery of the Wells Fargo Renewal and Extension Agreement.

4. Jurisdiction of and Access to the Bankruptcy Court

The Bankruptcy Court shall retain jurisdiction over the Plan and matters relating thereto, in accordance with ARTICLE XIV of the Plan. From and after the Effective Date, the Reorganized Debtor shall be entitled to the full benefit of, and to exercise all powers incident to, the jurisdiction retained by the Bankruptcy Court pursuant to the Plan, including without limitation the right to apply to the Bankruptcy Court or any court of competent jurisdiction to seek any order, writ or other process which, in the Reorganized Debtor's good faith business judgment, is necessary or appropriate to enforce, construe, perform, implement, consummate, or apply the Plan.

5. Preservation of Rights of Action and Estate Defenses

All Causes of Action and Estate Defenses shall be vested or revested in the Reorganized Debtor. The Reorganized Debtor shall constitute and act as the representative of the Estate pursuant to section 1123(b)(3)(B) of the Bankruptcy Code with respect to all Causes of Action and Estate Defenses. Subject to the terms of the Plan and the orders of the Bankruptcy Court, all Causes of Action and Estate Defenses shall be deemed transferred to and vested in the Reorganized Debtor as of the Effective Date. Thereafter, the Reorganized Debtor shall have the sole and exclusive authority to assert, prosecute and otherwise resolve or settle all Causes of Action and Estate Defenses.

6. Claim Objections

The Reorganized Debtor shall have the sole power and authority to make an Objection to any Claim. Without limiting the generality of the foregoing, the Reorganized Debtor shall have the power to: (a) file an Objection to any Claim on any legal or equitable basis; (b) seek to subordinate any Claim on any legal or equitable basis; (c) assert any right of setoff or recoupment, including

without limitation, any such right pursuant to section 553 of the Bankruptcy Code or based on any Estate Defense; (d) to assert any and all Estate Defenses, whether legal or equitable, including any affirmative defenses or any setoff right; (e) to assert any counterclaim against any Claim, whether arising out of the same or different transactions, including any counterclaim or setoff right or any Estate Defense; and (f) to object to any Claims on the basis of section 502(d) of the Bankruptcy Code. The procedures for resolving disputes over Claims are set forth in ARTICLE X of the Plan.

7. Retention of Subsequent Causes of Action

Except as is otherwise expressly provided in the Plan or in the Confirmation Order, nothing in the Plan or the Confirmation Order shall preclude or estop the Reorganized Debtor or its privies, as successors in interest to the Debtor and its privies, from bringing a subsequent action in any court or adjudicative body of competent jurisdiction, to enforce any or all of its or their rights in connection with the Causes of Action, irrespective of the identity of any interest, cause of action, or nexus of fact, issues or events which is now or which could have been asserted in the Case, the present litigation, and those which may be asserted in any subsequent litigation brought by the Reorganized Debtor or its privies. Moreover, the failure to commence any Cause of Action prior to the Confirmation Date shall not constitute res judicata, judicial or collateral estoppel as to such Cause of Action.

8. Sale of Pad Sites

The Reorganized Debtor shall market and, as soon as reasonably practicable, sell the Pad Sites free and clear of Wells Fargo's Liens, which Liens shall attach to the proceeds after the payment therefrom of reasonable and customary Closing Costs. The net proceeds, after payment of reasonable Closing Costs, shall be paid into the Construction Reserve Account.

9. Funding of Construction Reserve Account

The Capital Contribution, all payments to the Reorganized Debtor pursuant to the Tax Rebate Agreement (including the 2012 Tax Rebate) and the Net Pad Site Proceeds shall be paid into the Construction Reserve Account until an amount equal to the Construction Reserve Budget has been paid into the Construction Reserve Account. The funds held in the Construction Reserve Account shall continue to be subject to a Lien in favor of Wells Fargo to secure its Allowed Class 2 Claim.

10. Completion of Shopping Center

The Construction Reserve Account shall be utilized to pay the following costs:

- (a) Construction of the shell for the New Addition;
- (b) Finish-Out Costs for the New Addition; and
- (c) Finish-Out Costs for the remainder of the Shopping Center other than the New Addition

The Construction Reserve Account shall include a reserve of a minimum of \$250,000 as reflected in the Construction Reserve Budget.

11. Constituting the Operating Reserve Account

The Reorganized Debtor shall pay from its operating account all Distributions pursuant to the Plan, as well as the unreimbursed operating expenses for the Shopping Center. On the 20th day of each calendar month, the Debtor shall transfer to a reserve account (**the “Operating Reserve Account”**) all funds not reasonably required for ongoing operations and Distributions under the Plan. The Operating Reserve Account shall be constituted up to an amount of \$50,000. Thereafter, as payments are made from the Operating Reserve Account from time to time, the Operating Reserve Account shall be reconstituted back up to \$50,000. To the extent the balance of the funds in the Operating Reserve Account at the end of each calendar month exceeds the sum of \$50,000, such sum shall constitute Excess Funds which shall be paid to Wells Fargo for application against the principal amount of the Second Note and then the Note.

12. Allowance of Wells Fargo’s Class 2 Claim

The amount of Wells Fargo’s Allowed Class 2 Claim against the Reorganized Debtor pursuant to the Note and the Second Note shall be determined in the Lawsuit. Both Collins and Lippman will deliver a document to the Reorganized Debtor agreeing to be bound by the adjudication of the Allowed amount of the Class 2 Claim against the Reorganized Debtor through the Lawsuit. However, both Collins and Lippman reserve the right to dispute and contest the issue as to whether Wells Fargo’s actions have released them from their respective obligations under the Guaranties.

D. Provisions Governing Distributions

1. Source of Distributions

Distributions to any Creditor under the Plan shall be made by the Reorganized Debtor from the income and expense reimbursement from the Shopping Center.

2. Timing of Distributions

Except as otherwise expressly provided in the Plan, no Distributions shall be made to any Creditor until such Creditor’s Claim is Allowed.

3. Record Date for Distributions

As of the close of business on the Effective Date, (**the “Distribution Record Date”**), the registers for Claims and Interests will be closed, and there shall be no further changes in the holder of record of any Claim or Interest. The Reorganized Debtor shall have no obligation to recognize any transfer of any Claim or Interest occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those holders of record stated on the registers of Claims and/or Interests as of the Distribution Record Date for Distributions under the Plan.

4. Means of Cash Payment

Except as otherwise agreed by the Reorganized Debtor, Cash payments made pursuant to this Plan shall be by check, wire or ACH transfer in U.S. funds or by other means agreed to by the payor and payee or, absent agreement, such commercially reasonable manner as the payor determines in its sole discretion.

5. Delivery of Distributions

Deliveries of Distributions to the holders of Allowed Claims shall be made at the address set forth on the respective proofs of claim filed in the Case. If no proof of claim is filed, Distribution shall be made to the Creditor at the address reflected in the Schedules. If any Distribution is returned as undeliverable, no further Distribution shall be made on account of such Allowed Claim unless and until the Reorganized Debtor is notified in writing of such Claimant's proper current address, at which time all missed Distributions shall be made to such Claimant. All claims for undeliverable Distributions shall be made on or before the first anniversary of the attempted Distribution. After such date, all undelivered Distributions shall be deemed as Unclaimed Property and may revert to the Reorganized Debtor, and the Claim of any holder with respect to such property shall be discharged and forever barred.

6. Time Bar to Cash Payments

Checks issued on account of Allowed Claims shall be null and void if not cashed within one hundred twenty (120) days of the date of issuance thereof. Requests for reissuance of any check shall be made in writing directly to the Reorganized Debtor by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made on or before ninety (90) days after the date of issuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

7. Applicability of Insurance Policies

Except as otherwise provided in the Plan, Distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any cause of action that the Debtor or Reorganized Debtor or any entity may hold against any other entity, including insurers under any policies of insurance, nor shall anything contained in the Plan constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses.

E. Treatment of Executory Contracts, Unexpired Leases and Other Agreements

1. Assumption/Rejection

On the Effective Date, and to the extent permitted by applicable law, all of the Debtor's executory contracts and unexpired leases shall be deemed as assumed unless such executory contract or unexpired lease (a) has been rejected pursuant an order of the Bankruptcy Court; (b) is identified in the Plan or the Confirmation Order to be rejected; or (c) is the subject of a motion to reject filed on or before the Confirmation Hearing.

2. Pass-Through

Except as otherwise provided in the Plan, any rights or arrangements necessary or useful to the operation of the Reorganized Debtor's business under the Plan, but not otherwise addressed as a Claim or Interest, including non-exclusive or exclusive patent, trademark, copyright, maskwork or other intellectual property licenses and other executory and/or non-executory contracts not assumable under section 365(c) of the Bankruptcy Code, shall, in the absence of any other treatment under the Plan or Confirmation Order, be passed through the Case for the benefit of the Reorganized Debtor and the counterparty unaltered and unaffected by the bankruptcy filing or Case.

3. Bar to Rejection Damages

Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an executory contract or an unexpired lease shall be forever barred and shall not be enforceable against the Estate or the Reorganized Debtor, unless an appropriate proof of claim is filed with the Bankruptcy Court and served upon the Reorganized Debtor no later than thirty (30) days after the Effective Date.

4. Rejection Claims

Any Rejection Claim which is timely filed and ultimately Allowed shall be classified as a Class 3 General Unsecured Claim subject to the provisions of section 502(g) of the Bankruptcy Code; provided, however, that any Rejection Claim based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date or upon the entry of the Confirmation Order, shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed an admission by the Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtor of any Objections to any such Claim if asserted.

5. Reservation of Rights

Nothing contained in the Plan shall constitute an admission by the Debtor that any such contract or lease is in fact an executory contract or unexpired lease or that the Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Reorganized Debtor, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease.

F. Procedures for Resolving Disputed, Contingent and Unliquidated Claims

1. Objections to Claims

From and after the Effective Date, the Reorganized Debtor shall have the sole and exclusive right, to: (i) file, settle, or litigate to Final Order any Objections to any Claim; (ii) settle, compromise or otherwise resolve any Disputed Claim without approval of the Bankruptcy Court, and (iii) seek to subordinate any Claim.

As soon as practicable, but no later than the Objection Deadline, the Reorganized Debtor may file any Objections with the Bankruptcy Court and serve such Objections on the Creditors holding the Claims to which Objections are made. Nothing contained in the Plan shall limit the right of the Reorganized Debtor to object to Claims, if any, filed or amended after the Objection Deadline. The Objection Deadline may be extended by the Bankruptcy Court upon motion by the Reorganized Debtor filed on or before the Objection Deadline, but without notice or hearing.

Any proof of claim filed more than sixty (60) days after the Effective Date shall be of no force and effect and need not be objected to by the Reorganized Debtor.

2. Distributions on Account of Disputed Claims

Except as expressly provided in the Plan in respect of the Class 2 Claim, no Distribution shall be made on account of a Disputed Claim until such Claim is Allowed. Until a Disputed Claim

becomes Allowed by a Final Order, such Claim shall be treated as a Disputed Claim for purposes of estimates, allocations, and Distributions under the Plan. Any Claim based on a contingent right to contribution or reimbursement shall continue to be subject to section 502(e) of the Bankruptcy Code.

The Reorganized Debtor shall have the sole right at any time and in the Reorganized Debtor's sole discretion to request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether any Objection has been made to such Claim or whether the Bankruptcy Court has ruled on any Objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time until there is a Final Order relating to the Objection, including during the pendency of any appeal related to any such Claim or Claim Objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned Objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism.

3. Allowance of Disputed Claims

Nothing contained in the Plan, this Disclosure Statement or Confirmation Order shall change, waive or alter any requirement under applicable law that the holder of a Disputed Claim must file a timely proof of claim, and the Disputed Claim of any such Creditor who is required to file a proof of claim and fails to do so shall be discharged and shall receive no Distribution through the Plan. The adjudication and liquidation of Disputed Claims is a determination and adjustment of the debtor/creditor relationship, and is therefore an exercise of the Bankruptcy Court's equitable power to which the legal right of trial by jury is inapplicable. The holder of any Disputed Claim shall not have a right to trial by jury before the Bankruptcy Court in respect of any such Claim. Exclusive venue for any Disputed Claim proceeding shall be in the Bankruptcy Court unless otherwise stated in the Plan with respect to a specific Claim. Disputed Claims shall each be determined separately, except as otherwise ordered by the Bankruptcy Court. Texas Rule of Civil Procedure 42 and Federal Rule of Civil Procedure 23 shall not apply to any Disputed Claim proceeding. The Reorganized Debtor shall retain all rights of removal to federal court.

4. General Unsecured Claims

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtor prior to the Effective Date including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Reorganized Debtor from paying Claims that the Debtor was authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

5. Allowance of Certain Claims

All Disputed Claims shall be liquidated and determined as follows:

(a) Application of Adversary Proceeding Rules. Unless otherwise ordered by the Bankruptcy Court, any Objection to a Disputed Claim shall be treated as a contested matter subject

to Bankruptcy Rule 9014 of the Federal Rules of Bankruptcy Procedure. However, any party may move the Bankruptcy Court to apply the rules applicable to adversary proceedings to any Claim Objection. The Reorganized Debtor, however, may, at its election, make and pursue any Objection to a Claim in the form of an adversary proceeding.

(b) Scheduling Order. Unless otherwise ordered by the Bankruptcy Court, or if the Objection is pursued as an adversary proceeding, a scheduling order shall be entered as to each Objection to a Claim. The scheduling order may include (i) discovery cut-off, (ii) deadlines to amend pleadings, (iii) deadlines for designation of and objections to experts, (iv) deadlines to exchange exhibit and witness lists and for objections to the same, and (v) such other matters as may be appropriate.

(c) Mediation. The Bankruptcy Court may order the parties to mediate in connection with any Objection to a Claim. The Reorganized Debtor may include a request for mediation in its Objection, and request that the Bankruptcy Court require mediation as a part of the Scheduling Order.

6. Offsets and Defenses

The Reorganized Debtor shall be vested with and retain all Estate Defenses against any Claim, including without limitation all rights of setoff or recoupment and all counterclaims against any Claimant.

7. Expunging of Certain Claims

All Claims marked or otherwise designated as "contingent, unliquidated or disputed" on the Debtor's Schedules and for which no proof of claim has been timely filed, shall be deemed Disallowed and such Claim may be expunged without the necessity of filing an Objection and without any further notice to, or action, order or approval of the Bankruptcy Court.

G. Confirmation and Consummation of the Plan

1. Conditions Precedent to Confirmation and Effectiveness

The Plan shall not become effective until the following conditions shall have been satisfied or waived by the Debtor, as appropriate, as determined in the Debtor's sole discretion:

(a) The Confirmation Order shall have been entered in form and substance acceptable to the Debtor;

(b) All other conditions precedent not otherwise waived by the Debtor have been satisfied to the satisfaction of the Debtor;

(c) The Bar Date shall have passed, and no additional Claims have been filed which the Debtor deems to adversely impact the Plan;

(d) A notice of the Effective Date shall have been filed by the Debtor and thereafter served upon all Creditors, holders of Interests and parties in interest.

2. Revocation of the Plan

The Plan may be revoked or withdrawn at any time before the Effective Date by the Debtor.

3. Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

4. Non-Material Modifications

After the Effective Date, the Reorganized Debtor may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Reorganized Debtor may undertake such non-material modification pursuant to section 12.4 of the Plan insofar as it does not adversely change the treatment of the Claim of any Creditor or the Interest of any Interest holder who has not accepted in writing the modification.

5. Material Modifications

Modifications of the Plan may be proposed in writing by the Debtor at any time before confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtor shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after confirmation and before the Effective Date, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

H. Effect of the Plan on Claims and Interests

1. Compromise and Settlement

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distribution and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtor. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtor, its Estate, Creditors and other parties in interest, and are fair, equitable and within the range of reasonableness.

It is not the intent of the Debtor that confirmation of the Plan shall in any manner alter or amend any settlement and compromise between the Debtor and any Person that has been previously approved by the Bankruptcy Court (**each, a "Prior Settlement"**). To the extent of any conflict between the terms of the Plan and the terms of any Prior Settlement, the terms of the Prior

Settlement shall control and such Prior Settlement shall be enforceable according to its terms.

2. Satisfaction of Claims

The rights afforded in the Plan and the treatment of all Claims and Interests therein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against the Debtor, the Estate, and the Assets. Except as otherwise provided in the Plan, on the Effective Date, all Claims against and Interests in the Debtor shall be satisfied, discharged, and released in full. Except as otherwise provided in the Plan, all Persons shall be precluded and forever barred from asserting against the Debtor and its Affiliates, successors, assigns, the Estate and the Assets any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

3. Exculpation and Limitation of Liability

Notwithstanding any other provision of the Plan, no holder of a Claim or Interest, no other party in interest, none of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, and no successors or assigns of the foregoing, shall have any right of action whether in law or equity, whether for breach of contract, statute, or tort claim, against the Debtor, the Estate, or any of their respective affiliates, representatives, present or former members, officers, directors, employees, advisors, attorneys, or agents, for any act or omission in connection with, relating to, or arising out of, the Case, the pursuit of confirmation of the Plan, consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct or gross negligence. Nothing herein shall release or otherwise affect any Cause of Action or Estate Defense.

4. Good Faith

As of the Confirmation Date, the Debtor shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code.

5. Discharge of the Reorganized Debtor

The terms, covenants and consideration under the Plan shall be in exchange for, and in complete satisfaction, discharge, and release of, all Claims of any nature whatsoever against the Debtor, Reorganized Debtor and/or the Assets of Reorganized Debtor. Except as otherwise expressly provided in the Plan, upon the Effective Date, the Reorganized Debtor, and its successors in interest and assigns, shall be deemed discharged and released pursuant to section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (a) a proof of claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code; (c) the holder of a Claim based upon such debt has accepted the Plan; or (d) the Claim has been Allowed, Disallowed, or estimated pursuant to section 502(c) of the Bankruptcy Code. The Confirmation Order shall be a judicial determination of discharge of all liabilities of Reorganized Moore Sorrento, LLC, and its successors in interest and assigns, other than those obligations specifically set forth pursuant to the Plan.

6. Permanent Injunction

Except as otherwise provided in the Plan, from and after the Effective Date, all Persons who have held, hold, or may hold Claims against or Interests in the Debtor prior to the Effective Date are permanently enjoined from taking any of the following actions against the Debtor or its Estate on account of any such Claims or Interests: (a) commencing or continuing, in any manner or in any place, any action or other proceeding; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (c) creating, perfecting or enforcing any lien or encumbrance; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor; and (e) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; provided, however, that nothing contained herein shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of the Plan.

7. Injunction Against Pursuit of Collins and Lippman

So long as the Reorganized Debtor is not in default under the Plan and is not in material default in the performance of its obligations under the Wells Fargo Renewal and Extension Agreement, then Wells Fargo, its officers, agents, attorneys and affiliates shall be enjoined from continuing the Guaranty Litigation or otherwise pursuing, in any manner, the collection of any of the Guaranties against Collins or Lippman through the Maturity Date. This injunction shall also be incorporated into the Confirmation Order.

8. Setoffs

Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, the Debtor may setoff against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such Distribution is made), any claims, rights, Estate Defenses and Causes of Action of any nature that the Debtor may hold against the holder of such Allowed Claim, to the extent such claims, rights, Estate Defenses or Causes of Action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the Allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release by the Debtor of any such claims, rights, Estate Defenses and Causes of Action that the Debtor may possess against such Claimant. In no event shall any Claimant or Interest holder be entitled to setoff any Claim or Interest against any claim, right, or Cause of Action of the Debtor, as applicable, without the consent of the Debtor unless such holder files a motion with the Bankruptcy Court requesting the authority to perform such setoff notwithstanding any indication in any proof of claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

9. Recoupment

In no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any claim, right, account receivable or Cause of Action of the Debtor unless (i) such holder actually provides notice thereof in writing to the Debtor of its intent to perform a recoupment; (ii) such notice includes the amount to be recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment, and (iii) the Debtor has provided a written response to

such Claim or Interest holder, stating unequivocally that the Debtor consents to the requested recoupment. The Debtor shall have the right, but not the obligation, to seek an order of the Bankruptcy Court allowing any or all of the proposed recoupment. In the absence of a written response from the Debtor consenting to a recoupment or an order of the Bankruptcy Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

10. Turnover

On the Effective Date, any rights of the Estate to compel turnover of Assets under applicable non-bankruptcy law and pursuant to section 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Reorganized Debtor.

11. Automatic Stay

The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtor and all Assets. Upon the Effective Date, the automatic stay shall be replaced by the injunction set forth in Section 13.6 of the Plan.

I. Jurisdiction in the Bankruptcy and Other Courts

1. Retention of Jurisdiction

Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to this Case and the Plan, for the purposes of sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

- (a) To hear and determine any and all Objections to or applications concerning the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Claim or Claim;
- (b) To hear and determine any and all applications for payments of fees and expenses from the Estate made by attorneys or any other Professional pursuant to sections 330 or 503 of the Bankruptcy Code;
- (c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of unexpired leases and executory contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any executory contract or lease;
- (d) To hear and determine any and all adversary proceedings, applications, or contested matters, including any remands or appeals;
- (e) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests or disputes relating to any of the Assets, (ii) the valuation of all Collateral, including hearing all valuation motions, (iii) the determination of the validity of any Lien or claimed right of setoff; and (iv)

determinations of objections to Disputed Claims;

- (f) To liquidate any disputed, contingent, or unliquidated Claims;
- (g) To ensure that Distributions to holders of Allowed Claims are accomplished as provided in the Plan;
- (h) To determine all issues relating to the enforcement, fixing or liquidation of Claims;
- (i) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;
- (j) To enable the Reorganized Debtor to prosecute any and all proceedings which may be brought to set aside Liens or encumbrances and to recover any transfers, assets, properties or damages to which the Reorganized Debtor may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state or local laws, including Causes of Action, controversies, disputes and conflicts between the Reorganized Debtor and any other party, including but not limited to, any Objections to Claims and Causes of Action including Preference Actions and other Avoidance Actions or equitable subordination.
- (k) To consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation the Confirmation Order;
- (l) To enforce the Plan injunction contained in Section 13.6 of the Plan;
- (m) To provide for and approve any sale after the Effective Date of any of the Assets of the Reorganized Debtor free and clear of all Liens, Claims and Interests;
- (n) To enter and implement all such orders as may be necessary or appropriate to execute, interpret, implement, consummate, or enforce the terms and conditions of the Plan, and the transactions contemplated pursuant thereto;
- (o) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan;
- (p) To determine proceedings pursuant to section 505 of the Bankruptcy Code; and
- (q) To enter a final decree closing the Case.

2. Abstention and Other Courts

Nothing in the Plan shall affect the right of the Reorganized Debtor to assert Causes of Action or Estate Defenses or otherwise seek any appropriate relief in any court of competent jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to this Case, section Article XIV of the Plan shall have no effect upon and shall not control, prohibit or limit the

exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

J. Miscellaneous Provisions

1. Severability

Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Reorganized Debtor may modify the Plan in accordance with Section 12.4 and 12.5 of the Plan so that such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan; or (b) require the resolicitation of any acceptance or rejection of the Plan.

2. Oral Agreements; Modification of Plan; Oral Representations or Inducements

The terms of the Plan, Disclosure Statement and Confirmation Order may not be changed, contradicted or varied by any oral statement, agreement, warranty or representation. The Plan may only be modified, amended or supplemented in writing signed by the Reorganized Debtor. Neither the Debtor nor its attorneys have made any representation, warranty, promise or inducement relating to the Plan or its confirmation except as expressly set forth in the Plan or this Disclosure Statement.

3. Waiver

The Reorganized Debtor shall not be deemed to have waived any right, power or privilege pursuant to the Plan unless the waiver is in writing and signed by the Reorganized Debtor. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Reorganized Debtor of any right pursuant to the Plan, including the provisions of the anti-waiver section. The waiver of any right under the Plan shall not act as a waiver of any other or subsequent right, power or privilege.

4. Construction

The Plan shall control over any inconsistent term contained in this Disclosure Statement. The Confirmation Order shall control over any inconsistent provision of the Plan or Disclosure Statement.

5. Notice

Any notice or communication required or permitted by the Plan shall be in writing given, made or sent as follows:

(a) If to a Creditor, notice may be given as follows: (i) if the Creditor has filed no proof of claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of claim, then to address reflected in the proof of claim.

(b) If to the Reorganized Debtor, notice shall be sent to the following address:

Moore Sorrento, LLC
Attn: Burk Collins
1848 Norwood Plaza, Suite 214
Hurst, Texas 76054
(817) 268-2240 FAX
Email: Burk@burkcollinscompany.com

Concurrently with service of such notice on the Reorganized Debtor, a copy thereof shall be concurrently served in the same manner on the following legal counsel as follows:

J. Robert Forshey
Matthew G. Maben
Forshey & Prostok, L.L.P.
777 Main Street, Suite 1290
Fort Worth, Texas 76102
(817) 877-4151 FAX
E-mail: bforshey@forsheyprostok.com
E-mail: mmaben@forsheyprostok.com

(c) Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Reorganized Debtor of its new address in accordance with the terms Section 15.5 of the Plan.

(d) Any notice given, made or sent as set forth in Section 15.5 of the Plan shall be in writing and effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address specified in Section 15.5 of the Plan; (ii) delivered by hand or messenger to the addressee at the address specified in Section 15.5 of the Plan; (iii) telecopied to the addressee as set forth in Section 15.5 of the Plan, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

6. Binding Effect

The Plan shall be binding upon, and shall inure to the benefit of the Reorganized Debtor, the holders of the Claims or Liens, the holders of Interests, and their respective successors in interest and assigns.

7. Governing Law; Interpretation

Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any plan documents without regard to conflicts of law. The Plan shall control any inconsistent term or provision of any other plan documents.

8. Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on or before the Effective Date, and thereafter as such statutory fees become due.

9. Filing of Additional Documents

Prior to the Effective Date, the Debtor may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. On or after the Effective Date, the Reorganized Debtor may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

10. Elections by the Reorganized Debtor

Any right of election or choice granted to the Reorganized Debtor under the Plan may be exercised by the Reorganized Debtor separately as to each Claim, Creditor or Person.

11. Release of Liens

Except as otherwise provided in the Plan or the Confirmation Order, all Liens against any of the Assets shall be deemed to be released, terminated and nullified.

12. No Admissions

Notwithstanding anything in the Plan to the contrary, nothing in the Plan shall be deemed as an admission by the Debtor or Reorganized Debtor with respect to any matter set forth in the Plan, including liability on any Claim.

13. Subordination

The right of the Reorganized Debtor to seek subordination of any Claim or Interest pursuant to section 510 of the Bankruptcy Code shall be fully reserved and vested in the Reorganized Debtor to pursue, if deemed prudent by the Reorganized Debtor, and the treatment afforded any Claim or Interest that becomes a Subordinated Claim at any time shall be modified to reflect such subordination.

14. Plan Supplement

Any and all Exhibits, lists, or schedules not filed with the Plan shall be contained in a supplement (**the "Plan Supplement"**) and filed with the Clerk of the Bankruptcy Court not later than five (5) days prior to the Plan Voting Deadline or such other filing deadline as may be approved by the Bankruptcy Court. Holders of Claims or Interests may also obtain a copy of the Plan Supplement upon written request to the Debtor. Notwithstanding the foregoing, the Debtor may amend the Plan Supplement and any attachments thereto, through and including the Confirmation Date.

15. Retiree Benefits

Pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

16. Rates

The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

17. Compliance with Tax Requirements

In connection with the Plan, the Debtor shall comply with all withholding and reporting requirements imposed by federal, state and local Taxing Authorities and all Distributions under the Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Interest that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such Distribution under the Plan.

VIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

THE PLAN AND ITS RELATED TAX CONSEQUENCES ARE COMPLEX. MOREOVER, MANY OF THE INTERNAL REVENUE CODE PROVISIONS DEALING WITH THE FEDERAL INCOME TAX ISSUES ARISING FROM THE PLAN HAVE BEEN THE SUBJECT OF RECENT LEGISLATION AND, AS A RESULT, MAY BE SUBJECT TO AS YET UNKNOWN ADMINISTRATIVE OR JUDICIAL INTERPRETATIONS. THE DEBTOR HAS NOT REQUESTED A RULING FROM THE INTERNAL REVENUE SERVICE (THE "IRS") OR AN OPINION OF COUNSEL WITH RESPECT TO THESE MATTERS. ACCORDINGLY, NO ASSURANCE CAN BE GIVEN AS TO THE INTERPRETATION THAT THE IRS WILL ADOPT. THERE ALSO MAY BE STATE, LOCAL OR OTHER TAX CONSIDERATIONS APPLICABLE TO EACH CREDITOR. CREDITORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND OTHER TAX LAWS.

IX. CONFIRMATION OF THE PLAN

A. Solicitation of Votes; Voting Procedures

1. Ballots and Voting Deadlines

A ballot to be used for voting to accept or reject the Plan, together with a postage-paid return envelope, is enclosed with all copies of this Disclosure Statement mailed to all holders of Claims and Interests entitled to vote. BEFORE COMPLETING YOUR BALLOT, PLEASE READ CAREFULLY THE INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT.

The Bankruptcy Court has directed that, in order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received no later than 5:00 p.m., Central Time, on [REDACTED], 20[REDACTED] at the following address:

Forshey & Prostok, L.L.P.
777 Main Street, Suite 1290
Fort Worth, Texas 76102
Attn: Linda Breedlove

YOUR BALLOT MAY NOT BE COUNTED IF IT IS RECEIVED AT THE ABOVE ADDRESS AFTER 5:00 P.M., CENTRAL TIME, ON [REDACTED], 20[REDACTED].

2. Parties in Interest Entitled to Vote

The holder of a Claim or Interest may vote to accept or reject the Plan only if the Plan impairs

the Class in which such Claim or Interest is classified. Under the Plan, all Classes of Claims and Interests are impaired. Therefore, all holders of Claims and Interests may vote to accept or reject the Plan.

Any Claim or Interest as to which an Objection has been filed is not entitled to vote unless the Bankruptcy Court, upon application of the holder to whose Claim or Interest an Objection has been made, temporarily allows such Claim or Interest in an amount that it deems proper for the purpose of accepting or rejecting the Plan. Any such application must be heard and determined by the Bankruptcy Court on or before commencement of the Confirmation Hearing. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT COUNSEL FOR THE DEBTOR AT THE FOLLOWING ADDRESS:

J. Robert Forshey
Matthew G. Maben
Forshey & Prostok, L.L.P.
777 Main Street, Suite 1290
Fort Worth, Texas 76102
(817) 877-8855
(817) 877-4151 fax
Email: bforshey@forsheyprostok.com
Email: mmaben@forsheyprostok.com

3. Vote Required for Class Acceptance

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the claims of that class which actually cast ballots for acceptance or rejection of the Plan. Thus, class acceptance takes place only if at least two-thirds in amount and a majority in number of the holders of claims voting cast their ballots in favor of acceptance.

The Bankruptcy Code defines acceptance of a plan by a class of interests as acceptance by holders of at least two-thirds in amount of the interests of that class that actually cast ballots for acceptance or rejection of the plan. Thus, class acceptance takes place only if at least two-thirds in amount of the holders of interests voting cast their ballots in favor of acceptance.

B. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. By order of the Bankruptcy Court, the Confirmation Hearing has been scheduled for [REDACTED], 20[REDACTED], at [REDACTED]:[REDACTED] m. Central Time, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing or any adjournment thereof.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan must be made in writing and filed with the Bankruptcy Court on or before 5:00 p.m., Central Time, [REDACTED], 20[REDACTED], at the following address:

Office of the Clerk
U.S. Bankruptcy Court
Eldon B. Mahon U.S. Courthouse
501 W. Tenth Street
Fort Worth, Texas 76102-3643

In addition, any such objection must be served upon the following parties, together with proof of service, on or before 5:00 p.m., Central Time, _____, 20__:

J. Robert Forshey
Matthew G. Maben
Forshey & Prostok, L.L.P.
777 Main Street, Suite 1290
Fort Worth, Texas 76102
(817) 877-4151 fax
Email: bforshey@forsheyprostok.com
Email: mmaben@forsheyprostok.com

United States Trustee
Attn: Elizabeth Ziegler, Trial Attorney
1100 Commerce Street, Room 976
Dallas, TX 75242
Email: elizabeth.ziegler@usdoj.gov

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court must determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in section 1129 of the Bankruptcy Code, these requirements are as follows:

1. The plan complies with the applicable provisions of the Bankruptcy Code.
2. The proponents of the plan complied with the applicable provisions of the Bankruptcy Code.
3. The plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or promised by the debtor, by the plan proponent, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in, or in connection with, the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of the Bankruptcy Court as reasonable.
5. (a) (i) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and

(ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and

(b) the proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider.

6. Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

7. With respect to each impaired class of claims or interests:

(a) each holder of a claim or interest of such class has accepted the plan or will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated on such date under chapter 7 of the Bankruptcy Code on such date; or

(b) if section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the holder of a claim of such class will receive or retain under the plan on account of such claim property of a value, as of the effective date of the plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.

8. With respect to each class of claims or interests:

(a) such class has accepted the plan; or

(b) such class is not impaired under the plan.

9. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that:

(a) with respect to a claim of a kind specified in section 507(a)(2) or 507(a)(3) of the Bankruptcy Code, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

(b) with respect to a class of claims of a kind specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7) of the Bankruptcy Code, each holder of a claim of such class will receive:

(i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim; and

(c) with respect to a claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such claim will receive on account of such claim regular installment payments in cash:

(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

(ii) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303; and

(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122(b) of the Bankruptcy Code); and

(d) with respect to a secured claim which 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, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in 9(c) above.

10. If a class of claims is impaired under the plan, at least one class of claims that is impaired has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim of such class.

11. Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

12. All fees payable under 28 U.S.C. section 1930, as determined by the Bankruptcy Court at the hearing on confirmation of the plan, have been paid or the plan provides for the payments of all such fees on the effective date of the plan.

13. The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the plan, for the duration of the period the Debtor has obligated itself to provide such benefits.

14. If the debtor is required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the debtor has paid all amounts payable under such order or such statute for such obligation that first become payable after the date of the filing of the petition.

15. In a case in which the debtor is an individual and in which the holder of an allowed unsecured claim objects to the confirmation of the plan:

(a) the value, as of the effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or

(b) the value of the property to be distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2) of the Bankruptcy Code) to be received during the five year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

16. All transfers of property of the plan shall be made in accordance with any

applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.

The Debtor believes that the Plan satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtor has complied or will have complied with all the requirements of chapter 11, and that the Plan is proposed in good faith.

The Debtor believes that holders of all Allowed Claims and Interests impaired under the Plan will receive payments under the Plan having a present value, as of the Effective Date, not less than the amounts likely to be received if the Debtor was liquidated in a case under chapter 7 of the Bankruptcy Code. At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims or Allowed Interests would receive greater distributions under the Plan than they would receive in a liquidation under chapter 7.

These facts and others demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.

D. Cramdown

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

"Fair and equitable" has different meanings with respect to the treatment of secured and unsecured claims. As set forth in section 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

1. With respect to a class of secured claims, the plan provides:

(a) (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims; and

(ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property;

(b) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or

(c) the realization by such holders of the "indubitable equivalent" of such claims.

2. With respect to a class of unsecured claims, the plan provides:

(a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property, except that in a case in which the debtor is an individual, the debtor may retain property included in the estate under section 1115 of the Bankruptcy Code, subject to the requirements of section 1129(a)(14) of the Bankruptcy Code.

3. With respect to a class of interests, the plan provides:

(a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest; or

(b) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

In the event that one or more Classes of impaired Claims or Interests reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired Class of Claims or Interests. For the reasons set forth above, the Debtor believes the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired Class of Claims or Interests.

X. RISK FACTORS

The following is intended as a summary of certain risks associated with the Plan, but it is not exhaustive and must be supplemented by the analysis and evaluation made by each holder of a Claim or Interest of the Plan and this Disclosure Statement as a whole with such holder's own advisors.

A. Variances from Projections

While the Debtor is very confident regarding the projections in support of the Plan, there are various risk factors that must be considered.

1. General

The Plan is premised on the financial analyses and projections prepared by the Debtor and attached to the Disclosure Statement as **Exhibit "B"**. The projections contained in the financial analysis include, among other items, assumptions concerning general economic conditions, the ability to make necessary capital expenditures, and other factors. The Debtor believes that the assumptions underlying the projections are reasonable and that the Debtor will be able to perform its obligations under the Plan. There are certain other factors, however, that relate to the Reorganized Debtor's ability to achieve the projections.

2. Expenses

The Debtor believes that projections of future expenses are reasonable based on history and the knowledge of management. If expenses increase significantly beyond the Debtor's projections, it could have an adverse impact on the Debtor's business operations.

3. Economic Recession

The Debtor's income projections are based on experience and take into account normal fluctuations in the economy generally. Nonetheless, severe recession or economic depression could adversely affect the businesses of the Debtor's tenants and their ability to pay rent to the Debtor, in turn adversely affecting the Debtor's projections. Although the Debtor believes the projections are conservative, the Debtor cannot guarantee them. In the event that a severe economic downturn occurs, it is possible that the Debtor could face difficulties in meeting the projections.

B. Bankruptcy Risks

1. Insufficient Acceptances

For the Plan to be confirmed, each impaired Class of Claims is given the opportunity to vote to accept or reject the Plan. With regard to such impaired voting Classes, the Plan will be deemed accepted by a Class of Impaired Claims if the Plan is accepted by claimants of such Class actually voting on the Plan who hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the total Allowed Claims of the Class voted. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes. The Debtor reserves the right to request confirmation pursuant to the cramdown provisions in section 1129(b) of the Bankruptcy Code, which will allow confirmation of the Plan regardless of the fact that a particular Class of Claims or Interests has not accepted the Plan. However, there can be no assurance that any Impaired Class of Claims under the Plan will accept the Plan or that the Debtor would be able to use the cramdown provisions of the Bankruptcy Code for confirmation of the Plan.

2. Confirmation Risks

The following specific risks exist with respect to confirmation of the Plan:

(a) Any objection to confirmation of the Plan can either prevent confirmation of the Plan, or delay such confirmation for a significant period of time.

(b) Since the Debtor may be seeking to obtain approval of the Plan over the rejection of one or more Impaired Classes of Claims, the cramdown process could delay confirmation.

3. Conditions Precedent

Confirmation of the Plan and occurrence of the Effective Date are subject to certain conditions precedent that may not occur. The Debtor, however, is working diligently with all parties in interest to ensure that all conditions precedent are satisfied.

XI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtor has evaluated alternatives to the Plan, including the liquidation of the Debtor. After studying these alternatives, the Debtor concluded that the Plan is the best alternative and will

maximize recoveries by holders of Claims, assuming confirmation of the Plan and consummation of the transactions contemplated by the Plan. The following discussion provides a summary of the Debtor's analysis leading to its conclusion that the Plan will provide the highest value to holders of Claims.

A. Liquidation of the Debtor

The Debtor has analyzed whether a chapter 7 liquidation of the Assets of the Debtor would be in the best interest of holders of Claims. That analysis reflects a liquidation value that is materially lower than the value that may be realized through the Plan. The Debtor believe that liquidation would result in substantial diminution in the value to be realized by holders of Claims because of (a) the failure to realize the greater going-concern value of the Debtor's Assets; (b) additional administrative expenses involved in the appointment of a trustee or trustees, attorneys, accountants, and other professionals to assist such trustee(s) in the case of a chapter 7 proceeding; and (c) the substantial time which would elapse before Creditors would receive any distribution in respect of their Claims. In the event of a liquidation, the Debtor estimates that holders of Unsecured (General) Claims would receive little, if any, distribution on account of their Claims.

Under the Plan, the Reorganized Debtor will cause the New Addition to be constructed, thereby completing the entire Shopping Center construction project. Additionally, the Reorganized Debtor will market and attempt to sell the Pad Sites. Successful construction of the New Addition and sales of the Pad Sites will increase and maximize the value of the Shopping Center. Likewise, the New Addition will provide additional space for new tenants. Any new tenants secured by the Reorganized Debtor will increase the Debtor's income and further strengthen the Debtor's ability to fulfill its obligations under the Plan.

The Debtor believes that the results would be much different in the context of a chapter 7 liquidation proceeding. In a chapter 7 liquidation, the Debtor believes a trustee would likely have neither the ability nor the desire to pursue construction of the New Addition or securing of new tenants. Rather, the Debtor anticipates that the trustee would seek to sell the Shopping Center in its then current state as expeditiously as possible. The Shopping Center would therefore likely be sold for substantially less than its full potential value, which full potential value the Debtor believes will be achieved under the Plan. The Debtor believes that a liquidate of the Shopping Center in a chapter 7 proceeding could very well result in a purchase price insufficient to provide for a meaningful distribution, if any at all, to holders of unsecured Claims.

B. Alternatives if the Plan is Not Confirmed

If the Plan is not confirmed, the Debtor or any other party in interest in the Case could attempt to formulate and propose a different plan or plans of reorganization. Such plans might involve either a reorganization and continuation of the Debtor's businesses, a sale of the Debtor's business as a going concern, an orderly liquidation of the Debtor's Assets, or a combination thereof. Further, if no plan of reorganization can be confirmed, the Case may be converted to a liquidation proceeding under chapter 7 of the Bankruptcy Code. In a chapter 7 case, a trustee would be elected or appointed to liquidate the Assets of the Debtor. The proceeds of the liquidation would be distributed to the Creditors of the Debtor in accordance with the priorities established by the Bankruptcy Code.

XII. CONCLUSION

The Debtor urges holders of Claims and Interests in Impaired Classes to vote to **ACCEPT** the Plan and to evidence such acceptance by returning their ballots so that they will be received on or before 5:00 p.m., Central Time, on , 20 .

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Dated: October 3, 2011.

Respectfully submitted,

MOORE SORRENTO, LLC

By: /s/ Burk Collins
Burk Collins, Member

**DEBTOR AND DEBTOR-IN-POSSESSION
IN THE CHAPTER 11 CASE**

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