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8 **IN THE UNITED STATES BANKRUPTCY COURT FOR THE**  
9 **DISTRICT OF ARIZONA**

10 <b>In Re:</b>	<b>Chapter 11</b>
11 <b>TRIESTE INVESTMENTS, L.L.L.P.</b> , an Arizona limited liability limited partnership,	<b>Proceedings Under Chapter 11</b>
12 Debtor.	<b>Case No. 2:08-bk-13674-RJH</b>
	<b>DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION</b>

14 **Introduction**

15 Trieste Investments, L.L.L.P., an Arizona limited liability limited partnership (“Trieste”)  
16 Debtor and Debtor-in-possession (the “Debtor”), proposes this Chapter 11 Plan of  
17 Reorganization (the “Plan”), pursuant to Section 1121 of the United States Bankruptcy Code and  
18 Rule 3016 of the Federal Rules of Bankruptcy Procedure.

19 **Definitions** - The following terms, when used in this Plan, shall have the following meanings:

20 Administrative Expense: shall mean those expenses described in Section 503 (b) of the  
21 Bankruptcy Code.  
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23 <sup>1</sup>Capitalized terms shall have the meaning ascribed to them in these “Definitions”.  
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1           Allowed Claim: shall mean a claim (a) in respect of which a proof of claim has been filed  
2 with the Court on or before the Bar Date fixed by the Court, or (b) scheduled in a list of creditors  
3 prepared and filed with the Court pursuant to Rule 1007 and not listed as disputed, contingent or  
4 unliquidated as to amount, and in either case as to which no objection to the allowance thereof  
5 has been interposed within any applicable period of limitation fixed by Rule 3003, an order of  
6 the Court, or this Plan, or as to which no appeal or review proceeding is pending.

7           Allowed Priority Claim: shall mean an allowed claim for which the holder asserts and is  
8 determined to be entitled to priority under Section 507 *et. seq.* of the Bankruptcy Code, in an  
9 amount allowed by Final Order of the Court upon a request pursuant to Section 503(a).

10           Allowed Secured Claim: shall mean an allowed claim as defined above arising on or  
11 before the Petition Date that is undisputed and subject to no defenses and secured by a valid and  
12 perfected Lien on property of the Debtors which is not void or voidable under any state or  
13 federal law, including any provision of the Code or an Allowed Claim for which the holder  
14 asserts a setoff under Section 553 of the Code, to the extent of the value (which is either agreed  
15 to by the Debtors pursuant to this Plan, or in the absence of an agreement, has been determined  
16 in accordance with Section 506(a) or 1111(b) of the Code) of the interest of the holder of such  
17 allowed claim in the Debtors' property, or an allowed claim that the Debtors have agreed to treat  
18 as an allowed secured claim pursuant to this Plan. That portion of the allowed claim exceeding  
19 the value of security held therefor shall be an Allowed Unsecured Claim, except as modified by  
20 this Plan.

21           Allowed Unsecured Claim: shall mean an allowed claim against the Debtors which is not  
22 an Allowed Priority Claim, Allowed Secured Claim or claim of an Equity Interest Holder.

23           Bankruptcy Case shall mean this Case.

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1           Bar Date: shall mean the date of the hearing on Debtors' Disclosure Statement, the final  
2 date for filing proofs of claims in this Case or as otherwise provided by order of the Court,  
3 except for Allowed Administrative Claims of Court-approved professionals who shall file their  
4 applications for payment of professional fees and reimbursement of expenses with the  
5 Bankruptcy Court on or before the thirtieth (30<sup>th</sup>) day after the Effective Date.

6           Case: shall mean TRIESTE INVESTMENTS LLLP's Chapter 11 proceeding, Case No.  
7 08-bk-13674-RJH.

8           Claim: shall have the meaning set forth at Section 101(5) of the Code and shall include  
9 all rights to payment from Debtors.

10           Code shall mean the United States Bankruptcy Code, being Title 11 of the United States  
11 Code as enacted in 1978 and thereafter amended.

12           Confirmation shall mean the date upon which the order is entered by the Court  
13 confirming the Plan which becomes final and non-appealable after hearing conducted pursuant to  
14 Section 1129 of the Code.

15           Confirmation Date shall mean the date upon which the Confirmation Order is entered by  
16 the Court confirming the Plan after hearing conducted pursuant to Section 1129 of the Code.

17           Confirmation Order means the entered Order of the Bankruptcy Court confirming the  
18 Plan pursuant to Section 1129 of the Code.

19           Consummation of the Plan shall mean the accomplishment of all things provided for in  
20 this Plan.

21           Court: The United States Bankruptcy Court for the District of Arizona

22           Creditor: A person, firm, partnership, corporation, or entity who has filed, or is deemed to  
23 have filed, a lawful Claim against the Debtors, as provided by the Bankruptcy Code and orders  
24 of the Court, and which Claim has been allowed by the Court, or is deemed allowed by  
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1 applicable provisions of law.

2 Debtor: Trieste Investments, LLLP.

3 Distribution Date: shall mean twenty (20) days after the end of any month in which there  
4 are proceeds from the sale or disposition of the Property, or any right, title or interest therein, or  
5 any portion thereof, which property is the single asset of this bankruptcy estate, that are received  
6 by Debtors, including cash infusions into the bankruptcy estate of the Reorganized Debtor from  
7 other sources, including, but not limited to a refinancing of existing debt (except for distributions  
8 to Court-approved professionals' Allowed Administrative Claims).

9 Effective Date: The effective date of this Plan, which shall be eleven (11) days following  
10 the Confirmation Date, and on which date the Confirmation Order becomes a Final Order.

11 Equity Interest Holder: shall mean a person or entity holding an equity/member interest  
12 in Debtor.

13 Final Distribution Date: shall mean that date upon which the final distribution of the  
14 Debtor's Plan payments occurs, which shall be no later than December 5, 2013 for Class 2 and  
15 no later than sixty (60) months from the Effective Date for Classes 3, 4, 5 and 6.

16 Final Order: shall mean an order of the Court on which no appeal or review proceedings  
17 has been filed nor is pending and the time for doing so has expired.

18 Lien: shall mean any charge against or interest in property to secure payment of a debt or  
19 performance of an obligation and includes, without limitation, any judicial lien, security interest,  
20 mortgage, deed of trust and statutory lien as defined in Section 101 of the Code.

21 Petition Date: shall mean the date Debtors filed their petitions in the Case, October 6,  
22 2008.

23 Plan: shall mean this Chapter 11 Plan dated January 5, 2009, including any  
24 modifications, attachments, exhibits, amendments or corrections thereto.

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1 Bankruptcy Court for compensation and reimbursement of expenses submitted by the  
2 professionals who have been retained by the Debtors pursuant to an Order of the Bankruptcy  
3 Court. Under the Plan, the Professional Fees will be paid in full in cash by the Debtor's estate  
4 representative, in such amounts as are allowed by the Bankruptcy Court.

5 This Class is estimated to total no more than \$135,000.00.

## 6 **ARTICLE 2**

### 7 **Classes 2, 3 and 4 -- Secured Claims – Unimpaired**

8 **Class 2** is the Allowed Secured Claim of Weldon Alders ("Alders") for his seller carry-  
9 back purchase money loan made to Debtor pursuant to a Promissory Note and related Vendors'  
10 Lien and Deed of Trust dated December 5, 2006 (collectively, the "Loan Documents"), in the  
11 amount of \$15,366,837.75 ("Alders Loan"), which Loan is secured by a valid perfected Deed of  
12 Trust covering all of the Property which is the single asset of this Bankruptcy Case, as more fully  
13 described in Exhibit "A" attached to Alders' "Motion To Terminate The Automatic Stay With  
14 Respect To Real Property", filed in the Bankruptcy Case (Dkt.#37)(the "Property").

15 This Class is estimated to total no more than \$15,900,000.00 ("Alders Loan").

16 **Class 3** is the Allowed Secured Claim of AHK Texas Holdings, L.L.C. for its loan to  
17 Debtor pursuant to that certain Promissory Note dated October 3, 2008, in the amount of  
18 \$10,000.00 ("AHK Loan"), which Loan is secured by a valid recorded Deed of Trust dated  
19 October 3, 2008 ("AHK Deed of Trust") on Debtor's Property.

20 This Class is estimated to total no more than \$10,500.00.

21 **Class 4** is the Allowed Secured Claim of MW2 Investments, L.L.C. for its loan to Debtor  
22 pursuant to that certain Promissory Note dated October 3, 2008, in the amount of \$5,000.00  
23 ("MW2 Loan"), which Loan is secured by a valid recorded UCC-1 Lien dated October 3, 2008  
24 ("MW2 Lien") on Debtor's Property.

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1 This Class is estimated to total no more than \$5,000.00

2 **NOTE:** To the extent that the value of the collateral security of any of the foregoing  
3 Classes 2, 3 and 4 Allowed Secured Claims is less than the amount of the indebtedness that is  
4 secured thereby, pursuant to §506 of the Code, such creditor shall have a secured claim, if  
5 validly perfected, non-preferential and fair consideration has been given, to the extent of the  
6 value of its interest in the collateral after recognized prior superior valid secured liens, if any, and  
7 an unsecured claim for any remaining deficiency amount. Said deficiency amount shall be  
8 treated as an unsecured claim in Class 6. Accrued and unpaid interest as provided in the parties'  
9 loan documents shall be paid on valid fully secured Allowed Secured Claims up until the Petition  
10 Date and through the Confirmation Date at the applicable contract rate of interest (non-default),  
11 and, as provided by the Plan thereafter.

12 **ARTICLE 3**

13 **Class 5 -- Tax and Other Priority Claims -- Unimpaired**

14 **Class 5** consists of the Allowed Claim of the Liberty County, Texas Property Tax  
15 collector/authorities. The Class 4 Claim is afforded priority treatment under Section 507(a)(8) of  
16 the Bankruptcy Code. This Class is estimated to total no more than \$15,000.00.

17 **ARTICLE 4**

18 **Class 6 -- General Unsecured Claims -- Unimpaired**

19 **General Unsecured Claims**

20 **Class 6** consists of all Allowed General Unsecured Claims and any unsecured deficiency  
21 claim of Classes 2, 3 and/or 4. This Class is estimated to total no more than \$8,700,000.00.

22 **ARTICLE 5**

23 **Class 7 -- Equity Interest Holders -- Unimpaired**

24 **Class 7** consists of all the Allowed Equity Claims of the members of the Debtor who will  
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1 retain their equity position under this 100% full payment reorganization plan. Class 7 is not  
2 impaired and as all other unimpaired classes is deemed to have accepted the Plan.

3 While Debtor's members will retain their ownership position in Debtor, they will receive  
4 no dividends or distributions (other than compensation for services actually rendered as provided  
5 herein) whatsoever during the life of this Plan, unless all senior classes have been paid in full or  
6 otherwise agree in writing.

## 7 ARTICLE 6

### 8 Treatment of Claims.

#### 9 CLASS 1 – Administrative Claims of Court-approved Professionals – *Unimpaired*

10 Allowed Administrative claims are generally Claims that arose during the pendency of  
11 the Chapter 11 Case which are subject to Bankruptcy approval, such as court-approved attorney  
12 and financial professionals claims for legal and financial services performed on behalf of the  
13 Debtors and the bankruptcy estate.

14 Impairment and Voting. Class 1 is unimpaired by the Plan; consequently, all holders of Allowed  
15 Claims in Class 1 are deemed to accept the Plan and are not entitled to vote on the Plan. Debtors  
16 estimate there are 3 holders of Class 1 claims: (a) Debtors' court-approved bankruptcy attorneys  
17 (b) Debtors' court-approved special counsel, and (c) Debtors' court-approved  
18 experts/professionals for financial, accounting, feasibility and liquidation analysis and related  
19 activities for the confirmation, implementation and consummation of the Plan.

20 Distributions. Each holder of an Allowed Administrative Claim shall be paid in full in cash (or  
21 otherwise satisfied in accordance with mutually agreed upon terms) upon the latter of either (a)  
22 the Effective Date; (b) such date as may be fixed by the Bankruptcy Court; (c) the eleventh (11<sup>th</sup>)  
23 Business Day after such Claim is Allowed; or (d) such date as the holder of such Claim and the  
24 Debtor's estate representative may mutually agree. Professional Fees are the Claims approved  
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1 by the Bankruptcy Court for compensation and reimbursement of expenses submitted by the  
2 professionals who have been retained by the Debtors pursuant to an Order of the Bankruptcy  
3 Court. Under the Plan, the Professional Fees will be paid in full in cash by the Debtor's estate  
4 representative, in such amounts as are allowed by the Bankruptcy Court. Such claims will be  
5 paid from operating revenues of the Debtor, sale of the Property (or revenues realized therefrom  
6 or partial portion parcel sales thereof), or, if such funds are insufficient, from third party sources,  
7 and, as except as otherwise provided hereinbefore, any other source of revenues realized by the  
8 Debtor after payment in full of any indebtedness owed by Debtor to Class 2.

9 This class is estimated at the Effective Date to be approximately \$65,000.00 bankruptcy  
10 counsel), \$55,000.00 (special counsels for condemnation settlement and appeal) and \$15,000.00  
11 (financial professionals).

12 **CLASS 2 – Secured Claim of Alders – *Unimpaired***

13 Alders holds a Promissory Note dated December 5, 2006 in original principal balance of  
14 \$15,366,837.75, with regular contract interest accruing at the rate of the prime rate of interest  
15 per annum then most recently announced of published by major U.S. money center commercial  
16 banks as published in the Wall Street Journal from time to time as its prime rate for commercial  
17 loans, plus two hundred (200) basis points above the prime rate in effect from day to day on the  
18 basis of actual days elapsed over a year composed of 365 days. The collateral securing Alders  
19 Loan is the Property pursuant to Alders Loan Documents.

20 *Impairment and Voting.* Class 2 is not impaired by the Plan, and the holder of an Allowed  
21 Secured Claim is therefore not entitled to vote on the Plan.

22 *Distributions.* Debtor proposes to pay the principal and all accrued and accruing interest under  
23 the Alders Loan through (1) payments from the condemnation proceeds received from the Louis  
24 Dreyfus lawsuit settlement, before the Court for authority to accept, (2) proceeds for the timber  
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1 contract with Carl Kleinmann, before the Court for authority to accept, (3) credit for the proceeds  
2 received directly by Alders from Chevron prior to the Bankruptcy Case (but not yet  
3 acknowledged or credited by Alders), (4) proceeds to be realized from the Texas Dept. of  
4 Transportation for its condemnation and/or taking of a widened highway easement along Texas  
5 State Highway 146, which runs contiguous to the Property, (5) sales of released parcels from the  
6 Property and/or the sale of the entire Property, and, (6) post-petition Debtor-in –possession  
7 financing from third parties in any amount(s) required to insure adequate protections payments to  
8 Alders, as mutually agreed by the Debtor and Alders, contemplated by §362(d)(3) of the Code or  
9 otherwise as ordered by the Court, until the Alders Loan is paid in full. From the foregoing  
10 proceeds, Alders Loan shall be cured and brought current as of the Effective Date and thereafter  
11 shall be paid in full at the non-default contract rate of interest under the Alders Loan on or before  
12 the Final Distribution Date; provided that parcel releases are received by Debtor for the amounts  
13 set forth in the Loan Documents so that the proceeds from the sale of such released parcels can  
14 be applied to payment of the Alders Loan.

15 All rights, duties, obligations, liens and security interests created by the Alder Loan  
16 Documents shall continue and shall be governed according to the terms thereof, as amended by  
17 the Plan.

18 **CLASS 3 – Secured Claim of AHK Texas Holdings, L.L.C. – *Unimpaired***

19 AHK holds a Note in the amount of \$10,000.00, dated October 3, 2008, which is secured  
20 by a Deed of Trust on the Property of the same date.

21 *Impairment and Voting.* Class 3 is unimpaired by the Plan, and the holder of an Allowed  
22 Secured Claim is therefore not entitled to vote on the Plan.

23 *Distributions.* Debtor proposes to pay the principal and all accrued and accruing interest  
24 under the AGK Note in full from the same sources that Debtor intends to pay the Class 2

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1 Allowed Secured Claim, after payment in full of the Class 2 Allowed Secured Claim, on or  
2 before the Final Distribution Date.

3 **CLASS 4 – Secured Claim of MW2 Investments, L.L.C. --- Unimpaired**

4 MW2 holds a Note in the amount of \$5,000.00, dated October 3, 2008, which is secured  
5 by a UCC-1 Lien on the Property's improvements of the same date.

6 Impairment and Voting. Class 4 is unimpaired by the Plan, and the holder of an Allowed  
7 Secured Claim is therefore not entitled to vote on the Plan.

8 Distributions. Debtor proposes to pay the principal and all accrued and accruing interest  
9 under the MW2 Note from the same sources that Debtor intends to pay the Classes 2 and 3  
10 Allowed Secured Claims, after payment in full of the Class 2 Allowed Secured Claim, and pro  
11 rata with Class 3, until paid in full on or before the Final Distribution Date.

12 **CLASS 5 --- Priority Claims - Unimpaired**

13 Class 5 consists of the Allowed Claim of Liberty County, Texas Tax Collector/authorities  
14 for unpaid and due real property taxes on the Property. Tax Claims are afforded priority  
15 treatment under Section 507(a)(8) of the Bankruptcy Code.

16 Impairment and Voting. Class 5 is unimpaired by the Plan; consequently, holders of  
17 Allowed Claims in Class 5 are deemed to accept the Plan and are not entitled to vote on the Plan.

18 Distributions. An Allowed Priority Claim in Class 6, under Section 507(a)(8) of the Bankruptcy  
19 Code, is to be paid in full in cash by Debtor. Debtors shall make payments, as required by state  
20 law, from proceeds of sales of parcels of the Property or sale of the entire Property, when making  
21 payments to Class 2 as provided in the Plan if required to sell a parcel or the entire Property free  
22 and clear of a tax lien (if any), from and after the Effective Date with interest per annum at the  
23 Federal Judgment Rate on any outstanding amounts due after such date, or otherwise, in  
24 compliance with Section 1129 (a)(9)(c) of the Code. Such payments shall be made before any  
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1 distributions are made to junior classes of creditors.

2 **CLASS 6 – Unsecured – *Unimpaired***

3 Class 6 consists of all Allowed Unsecured Claims of unsecured creditors and any  
4 unsecured deficiency claim of an Allowed Secured Claim in Classes 2, 3 or 4.

5 *Impairment and Voting.* Class 6 is not impaired by the Plan and therefore all holders of  
6 Allowed Unsecured Claims are not entitled to vote on the Plan.

7 *Distributions.* Debtors shall pay the Class 6 claim holders of an Allowed Unsecured  
8 Claim, in full, commencing on or before thirty (30) days after the payment of all senior classes,  
9 Classes 2 through 5 Allowed Claims, based on the value of each Allowed Unsecured Claim until  
10 all such claims have been paid One Hundred Percent (100%) of their Allowed Claim, unless  
11 otherwise mutually agreed in writing by and between Debtor and the Holder of an Allowed  
12 Unsecured Claim after payment in full of all Allowed Claims which are senior to Class 6, on or  
13 before the Final Distribution Date. Debtor will pay a rate of interest per annum at the Federal  
14 Judgment Rate from and after the Effective Date on any outstanding balances owed on an  
15 Allowed Unsecured Claim, until paid in full.

16 **CLASS 7 — Equity Interest Holders - *Unimpaired***

17 Class 7 consists of all the Allowed Equity Claims of Debtor's Equity Interest Holders (its  
18 "Members").

19 *Impairment.* Class 7 is unimpaired, and all holders of such claims are deemed to accept  
20 the Plan.

21 *Distributions.* Members will receive no dividends or distributions (other than  
22 compensation for services rendered as provided herein) during the life of the Plan, unless all  
23 senior classes have been paid in full, or as provided in the Plan, or otherwise agreed in writing.

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1 The condition that a plan be fair and equitable with respect to a rejecting Class of  
2 Allowed Unsecured Claims includes the requirement that either (a) such Class receive or retain  
3 under the Plan property of a value as of the Effective Date of the Plan equal to the allowed  
4 amount of such Claim or (b) if the Class does not receive such amount, no Class junior to the  
5 non-accepting Class will receive a payment distribution under the plan. Debtor proposes to pay  
6 all of the Allowed Claims of its Creditors in full, and, therefore, it will retain its equity  
7 ownership in this single asset bankruptcy estate.

## 8 **ARTICLE 8**

### 9 **Means for Execution of Plan**

10 Debtor believes that the value of the Property and proceeds to be realized from sales of  
11 the Property, as a whole or in separate parcels, exceeds the valid secured debt against the  
12 Property. Debtor proposes to pay the principal and all accrued and accruing interest under the  
13 Alders Loan, AHK Loan, MW2 Loan, the priority tax claim and the Class 6 Allowed Unsecured  
14 Claims through (1) payments from the condemnation proceeds received from the Louis Dreyfus  
15 lawsuit settlement, before the Court for authority to accept, (2) proceeds for the timber contract  
16 with Carl Kleinmann, before the Court for authority to accept, (3) credit for the proceeds  
17 received directly by Alders from Chevron prior to the Bankruptcy Case (but not yet  
18 acknowledged or credited by Alders), (4) proceeds to be realized from the Texas Dept. of  
19 Transportation for its condemnation and/or taking of a widened highway easement along Texas  
20 State Highway 146, which runs contiguous to the Property, (5) sales of released parcels from the  
21 Property and/or the sale of the entire Property, and (6) post-petition Debtor-in -possession  
22 financing from third parties in any amount(s) required to insure adequate protections payments to  
23 Class 2 ( and the other secured creditors if and to the extent they demand same), as mutually  
24 agreed by the Debtor and Alders, contemplated by §362(d)(3) of the Code or otherwise as  
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1 ordered by the Court.

2 Because Debtor's Plan is a 100% full payment plan and no creditor's Allowed Claims are  
3 impaired, no disclosure statement or ballots are required to be submitted to Creditors as  
4 contemplated by §1126(f) of the Code.

5 **Management/Plan Reorganization Officer ("PRO")**

6 David Maniatis ("Maniatis") shall be responsible for administering and implementing the  
7 Plan as Plan Reorganization Officer ("PRO") of the Debtor. Maniatis will continue to work with  
8 the Debtor's professionals and any other persons needed to carry out his duties under the Plan.  
9 Maniatis will be paid by the Debtor as its PRO at a monthly compensation of \$5,000.00. Also,  
10 the services of certain affiliated companies of the Debtor shall continue to render administrative,  
11 accounting and support services on behalf of the Debtor, as has been performed historically on  
12 behalf of the Debtor. For such services, the affiliated companies will receive the historical  
13 allocated amount in the approximate amount of \$1,000.00 a month.

14 A. Management of the Debtor.

15 Subject to the provisions of this Plan, and in accordance with Section  
16 1123(b)(3)(B) of the Bankruptcy Code, Maniatis shall continue to serve as the President of the  
17 entity (North Ft. Worth Investments, Inc.) that is the Managing Member of the Debtor. Subject  
18 to the provisions of this Plan, Maniatis will have the power to take any and all such actions as  
19 are, in Maniatis's judgment, necessary to fulfill the obligations under the Plan. Maniatis will  
20 pursue any litigation on behalf of the Debtor where it is cost-effective and reasonably likely to  
21 generate a payment for creditors, as well as any settlement in connection therewith, over which  
22 he shall have sole discretion. He will also pursue claims objections where necessary to achieve  
23 fair treatment of all creditors. Except for the appeal to the Texas Court of Appeals of the recent  
24 judgment of the Liberty County, Texas District Court in favor of Alders regarding the Property

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1 (the "Texas Appeal")(for which a motion to modify the automatic stay has been filed with the  
2 Court by Debtor to pursue such appeal), the foregoing will be pursued only in the event that such  
3 matters are agreed to be undertaken on a contingency basis inasmuch as the estate does not have  
4 sufficient funds for such undertakings.

5 B. Compensation.

6 Maniatis shall receive the compensation as PRO set forth hereinabove, to fulfill  
7 the foregoing duties and to administer the Plan. Maniatis shall serve as the PRO, until all claims  
8 have been paid pursuant to the Plan.

9 C. Distribution.

10 On the Effective Date, the Class 1 Allowed Administrative Claims of Debtor's  
11 Court-approved professionals shall be paid in full in cash by the Debtor's estate representative,  
12 in such amounts as are allowed by the Bankruptcy Court. Such claims will be paid from  
13 operating revenues of the Debtor, sale of the Property (or revenues realized therefrom or partial  
14 portion parcel sales thereof), or, if such funds are insufficient, from third party sources, and, as  
15 except as otherwise provided hereinbefore, any other source of revenues realized by the Debtor  
16 after payment in full of any indebtedness owed by Debtor to Class 2. For Court-approved  
17 professional fees for which an application or Final Order was filed or entered after the Effective  
18 Date, such payments shall be made within eleven (11) days from the entry of an order approving  
19 an application for payment of such fees, or, if a billing is tendered after the Effective Date, which  
20 does not required an application to the Court, such payments shall be made within thirty (30)  
21 days from receipt of such billing.

22 On the 20<sup>th</sup> day of the month following the month after the Confirmation Date, so long as  
23 there are funds to distribute, or more often as Debtors and Alders may mutually agree, Maniatis  
24 shall effect a distribution to the Class 2 Allowed Claim that has not otherwise been paid or  
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1 satisfied in accordance with the Plan. After payment of the Class 2 Allowed Claim in full, on the  
2 20<sup>th</sup> day of each following month (and the first full month after the payment in full of Class 2)  
3 (“Distribution Date”), provided that there are funds to distribute under the Plan, or as soon  
4 thereafter as practical, Maniatis shall effect a distribution to holders of Allowed Claims  
5 (“Distribution”) that, as to the Distribution Date, have not otherwise been paid or satisfied in  
6 accordance with the Plan.

7 D. Limitations on Maniatis’s Liability.

8 Subject to applicable law, Maniatis shall not be liable for any act or omission in  
9 carrying out the Plan except for such act or omission arising from his gross negligence, willful  
10 fraud, or other willful misconduct. The foregoing limitation of liability shall apply equally to the  
11 agents, employees, or professionals of the Debtor, who are acting on behalf of the Debtor’s  
12 bankruptcy estate in discharge of their duties hereunder.

13 E. Board of Directors.

14 The Debtor’s Board of Directors shall initially consist of Mr. Maniatis who shall  
15 have no power or authority to act in any manner that is not consistent with this Plan.

16 **ARTICLE 9**

17 **Implementation Provisions**

18 A. Executory Contracts.

19 The Debtor will move to reject or assume any remaining executory contracts before the  
20 Confirmation Hearing. Parties to rejected contracts may file proofs of claim for damages (if not  
21 previously waived pursuant to any stipulations to stay relief or rejection of contracts) within  
22 thirty (30) days after the Order granting the rejection is entered. If they fail to do so, any such  
23 claims shall be barred and extinguished. Nothing shall preclude Debtor from objecting to any  
24 such filed claims.

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1 **B. Time Bar to Cash Payments.**

2 Checks issued on account of Allowed Claims shall be null and void if not negotiated  
3 within thirty (30) days from and after the date of issuance thereof. Requests for re-issuance of  
4 any check shall be made directly to Maniatis by the holder of the Allowed Claim with respect to  
5 which such check originally was issued. Any claim in respect of such a voided check shall be  
6 made on or before the earlier of (a) the first anniversary of the Effective Date, or (b) ninety (90)  
7 days after the issuance of such check, if such check represents a Distribution under the Plan on  
8 account of such Claim. After such date, all Claims in respect of voided checks shall be  
9 discharged and forever barred and shall be treated by the PRO as part of the cash available for  
10 distribution to unsecured creditors ("Net Distributable Cash") and distributed in accordance with  
11 the Plan.

12 **C. Post-Effective Date Distribution.**

13 Distributions made after the Effective Date to holders of Claims that are not Allowed  
14 Claims as of the Effective Date, but which later become Allowed Claims, shall be deemed to  
15 have been made on the Effective Date. Notwithstanding any provision in any contract or other  
16 document that may relate to a Claim, all Distributions made pursuant to the Plan shall be made as  
17 if paid on the Effective Date, without the additional accrual of interest, fees, or penalties.

18 **D. Discharge.**

19 Except as provided in the Plan or the Confirmation Order, the rights afforded under the  
20 Plan and the treatment of Claims under the Plan are in exchange for and in complete satisfaction,  
21 discharge, and release of, all Claims, including any interest accrued on Allowed Secured Claims  
22 and General Unsecured Claims from the Petition Date. Unless as otherwise provided by law,  
23 except as provided in the Plan or the Confirmation Order, confirmation of the Plan discharges  
24 Debtor from all Claims or other debts that arose before the Confirmation Date, and all debts of  
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1 the kind specified in Sections 502(g), 502 (h), or 502(i) of the Bankruptcy Code, whether or not:  
2 (i) a proof of claim based on such debt is filed or deemed filed under Section 502 of the  
3 Bankruptcy Code; (ii) a Claim based on such debt is Allowed under Section 502 of the  
4 Bankruptcy Code; or (iii) the holder of a Claim based on such debt has accepted the Plan.

5 **Injunction.**

6 Except as provided in the Plan or the Confirmation Order, as of the Confirmation Date,  
7 all entities that have held, currently hold, or may hold a Claim or other debt or liability that is  
8 discharged are permanently enjoined from taking any action or other proceeding against the  
9 Debtor (including any officer or director acting as representative of the Debtor, but not  
10 personally) or property of the Debtor, arising from or relating thereto.

11 **F. Preservation of Insurance.**

12 The Debtor's discharge and release from Claims as provided in the Plan, except as  
13 necessary to be consistent with the Plan, do not diminish or impair the enforceability of any  
14 insurance policy that may cover Claims against the Debtor or any other Person.

15 **G. Section 1146 Exemption.**

16 In accordance with Section 1146(c) of the Bankruptcy Code: (a) the distribution, transfer  
17 or exchange of Estate property; (b) the creation, modification, consolidation, or recording of any  
18 deed of trust or other security interest, the security of additional indebtedness by such means or  
19 by other means in furtherance of, or connection with, the Plan or the Confirmation Order; (c) the  
20 making, assignment, modification, or recording of any lease or sublease; or (d) the making  
21 delivery, or recording of a deed or Order, or any transaction contemplated above, or any  
22 transactions arising out of, contemplated by, or in any way related to, the foregoing shall not be  
23 subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax,  
24 mortgage tax, stamp act or real estate transfer act, mortgage recording tax or other similar tax or

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1 governmental assessment and the appropriate state or local government officials or agents shall  
2 be directed to forego the collection of any such tax or assessment and to accept for filing or  
3 recordation any of the foregoing instruments or other documents without payment of such tax or  
4 assessment.

5 **H. Withholding and Reporting Requirements.**

6 In connection with the Plan and all instruments issued in connection with the Plan,  
7 Maniatis, when and where applicable and appropriate, shall comply with all withholding and  
8 reporting requirements imposed by federal, states, local or foreign taxing authority, and all  
9 Distributions under the Plan remain subject to any such withholding and reporting requirements.  
10 Maniatis where and when applicable and appropriate, shall be authorized to take all actions  
11 necessary to comply with such withholding and recording requirements. Notwithstanding any  
12 other provision of the Plan, each holder of an Allowed Claim that has received a Distribution of  
13 Cash, shall have sole and exclusive responsibility for the satisfaction or payment of any tax  
14 obligation imposed by any governmental unit, including income, and other tax obligation on  
15 account of such Distribution. For tax purposes, Distributions received in respect of Allowed  
16 Claims will be allocated first to the principal amount of such Claims, with any excess allocated  
17 to unpaid accrued interest.

18 **I. Full and Final Satisfaction and Penalties and Fines.**

19 In accordance with the Plan, all payments and all distributions are in full and final  
20 satisfaction, settlement, release, and discharge of all Claims and Equity Interests, except as  
21 otherwise provided in the Plan.

22 Except as expressly provide for in the Plan, no distribution shall be made under the Plan  
23 on account of, and no Allowed Claim (whether Secured, Unsecured, Priority, or Administrative)  
24 shall include any fine, penalty, or exemplary, or punitive damages relating to or arising from any  
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1 default or breach by the Debtor, and any claim on account of such fine, penalty, or exemplary or  
2 punitive damages shall be deemed to be disallowed, whether or not an objection is filed to such  
3 Claims.

4 **J. Impaired Classes to Vote.**

5 Each holder of a Claim in an Impaired Class shall be entitled to vote separately to accept  
6 or reject the Plan unless such holder is deemed to reject the Plan or not to be impaired.

7 **K. Acceptance by Class of Creditors and Holders of Interest.**

8 An Impaired Class of holders of Claims shall have accepted the Plan if the Plan is  
9 accepted by at least two-thirds in dollar amount and more than one-half in number of the  
10 Allowed Claims of such Class that have voted to accept or reject the Plan. A class of holders of  
11 Claims shall be deemed to accept the Plan in the event that no holder of a Claim within that  
12 Class submits a Ballot by the Voting Deadline.

13 **L. Cramdown.**

14 If any impaired Class of Claims entitled to vote does not accept the Plan by the requisite  
15 statutory majorities provided in Section 1126(c) or 1126(d) of the Bankruptcy Code as  
16 applicable, or if any impaired Class is deemed to have rejected the Plan, the Debtor reserves the  
17 right to request that the Bankruptcy Court confirm the Plan under Section 1129(b) of the  
18 Bankruptcy Code (See below "Acceptance and Confirmation of the Plan") and to amend the  
19 Plan, in accordance with the applicable provisions of the Plan governing amendments or  
20 modifications, to the extent necessary to obtain entry of the Confirmation Order.

21 **M. Disbursement of Funds.**

22 Any payment of Cash required to be made under the Plan will be made by check drawn  
23 on a domestic bank or by wire transfer from a domestic bank at the election of the PRO or  
24 otherwise the Person making such payment. Any payment or distribution required to be made  
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1 under the Plan on a day other than a Business Day will be made on the next succeeding Business  
2 Day, without interest.

3         Payments of fractions of dollars will be made, but payments of fractions of cents will not  
4 be made. Whenever any payment of a fraction of a cent under the Plan would otherwise be  
5 called for, the actual payment made will reflect a rounding of such fraction to the nearest cent  
6 (up or down) with half-a-cent being rounded down.

7         After the Effective Date, any objections to Administrative Claims and all other Claims  
8 may be made and objections to Administrative Claims and other Claims made before the  
9 Effective Date may be pursued by Maniatis or any other Person properly entitled to do so after  
10 notice to the holders of such Administrative Claims and such other Claims, and approval by the  
11 Bankruptcy Court. Any objections to the Administrative Claims and other Claims made after the  
12 Effective Date shall be filed and served on the holders of such Administrative Claims and other  
13 such Claims not later than 45 days after the Effective Date or such later date as may be approved  
14 by the Bankruptcy Court.

15         From and after the Effective Date, Maniatis may litigate to Final Order, propose  
16 settlement of, or withdraw objections to, all pending or filed Disputed Claims or Litigation  
17 Claims and may settle or compromise any Disputed Claim or Litigation Claim without notice  
18 and a hearing and without approval of the Bankruptcy Court, including, but not limited to the  
19 Texas Appeal, subject to retaining professionals on a contingency payment basis or by other  
20 means and/or sources outside of the bankruptcy estate, inasmuch as there are no amounts  
21 available in the estate to fund such undertakings.

22 **N.     Retention of Jurisdiction.**

23         Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective  
24 Date, the Bankruptcy Court retains broad jurisdiction over the Chapter 11 Case after the  
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1 Effective Date, to the extent legally permissible.

2 **O. Amendment of the Plan.**

3 At any time before the Confirmation Date, the Debtor may alter, amend, or modify the  
4 Plan under Section 1127(a) of the Bankruptcy Code *provided* that such alteration, amendment, or  
5 modification does not materially or adversely affect the treatment and rights of holders of  
6 Allowed Secured Claims or General Unsecured Claims under the Plan. After the Confirmation  
7 Date and before substantial consummation of the Plan, as defined in Section 1101(2) of the  
8 Bankruptcy Code, Debtor may, under Section 1127(b) of the Bankruptcy Code, institute  
9 proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any  
10 inconsistencies in the Plan or the Confirmation Order, and such matters as may be necessary to  
11 carry out the purposes and effects of the Plan so long as such proceedings do not materially and  
12 adversely affect the treatment of holders of Allowed Claims under the Plan; *provided however,*  
13 that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or  
14 applicable order of the Bankruptcy Court.

15 **P. Revocation or Withdrawal of the Plan.**

16 The Debtor reserves the right to revoke or withdraw the Plan at any time before the  
17 Confirmation Date. If the Plan is withdrawn or revoked, then the Plan shall be deemed null and  
18 void and nothing contained in the Plan shall be deemed a waiver of any Claims by or against the  
19 Debtor or any other Person in any further proceedings involving the Debtor or an admission of  
20 any sort, and the Plan and any transaction contemplated by the Plan shall not be admitted into  
21 evidence in any proceeding.

22 **Q. Post-Confirmation Fees.**

23 Maniatis will be responsible for ensuring that the payment is made of any fees payable to  
24 the Office of the United States Trustee for the Debtor after Confirmation consistent with  
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1 applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and 18 U.S.C. § 1930(a)(6).  
2 The Debtor plans to seek an order closing the cases as soon as it is substantially consummated,  
3 so that free cash flow can be used to pay creditors without the burden of ongoing fees assessed  
4 against the Debtor's expenditures, provided that no closing shall be sought which would  
5 prejudice the Court's jurisdiction over an ongoing or pending adversary proceeding of the  
6 Debtor, contested proceeding or similar matter.

7 **R. Conditions to Confirmation and Effective Date.**

8 *Conditions to Confirmation.* The following are conditions precedent to confirmation of  
9 the Plan:

- 10 ▶ The Bankruptcy Court shall have entered a Final Order approving the  
11 Plan;
- 12 ▶ The Confirmation Order has been entered in form and substance  
13 reasonably acceptable to the Debtor and contains specific provisions as set forth in the Plan.

14 *Conditions to Effectiveness.* The following are conditions precedent to the  
15 occurrence of the Effective Date:

- 16 ▶ The Confirmation Date has occurred;
- 17 ▶ The Confirmation Order is a Final Order, except that the Debtor reserves  
18 the right to cause the Effective Date to occur notwithstanding the pendency of an appeal of the  
19 Confirmation Order, under circumstances that would render moot such an appeal;
- 20 ▶ No request for revocation of the Confirmation Order under Section 1144  
21 of the Bankruptcy Code has been made, or, if made, remains pending;
- 22 ▶ The Bankruptcy Court, in the Confirmation Order, has approved the  
23 retention of jurisdiction provisions of the Plan; and
- 24 ▶ All documents necessary to implement the transactions contemplated by  
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1 the Plan are made in form and substance reasonably acceptable to the Debtor.

2 *Waiver of Conditions.* The Conditions to Confirmation and the Effective Date may be  
3 waived in whole or in part by the Debtor at any time without notice, an order of the Bankruptcy  
4 Court, or any further action other than proceeding to confirmation and consummation of the  
5 Plan.

## 6 **ARTICLE 10**

### 7 **Miscellaneous Provisions**

8 It is in the best interests of everyone concerned, for Debtor to attempt to bring cash into  
9 its estate to pay off creditors as quickly as possible. Accordingly, Debtor shall continue selling  
10 rights, titles and interests (legal and equitable), in the Property and/or partial portion parcels  
11 thereof in order to realize proceeds and thereby realize maximum recovery for creditors.

12 The Debtor shall review all proofs of claims filed in the Case, and all scheduled claims,  
13 and file objections to or motions to subordinate such claims within 90 days of the Effective Date.

14 Debtor shall retain all of its property rights, including specifically its claims and causes of  
15 action against Alders, including, but not limited to, the Texas appeal, subject to its right to pursue  
16 or dispose of the same in the exercise of its sound business judgment.

17 In addition to his duties as PRO, Maniatis, or his designee, shall be the disbursing agent  
18 hereunder (“Disbursing Agent”). The Debtor’s Disbursing Agent shall be bondable and shall  
19 have the sole and exclusive right to make the distributions required by this Plan. The Disbursing  
20 Agent may hold the funds in one or more accounts, provided that the requirements of Section  
21 345 of the Code are met. The duties of the Disbursing Agent may be delegated to any person  
22 willing and able to accept the responsibilities of the job and who are bondable. After final  
23 distribution has been made, the Disbursing Agent shall file a report and cause a final decree to be  
24 issued thereon. The Disbursing Agent can be contacted in writing through the Debtor’s counsel

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1 with respect to any creditor's inquiries hereunder.

2 The payments, distributions and other treatments provided in respect of each Allowed  
3 Claim in this Plan shall be in full settlement and in complete satisfaction, discharge and release  
4 of such Allowed Claim. Notwithstanding any other provision of this Plan specifying a date or  
5 time for the payment or distribution of consideration hereunder, payments and distributions in  
6 respect of any Claim which at such date or time is disputed, unliquidated or contingent shall not  
7 be made until such Claim becomes an Allowed Claim, whereupon such payments and  
8 distributions shall be made promptly pursuant to and in accordance with this Plan.

9 **ARTICLE 11**

10 **Retention of Jurisdiction**

11 After confirmation, the Court will retain jurisdiction of the Debtor for purposes of  
12 hearing and determining disputes under this Plan, to adjudicate all causes and issues arising out  
13 of or relating to the various adversary and/or contested proceedings discussed in this Plan which  
14 remain open on the Court's docket as of Confirmation or which are commenced by the Debtor  
15 pursuant to the provisions of the Code, to adjudicate all Claims objections, to consider and order  
16 any amendments to this Plan post Confirmation as may be requested, to hear and determine all  
17 claims arising from the rejection of an executory contract or unexpired lease, to enforce all  
18 orders previously entered by the Court, to hear and determine all fee applications or fee disputes  
19 including the fee applications of professionals hired during the Case, and, if required by the  
20 Court, those of professionals employed after the implementation of this Plan, to make all such  
21 orders as are necessary and appropriate to carry out the provisions of this Plan and for purposes  
22 of implementing and consummating this Plan. Unless as otherwise required by the Court, the  
23 fees of professionals employed by the Debtor and/or rendering services to the Debtor in  
24 connection with the Plan after the Effective Date, shall be submitted directly to Maniatis for

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1 payment as administrative claims under the Plan.

2 **RYAN RAPP & UNDERWOOD, P.L.C.**

3  
4 By: /s/ Franklin D. Dodge, Esq. #009076  
5 Franklin D. Dodge  
6 *Attorneys for Debtor*

7 Copy of the foregoing mailed this same date to:

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21 And

22 To all creditors on Debtor's Schedules and  
23 the Master Mailing Matrix attached hereto.

24 /s/ Lasya Androsiuk

25

**VERIFICATION**

I, David Maniatis, being the President of North Fort Worth Management, Inc., Member-Manager of Trieste Investments, L.L.C., the Debtor and Debtor-In-Possession and authorized representative of the Debtor named hereinbefore, have read, understand and accept the foregoing Plan of Reorganization of the Debtor, and to the best of my knowledge state that the information contained therein, which has been provided to Debtor's legal professionals, is true and correct based upon the Debtor's books and records, my own personal knowledge, and information and belief, of the Debtor's operating and financial/accounting practices and history, as well as information supplemented by the Debtor's financial and accounting and legal professionals.



\_\_\_\_\_  
David Maniatis, President of Debtor's  
Member-Manager

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