



ENTERED
01/22/2016

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE: §
§
TEXAS REGENCY APARTMENTS, L.P., § **Case No. 15-33188**
§ **(Chapter 11)**
Debtor §

**AGREED ORDER CONFIRMING TEXAS REGENCY APARTMENTS, L.P.’S
SECOND MODIFIED CHAPTER 11 PLAN OF REORGANIZATION
[RELATES TO DOC. NO. 91]**

The Court has considered Texas Regency Apartments, L.P.’s Second Modified Plan of Reorganization [Doc. No. 91-1] under Chapter 11 of the Bankruptcy Code filed by Texas Regency Apartments, L.P. (the “Debtor”) on January 14, 2016, and prior modifications of the Plan having been transmitted to creditors and equity security holders; and

It having been determined after hearing that the requirements for confirmation set forth in 11 U.S.C. § 1129(a) have been satisfied. Specifically, each provision has either been met or determined by the Court to be inapplicable (i.e. § 1129(a)(6), (a)(13), (a)(14), and (a)(15)). It having been further determined that because only one plan of reorganization is being sought to be confirmed, the provisions of 11 U.S.C. § 1129(c) have been met, and because the Second Modified Plan of Reorganization does not seek any form of tax evasion, the provisions of 11 U.S.C. § 1129(d) have also been met, and the provisions of 11 U.S.C. § 1129(e) are inapplicable.

IT IS ORDERED that:

The Debtor’s Second Modified Chapter 11 Plan of Reorganization filed by Texas Regency Apartments, L.P. on January 14, 2016 is confirmed. A copy of this confirmed Second Modified Plan of Reorganization is attached hereto as Exhibit “A”; and

IT IS FURTHER ORDERED that:

Final Order/No Bankruptcy Rule 3020(e) Stay: This Order is a Final Order, and the time period in which an appeal must be filed shall commence immediately upon the entry of the Confirmation Order in accordance with Federal Rule of Bankruptcy Procedure 3020(e).The

Fourteen (14) day stay period imposed by Bankruptcy Rule 3020(e) is deemed waived with respect to this Confirmation Order. The Effective Date means the later of: (i) the date of entry of this Confirmation Order, and (ii) the date of the closing of the sale the Debtor's real property asset (7222 Bellerive, Houston, TX 77036, the "Regency Square Apartments"), or the majority interest in the Debtor entity which owns the Regency Square Apartments.

Administrative Expenses: All applications for award of compensation or expenses to a trustee, examiner, attorney or other professional person shall be served and filed within 60 days after the date of this Order;

Objections to Claims: Any claim objection shall be served and filed no later than 60 days after the Effective Date;

Report: The Debtor shall file as required by 11 U.S.C. § 1106(a)(7) a report covering the action taken by the Debtor and the progress made in the consummation of the Plan within 90 days after entry of this Order;

Other Proceedings: Any other adversary proceeding, contested matter, motion or application shall be filed within 60 days after the date of this Order. Any time period in this Order may be extended or waived by the Court for cause after notice and hearing. Nothing in this Order shall preclude any proceeding in another Court with jurisdiction and within time limits otherwise applicable;

Report Information: The Debtor shall file a Post-Confirmation Certificate reporting certain information with respect to all payments made post-petition to date of confirmation of the Plan and all payments paid or to be paid thereafter for pre-confirmation debts or expenses within 30 days after entry of this Order;

Notice: Debtor shall mail copies of this Order as notice thereof to any attorney who has filed a notice of appearance under Rule 9019(b) and to all creditors and other parties in interest.

Debt Service Payment to TD Bank: The Debtor will be authorized to and has agreed to make a debt service payment to TD Bank, N.A. in the amount of \$40,000, by no later than February 15, 2016.

Conditional Debt Service Payment to TD Bank: In the event the Agreement of Purchase of Sale dated January 19, 2016, between Texas Regency Square Financing Partnership, Ltd. and Dylan Jagger Investment Company, Inc. (the "Agreement of Purchase and Sale") does not close on or before March 1, 2016, the Debtor has agreed to and shall be authorized to make a debt service payment to TD Bank, N.A. in the amount of \$40,000, by no later than March 5, 2016.

Conditional Ex Parte Relief: In the event the Agreement of Purchase and Sale does not close by April 1, 2016, is terminated or is modified to extend the closing date past April 1, 2016, TD Bank, N.A. shall not be subject to the injunction contained in the Debtor's Second Modified Plan of Reorganization and under applicable law, and TD Bank, N.A. will be fully authorized to exercise, without further court order, its creditor's rights, including initiating foreclosure proceedings against the Regency Square Apartments, in accordance with applicable state law.

Tax Escrow of Earnest Money Deposit: To the extent the Debtor becomes entitled to receive and possess earnest money deposit(s) as a result of termination of the Agreement of Purchase and Sale, the amount of \$50,000 of earnest money deposits shall be wired by the Purchaser or the Title Company into the IOLTA/Trust account of Hoffman & Saweris, p.c., to be

used solely for payment of outstanding ad valorem taxes owing for the Regency Square Apartments.

Signed: January 21, 2016.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

APPROVED AND ENTRY REQUESTED:

HOFFMAN & SAWERIS, P.C.

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EXHIBIT "A"

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE: §
§
TEXAS REGENCY APARTMENTS, L.P., § **CASE NO. 15-33188**
§ **(Chapter 11)**
DEBTOR-IN-POSSESSION §

**TEXAS REGENCY APARTMENTS, L.P.'S
SECOND MODIFIED CHAPTER 11 PLAN OF REORGANIZATION**

TEXAS REGENCY APARTMENTS, L.P., as Debtor-in-Possession, proposes this Second Modified Chapter 11 Plan of Reorganization pursuant to Chapter 11 of the Bankruptcy Code.

ARTICLE I

Definitions

1.01 Allowed Claim shall mean a Claim: (a) in respect of which a proof of claim has been filed with the Court within the applicable period of limitation fixed by Rule 3001; or (b) scheduled in the list of creditors prepared and filed with the Court pursuant to Rule 1007(b) and not listed as disputed, unknown, contingent or unliquidated as to amount, in either case as to which no objection to the allowance thereof has been interposed within an applicable period fixed by Rule 3001 or an order of the Court, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending.

1.02 Allowed Secured Claim shall mean an allowed claim secured by a lien, security interest or other charge against or interest in property in which Debtor has an interest, or which is subject to set-off under Section 553 of the Code, to the extent of the value (determined in accordance with Section 506(a) of the Code) of the interest of the holder of such Allowed Claim

in the Debtor's interest in such property or to the extent of the amount subject to such set-off as the case may be.

1.03 Avoidance Actions shall mean any claim or cause of action belonging to the Debtor and arising under the Bankruptcy Code including, but not limited to, §§ 544, 547, 548 and 550.

1.04 Causes of Action shall mean any and all claims, rights and causes of action that have been or could have been brought by or on behalf of the Debtor arising before, on or after the Petition Date, known or unknown, in contract or in tort, at law or in equity or under any theory of law, including, but not limited to any and all claims, rights and causes of action the Debtor or the Estate may have against any person arising under chapter 5 of the Bankruptcy Code, or any similar provision of state law or any other law, rule, regulation, decree, order, statute or otherwise, including but not limited to any claim or cause of action under a policy of insurance, claims, if any, against officers and directors of the Debtor, Avoidance Actions under the Bankruptcy Code, and any other causes of action belonging to the Debtor or its Estate.

1.05 Claim shall mean any right to payment, or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment against Debtor in existence on or as of the petition date, whether or not such right to payment or right to an equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, beneficial, secured or unsecured.

1.06 Class shall mean any class into which Allowed Claims are classified pursuant to Article II hereof.

1.07 Class 1 Claims, Class 2 Claims, Class 3 Claims, Class 4 Claims, Class 5 Claims, Class 6 Claims, Class 7 Claims, Class 8 Claims, and Class 9 Claims shall mean the Allowed

Claims so classified in Article II hereof.

1.08 Code shall mean the Bankruptcy Code, 11 U.S.C. 101 et seq., and any amendments thereof.

1.09 Confirmation Date shall mean the date upon which the Order of Confirmation is entered by the Court.

1.10 Court shall mean the United States Bankruptcy Court for the Southern District of Texas, in which the Debtor's Chapter 11 case, pursuant to which the Plan is proposed, is pending, and any court having competent jurisdiction to hear appeals or certiorari proceedings therefrom.

1.11 Creditors Committee shall mean the creditors committee appointed by Order of this Court, and members thereof and any successor or added members.

1.12 Debtor shall mean TEXAS REGENCY APARTMENTS, L.P., the Debtor-in-Possession in this Chapter 11 case.

1.13 Effective Date shall mean the date upon which the Order of Confirmation is no longer subject to appeal or certiorari proceeding, or the date on which no such appeal or certiorari proceeding is then pending, and on which date all of the conditions to the effectiveness of the Plan expressly set forth in the Plan have been satisfied fully or effectively waived.

1.14 Filing Date shall mean June 10, 2015 the date the Debtor filed its voluntary Chapter 11 Petition initiating this case.

1.15 Indebtedness as applied to the Debtor (but not to others) shall mean:

(a) All indebtedness or other obligations of the Debtor for borrowed money or for the deferred purchase price or property or services;

(b) All indebtedness of the Debtor, contingent, direct or otherwise, secured (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be

secured) by any mortgage, pledge, lien, security interest or vendor's interest under any conditional sale or other title retention agreement existing on any property or asset owned or held by the Debtor, whether or not the indebtedness secured thereby shall have been assumed by the Debtor (hereinafter "Secured Indebtedness"); or

(c) All indebtedness of others, secured or unsecured, directly or indirectly guaranteed, endorsed, or discounted with recourse by the Debtor, or in respect of which the Debtor is otherwise directly or indirectly liable, including, without limitation, indebtedness in effect guaranteed by the Debtor through any agreement (contingent or otherwise) to purchase, repurchase or otherwise acquire such indebtedness or any security therefore, or to provide funds for the payment or discharge of such indebtedness or of any other liability of the obligor of such indebtedness (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain the solvency or any balance sheet or other financial condition of the obligor of such indebtedness, or to make payment for any products, materials or supplies or for any transportation or services regardless of the non-delivery or non-furnishing thereof.

1.16 Lender shall mean TD Bank, N.A., the successor in interest to Carolina First Bank.

1.17 Net Reorganized Assets shall mean the cash and cash equivalents and any other value, or proceeds of settlement, or other disposition of the Reorganized Assets following payment of (i) fees and expenses of the Debtor, including the fees and expenses of the Debtor and the professionals engaged by the Debtor, (ii) normal expenses of administration of the Debtor (including the establishment of such reserves as the Debtor deems appropriate) and the payments permitted by the Plan, and (iii) all taxes, fees, levies, assessments, or other governmental charges incurred by the Debtor.

1.18 Order of Confirmation shall mean the Order entered by the Court confirming the Plan in accordance with the provisions of Chapter 11 of the Code, which Order is no longer subject to appeal or certiorari proceeding or as to which no appeal or certiorari proceeding is pending.

1.19 Person shall mean an individual, corporation, partnership, joint venture, trust, estate, unincorporated organization, or a government of any agency or political subdivision thereof.

1.20 Petition Date shall mean June 10, 2015, the date on which Debtor filed its Chapter 11 Petition with the Court.

1.21 Plan shall mean this Chapter 11 Plan, or as amended in accordance with the terms hereof or modified in accordance with the Code.

1.22 Property of the Estate shall mean that interest in property of the Debtor which the estate obtained pursuant to 11 U.S.C. Section 541, and retained despite the operation of 11 U.S.C. Sections 522, 554 and 362-365, together with interests in property which the estate obtained by 11 U.S.C. Sections 542, 547 and 548.

1.23 Rules shall mean the Bankruptcy Rules, as amended and supplemented by the local Bankruptcy Rules as adopted by the Court.

ARTICLE II

Classification and Treatment of Claims and Interests

The Plan divides the creditors of the Debtor into nine (9) classes as follows:

Class 1 - PRIORITY CLAIMS

Each creditor holding an allowed Class 1 Claim shall be paid in cash in full (unless such Claimant has agreed to other treatment) on the Effective Date or when such claim is allowed or

ordered paid by Final Order of the Court, whichever date is later, with the exception of the United States Trustee Fees, which shall be paid, as follows:

- U.S. Trustee fees for the third quarter (ending September 30, 2015), in the amount of \$4,875.00, are included in the Debtor's Operating Budget (Exhibit C), and will be paid on or before October 31, 2015 from Debtor's operating revenues (as will be reflected on Debtor's Monthly Operating Report).
- U.S. Trustee Fees for the fourth quarter (ending December 31, 2015), in the amount of \$4,875.00, are included in the Debtor's Operating Budget (Exhibit C), and will be paid on or before January 31, 2016 from Debtor's operating revenues (as will be reflected on Debtor's Monthly Operating Report).

Class 1 claims are not impaired.

Class 2 - PRIORITY TAX CLAIMS

Claims of taxing authorities entitled to "priority," as such term is defined in 11 U.S.C. § 507, as the same are allowed, approved and ordered paid by the Bankruptcy Court. There are three known creditors in this class, as follows: 1) Internal Revenue Services; 2) Harris County, et.al.; and 3) Texas Comptroller of Public Accounts.

Each ad valorem property tax creditor holding an allowed Class 2 Claim is a tax creditor of Debtor and Debtor's Estate holding prior perfected liens against property of Debtor's Estate. The ad valorem property Taxing Authorities continue to hold their perfected liens for pre- and post-petition taxes against property of the Debtor's Estate until the ad valorem property Taxing Authorities' claims, including interest thereon, are paid in full, pursuant to 11 U.S.C. § 1129(b). The ad valorem property Taxing Authorities' claims are secured, pursuant to Texas Property Tax Code §§ 32.01 and 32.07, et seq., by the various pieces of real and personal property owned by the Debtor. Each creditor holding an allowed Class 2 Claim shall be paid in full upon the closing of the sale of the Regency Square apartments (or sale of the majority interest in the Debtor which

owns the Regency Square apartment project), on the Effective Date, or when such claim is allowed or ordered paid by Final Order of the Court, whichever date is later. **Class 2 claims are not impaired.**

Class 3 - UNSECURED PRIORITY CLAIMS

Claims of governmental units enforcing its police and regulatory power, including the enforcement of a judgment other than a money judgment, obtained in an action or proceeding by the governmental unit to enforce such governmental unit's police or regulatory power. There are no known governmental units seeking to enforce their police and regulatory power obtained in an action or proceeding by the governmental unit or units in this case or in this class. Each creditor holding a Class 3 Claim shall be paid 100% of such Allowed Claim and shall be paid in cash and in full on the Effective Date or when such claim is allowed or ordered paid by Final Order of the Court, whichever date is later. **Class 3 claims are not impaired.**

Class 4 - SECURED CLAIMS

Upon the closing of the sale of the Regency Square apartments (or sale of the majority interest in the Debtor which owns the Regency Square apartments), the secured lender, TD Bank, N.A., shall receive the entirety of the net sales proceeds (estimated at \$10,477,507) from the sale of the Debtor's real estate asset, the Regency Square Apartments (or sale of the majority interest in the Debtor which owns the Regency Square apartments), plus a portion of the approx. \$228,446 in escrow reserves already held by TD Bank.

Although no deficiency is expected, pursuant to 11 U.S.C. § 506(a), any deficiency between the net sales proceeds received at the closing of the sale of the Debtor's real estate asset, and TD Bank, N.A.'s secured claim (stipulated at \$10,690,789, upon successful closing and funding of the sale of the Debtor's real estate asset or majority interest in the Debtor which owns the real

estate asset) shall be treated the same as a General Unsecured (Class 6) Claim, and shall be paid at 20% of its allowed (deficiency) claim, in cash, on the Effective Date or when such (deficiency) claim is allowed or ordered paid by Final Order of the Court, whichever date is later, in consideration of the release of its liens (i.e., Release of Lien must be filed amongst the Harris County, Texas Real Property Records).

Class 4 claims are impaired.

Class 5 - SECURED MECHANIC'S AND MATERIALMEN'S LIEN CLAIMS

Claims secured by a mechanic's and materialmen's lien in property owned by the Debtor or its estate. There are at least fourteen (14) known creditors in this class. Each creditor holding a Class 5 Claim is junior in time and right to the first mortgage holder, TD Bank, N.A., which is, therefore, entitled to the entirety of the net sales proceeds from the sale of the Debtor's real estate asset (or sale of the majority interest in the Debtor which owns the Regency Square apartments). Pursuant to 11 U.S.C. § 506(a), Class 5 Claims are unsecured, as the value of such Class 5 Claimant's interests are less than the amount of such Class 5 Claimant's Allowed Claim. Accordingly, each creditor holding a Class 5 Claim shall be treated the same as General Unsecured (Class 6) claim holders, and shall be paid 20% of its allowed claim, in cash, on the Effective Date or when such claim is allowed or ordered paid by Final Order of the Court, whichever date is later, in consideration of the release of their respective lien claims (i.e., Release of Lien to be filed amongst the Harris County, Texas Real Property Records).

Class 5 claims are impaired.

Class 6 - GENERAL UNSECURED CREDITORS

Claims not secured by a lien, security interest, encumbrance or right of set-off, as the same are allowed, approved and ordered paid by the Bankruptcy Court. There are at least thirty-four (34) known creditors in this class, exclusive of those (smaller) Class 7 creditors holding unsecured claims of \$1,000 or less. Each creditor holding a Class 6 Claim shall be paid 20% of its allowed claim, in cash, on the Effective Date or when such claim is allowed or ordered paid by Final Order of the Court, whichever date is later. **Class 6 claims are impaired.**

Class 7 - ALLOWED UNSECURED CLAIMS OF \$1,000.00 OR LESS

Allowed, Unsecured Claims of \$1,000.00 or less, and those Allowed Unsecured Claims in excess of \$1,000.00 which are voluntarily reduced by the holders thereof to \$1,000.00 with the amount in excess of \$1,000.00 being waived, as the same are allowed, approved and ordered paid by the Bankruptcy Court. There are at least ten (10) known creditors in this class. Each creditor holding an Allowed Class 7 Claim shall receive 70% of the amount of its claim, in cash, on the Effective Date or when such claim is allowed or ordered paid by Final Order of the Court, whichever date is later. **Class 7 claims are impaired.**

Class 8 - CLAIMS NOT SECURED BY A LIEN OR SECURITY INTEREST

Claims not secured by a lien, security interest, encumbrance or right of set-off, as the same are allowed, approved and ordered paid by the Bankruptcy Court. There are no known creditors in this class. The claims of Class 8 claimants will be deemed allowed, without setoff or counterclaim, upon confirmation of the Plan. Following confirmation of the Plan, Class 8 claimants will retain their claims, in their full amounts against Debtor. **Class 8 claims are not impaired.**

Class 9 - INTEREST HOLDERS

Allowed Equity Interest Holders. There are two (2) equity interest holders in this class, as follows:

- (i) JMG Regency, Inc.
General Partner – 1%
- (ii) Texas Regency Square Financing Partnership Ltd.
Limited Partner – 99%

Each equity interest holder in Class 9 shall retain such interest held. Upon confirmation of the Plan, the property of the estate will be free and clear of any and all claims and interests of all entities, except as provided in the Plan, and shall re-vest in the reorganized Debtor.

Class 9 interests are not impaired.

ARTICLE III

Treatment of Executory Contracts

Upon the Effective Date of the Plan, unless assumed by the Debtor prior to that time, all unexpired leases of the Debtor, if any, will be deemed rejected. Any party claiming to be affected by this provision shall have thirty (30) days subsequent to the Effective Date of this Plan within which to file a claim in this estate.

ARTICLE IV

Means for Execution of the Plan

The Debtor is in the process of arranging to fund the Plan of Reorganization out of: (i) net sales proceeds from the pending sale of the Regency Square apartment project (or sale of the majority interest in the Debtor which owns the Regency Square apartments); (ii) new equity;

and/or (iii) post-petition financing. The funds necessary for the satisfaction of the creditors' claims are to be generated, basically, as follows:

Source of Funds:

Estimated Sales Proceeds:	<u>\$10,800,000</u>
New Equity Contribution/Financing:	<u>\$115,000.00</u>
Escrow Reserves	<u>\$228,446.00</u>
 Total Sources of Funds	 <u>\$11,143,446</u>

Uses of Funds

Class 1 Payments (Attorneys, U.S. Trustee Fees)	<u>\$15,000</u>
Class 2 Payments (Taxing Authorities) ¹	<u>\$289,992</u>
Class 4 (Outstanding Lender Payments/Costs)	<u>\$10,690,790</u>
Class 5 Payments (Mechanic's Lien Claims)	<u>\$65,000</u>
Class 6 Payments (General Unsecured)	<u>\$76,000</u>
(20% of face amount of Allowed Claims)	
Class 7 Payments (\$1,000 or less Unsecured)	<u>\$3,500</u>
(70% of face amount of Allowed Claims)	
 Total Uses of Funds	 <u>\$11,140,282</u>

The Debtor may propose amendments or modifications of the Plan at any time prior to Confirmation, upon notice to all parties-in-interest. After Confirmation, the Debtor may, with approval of the Court and so long as it does not materially or adversely affect the interest of creditors, remedy any defect or omission or reconcile any inconsistencies in the Order of Confirmation in such manner as may be necessary to carry out the purposes and effect of this Plan.

ARTICLE V

Disbursements Under the Plan

¹ Ad valorem taxes to be paid upon the closing of the sale of the Regency Square Apartments or majority interest in the Debtor entity which owns the Regency Square Apartments.

Disbursements to be made under the Plan, unless otherwise required under the Code or Bankruptcy Rules, or specifically provided for herein, shall be made on the Effective Date, provided that if the claim upon which payment is to be made is either disputed or contingent, such date shall be thirty (30) days after the date, in the case of a disputed claim, such claim is no longer disputed (whether by agreement or Final Order of an appropriate Court) or in the case of any contingent claim, such claim ceases to be contingent and becomes enforceable against the Debtor (as agreed by the Debtor or as determined by Final Order by an appropriate Court).

ARTICLE VI

Disputed Claims and Objections to Claims

The Debtor may file an objection to any claim within sixty (60) days after the Effective Date of the Order confirming the Plan. Objections not filed within such time shall be deemed waived. If any claim or portion thereof is challenged or has been challenged by objection or otherwise the Debtor shall segregate and set aside a portion of funds to be paid sufficient to satisfy the claims as filed, or as scheduled by the Debtor. The portion of the funds not segregated shall be distributed in accordance with the provisions of this Plan. In the event that an objection is overruled or a dispute is resolved favorably to the party asserting such claim, then the portion of the creditor's funds shall be paid to the parties asserting the disputed claim in accordance with the Plan. In the event that the disputed claim is disallowed, the portion of the funds, which have been segregated, shall be distributed in accordance with the Plan.

ARTICLE VII

Retention of Jurisdiction

The Court will retain jurisdiction until this Plan has been fully consummated, including but not limited to the following purposes:

(a) The classification of the claim of any creditor and the re-examination of claims which have been allowed for purposes of voting, and the determination of such objections as may be filed to creditor's claims. The failure by the Debtor to object to or to examine any claim for the purpose of voting shall not be deemed to be a waiver of the Debtor's right to object to or re-examine the claim in whole or in part.

(b) Determination of all questions and disputes regarding title to the assets of the estate, and determination of all causes of action, controversies, disputes, or conflicts, whether or not subject to action pending as to the date of confirmation, between the Debtor and any other party, including but not limited to any rights of the Debtor to recover assets pursuant to the provisions of Title 11 of the United States Code.

(c) A correction of any defect, the curing of any omissions or the reconciliation of any inconsistencies in this Plan or the Order of Confirmation as may be necessary to carry out the purposes and intent of this Plan.

(d) The modification of the Plan after Confirmation pursuant to the Bankruptcy Rules and Title 11 of the United States Bankruptcy Code.

(e) To enforce and interpret the terms and conditions of this Plan.

(f) Entry of any Order, including injunctions, necessary to enforce the title, rights, or powers of the Debtor and to impose such limitations, restrictions, terms and conditions of such title, rights and powers that this Court may deem necessary.

(g) Entry of any Order concluding and terminating this case.

ARTICLE VIII

Effect of Confirmation

The Debtor's Chapter 11 Plan of Reorganization is in the nature of a liquidating plan,

which is contingent upon the closing of the sale of the Debtor's real estate asset to FCA Miami, LLC, as described in the Debtor's Disclosure Statement. In the event the closing of the sale of the Debtor's real estate asset does not occur, then the Debtor's proposed Plan of Reorganization, as now written, will not be feasible, and will need to be revised and resubmitted.

Confirmation of this Plan will bind the Debtor, any entity acquiring property under the Plan, and any creditor of the Debtor, whether or not the claim or interest of such creditor is impaired under the Plan and whether or not such creditor has accepted the Plan, for any and all claims against Debtor arising prior to the filing date of the Debtor's bankruptcy petition in this Court.

After Confirmation of this Plan, the property dealt with by the Plan is free and clear of all claims and interests of creditors and the Debtor. Confirmation of this Plan shall release and discharge the Debtor from any and all claims arising prior to the date that the Debtor filed their bankruptcy petition. In this, such release shall be conditioned upon confirmation of the Plan and prompt payments of the amounts due to the creditors hereunder.

ARTICLE IX

Miscellaneous

Absolute Priority Rule. Section 1129(b)(2)(B)(ii) controls the payment of senior and junior classes of claims or interests in the event that all of the applicable requirements of Section 1129(a), other than paragraph (8), are met with respect to a plan. Under the Debtor's Plan, no junior classes of claims or interests are to receive more than senior classes of claims. Moreover, since creditors are entitled to be paid in full before junior classes of claims or interests receive any payments, the Debtor's Plan provides that no holder of any claim or equity interest that is junior to the claims of such senior claimants shall receive any payment on account of such junior

claim or interest.

New Value Exception. In the event that any impaired class (that is not an “insider”, as defined in 11 U.S.C. § 101(31)) rejects the Plan, the equity interest holders (or other interests junior to unsecured creditors) may retain their interest in the reorganized Debtor in return for capital contributions infused into the reorganized Debtor so long as the contribution is: (1) new; (2) substantial; (3) reasonably equivalent to the value received by the equity interest holder; (4) necessary to the effective reorganization of the Debtor; and (5) in the form of money or money’s worth. *Bank of Am. Nat. Trust & Sav. Ass’n v. 203 N. LaSalle St. P’ship*, 526 U.S. 434, 445 (1999). The assessment of the required capital contribution amounts for the equity interest holders (or other interests junior to unsecured creditors) is to be made in the event that any impaired class (that is not an “insider”) rejects the Plan.

Reservation of Claims and Causes of Action. Except as to TD Bank, N.A. (the first mortgage holder of the Debtor – to which Debtor hereby provides a release of all claims or causes of action upon Plan Confirmation)², and except as expressly provided in the Plan or Disclosure Statement, any and all claims, causes of action, cross-claims or counterclaims held or assertable by the Debtor (with the exception of any Claims or Causes of Action which have been released, waived, compromised or settled pursuant to this Plan), including but not limited to: (i) the Causes of

² Upon the Effective Date as defined in Section 1.13 of the Plan, Debtor and each of its agents, representatives, partners, principals, attorneys, affiliates, parent entities, subsidiaries, officers, employees, predecessors and successors (collectively, the “Debtor Releasers”) hereby release and forever discharge TD Bank and all of its past, present and future agents, representatives, principals, attorneys, affiliates, parent entities, subsidiaries, officers, directors, employees, predecessors and successors (the “TD Bank Releasees”), from any and all legal, equitable or other claims, counterclaims, qui tam actions, demands, setoffs, defenses, contracts, accounts, suits, debts, agreements, actions and causes of action of any kind whatsoever (whether based on common law or on any federal or state statute, rule, regulation, or other law or right of action), sums of money, reckonings, bonds, stock, stock options, bills, invoices, specialties, covenants, promises, variances, trespasses, damages, extents, executions, judgments, findings, controversies, disputes, duties, responsibilities, or obligations of any nature whatsoever, from the beginning of the world to and including the Effective Date, whether now known or unknown, foreseen or unforeseen, matured or unmatured, accrued or not accrued, suspected of unsuspected, fixed or contingent, and whether or not concealed or hidden.

Action; (ii) the Avoidance Actions; and (iii) any and all claims, causes of action, counterclaims, demands, controversies, against third parties on account of costs, debts, sums of money, accounts, reckonings, bonds, bills, damages, obligations, liabilities, objections, and executions of any nature, type, or description which the Debtor have or may come to have, including, but not limited to, negligence, gross negligence; usury, fraud, deceit, misrepresentation, conspiracy, unconscionability, duress, economic duress, defamation, control, interference with contractual and business relationships, conflicts of interest, misuse of insider information, concealment, disclosure, secrecy, misuse of collateral, wrongful release of collateral, failure to inspect, environmental due diligence, negligent loan processing and administration, wrongful setoff, violations of statutes and regulations of governmental entities, instrumentalities and agencies (both civil and criminal), racketeering activities, securities and antitrust laws violations, tying arrangements, deceptive trade practices, breach or abuse of fiduciary duty, breach of any alleged special relationship, course of conduct or dealing, obligation of fair dealing, obligation of good faith, and obligation of good faith and fair dealing, whether or not in connection with or related to the loan papers and this Plan, at law or in equity, in contract in tort, or otherwise, known or unknown, suspected or unsuspected, are hereby preserved and retained for enforcement by and for the benefit of the reorganized Debtor effective as of the Confirmation Date. It is the intent of the Debtor that this reservation of claims shall be as broad as permitted by applicable law and shall include all claims, whether or not disclosed in the Debtor's Schedules, and shall include any claims and causes of action referenced in the Disclosure Statement, except as expressly provided in the Plan or Disclosure Statement. Provision for payment of pre-confirmation and post-confirmation quarterly fees and submission of statements of disbursements to the

United States Trustee. The reorganized Debtor shall timely pay its quarterly fees to the U.S. Trustee, as follows:

- U.S. Trustee fees for the third quarter (ending September 30, 2015), in the amount of \$4,875.00, are included in the Debtor's Operating Budget (Exhibit C), and will be paid on or before October 31, 2015 from Debtor's operating revenues (as will be reflected on Debtor's Monthly Operating Report).
- U.S. Trustee Fees for the fourth quarter (ending December 31, 2015), in the amount of \$4,875.00, are included in the Debtor's Operating Budget (Exhibit C), and will be paid on or before January 31, 2016 from Debtor's operating revenues (as will be reflected on Debtor's Monthly Operating Report).

After confirmation, the reorganized Debtor shall file with the Bankruptcy Court and shall transmit to the United States Trustee a true and correct statement of all disbursements for each quarter, or portion thereof, that this chapter 11 case remains open, in a format prescribed by the United States Trustee.

Creditors' rights in event of default in Plan payments: Creditors can resort to applicable non-bankruptcy law upon default and failure to cure by the Debtor.

Notices: All notices required or permitted to be made in accordance with the Plan shall be in writing and shall be delivered personally or by telecopy or other telegraphic means or mailed by registered or certified mail, return receipt requested.

(a) If to Debtor, at 310 E. Jackson, Orlando, FL 32801, with copies to The Law Offices of Matthew Hoffman, p.c., 2777 Allen Parkway, Suite 1000, Houston, Texas 77019.

(b) If to a holder of an Allowed Claim, at the address set forth in its allowed proof of claim, or if none, at its address set forth in the schedules prepared and filed by the Debtor with the Court pursuant to Rule 1007(b).

(c) Notice shall be deemed given when received. Any person may change the address at which it is to receive notices under the Plan by sending written notice pursuant to the provisions of this Section to the person to be charged with knowledge of such change.

SIGNED this the 14th day of January, 2016.

Respectfully submitted,
TEXAS REGENCY APARTMENTS, L.P.,
DEBTOR-IN-POSSESSION

By: /s/ Matthew Hoffman

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