IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

In re:	§	
RVTC LIMITED PARTNERSHIP,	§	**Case No. 11-52240**
Debtor.	§	
	§	

AMENDED DISCLOSURE STATEMENT REGARDING FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION FOR RVTC LIMITED PARTNERSHIP

COX SMITH MATTHEWS INCORPORATED

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ATTORNEYS FOR THE DEBTOR AND DEBTOR-IN-POSSESSION

LEGAL DISCLOSURES

THIS AMENDED DISCLOSURE STATEMENT REGARDING FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION FOR RVTC LIMITED PARTNERSHIP (THE "DISCLOSURE STATEMENT") SUMMARIZES CERTAIN PROVISIONS OF THE FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION FOR RVTC LIMITED PARTNERSHIP (THE "PLAN"), INCLUDING PROVISIONS RELATING TO THE PLAN'S TREATMENT OF CLAIMS AGAINST THE DEBTOR. THE DISCLOSURE STATEMENT ALSO SUMMARIZES CERTAIN FINANCIAL INFORMATION CONCERNING THE DEBTOR AND THE CLAIMS ASSERTED AGAINST THE DEBTOR IN THE BANKRUPTCY CASE. WHILE THE DEBTOR BELIEVES THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION WITH RESPECT TO THE INFORMATION SUMMARIZED HEREIN, CREDITORS SHOULD REVIEW THE ENTIRE PLAN AND EACH OF THE DOCUMENTS REFERENCED HEREIN AND SHOULD SEEK THE ADVICE OF THEIR OWN COUNSEL BEFORE CASTING THEIR BALLOTS.

READ THE PLAN CAREFULLY. YOUR FAILURE TO OBJECT TO THE PLAN MAY LEAD TO YOUR CLAIM BEING TREATED AS PROVIDED IN THE PLAN AND TO THE LOSS OF RIGHTS.

THIS DISCLOSURE STATEMENT INCLUDES CERTAIN EXHIBITS, EACH OF WHICH ARE INCORPORATED INTO AND MADE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN. THE STATEMENTS AND OTHER INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT WERE MADE AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE DATE SET FORTH ON THE COVER PAGE HEREOF. HOLDERS OF CLAIMS AND INTERESTS MUST RELY ON THEIR OWN EVALUATION OF THE DEBTOR AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO ACCEPT OR REJECT THE PLAN.

THE BANKRUPTCY COURT HAS REVIEWED THIS DISCLOSURE STATEMENT, AND HAS DETERMINED THAT IT CONTAINS ADEQUATE INFORMATION AND MAY BE SENT TO YOU TO SOLICIT YOUR VOTE TO ACCEPT THE PLAN.

ALL HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS CITED HEREIN AND THE PLAN ATTACHED HERETO, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

THE DEBTOR IS PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT SOLELY FOR PURPOSES OF SOLICITING HOLDERS OF CLAIMS AND INTERESTS TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PERSON FOR ANY OTHER PURPOSE. THE CONTENTS OF THIS DISCLOSURE STATEMENT SHALL NOT BE DEEMED AS PROVIDING ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE. THE DEBTOR URGES EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY SUCH LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT AND THE PLAN. MOREOVER, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE SUMMARY OF THE PLAN AND OTHER DOCUMENTS DESCRIBED IN THIS DISCLOSURE STATEMENT ARE QUALIFIED BY REFERENCE TO DOCUMENTS THEMSELVES AND THE EXHIBITS THERETO. THE DEBTOR BELIEVES THAT THE INFORMATION HEREIN IS ACCURATE BUT IS UNABLE TO WARRANT THAT IT IS WITHOUT ANY INACCURACY OR OMISSION.

WHILE THE DEBTOR PARTICIPATED IN THE PREPARATION OF THIS DISCLOSURE STATEMENT, CERTAIN FINANCIAL, HISTORICAL, AND OTHER INFORMATION REGARDING THE DEBTOR SET FORTH HEREIN WAS OBTAINED FROM DOCUMENTS PREPARED BY THIRD PARTIES. NEITHER THE DEBTOR NOR ITS PROFESSIONALS WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE, ACCURATE, AND RELIABLE BASED UPON THE SOURCES OF INFORMATION AVAILABLE TO THEM.

THE DEBTOR HAS NOT AUTHORIZED ANY PARTY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OR THE DEBTOR OR THE VALUE OF ITS PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT RELY UPON ANY OTHER INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN ACCEPTANCE OR REJECTION OF THE PLAN.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, CERTAIN OTHER DOCUMENTS, AND CERTAIN FINANCIAL INFORMATION. THE DEBTOR BELIEVES THAT THESE SUMMARIES ARE FAIR AND ACCURATE. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION CONTAINED IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS OR FINANCIAL INFORMATION INCORPORATED HEREIN BY REFERENCE, THE PLAN, OR SUCH OTHER DOCUMENTS, AS APPLICABLE, SHALL GOVERN FOR ALL PURPOSES.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH HOLDER OF A CLAIM OR INTEREST IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE

STATEMENT IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER UNDER THE TAX CODE; (B) SUCH DISCUSSION IS INCLUDED HEREBY BY THE DEBTOR IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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Exhibit B: Order Approving Disclosure Statement (To be provided)

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Exhibit F: Management and Administrative Services Agreement with Sedona Financial Corporation

Exhibit G: Financial Projections for Plan

INTRODUCTION

The Debtor hereby transmits this Disclosure Statement for use in the solicitation of votes to accept the Plan. This Disclosure Statement has been prepared in accordance with section 1125 of the Bankruptcy Code and Bankruptcy Rules 3016(c) and 3018. A copy of the Plan is attached to this Disclosure Statement as Exhibit "A." This Disclosure Statement, among other things, (i) contains certain information regarding the Debtor's prepetition history, (ii) describes the Plan, the effects of confirmation of the Plan, the treatment of claims and interests and distributions under the Plan, and (iii) discusses the confirmation process and voting procedures that Claim holders must follow for their votes to be counted.

No materials other than the Disclosure Statement and any exhibits and schedules attached thereto or referenced therein have been authorized by the Debtor for use in soliciting acceptances or rejections of the Plan. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Plan, and such meaning shall be equally applicable to the singular and plural forms of the terms defined, unless the context otherwise requires. Furthermore, any term that is used in this Disclosure Statement and that is defined in the Plan shall have the meaning ascribed to that term in 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.

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 businesses 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 or Interest 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 the Disclosure Statement and the exhibits hereto. In making a decision in connection with the Plan, holders of Claims and Interests must rely on their own examination of the Debtor and the terms of the Plan, including the merits and risks involved. They should not construe the contents of this Disclosure Statement as providing any legal, business, financial, or tax advice, and members of these Classes should consult their own advisors with respect to those matters and related aspects of their acceptance or rejection of the Plan. Unless otherwise indicated, the sources of all information set forth herein are the Debtor, its Professionals, and its books and records.

This Disclosure Statement contains summaries, believed to be accurate, of some of the terms of specific documents incorporated herein by reference. All summaries are qualified in their entirety by such reference and holders of Claims and Interests should read the actual documents, copies of which are attached as exhibits to this Disclosure Statement or which will be made available by the Debtor and its counsel on request, for the complete information contained in such documents.

EXECUTIVE SUMMARY

RVTC Limited Partnership (the "Debtor" or "RVTC") in the above-captioned bankruptcy case pending before the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the "Bankruptcy Court"), submits this *Amended Disclosure Statement Regarding First Amended Chapter 11 Plan of Reorganization for RVTC Limited Partnership* (the "Disclosure Statement"). This Disclosure Statement is to be used in connection with the solicitation of votes on the *First Amended Chapter 11 Plan of Reorganization for RVTC Limited Partnership*, dated September 16, 2011 (the "Plan"). A copy of the Plan is attached hereto as Exhibit "A." Unless otherwise defined herein, capitalized terms used herein have the meanings ascribed thereto in the Plan (see Article II of the Plan entitled "Definitions").

As described in this Disclosure Statement, the Debtor hereby proposes a plan for consideration by the holders of the Allowed Secured Claim of Bank of the Ozarks and Allowed General Unsecured Claims in connection with the payment of Allowed Claims against the Debtor. Under the Plan, the Allowed Secured Claim of Bank of the Ozarks shall be paid pursuant to the terms of the Loan Modification Agreement attached hereto as Exhibit "C" and effective upon the Effective Date of the Plan. The Plan further contemplates that each holder of an Allowed General Unsecured Claim will receive payment in full plus accrued interest at the higher of the contract rate or five percent (5%) per-annum plus any allowed attorneys' fees and expenses over a 24 month period following Confirmation of the Plan. Insiders of the Debtor who hold Allowed General Unsecured Claims against the Debtor, which include the Claims of Dale A. Schuparra, Greyhound Realty Group, LLC, Sedona Financial Corporation and Sedonia Financial, have consented to receiving payment at the earlier of either (a) thirty-six (36) months after the Effective Date or (b) payment in full to holders of Allowed Claims in Classes 1-5.

ARTICLE I
PLAN VOTING PROCEDURES AND REQUIREMENTS

1.1 Plan Voting Deadline

Each Creditor holding a Claim that entitles the Creditor to vote on the Plan has been provided a Ballot along with this Disclosure Statement. If a Creditor holds Claims in more than one Class entitled to vote under the Plan, such Creditor has been provided a separate Ballot for each such Class. The Ballot is to be used by the Creditor to accept or reject the Plan.

To ensure that the Ballot is deemed timely and considered, a Creditor entitled to vote on the Plan must: (i) carefully review the Ballot and the instructions set forth thereon; (ii) provide all of the information requested on the Ballot; (iii) sign the Ballot; and (iv) deliver the completed and signed Ballot to the address below and have it actually received by the designated recipient by not later than 5:00 p.m. (Central Time) on November 16, 2011 (the "Voting Deadline"). FACSIMILE BALLOTS OR BALLOTS SENT VIA ELECTRONIC MAIL WILL NOT BE ACCEPTED:

Cox Smith Matthews Incorporated
Attn: Allison Seifert
112 E. Pecan St., Suite 1800
San Antonio, Texas 78205

Creditors should carefully read this Disclosure Statement and the Plan in their entirety prior to voting on the Plan. Each holder of a Claim should consult its individual attorney, accountant, and/or financial advisor as to the effect of the Plan on such holder.

If you do not vote to accept the Plan, or if you are a holder of an unimpaired Claim, you may be bound by the Plan if it is accepted by the requisite holders of Claims.

1.2 Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of the Plan. The Bankruptcy Court has scheduled the Confirmation Hearing for **November 21, 2011 at 1:30 p.m. (Central Time)** before the Honorable Bankruptcy Judge John C. Akard, 615 E. Houston St., San Antonio, Texas 78205.

Any and all objections to confirmation of the Plan must be made in writing, and such written objection must be filed with the Bankruptcy Court and served on the following parties on or before **November 16, 2011**:

Counsel for Debtor
Cox Smith Matthews Incorporated
Attn: Thomas Rice
112 E. Pecan St., Suite 1800
San Antonio, Texas 78205

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY FILED AND SERVED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND SHALL BE DEEMED WAIVED.

ARTICLE II
OVERVIEW OF CHAPTER 11

2.1 Purposes of the Plan and Disclosure Statement

The Debtor hereby submits this Disclosure Statement in connection with the solicitation of votes on, and providing information regarding, the Plan. The Plan is attached as Exhibit A to this Disclosure Statement. On October 31, 2011, after notice and a hearing, the Bankruptcy Court, the Honorable Bankruptcy Judge John C. Akard presiding, approved this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable Creditors, whose votes on the Plan are being solicited, to make an informed judgment on whether to accept or reject the Plan. A copy of the Disclosure Statement Order is attached as

Exhibit "B" to this Disclosure Statement. The Bankruptcy Court's approval of the Disclosure Statement does not constitute the Bankruptcy Court's approval or disapproval of the Plan.

The Disclosure Statement has been prepared by the Debtor to provide information that the Bankruptcy Court has determined to be material and necessary to enable those holders of Claims entitled to vote on the Plan to make an informed decision about whether to vote to accept or reject the Plan. Confirmation of a plan pursuant to Chapter 11 of the Bankruptcy Code depends, in part, upon the receipt of a sufficient number of votes in favor of the Plan. This Disclosure Statement is being mailed to each holder of a Claim against the Debtor that has not been disallowed. The Debtor is only seeking votes on the Plan from Creditors who are entitled to vote. Only those Creditors who received a Ballot, may vote to accept or reject the Plan. All Creditors, holders of Equity Interests and parties-in-interest may object to the confirmation of the Plan even if they do not vote on the Plan.

The Plan proposes, among other things, the means by which all Claims against the Debtor will be finally resolved and treated for distribution purposes, consistent with the provisions and priorities mandated by the Bankruptcy Code. The Plan is essentially a new contract between the Debtor, its Creditors and holders of Equity Interests, proposed by the Debtor to the Creditors for their approval. Creditors approve or disapprove of the Plan by voting their Ballots on the Plan, if they are in a Class entitled to vote. However, the Plan can be confirmed by the Bankruptcy Court even if less than all Creditors or Classes accept the Plan and, in such an instance, the Plan will still be binding on those Creditors or Classes that rejected the Plan. Approval and consummation of the Plan will enable the Bankruptcy Case to be finally concluded.

The Debtor has promulgated the Plan consistent with the provisions of the Bankruptcy Code. The Debtor believes that the Plan provides the best means for maximizing recovery to each of the Classes of Creditors and Equity Interests under the Plan and in the most expedient manner, in light of the assets available for distribution to Creditors. The Debtor believes that the Plan enables affected Creditors to receive a distribution on account of their claims which is greater than or equal to what they would receive if the Bankruptcy Case was converted to a chapter 7 liquidation and assets of the Debtor were liquidated within the parameters of chapter 7 of the Bankruptcy Code.

This Disclosure Statement is not intended to replace careful review and analysis of the Plan. Rather, it is submitted as an aid and supplement in your review of the Plan, and it attempts to explain the terms and implications of the Plan. Every effort has been made to explain the various aspects of the Plan as it may affect Creditors and holders of Equity Interests. All Persons receiving this Disclosure Statement are urged to review all of the provisions of the Plan, in addition to reviewing the rest of this Disclosure Statement. If you have any questions, you may contact the Debtor's counsel and every effort will be made to assist you. However, the Debtor's counsel will not provide you with any legal advice, and you are encouraged to seek the advice of independent legal counsel regarding the Plan and your rights thereunder.

Creditors and holders of Equity Interests should read this Disclosure Statement in its entirety prior to voting on the Plan. No solicitation of votes on the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. No other party has been authorized to utilize any information concerning the Debtor, its operations, and its

assets and liabilities, other than the information contained in this Disclosure Statement, to solicit votes on the Plan. Creditors and holders of Equity Interests should not rely on any information relating to the Debtor, its operations, or its assets and liabilities, other than the information contained in this Disclosure Statement.

2.2 General Information Concerning Chapter 11

The commencement of a chapter 11 case creates an estate, comprised of all legal and equitable interests of the debtor in property as of the date the petition is filed, wherever located and by whomever held. The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362(a) of the Bankruptcy Code provides for, among other things, an automatic stay of all attempts to collect prepetition debts against the debtor or to otherwise interfere with the debtor's property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the time a plan of reorganization/liquidation is confirmed.

The formation of a plan of reorganization/liquidation is the principal purpose of a chapter 11 case. A plan sets forth the means for satisfying the claims against, and the interests in, the debtor.

2.3 General Information Concerning Treatment of Claims and Equity Interests

A chapter 11 plan may provide for anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of the debtor's assets. After a chapter 11 plan has been filed, certain holders of claims against or interests in a debtor are permitted to vote to accept or reject the plan.

Section 1123 of the Bankruptcy Code provides that a plan of reorganization must classify the claims of a debtor's creditors and equity interest holders. A debtor is also required, under section 1122 of the Bankruptcy Code, to classify claims against, and interests in, a debtor into classes that contain claims and interests that are substantially similar to the other claims and interests in such class.

The Debtor believes that the Plan has classified all Claims and Equity Interests in compliance with the provisions of section 1122 of the Bankruptcy Code. In compliance therewith, the Plan divides Claims and Equity Interests into Classes and sets forth the treatment for each Class. In accordance with section 1123(a) of the Bankruptcy Code, under the Plan, s and Priority Tax Claims have not been classified.

2.4 Classes Impaired under a Plan

Only classes of "impaired" claims or equity interests may vote to accept or reject a plan. Pursuant to section 1124 of the Bankruptcy Code, a class of claims is impaired under a plan unless, with respect to each claim of such class, the plan does at least one of the following two things:

(1) leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder of such claim or interest; or

(2) notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default -

(A) cures any such default that occurred before or after the commencement of the case under this title, other than a default of a kind specified in section 365(b)(2) of this title or of a kind that section 365(b)(2) expressly does not require to be cured;

(B) reinstates the maturity of such claim or interest as such maturity existed before such default;

(C) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law;

(D) if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and

(E) does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

2.5 **Voting**

The holder of a claim against a debtor whose claim is impaired under a plan is entitled to vote to accept or reject the plan if either: (i) the holder's claim has been scheduled by the debtor and such claim was not scheduled as disputed, contingent or unliquidated; (ii) the claim holder has filed a proof of claim on or before the deadline set by the bankruptcy court for such filing and no objection to such claim is pending; or (iii) the holder's claim has previously been allowed pursuant to an order of the bankruptcy court. Any claim with respect to which an objection is pending or is otherwise not deemed allowed under section 502 of the Bankruptcy Code is not entitled to vote unless the bankruptcy court, upon motion of the holder whose claim is the subject of the objection, temporarily allows such claim in an amount that the bankruptcy court deems proper for the purposes of voting on the plan. A ballot may be disregarded if the bankruptcy

court determines, after notice and hearing, that such ballot was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

Each Creditor holding a Claim in a Class that is impaired under the Plan is being solicited to vote on the Plan. As to any Claim for which a proof of claim was filed and as to which an objection has been lodged, if such objection is still pending as of the Voting Deadline, the Creditor's vote associated with such Claim will not be counted to the extent of the objection to the Claim. Notwithstanding a pending objection to a Claim, the Bankruptcy Court may temporarily allow such Claim in an amount the Bankruptcy Court deems proper pursuant to a motion filed under Rule 3018(a) of the Bankruptcy Rules ("3018(a) Motion"); provided, however, the 3018(a) Motion must be heard and ruled on by entry of an order by the Bankruptcy Court at least ten (10) business days prior to the date and time established by the Bankruptcy Court for confirmation of the Plan. In addition, a Creditor's vote may be disregarded if the Bankruptcy Court determines that the Creditor's acceptance or rejection of the Plan was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

The allowance of any Claim for the purposes of voting on the Plan shall not constitute an allowance of the Claim for purposes of receiving any distributions pursuant to the Plan. Any reference in the Plan or Disclosure Statement to any Claims or Equity Interests shall not constitute an admission of the existence, nature, extent or enforceability thereof.

2.6 **Confirmation**

There are two methods by which a plan may be confirmed: (i) the "acceptance" method, pursuant to which all impaired classes of claims and interests have voted in requisite amounts to accept the plan and the plan otherwise complies with section 1129(a) of the Bankruptcy Code; and (ii) the "cramdown" method under section 1129(b) of the Bankruptcy Code, which is available even if classes of claims vote against the plan.

(a) **Acceptance of Plan**

A plan is accepted by an impaired class of claims if the holders of at least two-thirds (2/3) in an amount and more than one-half (1/2) in number of the allowed claims in each class actually vote to accept the plan. In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan be accepted by each holder of a claim in an impaired class entitled to vote or that the plan otherwise be found by the bankruptcy court to be in the best interests of each holder of a claim in such class. If an impaired class does not unanimously accept the plan, the bankruptcy court must determine that the plan is in the best interests of each holder of a claim in an impaired class who has not voted to accept the plan. The best interests test requires the bankruptcy court to find that the plan provides each holder of a claim in such class to receive or retain on account of such claim property of a value, as of the effective date of the plan, not less than the amount each such holder would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code on such date.

The Debtor is reorganizing under the Plan. The Debtor believes that the best interests test is satisfied because, among other things, the additional costs and expenses that would be incurred upon conversion of the Bankruptcy Case to a case under chapter 7 would be avoided.

Furthermore, there would be an additional delay in paying creditors in a chapter 7 case. Thus, the Plan provides a recovery to holders of Allowed Claims that is greater than the recovery such holders would receive under chapter 7 of the Bankruptcy Code.

(b) **Cramdown**

In the event that at least one impaired class of claims under the plan accepts the plan and one or more classes of impaired claims rejects the plan, the plan proponent may seek confirmation of the plan under the cramdown provisions of section 1129(b) of the Bankruptcy Code. In such event, the Bankruptcy Court will determine at the confirmation hearing whether the plan is fair and equitable and whether it does or does not discriminate unfairly against any rejecting impaired class of claims. A plan does not "unfairly discriminate" within the meaning of the Bankruptcy Code if the classification of claims under the plan complies with the Bankruptcy Code and no particular class will receive more than it is legally entitled to receive for its claims or equity interests.

For the reasons stated above under the discussion of "Acceptance of the Plan," the Debtor believes that Plan satisfies the best interest test. The Debtor also believes that the Plan does not unfairly discriminate against each of the Classes of Claims and Equity Interests that may vote on the Plan. Accordingly, if not all of the impaired Classes do not vote to accept the Plan, the Debtor will seek confirmation pursuant to section 1129(b) of the Bankruptcy Code.

ARTICLE III
DEBTOR'S BACKGROUND INFORMATION

3.1 Background of the Debtor

The Debtor was founded on April 25, 2005 as Fair Prospects, L.P. The Debtor filed a Certificate of Amendment to Certificate of Limited Partnership of Fair Prospects, L.P. on July 7, 2006, in which the Debtor changed its name to Rialto Village Limited Partnership. On June 8, 2011, the Debtor filed another Certificate of Amendment, in which the Debtor changed its name to RVTC Limited Partnership. The General Partner of the Debtor is Fair Prospects Management, LLC, an entity that is owned 80% by Dale A. Schuparra, 10% by Danny Van De Walle, and 10% by Charlie Untermeyer. Mr. Schuparra also owns 85% of the limited partnership interest in the Debtor. In addition to Mr. Schuparra, other entities that are controlled by Mr. Schuparra have lent money to the Debtor and would qualify as Insiders, including Greyhound Realty Group, Sedona Financial Corporation and Sedonia Financial.

The Debtor is engaged in the business of real estate development, and its primary asset is a 23.91 acre partially developed parcel of real property located at 25111 IH-10 West, San Antonio, Texas 78257 (the "Property"). The Property is situated on a major interstate highway in a highly visible location in an affluent area of San Antonio, Texas. Much of the Property has been platted, and the Property has been marketed under the name Rialto Village with the intent of creating a "European marketplace" that "will feature an exclusive mix of lively restaurants,

luxury apartments, chic shops and office space reminiscent of the intimate piazzas of old Europe."[1]

On November 16, 2007, the Debtor entered into a Promissory Note (the "Note") with the Bank of the Ozarks (the "Bank") in the original principal amount of $15,482,386.00. In conjunction with execution of the Note, the Debtor and the Bank also entered into the *Loan Agreement (Mixed Use Development)* (the "Loan Agreement") dated November 16, 2007. The Debtor concurrently also entered into a *Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing* (the "Deed of Trust") with the Bank, granting the Bank a lien on the Property.

Debtor began development of the Rialto Village project in 2007. After the initial clearing stages, in 2009 the Project was ready to begin placing various buildings on the property, when the recession began. At least one of the initial tenants revised their expansion plans and thus little or no sales or leasing activity occurred on the Property for a period of two years. At the same time, on or about September 15, 2009, the Debtor requested that the loan be modified to reduce the Debtor's potential liability under the Loan Agreements, limiting construction to only one initial phase of the total approved on the Project. The Bank's obligation to lend was reduced by over $4 million to $11,692,002.64. Following reduction of the loan amount, Debtor made additional principal reduction payments totaling $1.14 million to Bank, despite having no additional sales of the Property. As of the Petition Date, the Debtor owed $10,658,030.35 on the Note.

The Debtor and the Bank have entered into additional modifications of the Loan Agreement including, *inter alia*, (a) the September 2008 Modification Agreement, (b) the April 2009 Modification Agreement, (c) the Borrower Direction Letter, (d) the September 2009 Modification Agreement, (e) the November 2009 Modification Agreement, (f) the February 2010 Letter Agreement, (g) the July 2010 Modification Agreement, and (h) the November 2010 Modification Agreement.

In connection with the July 2010 Modification Agreement, Dale Schuparra, a guarantor of the Debtor's obligations under the Note, entered into the LOC Facility Note in the principal amount of $3,800,000 and the LOC Facility Loan Agreement. In order to secure Mr. Schuparra's obligations to the Bank under the LOC Facility Note, Mr. Schuparra granted Bank a security interest in certain common stock of UDR, Inc. (the "UDR Securities"). The UDR Securities were also pledged by Mr. Schuparra as collateral to secure Debtor's obligations to Bank under the Note.

Under the July 2010 Modification Agreement, the maturity date of the Note was extended to May 31, 2011. The Debtor had the ability to further extend the maturity date to May 31, 2012, if the Debtor met certain conditions, including, *inter alia*, providing written notice to the Bank forty-five (45) days prior to May 31, 2011. The Debtor contends that it fully intended to request such extension; however, the Bank improperly declared that an event of default had occurred and the Bank would not agree to an extension of the maturity date. The Debtor was unable to obtain an extension. The Bank has asserted that the Note matured on May 31, 2011.

[1] http:// www.rialtovillage.com.

On June 6, 2011, the Debtor filed the *Plaintiff's Original Petition, Jury Demand and Request for Disclosure* (the "Lender Liability Complaint") against the Bank in the 438th Judicial District Court of Bexar County, Texas, seeking a declaratory judgment that the Note was not in default and asserting a breach of the Loan Agreement. To forestall foreclosure and attempt to negotiate an amenable settlement, on June 13, 2011, the Debtor and the Bank entered into a letter agreement agreeing to a standstill of the prosecution of the Lender Liability Complaint until June 30, 2011. Additionally, Bank and Mr. Schuparra agreed to liquidate the UDR Securities and have a portion of the proceeds used to pay the LOC Facility Note in full. Any additional proceeds would be retained in the Dale A Schuparra Custody Account (the "Schuparra Custody Account") until June 30, 2011.

Based on the letter agreement, the UDR Securities have been liquidated and the LOC Facility Loan has been paid in full. After application of the proceeds from the sale of the UDR Securities to the LOC Facility Note, the Schuparra Custody Account contains One Million Five Hundred Sixty Six Thousand Seven Hundred Seventy One ($1,566,771.00) Dollars.

On June 29, 2011, Debtor and Mr. Schuparra entered into a Plan Support Agreement, wherein Mr. Schuparra agreed to provide Debtor with the proceeds in the Schuparra Custody Account, so that Debtor could satisfy certain obligations. Furthermore, after funding certain reserve accounts that will be provided to meet obligations owed to Bank under the Plan, Mr. Schuparra will allow Debtor to use funds in the Schuparra Custody Account as working capital for operation, management and development of the Property. In order to secure the obligations of Schuparra under the Plan Support Agreement, Mr. Schuparra granted to the Debtor a security interest in the Schuparra Custody Account. The Bank contends that the Plan Support Agreement was entered into in bad faith and that the UDR Proceeds were not property of the Debtor's bankruptcy estate and the effort by the Debtor and Mr. Schuparra to designate the use of those proceeds was invalid.

Debtor previously relied upon the employees of affiliated entities, including Sedona Financial Corporation, to undertake advertising, provide accounting services and otherwise manage Debtor's operations. Debtor paid those affiliates a *pro rata* share for any costs or expenses for use of the employees' services, as well as any direct costs attributable to Debtor. These agreements were not previously formalized in a written document. Sedona Financial Corporation also currently manages the operations of Greyhound Realty Group.

ARTICLE IV
THE CHAPTER 11 CASE

4.1 Background

The Debtor filed a voluntary petition under chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code") on June 29, 2011 (the "Petition Date") in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the "Court"), assigned Case No. 11-52240.

4.2 Assumption of Beneficial Contracts

Prior to the Petition Date, the Debtor entered into two separate contracts to sell individual parcels of the Property. The first such agreement entered into on or about April 26, 2011, by and between Debtor and Charles Vincent Powell, II ("Powell"), in the amount of $300,000.00, at $20.00 per square foot, for a fully platted parcel containing approximately 15,000 square feet (the "Powell Contract"). The second contract was entered into on June 8, 2011, by and between Debtor and Texas Taco Cabana, L.P. ("Taco Cabana"), in the amount of $1,011,675.00, at $25.00 per square foot, for a fully platted parcel containing approximately 40,467 square feet (the "TC Contract"). Neither contract closed before the Debtor filed for bankruptcy. The Debtor had also contracted with an engineering firm to re-plat the Property, which was a condition precedent for closing the real estate purchase contracts. Since the two real estate purchase contracts would provide the Debtor with substantial working capital to continue developing, marketing, and operating the Property, on July 1, 2011, the Debtor filed its *Motion for Authorization to (I) Assume Executory Contracts Pursuant to 11 U.S.C. § 365 and (II) Sell Property of the Estate Pursuant to 11 U.S.C. § 363* [Docket No. 8] (the "Motion to Assume"), in which the Debtor requested that the Court approve the assumption of the three above-referenced prepetition executory contracts. At the hearing on the Motion to Assume, the Court approved the assumption of the real estate purchase contracts and sale of certain portions of the Property free and clear of all liens, claims and encumbrances, subject to all liens, claims and encumbrances attaching to the proceeds from the sale of such parcels. The Debtor has closed on the sale to Powell under the Powell Contract.

Prior to the Petition Date, Debtor also engaged the services of Marvin F. Poer & Company ("POER") and the Michel Law Firm in an attempt to reduce the Debtor's property tax obligations. Debtor assumed these agreements, which provide that POER and the Michel Firm will continue to represent the Debtor in ongoing property tax disputes.

4.3 **Retention of Professionals**

Debtor filed its *Application for Approval of the Employment of Cox Smith Matthews Incorporated as Attorneys for the Debtor* [Docket No. 6] on June 30, 2011, seeking to employ Cox Smith as counsel to Debtor. On July 5, 2011, the Court entered the *Order Granting Application for Approval of the Employment of Cox Smith Matthews Incorporated as Attorneys for the Debtor* [Docket 12] approving the employment of Cox Smith.

In the Debtor's business judgment, an up-to-date appraisal of the Property is integral to the Debtor's continued development of the Property. Accordingly, the Debtor filed its *Application for Approval of the Employment of Integra Realty Resources-San Antonio as Appraiser for the Debtor* [Docket No. 16] (the "Appraiser Application") on July 6, 2011.

4.4 **The Property**

As previously set forth herein, the Property is 23.91 acres of partially developed real property, which is being converted into a mixed use development known as Rialto Village. The appraised value based on the recent appraisal completed by Integra Realty Resources-San Antonio demonstrates that the Property has a current approximate value of $15,530,000. As of the Petition Date, Bank was owed $10,542,032.64. Therefore, Debtor's equity in the Property

exceeds $4.5 million. A recent appraisal obtained by the Bank ascribes a lower value to the Property. The Bank disputes the Debtor's valuation of the Property.

4.5 Schuparra Custody Account

As mentioned previously, in connection with securing the obligations of Mr. Schuparra under the Plan Support Agreement, Debtor obtained a security interest in the Schuparra Custody Account. As of the Petition Date, the Schuparra Custody Account held $1,566,771.

4.6 General Discussion of Classes of Creditors

There are five general classes of non-subordinated creditors holding claims against the Debtor: (1) Secured Claim of Bank of the Ozarks; (2) Secured Tax Claims; (3) Priority Non-Tax Claims; (4) General Unsecured Claims; (5) Convenience Class Claims (General Unsecured Claims $5,000 or less); and (6) Insider Claims.

As previously demonstrated, Bank is an oversecured creditor with a lien on the Property. Additionally, Bank has a lien on the proceeds from the Schuparra Custody Account. The General Unsecured Claims are primarily through the unsecured claim of Macina Bose Copeland and Associates, Inc. ("MBC") under an unsecured note between Debtor and MBC.

ARTICLE V
SUMMARY OF THE PLAN

The Debtor cautions all parties to read the Plan carefully in order to fully understand its terms. This section of the Disclosure Statement offers a summary of the Plan, given in lay and non-technical terms, and is not to be construed as conclusive. Where this summary or Disclosure Statement varies or conflicts with the Plan, the terms of the Plan control.

The Debtor has designed the Plan to pay the Allowed General Unsecured Claims of Creditors in full plus interest and attorneys' fee, subject to the terms and restrictions contained herein and in the Plan. The Plan also modifies the Loan Agreement providing for payment in full of the Allowed Claim of the Bank, as memorialized in the Loan Modification Agreement, such that the maturity date of the Loan Agreement shall be four (4) years after the Effective Date of the Plan. The Loan Modification Agreement also prescribes payment of interest at a floating rate equal to the 30 day LIBOR Rate plus 3.25%, with a floor of 5.5%. Furthermore, the Reorganized Debtor shall make a minimum principal reduction payment of $525,000 on the first anniversary date of the Effective Date and on all subsequent anniversary dates. Each principal reduction payment may be satisfied through the payment of the Partial Release Price, as set forth in Section 21 of the Loan Modification Agreement. The Reorganized Debtor will make a balloon payment consisting of any outstanding principal and interest to be due upon the maturity date. On the Effective Date, Lender shall place in the Bank Payment Reserve account all funds necessary to satisfy the interest payments to be made to Bank under the Loan Modification Agreement for one year after the Effective Date. Additionally, Lender shall place in the Tax Reserve account, the funds necessary to pay all ad valorem real property taxes due for the years 2011 and 2012. The Loan Modification Agreement also modifies section 7.1 of the Loan Agreement concerning "Partial Releases" such that the Bank must grant a Partial Release of lien with respect to any Release Tract, as defined in the Loan Modification Agreement, upon

receiving payment of a Partial Release Price equal to one hundred and fifteen percent (115%) of the allocated value of the acreage for such Release Tract as set forth on Exhibit B to the Loan Modification Agreement, until the first anniversary date after the Effective Date, and thereafter, the Partial Release Price will be one hundred and twenty-five percent (125%) of the allocated value of the acreage for such Release Tract as set forth on Exhibit B to the Loan Modification Agreement. In connection with a sale under the Powell Contract and the TC Contract, the Partial Release Price will be reduced to one hundred percent (100%) of the allocated value of the acreage sold under the Powell Contract and TC Contract. Additionally, the Partial Release Price for the sale of an additional one acre portion of a Release Tract after the Effective Date, shall be reduced to one hundred percent (100%) of the allocated value of the one acre portion of such Release Tract, as set forth on Exhibit B to the Loan Modification Agreement.

The Debtor believes that reorganization as set forth in the Plan and the attachments thereto represents the best mechanism to obtain the highest and most prompt return to all Creditors, in addition to maximizing the Debtor's ability to reorganize and continue operations in order to maximize the Debtor's value as a going concern. As such, the Debtor strongly encourages all Creditors to vote to accept the Plan.

5.1 **Classes and Distributions**

The Plan separates Claims into Unclassified Claims and Classified Claims. Unclassified Claims are generally post-petition Claims that must be paid in full and that do not vote on the Plan. Unclassified Claims consist of Allowed Administrative Expense Claims and Allowed Priority Tax Claims. Classified Claims and Equity Interests are designated in the Plan as follows:

Class 1: Secured Claim of Bank of the Ozarks
Class 2: Secured Tax Claims
Class 3: Priority Non-Tax Claims
Class 4: Allowed General Unsecured Claims
Class 5: Convenience Class Claims (General Unsecured Claims $5,000 or less)
Class 6: Insider Claims
Class 7: Holders of Equity Interests

The chart below graphically demonstrates the classification and treatment of Classified and Unclassified Claims under the Plan.

Class	**Category**	**Impaired**	**Estimated Recovery**
Unclassified	Administrative Expense Claims	No	100%
Unclassified	Priority Tax Claims	No	100%
1	Secured Claim of Bank of the Ozarks	YES	100%
2	Secured Tax Claims	No	100%
3	Priority Non-Tax Claims	No	100%
4	Allowed General Unsecured Claims	YES	100%
5	Convenience Class Claims (General Unsecured Claims $5,000 or less)	No	100%
6	Insider Claims	YES	100%

7	Holders of Equity Interests	No	100%

Under the Plan, only the holders of Claims in Classes 1, 4 and 6 are impaired and, thus, entitled to vote on the Plan. Ballots for the acceptance or rejection of the Plan shall be mailed only to the holder of Claims within Classes 1 and 4, as all of the holders of claims in Class 6 are Insiders and therefore, their ballot would not count for the purpose of confirming the Plan.

With regard to the foregoing, the Debtor specifically reserves the right to determine and contest, if necessary: (i) the impaired or unimpaired status of a Class under the Plan; and (ii) whether any ballots cast by Creditors holding Claims within such a Class should be counted for purposes of confirmation of the Plan.

5.2 **Plan Funding**

The Plan will be funded through Cash in the Debtor's bank account, the amounts held in the Schuparra Custody Account and the net proceeds from the sales of the Debtor's assets, plus any recovery on Causes of Action and/or Litigation Claims. These funds will be used to fund the Debtor's up-front payment obligations under the Plan, including payment of the Administrative Expense Claims and Priority Tax Claims. Any funds remaining after distribution to holders of Allowed Claims in Classes 1 through 5 will be retained by the Reorganized Debtor.

5.3 **Class Treatment under the Plan**

Treatment of a Claim depends on the Class in which the Claim is classified under the Plan. Below is a summary of the treatments under the Plan of the various Classes created in the Plan. The following is a summary only, and the Plan controls in all events. Thus, reference to the Plan is required to fully understand the treatment under the Plan for any Class of Claims or Equity Interests.

(a) **Unclassified Claims**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests of the Plan. These Unclassified Claims are treated as follows

1. Administrative Expense Claims (Unclassified) (Estimated at $120,000)

Time for Filing. All holders of an Administrative Expense Claim arising from the Petition Date through the Confirmation Date, other than a holder of a Professional Claim, shall file with the Bankruptcy Court a request for payment of such Claims on or before the Administrative Expense Claims Bar Date, which shall occur thirty (30) days after the Effective Date, unless an earlier date has been set by separate order of the Bankruptcy Court. Any such request must be served on the Debtor and its counsel, and the Reorganized Debtor, and must, at a minimum, set forth: (i) the name of the holder of the Claim; (ii) the amount of the Claim; (iii) the basis for the Claim; and (iv) include any and all documents supporting such Administrative Expense Claim. A failure to file any such request in a proper and timely fashion will result in the Administrative Expense Claim in question being discharged and its holder forever barred from asserting such Administrative Expense Claim against the Debtor and the Reorganized Debtor. If

a request for payment of an Administrative Expense Claim has previously been filed, it is not necessary to file another request for payment of such Administrative Expense Claim.

Allowance. An Administrative Expense Claim for which a request for payment has been properly filed shall become an Allowed Administrative Expense Claim unless an objection is filed within twenty-one (21) days after the Administrative Expense Claim is filed. If an objection is timely filed, the Administrative Expense Claim in question shall become an Allowed Administrative Expense Claim only to the extent so allowed by Final Order of the Bankruptcy Court.

Payment. Except to the extent that a holder of an Allowed Administrative Expense Claim has agreed or agrees to a different treatment of such Claim, each holder of an Allowed Administrative Expense Claim shall receive, on account of and in full satisfaction of such Claim, Cash in an amount equal to the Allowed Amount of such Claim as soon as reasonably practicable after the later of: (i) the Effective Date; or (ii) fourteen (14) days after the Bankruptcy Court enters an order allowing the Administrative Expense Claim. Allowed Administrative Expense Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Bankruptcy Case will be paid in the ordinary course of business in accordance with the terms and conditions of any agreement relating thereto. Such payments will be made by the Reorganized Debtor from the Administrative Expense Claims Reserve.

Professional Claims. Unless otherwise ordered by the Bankruptcy Court, Professionals or other entities requesting compensation or reimbursement of expenses pursuant to Bankruptcy Code Sections 327, 328, 330, 331, 503(b), or 1103 for services rendered prior to the Effective Date must file and serve on all parties entitled to notice thereof, an application for final allowance of compensation and reimbursement of expenses no later than the Professionals' Claim Bar Date, which shall be thirty (30) days after the Effective Date. Professionals that do not file such requests by this date will be forever barred from asserting such Administrative Expense Claims against the Debtor, the Reorganized Debtor, or any of their Assets or property. Any such final fee application shall conform to and comply with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. The last date to object to any final fee application shall be the twenty-first (21st) day after such fee application has been filed with the Bankruptcy Court. Allowed Professional Claims shall be paid in full in Cash by the Reorganized Debtor within fourteen (14) days after a Bankruptcy Court enters an order awarding final compensation, or as soon as reasonably practicable thereafter. Such payments will be made by the Reorganized Debtor from the Administrative Expense Claims Reserve.

2. Priority Tax Claims (Unclassified) (Estimated at $0)

All Priority Tax Claims against the Debtor are unclassified. Except to the extent that a holder of an Allowed Priority Tax Claim has agreed or agrees to a different treatment of such Claim, 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, at the election of the Reorganized Debtor, (i) Cash equal to the due and unpaid portion of such Allowed Priority Tax Claim, (ii) treatment in a manner consistent with section 1129(a)(9)(C) of the Bankruptcy Code, or (iii) such different treatment agreed to in writing. Each holder of an Allowed Priority Tax Claim shall be paid on, or as soon as reasonably practicable thereafter, the later of (i) the

Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim. To the extent the Debtor elects under section 1129(a)(9)(C) of the Bankruptcy Code to make regular installment payments in Cash, the holder of an Allowed Priority Tax Claim will receive quarterly payments on the last day of each quarter, of principal and interest, at an interest rate determined under applicable non-bankruptcy law, as set forth in section 511 of the Bankruptcy Code. The first installment will be made at the end of the first full quarter after the Effective Date. To the extent the holder of an Allowed Priority Tax Claim has a lien on the Debtor's property, such lien shall remain in place until such allowed Priority Tax Claim has been paid in full. On and after the Effective Date, the Reorganized Debtor will pay all ad valorem taxes, if any, as they become due, in the ordinary course of business.

(b) **Classification and Treatment of Claims and Interests**

1. Class 1 – Secured Claim of Bank of the Ozarks (Estimated at $10,542,033.00)

Class 1 consists of the Bank's Claims, which are comprised of any Claim related to or arising under the Loan Agreement. The terms of the Loan Agreement shall be subject to the Loan Modification Agreement attached to the Plan as Exhibit "A." The Bank will retain its liens on all property of the estate upon which its liens attached on the Petition Date, except as to the Powell Contract, where the proceeds from the sale of that Release Tract are currently held by the Debtor in a segregated account, the lien attached to the proceeds from the sale in the same priority and extent as such lien existed on the Petition Date. The Plan modifies the Loan Agreement providing for payment in full of the Allowed Claim of the Bank, such that the maturity date of the Loan Agreement shall be four (4) years after the Effective Date of the Plan. The Loan Modification Agreement also prescribes payment of interest at a floating rate equal to the 30 day LIBOR Rate plus 3.25%, with a floor of 5.5%. Furthermore, the Reorganized Debtor shall make a minimum principal reduction payment of $525,000 on the first anniversary date of the Effective Date and on all subsequent anniversary dates. Each principal reduction payment may be satisfied through the payment of the Partial Release Price, as set forth in Section 21 of the Loan Modification Agreement. The Reorganized Debtor will make a balloon payment consisting of any outstanding principal and interest to be due upon the maturity date. On the Effective Date, Lender shall place in the Bank Payment Reserve account all funds necessary to satisfy the interest payments to be made to Bank under the Loan Modification Agreement for one year after the Effective Date. Additionally, Lender shall place in the Tax Reserve account, the funds necessary to pay all ad valorem real property taxes due for the years 2011 and 2012. The Loan Modification Agreement also modifies section 7.1 of the Loan Agreement concerning "Partial Releases" such that the Bank must grant a Partial Release of lien with respect to any Release Tract, as defined in the Loan Modification Agreement, upon receiving payment of a Partial Release Price equal to one hundred and fifteen percent (115%) of the allocated value of the acreage for such Release Tract as set forth on Exhibit B to the Loan Modification Agreement, until the first anniversary date after the Effective Date, and thereafter, the Partial Release Price will be one hundred and twenty-five percent (125%) of the allocated value of the acreage for such Release Tract as set forth on Exhibit B to the Loan Modification Agreement. In connection with a sale under the Powell Contract and the TC Contract, the Partial Release Price will be reduced to one hundred percent (100%) of the allocated value of the acreage sold under the Powell Contract and TC Contract. Additionally, the Partial Release Price for the sale of an additional one acre portion of a Release Tract after the Effective Date, shall be reduced to one

hundred percent (100%) of the allocated value of the one acre portion of such Release Tract, as set forth on Exhibit B to the Loan Modification Agreement.

The Secured Claim of Bank of the Ozarks is IMPAIRED under the Plan, and, therefore, a vote for acceptance or rejection of the Plan from the Bank will be solicited.

2. Class 2 – Secured Tax Claims (Estimated at $102,000)

Each holder of an Allowed Secured Tax Claim will receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured Tax Claim, as will have been determined by the Debtor, as applicable, either (i) on, or as soon as reasonably practicable after, the later of the Effective Date or the date on which such Claim becomes an Allowed Claim, Cash equal to the due and unpaid portion of such Allowed Secured Tax Claim; or (ii) such different treatment as agreed to in writing. Each holder of an Allowed Secured Tax Claim shall retain the liens securing such Claim. Holders of Class 2 Claims are unimpaired under the Plan, and, therefore, a vote for acceptance or rejection of the Plan from such claimants will not be solicited.

3. Class 3 – Priority Non-Tax Claims (Estimated at $0)

Each Holder of an Allowed Priority Non-Tax Claim shall receive, on the Distribution Date and at the election of the Reorganized Debtor and in full satisfaction, release, and discharge of such Claim, either: (i) the amount of such Allowed Priority Non-Tax Claim, in Cash and with interest at the greater of the Contract Rate or the Plan Rate, attorneys' fees, or costs on the earlier of the Effective Date or the date that is fourteen (14) days after such Claim is Allowed; or (ii) such other treatment as may be agreed upon in writing by the holder of such Claim and Reorganized Debtor. Holders of Class 3 Claims are unimpaired under the Plan, and, therefore, a vote for acceptance or rejection of the Plan from such claimants will not be solicited.

4. Class 4 – Allowed General Unsecured Claims (Estimated at $64,790)

Each holder of an Allowed General Unsecured Claim, in full satisfaction, settlement, release, and discharge of such Claim shall be paid Cash equal to the Allowed amount of such Claim in (i) equal monthly installments over a period of 24 months, the first installment shall be made one month after the later of either (a) the Effective Date or (b) the date on which such Claim becomes an Allowed Claim; or (ii) such other treatment as may be agreed upon in writing by the holder of such Claim and Reorganized Debtor. Allowed General Unsecured Claims shall also be entitled to receive reasonable attorneys' fees to the extent allowed by the Court under applicable law and Post-Petition Interest at the greater of either the Contract Rate or the Plan Rate on such portion of the Claim, determined as set forth below. Holders of Class 4 Claims are IMPAIRED under the Plan, and, therefore, a vote for acceptance or rejection of the Plan from such claimants will be solicited.

Except as established pursuant to the procedure set forth herein, Post-Petition Interest on Class 4 Allowed General Unsecured Claims shall be calculated at the Plan Rate. Any holder of an Allowed General Unsecured Claim seeking (a) payment of Post-Petition Interest on such holder's Claim at a rate other than the Plan Rate and/or (b) reimbursement of attorneys' fees and other costs and expenses associated with such holder's Claim (or both) shall send a letter to the

Reorganized Debtor setting forth the amounts sought as additional interest and attorneys' fees and costs within thirty (30) days after the Effective Date. Any such letter must include all of the documentation upon which the Claimant relies including, but not limited to, any contract with the Debtor and invoices reflecting attorneys' fees and costs actually incurred, to establish the Claimant's entitlement to (a) Post-Petition Interest at a rate other than the Plan Rate and (b) attorneys' fees and other costs and expenses. **THE INCLUSION OF THE ENTITLEMENT TO THESE TYPES OF CLAIMS IN PROOFS OF CLAIM PREVIOUSLY FILED SHALL ONLY BE SUFFICIENT TO ESTABLISH SUCH CLAIMS WITHOUT A SUPPLEMENTAL FILING IF THE PROOF OF CLAIM STATES ON ITS FACE THE RATE OF INTEREST AND ACTUAL AMOUNT OF ATTORNEYS' FEES.** If the Proof of Claim does not state on its face the rate of interest and actual amount of attorneys' fees that accrued pre-petition, such amount shall be included in the amount set forth in the letter. The Reorganized Debtor shall have thirty (30) days from receipt of any such letter to either agree to such Creditor's calculation of interest and/or allowed attorneys' fees and costs or file a motion with the Court seeking a determination of the appropriate rate of interest and the reasonableness of the request for attorneys' fees and costs.

5. Class 5 – Convenience Class Claims (General Unsecured Claims $5,000 or less) (Estimated at $14,000)

Class 5 consists of all Allowed General Unsecured Claims less than $5,000 and any other Holders of Allowed General Unsecured Claims that elect to participate in Class 5 and consent to treatment thereunder. Each Holder of a Class 5 Claim shall receive, on the Effective Date and at the election of the Reorganized Debtor and in full satisfaction, release, and discharge of such Claim, the lesser of (i) the amount of such Allowed General Unsecured Claim, in Cash and with interest at the greater of the Contract Rate or the Plan Rate on the earlier of the Effective Date or the date that is fourteen (14) days after such Claim is Allowed; or (ii) $5,000.00, in Cash and with interest at the greater of the Contract Rate or the Plan Rate, attorneys' fees, or costs on the earlier of the Effective Date or the date that is fourteen (14) days after such Claim is Allowed. Holders of Class 5 Claims are unimpaired under the Plan, and, therefore, a vote for acceptance or rejection of the Plan from such claimants will not be solicited.

6. Class 6 – Insider Claims

Class 6 consists of all Allowed General Unsecured Claims held by Insiders who have consented to being paid from the remaining assets of the Reorganized Debtor and such payment shall begin at the earlier of (a) thirty-six (36) months after the Effective Date or (b) after payment in full to Classes 1-5.

5.4 **Voting**

(a) **Acceptance by Impaired Class of Claims**

The Holders of Claims in Classes 1 and 4 are impaired. Each Impaired Class of Claims that will receive or retain property or any interest in property under the Plan, except for those holders that are Insiders, 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. Any ballots returned by Insiders shall not be counted for the purpose of confirming the Plan.

(b) **Voting Presumptions**

Claims and Interests in Unimpaired Classes are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan. Claims and Interests in Impaired Classes that do not entitle the Holders thereof to receive or retain any property under the Plan are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

5.5 **Means for Implementation of the Plan**

(a) **Modification of the Loan Agreement**

On the Effective Date, the Loan Modification Agreement shall become effective. The Loan Modification Agreement shall amend and modify the Loan Agreement, so as to provide for payment in full of the Allowed Claim of the Bank, such that the maturity date of the Loan Agreement shall be four (4) years after the Effective Date of the Plan. The Loan Modification Agreement also prescribes payment of interest at a floating rate equal to the 30 day LIBOR Rate plus 3.25%, with a floor of 5.5%. Furthermore, the Reorganized Debtor shall make a minimum principal reduction payment of $525,000 on the first anniversary date of the Effective Date and on all subsequent anniversary dates. Each principal reduction payment may be satisfied through the payment of the Partial Release Price, as set forth in Section 21 of the Loan Modification Agreement. The Reorganized Debtor will make a balloon payment consisting of any outstanding principal and interest to be due upon the maturity date. On the Effective Date, Lender shall place in the Bank Payment Reserve account all funds necessary to satisfy the interest payments to be made to Bank under the Loan Modification Agreement for one year after the Effective Date. Additionally, Lender shall place in the Tax Reserve account, the funds necessary to pay all ad valorem real property taxes due for the years 2011 and 2012. The Loan Modification Agreement also modifies section 7.1 of the Loan Agreement concerning "Partial Releases" such that the Bank must grant a Partial Release of lien with respect to any Release Tract, as defined in the Loan Modification Agreement, upon receiving payment of a Partial Release Price equal to one hundred and fifteen percent (115%) of the allocated value of the acreage for such Release Tract as set forth on Exhibit B to the Loan Modification Agreement, until the first anniversary date after the Effective Date, and thereafter, the Partial Release Price will be one hundred and twenty-five percent (125%) of the allocated value of the acreage for such Release Tract, as set forth on Exhibit B to the Loan Modification Agreement. In connection with a sale under the Powell Contract and the TC Contract, the Partial Release Price will be reduced to one hundred percent (100%) of the allocated value of the acreage sold under the Powell Contract and TC Contract.

Additionally, the Partial Release Price for the sale of an additional one acre portion of a Release Tract after the Effective Date, shall be reduced to one hundred percent (100%) of the allocated value of the one acre portion of such Release Tract as set forth on Exhibit B to the Loan Modification Agreement.

(b) **Restructuring Transactions**

On the Effective Date, or as soon as reasonably practicable thereafter, Reorganized Debtor may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, or contemplated by the Plan, including: (i) the execution and delivery of appropriate agreements or other documents of reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; (iii) the filing of appropriate certificates of corporate structure with the appropriate governmental authorities pursuant to applicable law; and (iv) all other actions that Reorganized Debtor determines is necessary and appropriate.

Each of the matters provided for by the Plan involving the corporate structure of the Debtor or corporate or related actions to be taken by or required of Reorganized Debtor shall, as of the Effective Date, be deemed to have occurred and be effective as provided in the Plan (except to the extent otherwise indicated), and shall be authorized, approved, and, to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by Holders of Claims or Interests, partners of the Debtor or Reorganized Debtor, as the case may be, or any other Entity.

From and after the Effective Date, Reorganized Debtor may operate (or liquidate and wind up) its business and use, acquire, and dispose of property and settle and compromise claims or interests without supervision by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order. Without limiting the generality of the foregoing, Reorganized Debtor may, without application to or approval by the Bankruptcy Court, pay fees that they incur after the Effective Date for professional fees and expenses.

(c) **Management Agreement**

On the Effective Date, Debtor will enter into the Management and Administrative Services Agreement with Sedona Financial Corporation (the "Management Agreement"). As set forth in the Management Agreement, which is Exhibit F to the Disclosure Statement, Debtor will pay a monthly management fee of $33,000 to Sedona for the provision of the following services: (i) billings and collections, (ii) accounting, (iii) risk management, (iv) marketing and advertising, (v) financing and cash management, (vi) budgeting, (vii) purchasing and provision of equipment, inventory and supplies (viii) personnel, payroll, employment and benefit matters and (ix) administrative and tax matters. The monthly management fee is directly based on Debtor's *pro rata* portion of the costs and expenses incurred by Sedona Financial Corporation to undertake the post-confirmation services provided under the Management Agreement. Included within the monthly management fee is the monthly salary of Dale Schuparra of $11,442.47 and the monthly

salary of Danny Van De Walle of $8,183.33, who are both Insiders of the Debtor. Neither Mr. Schuparra nor Mr. Van De Walle receive monthly compensation from any other entity for their services, however, Mr. Schuparra does own all of the equity of Sedona Financial Corporation. The Management Agreement will not obligate Sedona Financial Corporation to act as Disbursing Agent under the Plan; instead, the Reorganized Debtor will be obligated to make all Distributions under the Plan and any reserve accounts established under this Plan, including the Administrative Expense Claims Reserve and the Disputed Claims Reserve will be maintained as separate accounts of the Reorganized Debtor and not governed by the Management Agreement.

5.6 **Distributions under the Plan**

On the Effective Date, Debtor shall pay Allowed Administrative Expense Claims and Allowed Priority Claims in accordance with Article V of the Plan. On the Effective Date, in connection with execution of the Loan Modification Agreement all reserve accounts that are required by the Loan Modification Agreement shall be established by Bank and all applicable payments shall be made to Bank. Additionally, on the Effective Date, the Debtor shall establish and fund the following reserve accounts: (a) the Administrative Expense Claim Reserve; and (b) the Disputed Claims Reserve. Furthermore, on the Effective Date Debtor shall pay the Allowed Secured Tax Claims, Allowed Priority Non-Tax Claims, and Allowed Convenience Class Claims in accordance with Article VI of the Plan.

Payments made pursuant to the Plan shall be in Cash unless stated otherwise. All distributions to holders of Allowed Claims to be made under the Plan shall be made to the holder of such Claim as of the Effective Date, or as otherwise described in the Plan, as set forth on the register of Claims maintained by the Bankruptcy Court. Changes as to the holder of a Claim on or after the Effective Date shall only be valid and recognized for distribution, voting, and all other purposes if notice of such change is filed with the Bankruptcy Court, in accordance with Bankruptcy Rule 3001, if applicable, and served upon Reorganized Debtor.

Subject to Bankruptcy Rule 9010, distributions under this Plan shall be made at the address of each holder of an Allowed Claim, as set forth on the proofs of Claim filed by such holders (or at the last known address of such holder as of the Confirmation Date if the Debtor has not been notified in writing of a change of address). If any distribution to the holder of an Allowed Claim is returned as undeliverable, no further distributions to such holder shall be made unless and until the Reorganized Debtor is notified of such holder's current address, at which time all missed distributions shall be made to such holder without interest. All claims for undeliverable distributions shall be made on or before the later of: (i) the first anniversary of the Effective Date; or (ii) one hundred eighty (180) days after the date on which the Claim in question becomes Allowed. After such date, the Claim of any holder with respect to such property shall be discharged and forever barred, and all such unclaimed property shall be redistributed to Reorganized Debtor.

Checks issued by the Reorganized Debtor in respect of Allowed Claims shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. Any Claim in respect of such a voided check shall be discharged and forever barred, and the distribution made on account of such Claim shall be redistributed to Reorganized Debtor. Requests for reissuance of any check shall be made within such ninety (90) day period directly to the Reorganized

Debtor by the holder of the Allowed Claim with respect to whom such check was originally issued.

In connection with the Plan and all instruments issued in connection therewith and distributed thereon, any party issuing any instrument or making any distribution under the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim 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. Any party issuing any instrument or making any distribution under the Plan has the right, but not the obligation, to not issue such instrument or make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

As a condition to receiving any distribution under this Plan, each holder of any Claim entitled to receive a distribution hereunder, except for holders of claims classified under Classes 1 and 2, shall: (i) surrender any and all promissory notes, options, warrants, certificates, instruments, and any and all other and related documents evidencing such Claim to the Reorganized Debtor; and (ii) upon request, provide the Reorganized Debtor with a Lien release and UCC-3 termination statement. Any such holder that fails to: (a) surrender such instruments; (b) execute and deliver an affidavit of loss and/or indemnity with respect to such instruments reasonably satisfactory to the Reorganized Debtor within three (3) months of the Effective Date; or (c) provide a lien release and UCC-3 termination statement as requested, shall be deemed to have forfeited all rights and Claims and may not participate in any distribution under the Plan, and any Claim with respect thereto shall be discharged and forever barred.

5.7 Provisions for the Resolution and Treatment of Disputed Claims

Except insofar as a Claim is Allowed hereunder, the Reorganized Debtor shall be entitled to object to and/or seek the estimation of Claims. On and after the Effective Date, except as the Bankruptcy Court may otherwise order, the filing, litigation, settlement, or withdrawal of all objections to Claims shall be the exclusive right of the Reorganized Debtor, except that objections to a Professional Claim may be made by parties in interest in accordance with the Bankruptcy Rules.

Objections to Claims shall be filed with the Bankruptcy Court and served upon the holders of each Claim to which an objection is made by the Claims Objection Deadline. Notwithstanding any other provision of this Plan, no payment or distribution shall be made in respect of any Claim or portion thereof to the extent it is a Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim. As set forth in Section 9.3 in the Plan, the Reorganized Debtor shall withhold from the property to be distributed the amount attributable to all Disputed Claims that are not Allowed as of the Distribution Date, as appropriate.

Except as otherwise provided in the Plan and subject to the Claims Bar Date, a Claim may not be filed with the Bankruptcy Court or amended after the Confirmation Date without the

prior authorization of the Bankruptcy Court. Until the Bankruptcy Court enters a Final Order determining that such late filed claim or amended claim shall be Allowed, any new or amended Claim filed with the Bankruptcy Court after the Confirmation Date shall be deemed disallowed pursuant to this Section 5.7 and shall not receive any distribution on account of such Claim. In connection with a Claim being asserted by a Governmental Unit, this provision shall not become effective until the later of the Effective Date or December 28, 2011, or such later date as determined by further order of the Bankruptcy Court.

5.8 Executory Contracts and Unexpired Leases

Unless otherwise stated herein, any Executory Contract to which the Debtor is a party shall be deemed rejected by the Debtor as of the Effective Date if such Executory Contract: (i) has not previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court; or (ii) has not expired or been terminated by its terms. Any Person that is a party to an Executory Contract with the Debtor that is rejected pursuant to this Plan must file any Claim for damages as a result of such rejection and serve the same upon Reorganized Debtor within thirty (30) days after the date of such rejection (or such other date as established by the Bankruptcy Court), otherwise any such Claim shall be discharged and forever barred and will not be enforceable against the Debtor or the Estate.

5.9 Effects of Plan Confirmation

(a) Discharge

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, the Estate and the Reorganized Debtor, or any of their assets, including, without limitation, all Unsecured Claims or Secured Claims. Except as otherwise expressly provided herein, upon the Effective Date, the Debtor 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 any kind specified in section 502(g), 502(h), or 502(l) of the Bankruptcy Code, whether or not: (i) a proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (ii) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code; (iii) the holder of a Claim based upon such debt has accepted this Plan; or (iv) 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 the Debtor and its successors-in-interest and assigns other than those obligations specifically set forth pursuant to this Plan.

(b) Injunction

Upon the Effective Date, the entry of the Confirmation Order shall and shall be deemed to permanently enjoin all Persons that have held, currently hold, or may hold a Claim or other debt or liability against the Debtor or the Estate from taking any of the following actions against the Debtor, the Reorganized Debtor, and/or each of their respective members, principals, officers, directors, employees, agents, affiliates, successors, predecessors, and assigns on account of such Claim: (i) commencing, conducting, or continuing in any manner, directly or indirectly,

any suit, action, or other proceeding of any kind with respect to any property to be distributed under the Plan, including funds or reserves held or maintained by any of them pursuant to this Plan; (ii) enforcing, levying, attaching, collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order with respect to any property to be distributed under the Plan, including funds or reserves held or maintained by any of them pursuant to this Plan; (iii) creating, perfecting, or enforcing in any manner directly or indirectly, any Lien, charge, or encumbrance of any kind against the Debtor, the Estate, or the Reorganized Debtor with respect to any property to be distributed under the Plan, including funds or reserves held or maintained by any of them pursuant to this Plan; and (iv) proceeding in any manner in any place whatsoever with respect to any property to be distributed under the Plan, including funds or reserves held or maintained by any of them pursuant to this Plan in any way that does not conform to, comply with, or is inconsistent with, the provisions of this Plan; provided, however, that such injunction shall not preclude any party-in-interest from seeking to enforce or interpret the terms of the Plan through an action commenced in the Bankruptcy Court or other appropriate court, or from appealing the Confirmation Order.

(c) **Exculpation**

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, Reorganized Debtor, its respective successors or assigns, or its Estate, assets, properties, or interests in property, for any act or omission in connection with, relating to, or arising out of, this Bankruptcy 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.

(d) **No Liability for Solicitation or Participation**

Pursuant to section 1125(e) of the Bankruptcy Code, Persons that solicit acceptances or rejections of this Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, shall not be liable, on account of such solicitation or participation, for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan.

(e) **Release of Liens**

Except as otherwise provided in the Plan or the Confirmation Order, all Liens and security interests against property of the Estate are released, terminated, and nullified, except as provided for in the Loan Modification Agreement and Note.

5.10 **Effects of Plan Confirmation**

The Plan shall not become effective until the Confirmation Order is entered, in form and substance acceptable to the Debtor, and the effectiveness of which is not stayed. However, any of the foregoing conditions may be waived by the Debtor, in whole or in part, without notice, at any time, without an order of the Bankruptcy Court and without any formal action other than proceeding to consummate this Plan. The failure of the Debtor to exercise any of the forgoing

rights shall not be deemed a waiver of any other rights and each such right will be deemed an ongoing right that may be asserted at any time.

If the Plan is confirmed but the Effective Date does not occur within the one hundred-and-eighty (180) days after the Confirmation Date, unless otherwise ordered by the Bankruptcy Court: (i) the Confirmation Order shall be deemed vacated; (ii) all bar dates and deadlines established by the Plan or the Confirmation Order shall be deemed vacated; (iii) the Bankruptcy Case will continue as if confirmation of this Plan had not occurred; and (iv) this Plan will be of no further force and effect, with the result that the Debtor and other parties-in-interest will be returned to the same position as if confirmation had not occurred. The failure of the Effective Date to occur shall not affect the validity of any order entered in the Bankruptcy Case other than the Confirmation Order or any order based thereon.

5.11 **Jurisdiction of the Bankruptcy Court.**

Following the Effective Date, and notwithstanding the entry of the Confirmation Order, the Bankruptcy Court shall retain jurisdiction over the Bankruptcy Case and all matters arising in, or related to, the Bankruptcy Case to the fullest extent permitted by law, including jurisdiction to:

(a) hear and determine motions, applications, adversary proceedings, and contested matters pending on, or commenced after, the Effective Date including any and all Causes of Action or Litigation Claims as identified in Section 15.3 of the Plan;

(b) hear and determine objections (whether filed before or after the Effective Date) to, or requests for estimation of, any Claim;

(c) enter any order requiring the filing of proof of any Claim before a particular date;

(d) ensure that distributions to holders of Allowed Claims are accomplished as provided in the Plan;

(e) enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

(f) construe and take any action to enforce this Plan and the Confirmation Order;

(g) issue such orders as may be necessary for the implementation, execution, and consummation of this Plan, including, but not limited to, the enforcement of any discharge, release, and/or injunction in this Plan;

(h) hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan and the Confirmation Order;

(i) hear and determine any applications to modify this Plan brought to cure any defect or omission or to reconcile any inconsistency in: (i) the Plan; (ii) the Disclosure

Statement; or (iii) any order of the Bankruptcy Court including, without limitation, the Confirmation Order;

(j) hear and determine all applications for Administrative Expense Claims;

(k) hear and determine other issues presented by, or arising under, this Plan, including disputes arising: (i) among holders of Claims; and (ii) under agreements, documents, or instruments executed in connection with this Plan;

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

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

(n) enter the Final Decree upon proper request;

(o) hear and determine any action concerning the recovery and liquidation of assets, wherever located, including, without limitation, litigation to liquidate and recover assets that consist of Claims, rights, and causes of action against third-parties and actions seeking declaratory relief with respect to issues relating to or affecting assets; and

(p) hear and determine any action concerning the determination of taxes, tax refunds, tax attributes, tax benefits, and similar or related matters with respect to the Debtor, the Estate, or the Reorganized Debtor, including, without limitation, matters concerning federal, state, local, and other taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code.

5.12 **Retention of Causes of Action/Litigation Claims**

Except as set forth in this Plan or in the Confirmation Order, nothing contained in this Plan or the Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights, claims or Causes of Action (including Avoidance Actions, claims arising under common law, and claims arising under the Bankruptcy Code) that the Debtor or the Estate may have or the Reorganized Debtor may choose to assert on behalf of the Estate under any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including, without limitation: (a) any and all claims against any Person, regardless of whether such Person appeared in, is related to, or is knowledgeable of the Bankruptcy Case; (b) the turnover of any property of the Estate; (c) rights against directors, officers, professionals, agents, financial advisors, underwriters, lenders, or auditors relating to acts or omissions occurring prior to the Petition Date, including breaches of fiduciary duties; (d) recovery of any illegal dividend; and (e) re-characterization of a Claim. All rights, claims, and Causes of Action/Litigation Claims (including Avoidance Actions, claims arising under common law, and claims arising under the Bankruptcy Code) against any Person and belonging to the Debtor or the Estate are hereby expressly preserved and retained post-confirmation for assertion by the Reorganized Debtor on behalf of the Estate.

In connection with the agreement reached with the Bank, upon execution of the Loan Modification Agreement, the Debtor will release, waive and forfeit any and claims that exist as

of the Effective Date against Bank of the Ozarks, Bank of the Ozarks State Bank, and Dan Thomas. The Debtor also agrees to dismiss with prejudice any and all claims against all parties asserted in the Lender Liability Complaint.

In addition to the above-referenced reservation of rights and including any and all actions that would constitute Avoidance Actions, this Plan preserves all rights of Reorganized Debtor to pursue post-confirmation claims relating to, *inter alia*, breach of contract, breach of fiduciary duty, tort claims, including, but not limited to, conversion, theft, intentional interference with contractual relations, aid and abetting breach of fiduciary duty, fraudulent transfer, as well as any and all rights that the Debtor has under the Bankruptcy Code and the laws of the State of Texas, against: Mid-Continent Casualty Company and Whitaker Insurance Associates, Inc. Such reservation of right to pursue claims and causes of action shall include any and all affiliates, subsidiaries, partnerships, joint ventures, successors, and/or Persons associated with the specifically named parties herein. Furthermore, to the extent a party or claim not stated herein would be subject to continuing liability based on the Discovery Rule principle as applied under the laws of the State of Texas, this Plan specifically reserves such unknown claims and causes of action against such unknown parties. Any and all claims preserved under this Plan shall be freely transferable to or by Reorganized Debtor.

5.13 **Plan Modification**

Section 1127 of the Bankruptcy Code generally permits the Debtor to modify the Plan before or after the Confirmation hearing, assuming that certain requirements are satisfied. The Debtor reserves his right to submit modifications of the Plan, pursuant to the provisions of section 1127 of the Bankruptcy Code, as it deems advisable.

5.14 **Plan Effective Date**

The Plan will become effective upon the occurrence of the Effective Date, which is defined in the Plan as the first Business Day fourteen (14) days after the Confirmation date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) days after the Confirmation Date, and upon which the conditions to the effectiveness of the Plan as set forth in the Plan are satisfied.

ARTICLE VI
PLAN ALTERNATIVES

The Debtor analyzed whether a chapter 7 liquidation of the assets of the Debtor would be in the best interest of holders of Claims. That analysis reflected the recovery of a lesser amount than the recovery that may be realized through the Plan because sale of the Property on an expedited basis would likely be for less than the Secured Claim of Bank of the Ozarks, which would leave little or no value to other Creditors. Additionally, under chapter 7 of the Bankruptcy Code, a chapter 7 trustee will likely hire counsel and other professionals that will not be familiar as the Debtor Agent with the Bankruptcy Case, the Debtor's assets, books, and records, and the Causes of Action. This will result in higher fees and greater expenses. Additionally, the costs and expenses incurred in a chapter 7 case will have priority over, among others, all chapter 11

Administrative Expense Claims, Priority Non-Tax Claims, and Unsecured Claims in the Bankruptcy Case, thus diluting the recovery to these constituents. Finally, conversion to chapter 7 and appointment of a chapter 7 trustee will result in delays—perhaps substantial—in making distributions to Creditors. Typically, distributions in a chapter 7 case are not made until the end of the case. Moreover, if the Bankruptcy Case is converted, a chapter 7 trustee will need to examine the Debtor's books and records, a new bar date will be established for filing Claims, new Schedules may have to be prepared, and additional reports will have to be filed. Accordingly, it could take a substantially longer time for any distributions to be made to any Creditors. The Debtor, therefore, believes that Creditors will likely receive more under the Plan than they would in a chapter 7, and sooner.

ARTICLE VII
RISK FACTORS

7.1 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 Claim holders 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. 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 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.

7.2 Confirmation Risks

The following specific risks exist with respect to confirmation of the Plan: (i) any objection to confirmation of the Plan can either prevent confirmation of the Plan or delay such confirmation for a significant period of time; and (ii) because 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.

7.3 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, will work diligently with all parties-in-interest to ensure that all conditions precedent are satisfied.

ARTICLE VIII
CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN

THE FOLLOWING DISCUSSION SUMMARIZES CERTAIN ANTICIPATED UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE TRANSACTIONS PROPOSED IN THE PLAN TO THE DEBTOR AND TO THE HOLDERS OF CLAIMS

AGAINST AND EQUITY INTERESTS IN THE DEBTOR, WHO HOLD SUCH CLAIMS AND EQUITY INTERESTS AS CAPITAL ASSETS. THIS SUMMARY IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND IS BASED ON THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "TAX CODE"), THE TREASURE REGULATIONS PROMULGATED THEREUNDER, JUDICIAL AUTHORITY, AND CURRENT ADMINISTRATIVE RULINGS AND PRACTICE, ALL AS IN EFFECT AS OF THE DATE HEREOF AND ALL OF WHICH ARE SUBJECT TO CHANGE, POSSIBLY WITH RETROACTIVE EFFECT THAT COULD ADVERSELY AFFECT THE DEBTOR, ITS CREDITORS, AND EQUITY INTEREST HOLDERS.

THIS SUMMARY DOES NOT ADDRESS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM OR EQUITY INTEREST IN LIGHT OF ITS PARTICULAR FACTS AND CIRCUMSTANCES OR TO CERTAIN TYPES OF HOLDERS OF CLAIMS OR EQUITY INTERESTS THAT ARE SUBJECT TO SPECIAL TREATMENT UNDER THE TAX CODE (INCLUDING FOR EXAMPLE, CURRENT AND FORMER EMPLOYEES, FOREIGN PERSONS, FINANCIAL INSTITUTIONS, BROKER-DEALERS, LIFE INSURANCE COMPANIES, AND TAX-EXEMPT ORGANIZATIONS) AND ALSO DOES NOT DISCUSS ANY ASPECTS OF STATE, LOCAL, OR FOREIGN TAXATION. THE FOLLOWING SUMMARY DOES NOT ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS WHOSE CLAIMS ARE UNIMPAIRED UNDER THE PLAN OR WHOSE CLAIMS WILL BE PAID IN FULL IN CASH UPON CONSUMMATION OF THE PLAN.

THIS SUMMARY OF THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN IS NOT BINDING ON THE INTERNAL REVENUE SERVICE (THE "IRS"), AND NO RULING WILL BE SOUGHT FROM THE IRS WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN AND NO OPINION OF COUNSEL HAS BEEN OBTAINED BY THE DEBTOR WITH RESPECT THERETO. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE PLAN.

8.1 **Tax Status of the Debtor**

RVTC Limited Partnership is treated as a Texas limited partnership for US Federal Income Tax purposes. A limited partnership is not in itself a tax paying entity for federal income tax purposes and the limited partnership's income or loss for each taxable period, during which it remains in existence, is allocated among the partners, who are required to report the income or loss allocated to them on their individual tax returns.

8.2 **Federal Income Tax Consequences to Holders of Claims**

The federal income tax consequences of the implementation of the Plan to a claim holder will depend, in part, on whether the holder reports income on an accrual or cash basis, on whether the holder receives consideration in more than one tax year of the holder, and on whether the holder is a resident of the United States. The federal income tax consequences of the

receipt of Cash that is allocable to interest are discussed below in the section entitled "Receipt of Interest."

(a) **Receipt of Cash by Holders of Claims**

A holder of a Claim who receives Cash in satisfaction of its Claim generally will recognize a gain or loss on the exchange equal to the difference between the amount of any Cash received that is not allocable to interest and the holder's tax basis in its Claim. The character of any gain or loss as capital or ordinary and, in the case of capital gain or loss, as short-term or long-term, will depend on a number of factors, including: (i) the nature and origin of the Claim (*e.g.*, claims arising in the ordinary course of a trade or business or made for investment purposes); (ii) the tax status of the holder of the Claim; (iii) whether the Claim is a capital asset in the hands of the holder; (iv) whether the Claim has been held by the holder for more than one year; (v) the extent to which the holder previously claimed a loss or a bad debt deduction with respect to the Claim; and (vi) the extent to which the holder acquired the Claim at a market discount.

(b) **Receipt of Interest**

Consideration received by a holder of a Claim that is attributable to accrued but unpaid interest, not previously included in income for federal income tax purposes, will be treated as ordinary income regardless of whether the holder's existing Claims are capital assets in its hands. The manner in which consideration is to be allocated between accrued and unpaid interests and principal of the Claims of Creditors for federal income tax purposes is unclear under present law. Although there can be no assurance with respect to the issue, the Reorganized Debtor intends to take the position that no portion of the consideration distributed to holder of Allowed Unsecured Claims pursuant to the Plan is allocable to accrued and unpaid interest, unless, and to the extent that, the amount so allocated exceeds the principal obligation.

8.3 **Withholding and Information Reporting**

A holder of a Claim may be subject to backup withholding at applicable rates with respect to consideration received pursuant to the Plan, unless the holder: (i) is a corporation or other person exempt from backup withholding and, when required demonstrates this; or (ii) provides a correct taxpayer identification number ("TIN") on Internal Revenue Service Form W-9 (or a suitable substitute form) and provides the other information and makes the representations required by such form and complies with the other requirements of the backup withholding rules. A holder may become subject to backup withholding if, among other things, the holder: (a) fails to properly report interest and dividends for federal income tax purposes; or (b) in certain circumstances, fails to certify, under penalty of perjury, that it furnished a correct TIN. A holder that does not provide a correct TIN may also be subject to penalties imposed by the IRS.

Backup withholding is not an additional tax. The federal income tax liability of a person subject to backup withholding is reduced by the amount of tax withheld as backup withholding. If backup withholding results in an overpayment of federal income tax, the holder may obtain a refund of the overpayment by properly and timely filing a claim for refund with the IRS.

The Reorganized Debtor may be subject to other withholding and information reporting obligations with respect to consideration distributed pursuant to the Plan and will comply with all such obligations.

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. HOLDERS OF CLAIMS AGAINST, AND EQUITY INTERESTS IN, THE DEBTOR ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES OF THE PLAN.

8.4 Treasury Circular 230 Disclosures

This disclosure is provided to comply with Treasury Circular 230. This written advise is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding tax penalties that may be imposed on the person. This advise was written to support the promoting, marketing, or recommending of the transaction(s) or matter(s) addressed by this written advice, and the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor. No limitation has been imposed by Cox Smith on disclosure of the tax treatment or tax structure of the transaction.

THE PLAN AND ITS RELATED TAX CONSEQUENCES ARE COMPLEX. 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. NOTHING IN THIS DISCLOSURE STATEMENT, OR IN THE PLAN, IS MEANT TO PROVIDE ANY TAX ADVICE TO ANY CREDITOR.

ARTICLE IX
CONCLUSION

The Debtor urges each holder of a Claim in an impaired Class to vote to **ACCEPT** the Plan and to evidence such acceptance by returning the holder's ballot so that the ballot is actually received on or before 5:00 p.m. (Central Time), on November 16, 2011.

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Dated: October 31, 2011

Respectfully submitted,

COX SMITH MATTHEWS INCORPORATED

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