
THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED UNDER § 1125(b) OF THE BANKRUPTCY CODE BY THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION FOR USE IN CONNECTION WITH THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE JOINT PLAN OF REORGANIZATION DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISSEMINATION OF THIS PROPOSED DISCLOSURE STATEMENT ARE NOT INTENDED AND SHOULD NOT IN ANY WAY BE CONSTRUED AS A SOLICITATION OF VOTES ON THE JOINT PLAN, NOR SHOULD THE INFORMATION CONTAINED HEREIN BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THE PROPOSED DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	CASE NO. 12-35928
	§	
VILLAGIO PARTNERS, LTD. <i>et al.</i>,	§	Chapter 11
	§	
Debtors.	§	(Jointly Administered)

**DISCLOSURE STATEMENT UNDER 11 U.S.C. § 1125
IN SUPPORT OF JOINT PLAN OF REORGANIZATION OF
(I) VILLAGIO PARTNERS LTD; (II) COMPASS CARE HOLDINGS, LTD;
(III) CINCO OFFICE VWM, L.P.; (IV) MARCEL CONSTRUCTION &
MAINTENANCE, LTD.; (V) RESEARCH-NEW TRAILS PARTNERS, LTD.;
(VI) GREENS IMPERIAL CENTER, INC. AND (VII) TIDWELL PROPERTIES, INC.**

IMPORTANT

THIS DISCLOSURE STATEMENT IS SUBMITTED TO ALL CREDITORS OF THE DEBTORS ENTITLED TO VOTE ON THE JOINT PLAN OF REORGANIZATION HEREIN DESCRIBED AND CONTAINS INFORMATION THAT MAY AFFECT YOUR DECISION TO ACCEPT OR REJECT THE DEBTORS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE U.S. BANKRUPTCY CODE. THIS DISCLOSURE STATEMENT IS INTENDED TO PROVIDE ADEQUATE INFORMATION AS REQUIRED BY THE BANKRUPTCY CODE AS TO THE DEBTORS' JOINT PLAN OF REORGANIZATION. ALL CREDITORS AND INTEREST HOLDERS ARE URGED TO READ THIS DISCLOSURE STATEMENT AND ATTACHMENTS WITH CARE AND IN THEIR ENTIRETY.

ON _____ THE BANKRUPTCY COURT APPROVED THIS DISCLOSURE STATEMENT AS CONTAINING ADEQUATE INFORMATION UNDER §1125(b) OF THE BANKRUPTCY CODE. SOLICITATION OF ACCEPTANCE OR REJECTION OF THE JOINT PLAN OF REORGANIZATION HEREIN DESCRIBED AND ATTACHED AS EXHIBIT A IS BEING SOUGHT FROM CREDITORS AND INTEREST HOLDERS WHOSE CLAIMS AGAINST, AND INTEREST IN THE

DEBTORS ARE IMPAIRED UNDER THE JOINT PLAN OF REORGANIZATION.

CREDITORS AND INTEREST HOLDERS ENTITLED TO VOTE ON THE JOINT PLAN OF REORGANIZATION ARE URGED TO VOTE IN FAVOR OF THE JOINT PLAN AND TO RETURN THE BALLOT INCLUDED WITH THIS DISCLOSURE STATEMENT UPON COMPLETION IN THE ATTACHED ENVELOPE ADDRESSED TO ATTENTION: WAYNE KITCHENS, HUGHES WATTERS ASKANASE, L.L.P., THREE ALLEN CENTER, 333 CLAY, 29TH FLOOR, HOUSTON, TEXAS 77002, NO LATER THAN _____.

A HEARING TO CONSIDER THE DEBTORS' JOINT PLAN OF REORGANIZATION IS SET FOR _____ AT _____ .M., IN THE HONORABLE MARVIN ISGUR'S COURT, 515 RUSK, COURTROOM 404, HOUSTON, TEXAS 77002.

_____, IS FIXED AS THE LAST DAY FOR FILING AND SERVING WRITTEN OBJECTIONS TO THE DISCLOSURE STATEMENT

Villagio Partners, Ltd. ("**Villagio**"), Compass Care Holdings, Ltd. ("**CCH**"), Cinco Office VWM, L.P. ("**Cinco**"), Greens Imperial Center, Inc. ("**Greens**"), Marcel Construction & Maintenance, Ltd. ("**Marcel**"), Tidwell Properties, Inc. ("**Tidwell**") and Research-New Trails Partners, Ltd. ("**New Trails**") (collectively, the "**Debtors**") file this Disclosure Statement, (the "**Disclosure Statement**"), pursuant to 11 U.S.C. § 1125 in Support of their Joint Plan of Reorganization.

/s/ Wayne Kitchens

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COUNSEL FOR DEBTORS

ARTICLE I – INTRODUCTION

A. General Information Concerning The Disclosure Statement and Joint Plan

The Debtors submit this Disclosure Statement under Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016 to all of the Debtors' known Creditors. The purpose of this Disclosure Statement is to disclose adequate information to enable Creditors who are entitled to vote to arrive at a reasonably informed decision in exercising their rights to vote on the Plan of Reorganization proposed by the Debtors (collectively the "Joint Plan"). A copy of the Joint Plan is attached as Exhibit A. Capitalized terms used but not defined in this Disclosure Statement shall have the meanings assigned to them in the Joint Plan or in the Bankruptcy Code and Bankruptcy Rules. All section references in this Disclosure Statement are to the Bankruptcy Code, unless otherwise indicated.

The Debtors have promulgated their Joint Plan consistent with the provisions of the Bankruptcy Code. The purpose of the Joint Plan is to provide the maximum recovery to each Class of Claims and Equity Interest considering the assets and anticipated funds available for distribution to Creditors and the Equity Interest Holder(s). The Debtors believe that the Joint Plan permits the maximum recovery for all Classes of Claims and Equity Interest.

This Disclosure Statement is not intended to replace a careful review and analysis of the Joint Plan, including the specific treatment of Claims and Equity Interest under the Joint Plan. It is submitted as an aid and supplement to your review of the Joint Plan to explain the terms of the Joint Plan. Every effort has been made to fully explain various aspects of the Joint Plan as they affect Creditors and the Equity Interest Holder. If any questions arise, the Debtors urge you to contact counsel for the Debtors and they will attempt to resolve your questions. You may wish to consult with your own counsel.

B. Disclaimer

NO SOLICITATION OF VOTES HAS BEEN OR MAY BE MADE EXCEPT PURSUANT TO THIS DISCLOSURE STATEMENT AND § 1125 OF THE BANKRUPTCY CODE, AND NO PERSON HAS BEEN AUTHORIZED TO USE ANY INFORMATION CONCERNING THE DEBTORS TO SOLICIT ACCEPTANCES OR REJECTIONS OF THE JOINT PLAN OTHER THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. CREDITORS AND EQUITY INTEREST HOLDERS SHOULD NOT RELY ON ANY INFORMATION RELATING TO THE DEBTORS OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS ATTACHED.

EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE ATTACHED EXHIBITS, NO REPRESENTATION CONCERNING THE DEBTORS, THEIR ASSETS, PAST OR FUTURE OPERATIONS, OR THE JOINT PLAN IS AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE JOINT PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE

JOINT PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD BE REPORTED TO COUNSEL FOR THE DEBTORS, WAYNE KITCHENS, HUGHES WATTERS ASKANASE, L.L.P., THREE ALLEN CENTER, 333 CLAY, 29TH FLOOR, HOUSTON, TEXAS 77002; (713) 759-0818 (PHONE).

UNLESS ANOTHER TIME IS SPECIFIED, THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF.

WHILE THE INFORMATION PROVIDED HEREIN IS BELIEVED RELIABLE, THE DEBTORS HAVE NOT UNDERTAKEN TO VERIFY OR INVESTIGATE SUCH INFORMATION, AND MAKE NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION.

DISTRIBUTION OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS ANY REPRESENTATION OR WARRANTY AT ALL, EITHER EXPRESSED OR IMPLIED, BY THE DEBTORS, OR THEIR RESPECTIVE PROFESSIONAL CONSULTANTS THAT THE JOINT PLAN IS FREE FROM RISK, THAT THE ACCEPTANCE OF THE JOINT PLAN WILL RESULT IN A RISK-FREE RESTRUCTURING OF THE DEBTORS' OBLIGATIONS OR THAT THE OBLIGATIONS OF THE DEBTORS AS RESTRUCTURED BY THE JOINT PLAN WILL BE FULLY PERFORMED IN THE FUTURE WITHOUT RISK OF FURTHER DEFAULT.

THE APPROVAL BY THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE JOINT PLAN OR A GUARANTEE OF THE ACCURACY OR THE COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT AND THE JOINT PLAN ATTACHED SHOULD BE READ IN THEIR ENTIRETY BEFORE VOTING ON THE JOINT PLAN. FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND EQUITY INTEREST, THE TERMS OF THE JOINT PLAN ARE SUMMARIZED IN THIS DISCLOSURE STATEMENT, BUT ALL SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE JOINT PLAN, WHICH CONTROLS IN CASE OF ANY INCONSISTENCY.

C. Answers to Commonly Asked Questions.

As part of the Debtors' efforts to inform Creditors regarding the Joint Plan and the plan confirmation process, the following summary provides answers to questions, which parties who receive a disclosure statement often ask.

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE JOINT PLAN, WHICH CONTROLS IN CASE OF ANY INCONSISTENCY.

1. Who are the Debtors?

The Debtors are engaged primarily in the business of owning and operating commercial retail shopping centers. The Debtors' commercial real properties are located in and around the Houston Metropolitan area, including Katy, Humble and The Woodlands.

Villagio, a Texas limited partnership, owns property located at 22756, 22758, 22760, 22762, and 22764 Westheimer Pkwy, Katy, Texas 77450 ("**Villagio Town Center**").

Compass, a Texas limited partnership, owns improved and unimproved real property located at 18315, 18321, and 18323 W. Lake Houston Pkwy, Humble, Texas 77346 ("**Orleans Square**").

Cinco, a Texas limited partnership, owns property located at 24124 Cinco Village Center Blvd., and 23855 Cinco Ranch Blvd., Katy, Texas 77494 ("**Cinco Village Center**").

Marcel, a Texas limited partnership, owns property located at 19784 and 19786 Hwy 105 W., Montgomery, Texas 77356 (the "**Colonnades**").

New Trails, a Texas limited partnership, owns property located at 3000 Research Forest Drive, The Woodlands, Texas 77381 ("**3000 Research Forest**").

Greens, a Texas corporation, owns property located at 549-551 Greens Road, 17503-17511, 17539-17587 Imperial Valley Drive, Houston, Texas 77060 (the "**Greenbriar North Shopping Center**"). Greens also owns 6.2748 acres of real property located north of and adjacent to Greenbriar North Shopping Center (the "**6.2 Acre Property**").

Tidwell, a Texas corporation, owns property located at the Greenbriar North Shopping Center. Greens and Tidwell each own separate portions of the Greenbriar North Shopping Center complex including the parking lot.

2. What is a Chapter 11 bankruptcy?

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code that allows financially distressed businesses and individuals to reorganize their debts. The commencement of a Chapter 11 case creates an estate containing all the legal and equitable interests of the debtor in property as of the date the petition is filed. Sections 1101, 1107 and 1108 of the Bankruptcy Code provide that a debtor may continue to operate the debtor's business as a debtor-in-possession. When a Chapter 11 bankruptcy case is filed, creditors are prohibited from attempting to collect debts or enforce liens against the debtor or its assets without first obtaining approval from the Bankruptcy Court.

3. If the Joint Plan governs how my claim is treated, what is the Disclosure Statement?

The Bankruptcy Code requires that a debtor solicit acceptances and rejections of a proposed plan from creditors and interest holders whose claims and interests are impaired before the Bankruptcy Court can confirm the plan. Before a debtor may solicit acceptances of a plan, however, the Bankruptcy Court must approve a disclosure statement and determine that the disclosure statement contains adequate information to allow creditors and shareholders to make an informed judgment about the plan. The disclosure statement and the plan are formally distributed after the Bankruptcy Court approves the disclosure statement. At that time, creditors and interest holders also receive a voting ballot.

4. Has this Disclosure Statement been approved by the Bankruptcy Court?

Yes. On _____, the Bankruptcy Court approved this Disclosure Statement as containing adequate information. "Adequate information" means information of a kind, and in sufficient detail, as far as is practicable considering the nature and history of the debtors and the condition of their respective books and records to enable a hypothetical reasonable investor typical of holders of claims or interests of the relevant classes to make an informed judgment whether to vote to accept or reject the Joint Plan. The Bankruptcy Court's approval of this Disclosure Statement does not constitute an endorsement of any of the representations contained in either the Disclosure Statement or the Joint Plan.

5. How do I determine how my Claim or Interest is classified?

To determine the classification of your Claim, you must first determine the nature of that claim or interest. Under the Joint Plan, claims and interests are classified into a series of Classes. The pertinent sections of the Disclosure Statement and Joint Plan disclose, among other things, the members of each particular Class, the size of each Class, what you will receive from your Claim or Equity Interest if the Joint Plan is confirmed, and when you will receive such consideration if the Joint Plan is confirmed. **The Debtors' Schedules reflect claims and can be found at Docket Numbers 29, 30, 31, 32, 33, 34 and 35. If you have filed a timely Proof of Claim to which no Claim Objection is filed, or your claim is scheduled, and not scheduled as disputed, un-liquidated or contingent, your claim will be allowed without further action. You should carefully examine Docket Numbers 29, 30, 31, 32, 33, 34 and 35. If your Claim is not listed or if it is listed in a manner that is incorrect, you may be required to take immediate legal action to protect your rights. You may wish to consult an attorney to protect your rights.** The Debtors reserve the right to amend their respective Schedules.

6. Why is confirmation of the Joint Plan important?

The Bankruptcy Court's confirmation of the Joint Plan is a condition to the Debtors' right to carry out treatment of creditors and shareholders under the Joint Plan. Unless the Joint Plan is confirmed, and the other conditions to confirmation or to the effectiveness of the Joint Plan are

satisfied, the Debtors are legally prohibited from satisfying Claims or Equity Interests as provided in the Joint Plan.

7. What is necessary to confirm the Joint Plan?

At least one class of impaired Claims or Interests must vote to accept the Joint Plan. Acceptance by a class of claims means that at least two-thirds in the total dollar amount and more than one-half in number of the allowed claims actually voting in the class vote in favor of the plan. Because only those claims or interests who vote on a plan will be counted for purposes of determining acceptance or rejection of a plan by an impaired class, a plan can be approved with the affirmative vote of members of an impaired class who own less than two-thirds in amount and one-half in number of the claims. Besides acceptance of the plan by each class of impaired creditors or interests, a bankruptcy court also must find that a plan meets a number of statutory tests before it may confirm the plan. These requirements and statutory tests generally are designed to protect the interests of holders of impaired claims or interests that do not vote to accept a plan but who will nonetheless be bound by a plan's provisions if a Bankruptcy Court confirms a plan. If one or more classes vote to reject a plan, the Debtors may still request that the Bankruptcy Court confirm a plan under Section 1129(b). To confirm a plan not accepted by all classes, the Debtors must demonstrate that the plan does not discriminate unfairly, and is fair and equitable with respect to each class of claims or interests that is impaired there under, and that has not accepted, the plan. This method of confirming a plan is commonly called a "cramdown". In addition to the statutory requirements imposed by the Bankruptcy Code, the Joint Plan itself also provides for certain conditions that must be satisfied as conditions to confirmation.

8. Is there a Creditors' Committee in this case?

No.

9. When is the deadline for returning my ballot?

No later than 5:00 p.m., Houston Time, on _____, 2013 ("***Voting Deadline***").

IT IS IMPORTANT THAT ALL IMPAIRED CREDITORS VOTE ON THE JOINT PLAN. THE DEBTORS BELIEVE THAT THE JOINT PLAN PROVIDES THE BEST POSSIBLE RECOVERY TO CREDITORS. THEREFORE, THE DEBTORS BELIEVE THAT ACCEPTANCE OF THE JOINT PLAN IS IN THE BEST INTEREST OF CREDITORS AND RECOMMENDS THAT ALL IMPAIRED CREDITORS VOTE TO ACCEPT THE JOINT PLAN.

10. Voting Instructions

Ballots. Ballots will be distributed only to holders of Claims which are impaired. To determine whether your claim is impaired please refer to the Articles IV, V, VI and VII of the Joint Plan. To be counted, ballots must be marked, noting acceptance or rejection of the Plan, and provide address and claim information requested on the ballot form, **AND RETURNED SO**

AS TO BE RECEIVED NO LATER THAN 5:00 P.M., _____, 2013, AT THE FOLLOWING ADDRESS:

**ATTN: WAYNE KITCHENS
HUGHES WATTERS ASKANASE, L.L.P.
333 CLAY, SUITE 2900
HOUSTON, TEXAS 77002**

Ballots which are not properly completed or which are received after the deadline provided above shall not be counted in computing the vote on the Joint Plan.

ARTICLE II – OVERVIEW OF THE JOINT PLAN

An overview of the Joint Plan is set forth below. This overview is qualified in its entirety by reference to the Joint Plan, a copy of which is attached as Exhibit A to the Disclosure Statement. If the Court confirms the Joint Plan, and in the absence of any applicable stay, and all other conditions set forth in the Joint Plan are satisfied, the Joint Plan will take effect on the Effective Date – i.e. on or before the twenty-first (21st) day following the date upon which the Confirmation Order becomes a Final Order.

As demonstrated in the attached Joint Plan, the Debtors propose full and complete satisfaction of all indebtedness owed by the Debtors through the Joint Plan.

While in the interest of convenience for all creditors and parties-in-interest, Villagio, Compass Care, Cinco, Marcel, New Trails, Tidwell and Greens have filed a Joint Plan and combined disclosure statement, confirmation of each Debtor's plan is independent of the confirmation of the other Debtors' plans.

A. *Villagio Partners, Ltd.*

The Joint Plan provides for the continued operation of Villagio by current management and distribution in satisfaction of Creditor's Allowed Claims. On the Effective Date, all property of Villagio's bankruptcy estate not otherwise distributed shall vest in Villagio, as the reorganized debtor. The Confirmation Business of Villagio will thereupon be managed by current management. All duties of Villagio's Estate, under the Joint Plan, will be performed and/or supervised by current management. The Confirmation Business operations of Villagio will continue without further notice or need for Bankruptcy Court approval. The current management, on behalf of Villagio, will be authorized to operate Villagio's Confirmation Business and post-confirmation business affairs.

The Joint Plan provides that Villagio's current equity interests will be extinguished and on the Effective Date the ownership interest of Villagio shall vest in Marcel Global LLC.

As of the Effective Date of the Joint Plan, Villagio serving as the Disbursing Agent, shall be responsible for all payments and distributions to be made under the Joint Plan to the holders of Allowed Claims against Villagio, together with any payments, which become due under any executory contract or unexpired lease assumed by Villagio and other normal operational

expenses incidental to the Confirmation Business. Each executory contract and unexpired lease to which Villagio is a party shall be deemed rejected unless Villagio expressly assumes a particular executory contract or lease either prior to the Effective Date, or through the Joint Plan.

B. Compass Care Holdings, Inc.

The Joint Plan provides for the continued operation of Compass Care by current management and distribution in satisfaction of Creditor's Allowed Claims. On the Effective Date, all property of Compass Care's bankruptcy estate not otherwise distributed shall vest in Compass Care, as the reorganized debtor. The Confirmation Business of Compass Care will thereupon be managed by current management. All duties of Compass Care's Estate, under the Joint Plan, will be performed and/or supervised by current management. The Confirmation Business operations of Compass Care will continue without further notice or need for Bankruptcy Court approval. The current management, on behalf of Compass Care, will be authorized to operate Compass Care's Confirmation Business and post-confirmation business affairs.

The Joint Plan provides that Compass Care's current equity interests will be extinguished and on the Effective Date the ownership interest of Compass Care shall vest in Marcel Global LLC.

As of the Effective Date of the Joint Plan, Compass Care serving as the Disbursing Agent, shall be responsible for all payments and distributions to be made under the Joint Plan to the holders of Allowed Claims against Compass Care, together with any payments, which become due under any executory contract or unexpired lease assumed by Compass Care and other normal operational expenses incidental to the Confirmation Business. Each executory contract and unexpired lease to which Compass Care is a party shall be deemed rejected unless Compass Care expressly assumes a particular executory contract or lease either prior to the Effective Date, or through the Joint Plan.

C. Cinco Office VWM, L.P.

The Joint Plan provides for the continued operation of Cinco by current management and distribution in satisfaction of Creditor's Allowed Claim. On the Effective Date, all property of Cinco's bankruptcy estate not otherwise distributed shall vest in Cinco, as the reorganized debtor. The Confirmation Business of Cinco will thereupon be managed by current management. All duties of Cinco's Estate, under the Joint Plan, will be performed and/or supervised by current management. The Confirmation Business operations of Cinco will continue without further notice or need for Bankruptcy Court approval. The current management, on behalf of Cinco, will be authorized to operate Cinco's Confirmation Business and post-confirmation business affairs.

The Joint Plan provides that Cinco's current equity interests will be extinguished and on the Effective Date the ownership interest of Cinco shall vest in Marcel Global LLC.

As of the Effective Date of the Joint Plan, Cinco serving as the Disbursing Agent, shall

be responsible for all payments and distributions to be made under the Joint Plan to the holders of Allowed Claims against Cinco, together with any payments, which become due under any executory contract or unexpired lease assumed by Cinco and other normal operational expenses incidental to the Confirmation Business. Each executory contract and unexpired lease to which Cinco is a party shall be deemed rejected unless Cinco expressly assumes a particular executory contract or lease either prior to the Effective Date, or through the Joint Plan.

D. Marcel Construction & Maintenance, Ltd.

The Joint Plan provides for the continued operation of Marcel by current management and distribution in satisfaction of Creditor's Allowed Claims. On the Effective Date, all property of Marcel's bankruptcy estate not otherwise distributed shall vest in Marcel, as the reorganized debtor. The Confirmation Business of Marcel will thereupon be managed by current management. All duties of Marcel's Estate, under the Joint Plan, will be performed and/or supervised by current management. The Confirmation Business operations of Marcel will continue without further notice or need for Bankruptcy Court approval. The current management, on behalf of Marcel, will be authorized to operate Marcel's Confirmation Business and post-confirmation business affairs.

The Joint Plan provides that Marcel's current equity interests will be extinguished and on the Effective Date the ownership interest of Marcel shall vest in Marcel Global LLC.

As of the Effective Date of the Joint Plan, Marcel serving as the Disbursing Agent, shall be responsible for all payments and distributions to be made under the Joint Plan to the holders of Allowed Claims against Marcel, together with any payments, which become due under any executory contract or unexpired lease assumed by Marcel and other normal operational expenses incidental to the Confirmation Business. Each executory contract and unexpired lease to which Marcel is a party shall be deemed rejected unless Marcel expressly assumes a particular executory contract or lease either prior to the Effective Date, or through the Joint Plan.

E. Research-New Trails Partners, Ltd.

The Joint Plan provides for the continued operation of New Trails by current management and distribution in satisfaction of Creditor's Allowed Claims. On the Effective Date, all property of New Trails's bankruptcy estate not otherwise distributed shall vest in New Trails, as the reorganized debtor. The Confirmation Business of New Trails will thereupon be managed by current management. All duties of New Trails's Estate, under the Joint Plan, will be performed and/or supervised by current management. The Confirmation Business operations of New Trails will continue without further notice or need for Bankruptcy Court approval. The current management, on behalf of New Trails, will be authorized to operate New Trails's Confirmation Business and post-confirmation business affairs.

The Joint Plan provides that New Trails's current equity interests will be extinguished and on the Effective Date the ownership interest of New Trails shall vest in Marcel Global LLC.

As of the Effective Date of the Joint Plan, New Trails serving as the Disbursing Agent,

shall be responsible for all payments and distributions to be made under the Joint Plan to the holders of Allowed Claims against New Trails, together with any payments, which become due under any executory contract or unexpired lease assumed by New Trails and other normal operational expenses incidental to the Confirmation Business. Each executory contract and unexpired lease to which New Trails is a party shall be deemed rejected unless New Trails expressly assumes a particular executory contract or lease either prior to the Effective Date, or through the Joint Plan.

F. Greens Imperial Center, Inc. / Tidwell Properties, Inc.

The Joint Plan provides for the substantive consolidation of Greens and Tidwell. Substantive consolidation will result in the pooling of the assets of, and claims against, the two entities; satisfying liabilities from the resultant common fund; eliminating inter-company claims; and combining the creditors of the two companies for purposes of voting on the Joint Plan.

The Joint Plan provides for the operation of the consolidated entity by management of the prior Greens and Tidwell management and distribution in satisfaction of the Greens and Tidwell Creditors' Allowed Claims. On the Effective Date, all property of Tidwell's bankruptcy estate and Greens's bankruptcy estate not otherwise distributed shall vest in the consolidated entity, as the reorganized debtor. The Confirmation Business of Greens and Tidwell will thereupon be managed by the combined current management. All duties of the consolidated entity, under the Joint Plan, will be performed and/or supervised by the combined current management. The Confirmation Business operations of the consolidated entity will continue without further notice or need for Bankruptcy Court approval. The current management, on behalf of Greens and Tidwell, will be authorized to operate the consolidated entity's Confirmation Business and post-confirmation business affairs.

The Joint Plan provides that the current equity interests of Greens and Tidwell will be extinguished and on the Effective Date the equity owners will obtain equity in Marcel Global, LLC at either the Class A or Class B Membership Interest commensurate with their investment of new capital pursuant to the terms as set forth on the Company Agreement of Marcel Global, LLC attached to the Joint Plan as Exhibit 2.

As of the Effective Date of the Joint Plan, the consolidated entity serving as the Disbursing Agent, shall be responsible for all payments and distributions to be made under the Joint Plan to the holders of Allowed Claims against Greens and Tidwell, together with any payments, which become due under any executory contract or unexpired lease assumed by the consolidated entity and other normal operational expenses incidental to the Confirmation Business. Each executory contract and unexpired lease to which Greens and Tidwell are a party shall be deemed rejected unless the consolidated entity expressly assumes a particular executory contract or lease either prior to the Effective Date, or through the Joint Plan.

ARTICLE IV – HISTORICAL BACKGROUND OF THE DEBTORS

A. *Brief History and Description of each Debtor:*

The following is a brief history and description of each Debtor and its associated property:

1. **Villagio Partners, Ltd. – Villagio Town Center:** Villagio is a Texas limited partnership formed in March 2006. The Villagio Town Center originally opened in the Fall of 2007. The Villagio Town Center consists of several one (1) and two (2) story Italianate style buildings totaling 112,285 square feet of retail, restaurant and professional office space and a three (3) level parking facility. 79.23% of the Villagio Town Center is currently leased. On-site parking is provided for 570 cars. The project is situated on 12 acres of land, located at the Northeast corner of Westheimer Parkway and Peek Road, in the Cinco Ranch Development in Fort Bend County, Texas.
2. **Compass Care Holdings, Ltd. – Orleans Square:** Compass Care is a Texas limited partnership formed in August 1999. Orleans Square opened in the fall of 2007. Orleans Square consists of several one (1) story French Quarter style buildings totaling 166,920 SF of retail, restaurant and professional office space. 78.82% of Orleans Square is currently leased. On-site parking is provided for approximately 900 cars. The project is situated on 20 acres of land, located at the northwest corner of West Lake Houston Parkway and Will Clayton, in the heart of Atascocita in Harris County, Texas.

On February 14, 2013, the Bankruptcy Court approved Compass Care's sale of the Orleans Square – Unimproved Tract to Fellowship of the Woodlands Church, Inc. for \$2,300,000.00. The sale is scheduled to close on February 28, 2013. More information regarding the sale can be found at Docket Numbers 92 and 103.
3. **Cinco Office VWM, L.P. – Cinco Village Center:** Cinco is a Texas limited partnership formed in November 2006. Cinco Village Center opened in the spring of 2008. Cinco Village Center consists of two (2) single story building of 10,500 square feet each of professional office space. 100% of the Cinco Village Center is currently leased. On-site parking is provided for 108 cars. The project is situated on approximately 2.1 acres of land, located at the Northeast corner of the intersection of Cinco Ranch Blvd. and Commercial Center Blvd., in the Cinco Ranch Development in Fort Bend County, Texas.
4. **Marcel Construction & Maintenance, Ltd. – The Colonnades:** Marcel is a Texas limited partnership formed in December 2000. The Colonnades opened in 2006. The Colonnades consists of two (2) single story buildings totaling 27,650 square feet of retail shopping space with covered walkways of approximately 3,075 sq. ft. 79.95% of the Colonnades is currently leased. On-site parking is provided for 116 cars. The project is situated on 2.357 acres of land and located at 19786 Highway 105 W, Montgomery, TX 77356 in Montgomery County, Texas.
5. **Research-New Trails Partners Ltd – 3000 Research Forest:** New Trails is a Texas limited partnership formed in March 2006. 3000 Research Forest opened in May 2007.

3000 Research Forest is situated on a 2.71 acre tract of land at the north corner of Research Forest Drive and New Trails Drive located in The Woodlands, Texas. The project consists of a two story class 'A' commercial office building with approximately 28,800 gross square feet. 100% of 3000 Research Forest is currently leased. The site also allows for 120 parking stalls for onsite parking.

6. **Greens Imperial Center, Inc. – Greenbriar North Shopping Center:** Greens is a Texas corporation incorporated in December 2002. Greens owns a portion of the Greenbriar North Shopping Center and the 6.2 Acre Property located north of and adjacent to Greenbriar North Shopping Center. The 6.2 Acre Property is unimproved property. Greenbriar North Shopping Center was originally built in 1983 and extensively renovated in 2000. Greenbriar North Shopping Center was purchased in 1992 from Wells Fargo Bank.
7. **Tidwell Properties, Inc. – Greenbriar North Shopping Center:** Tidwell is a Texas corporation incorporated in July 1992. Tidwell owns a portion of the Greenbriar North Shopping Center. Greenbriar North Shopping Center was originally built in 1983 and extensively renovated in 2000. Greenbriar North Shopping Center was purchased in 1992 from Wells Fargo Bank. 96.39% of the Greenbriar North Shopping Center is currently leased. Greens and Tidwell each own separate portions of the Greenbriar North Shopping Center complex including the parking lot.

B. Secured Debt:

Wells Fargo Bank, N.A.:

Wells Fargo Bank, N.A. ("***Wells Fargo***") asserts a first lien on Villagio's following real property:

- Villagio Town Center: 7.991 acres; 22756, 22758, 22760, 22762 and 22764 Westheimer Pkwy, Katy, Texas ("***Villagio Town Center***").

Wells Fargo asserts a first lien on Compass Care's following real property:

- Orleans Square: Res A Blk 1, Orleans Square; 18321 W. Lake Houston Pkwy, Humble, Texas ("***Orleans Square***");
- Res A Blk 1 and Res C Blk 1, Orleans Square Sec 2; 0 W. Lake Houston Pkwy, Humble, Texas ("***Orleans Square – Unimproved Tract***");

Wells Fargo asserts a first lien on Cinco's following real property:

- Cinco Village Center: 2.213 acre; 24124 Cinco Village Center, Blvd., Katy, Texas/23855 Cinco Ranch Boulevard, Blvd., Katy, Texas ("***Cinco Village Center***").

Wells Fargo asserts a first lien on Marcel's following real property:

- Colonnades: 2.351 acre; 19784 and 19786 Highway 105 West, Montgomery, Texas (the “**Colonnades**”).

Wells Fargo asserts a first lien on New Trails’s following real property:

- 2.71 acres; 3000 Research Forest Drive, The Woodlands, Texas (“**3000 Research Forest**”).

Wells Fargo asserts a first lien on Greens’s following real property:

- 7.2150 acres; 17503, 17565 Imperial Valley Dr., Houston, Texas.¹

Wells Fargo asserts a first lien on Tidwell’s following real property:

- 2.663 and 0.138 acres; 17503 Imperial Valley Dr., Houston, Texas (collectively with the above 7.2150 acres, the “**Greenbriar North Shopping Center**”).

Wells Fargo is the only secured lender.

Original Loan Relationship with Wells Fargo National Association (“Wells Fargo”) and Wachovia Bank National Association (“Wachovia”). Marcel and Wells Fargo entered into a creditor-debtor relationship on or around September 15, 2005. Marcel executed a promissory note in the principal amount of \$2,505,000.00 payable to Wells Fargo. That loan was secured by a construction deed of trust. Charles Veldekens and Vernon Veldekens personally executed guaranties of the indebtedness on the same day for the benefit of Wells Fargo.

Tidwell and Wells Fargo entered into a creditor-debtor relationship on or around February 20, 2004, when Tidwell executed and delivered to Wells Fargo a note in the original principal amount of \$2,512,500.00. This loan was secured by a deed of trust and assignment of rents and leases executed by Tidwell and Greens. This loan was guaranteed by Charles and Ashraf Veldekens, Vernon Veldekens, and Greens.

Tidwell and Wells Fargo entered into an additional loan evidenced by a promissory note dated September 9, 2005 in the original amount of \$2,282,000.00 executed and delivered by Tidwell and payable to Wells Fargo. That loan is secured by a deed of trust and assignment of rents and leases executed by Tidwell and Greens. This loan is guaranteed by Charles and Ashraf Veldekens, Vernon Veldekens and Greens.

¹ Greens also owns 6.2748 acres of real property located north of and adjacent to Greenbriar North Shopping Center (the “**6.2 Acre Property**”) which is not encumbered by Wells Fargo’s lien.

Villagio and Wells Fargo entered into a loan evidenced by a promissory note dated May 17, 2006 in the original principal amount of \$18,750,000.00 executed by Villagio. This loan is secured by the Construction Deed of Trust with Absolute Assignment of Leases and Rents. The loan is guaranteed by Marcel, Vernon Veldekens, Charles Veldekens, and Compass. This loan has been modified and amended from time to time since its inception. It is referred to here as the 2006 Villagio Loan.

Villagio and Wells entered into another loan evidenced by a term commitment note dated March 7, 2008 in the original principal amount of \$4,200,000 executed by Villagio and payable to Wells Fargo. This loan is secured by a deed of trust and assignment of rents and leases. It is guaranteed by Marcel, Vernon Veldekens, and Charles Veldekens.

Compass and Wells Fargo entered into a loan evidenced by a promissory note dated November 1, 2005, in the original principal amount of \$9,750,000.00 executed by Compass. This loan is secured by the construction deed of trust with absolute assignment of leases and rents, security agreement and fixture filing. This loan is guaranteed by Vernon Veldekens and Charles Veldekens. This loan has been modified and amended since its inception.

Compass and Wells entered into a second loan evidenced by a real estate term note dated June 21, 2006 in the original principal amount of \$2,023,750.00 executed by Compass. This loan is secured by a deed of trust and assignment of rents and leases. The loan is guaranteed by Vernon Veldekens and Charles Veldekens. This loan has been modified and amended since its inception.

Compass and Wells entered into a third loan evidenced by a real estate term note dated May 11, 2007 in the original principal amount of \$1,976,250.00 executed by Compass. This loan is secured by a deed of trust and assignment of rents and leases. It is guaranteed by Vernon Veldekens and Charles Veldekens. This loan has been amended and modified since its inception.

Compass and Wells entered into a fourth loan evidenced by a real estate term note dated December 13, 2007 in the original principal amount of \$1,725,000.00 executed by Compass. This loan is secured by a deed of trust and assignment of rents and leases. It is guaranteed by Vernon Veldekens and Marcel.

Cinco and Wachovia entered into a loan evidenced by a promissory note dated February 9, 2007, in the original principal amount of \$3,400,000.00 executed by Cinco. This loan is secured by a deed of trust and assignment of rents and guaranteed by Charles Veldekens and Vernon Veldekens.

New Trails and Wachovia entered into a loan evidenced by a promissory note dated June 29, 2006 in the amount of \$4,680,000.00 executed by New Trails. That loan is secured by a deed of trust and assignment of rents. It is guaranteed by Vernon Veldekens, Charles Veldekens and Research-New Trails Venture, L.L.C. (a non-debtor entity). This loan has been amended and modified since its inception.

New Trails and Wachovia entered into a loan evidenced by a promissory note dated February 8, 2008 in the principal amount of \$500,000.00 executed by New Trails. That loan is secured by a deed of trust and assignment of rents. This loan is not guaranteed. It has been modified and amended from time to time since its inception.

Refinance with Wells Fargo. The Debtors, Research New Trails Venture, L.L.C., Charles Veldekens, Ashraf Veldekens, Vernon Veldekens, Wells Fargo and Wachovia entered into a global forbearance agreement dated February 28, 2010. As a condition of the global forbearance agreement, all of the Debtors' properties, except for the 6.2 Acre Property, were cross collateralized as security for all of the notes.

C. Debtors' Financial Condition and Reasons for Filing Chapter 11.

Debtors' Obligations since the Refinance. The Debtors' obligations under the notes to Wells Fargo matured on May 30, 2012. There was no monetary default. The Debtors made interest payments on a monthly basis. Wells Fargo posted the Debtors' properties for an August foreclosure. Shortly before the filing of the bankruptcy petitions, the Debtors had approximately \$629,000.00 in reserve. However, Wells Fargo swept all of the Debtor's accounts three days before the Petition Date.

D. Ownership.

The current ownership structure of the Debtors is as follows:

Villagio is a Texas limited partnership with Research New Trails Venture LLC as the general partner holding a 1% interest in Villagio. The limited partners are Compass Care Holdings, Ltd and Villagio at Cinco Ranch.

Compass is a Texas limited partnership with AV Service LLC and Run Management LLC, each a non-debtor and each holding 1% as general partners. Ashraf Veldekens and Charles Veldekens are limited partners each holding a 49% interest in Compass.

Cinco is a Texas limited partnership with Research New Trails Venture LLC as the general partner holding a 1% interest in the Cinco. The limited partners are Cinco Ranch Office I, LP and Compass Care Holdings, Ltd.

Greens is a Texas corporation. Charles Veldekens and Ashley Veldekens are the only shareholders of Greens.

Marcel is a Texas limited partnership. Five V, Inc. is the general partner holding a 1% interest in Marcel. Vernon Veldekens is the sole limited partner.

Tidwell is a Texas corporation. Charles Veldekens and Ashley Veldekens are the only shareholders of Tidwell.

New Trails is a limited partnership with Research New Trails Venture LLC as the general partner holding a 1% interest in New Trails. The limited partners are Compass Care Holdings, Ltd., William Kao, Mandy Kao, Mark J. Evans, Melissa Salas, and Vernon Veldeken.

E. Debtors' Financial Information.

The Debtors filed their respective bankruptcy schedules with the Bankruptcy Court, which are available for inspection at the office of the Clerk of the Court. The Debtors filed their Monthly Operating Reports, ("**MOR**"), which can be found at Docket Nos. 50, 62, 75, 85, 93 and 105. During the course of the case, some commissions were paid by the Debtors pursuant to the approved budgets.

ARTICLE V – PRESENT FINANCIAL CONDITIONS/PROPERTY VALUATIONS

Information regarding the assets and the financial condition of the Debtors are exhibited by the following:

1. Villagio's Schedules filed within these proceedings can be found at Docket No. 29;
2. Compass Care's Schedules filed within these proceedings can be found at Docket No. 30;
3. Cinco's Schedules filed within these proceedings can be found at Docket No. 31;
4. Greens's Schedules filed within these proceedings can be found at Docket No. 32;
5. Marcel's Schedules filed within these proceedings can be found at Docket No. 33;
6. Tidwell's Schedules filed within these proceedings can be found at Docket No. 34;
7. New Trails's Schedules filed within these proceedings can be found at Docket No. 35;
8. The Debtors' August 2012 through January 2013 Monthly Operating Reports can be found at Docket Nos. 50, 62, 75, 85, 93 and 105.

Information regarding the current valuation of Debtors' real property is listed below:

<u>Parcel</u>	<u>Description</u>	<u>Value</u>
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<i>Villagio Town Center</i>	7.991 acres; 22756, 22758, 22760, 22762 and 22764 Westheimer Pkwy, Katy, Texas	\$24,670,639.26
<i>Orleans Square</i>	Res A Blk 1, Orleans Square; 18321 W. Lake Houston Pkwy, Humble, Texas	\$12,900,000.00
<i>Orleans Square – Unimproved Tract</i>	Res A Blk 1 and Res C Blk 1, Orleans Square Sec 2; 0 W. Lake Houston Pkwy, Humble, Texas	\$2,300,000.00
<i>Cinco Village Center</i>	2.213 acre; 24124 Cinco Village Center, Blvd., Katy, Texas/23855 Cinco Ranch Boulevard, Blvd., Katy, Texas	\$4,325,000.00
<i>Colonnades</i>	2.351 acre; 19784 and 19786 Highway 105 West, Montgomery, Texas	\$2,919,657.00
<i>3000 Research Forest</i>	2.71 acres; 3000 Research Forest Drive, The Woodlands, Texas	\$6,350,000.00
<i>Greens portion of Greenbriar North Shopping Center</i>	7.2150 acres; 17503, 17565 Imperial Valley Dr., Houston, Texas	\$4,894,739.30
<i>Tidwell portion of Greenbriar North Shopping Center</i>	2.663 and 0.138 acres; 17503 Imperial Valley Dr., Houston, Texas	\$2,447,369.65
6.2 Acre Tract	6.2 acre tract located adjacent to Greenbriar North Shopping Center	\$650,000.00
	Total Value:	\$61,457,405.21

ARTICLE VII – CONFIRMATION OF THE JOINT PLAN

A. *Solicitation of Acceptances.*

As a condition precedent to confirmation of a plan of reorganization, Section 1125 of the Bankruptcy Code requires that there be post-petition disclosure in the form of a disclosure statement, which provides "adequate information" to creditors whose claims the Debtors have scheduled or who have filed a Proof of Claim against Villagio, Compass Care, Cinco, Greens, Marcel, Tidwell and/or New Trails. The Disclosure Statement is intended to assist creditors in evaluating the Joint Plan and in determining whether to accept the Joint Plan. Under the Bankruptcy Code, your acceptance of the Joint Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to or concurrent with such solicitation.

B. Persons Entitled to Vote on Joint Plan.

Only the votes of classes of creditors which are impaired under the Joint Plan are counted in connection with confirmation of the Joint Plan. Generally, and subject to the specific provisions of Section 1124 of the Bankruptcy Code, this includes creditors who, under the Joint Plan, may receive less than full payment of their claims.

In determining acceptance of the Joint Plan, votes will only be counted by creditors whose claims are duly scheduled by the Debtors as undisputed, non-contingent and liquidated, or who, prior to the hearing on confirmation have filed with the Court a Proof of Claim which has not been disallowed or suspended prior to the tabulation of votes on the Joint Plan. The Ballot form, which you will receive, does not constitute a Proof of Claim. If you are in any way uncertain of whether your claim has been correctly scheduled, you should check the Debtors' Schedules, which are on file with the Bankruptcy Clerk. The Clerk of the Bankruptcy Court will not generally provide you with this information by telephone.

C. Hearing on Confirmation of Joint Plan.

The Bankruptcy Court will set a hearing to determine whether the Joint Plan has been accepted by the requisite number of creditors and whether the other requirements for confirmation of the Joint Plan have been satisfied. Each creditor will receive, either with the Disclosure Statement or separately, the Notice of Hearing on Confirmation of the Joint Plan.

ARTICLE VIII – ALTERNATIVES TO THE JOINT PLAN AND CONSEQUENCES OF REJECTION

Villagio, Compass Care, Cinco, Greens, Marcel, Tidwell and New Trails believe that the Joint Plan, filed contemporaneously herewith, is the most realistic alternative available to the creditors of the Estates. Villagio, Compass Care, Cinco, Greens, Marcel, Tidwell and New Trails believe that through the implementation of this Joint Plan that creditors will realize a maximum return on their debt.

Should the proposed Joint Plan not be accepted by the creditors of the Estates, three (3) different consequences are possible:

1. The Bankruptcy Court could allow additional time to the Debtors, or a creditor, to formulate a different plan under Chapter 11;
2. The proceedings could be converted to a Chapter 7 liquidation proceeding;
or
3. The Bankruptcy Court could dismiss this proceeding.

The most remote possibility is dismissal. If dismissal were to occur, the Debtors would no longer have the protection of the Bankruptcy Court and relevant statutes. As a result of dismissal, Wells Fargo would most likely foreclose the Debtors interests in all their real property

and no other creditors would be paid.

As to the first and second alternatives, the Debtors are unable to predict whether they would be given additional time to formulate a different plan of reorganization for these Debtors. More probable, the Court would continue the Chapter 11 for a short period of time, during which any party in interest would be allowed to propose a plan.

The Debtors have no present proposition for any alternative plan; however, it is possible that an alternative plan could be formulated at a later date. This Disclosure Statement will only discuss in detail the effect of a conversion of the case from a Chapter 11 proceeding to a liquidation proceeding under Chapter 7.

A Chapter 7 proceeding is a liquidation of a debtor by an impartial trustee. In a Chapter 7 bankruptcy, the amount to be received by the unsecured creditors depends on the net proceeds available after all assets of the debtor have been reduced to cash and secured creditors and administrative priorities have been paid in full. The conversion of this case to Chapter 7 would probably result in Wells Fargo, the secured creditor, foreclosing on almost all of the Debtors' properties. Should this case be converted to a Chapter 7, the present priority structure would change to the extent that the Chapter 11 administrative priority claims would have a priority lower than those priority claims generated by the Chapter 7 case, such as the trustee's fees. Conversion to Chapter 7 would create an additional layer of priority claims.

ARTICLE IX – SUMMARY OF THE JOINT PLAN

Any capitalized terms not defined in this Disclosure Statement shall have the meaning ascribed to such defined terms in the Joint Plan, the Bankruptcy Code and/or Bankruptcy Rules.

The Joint Plan proffered by the Debtors proposes to i) satisfy all allowed secured claims to the extent of the value of their collateral; ii) pay all administrative claims will be paid under the terms of the Joint Plan from the Distributable Proceeds; and iii) pay all allowed unsecured claims in full.

Satisfaction of all of the Debtors' Creditor's claims will be derived from post-confirmation operating revenue and other monies that may be available to satisfy the indebtedness. For the purpose of the Joint Plan, gross operating proceeds after the deduction of monthly operating and other expenses for each Debtor post-confirmation, shall be referred to as that respective Confirmed Debtor's Distributable Proceeds.

All expenses of administration shall be paid out of the respective Debtor's Distributable Proceeds. Note that certain expenses are subject to Bankruptcy Court approval. The Bankruptcy Court will retain jurisdiction over the estate until substantial consummation of the Joint Plan has occurred. All of each Debtor's respective obligations for taxes will be satisfied under Section 1129(a)(9)(c) or (d), whichever is applicable, from the Distributable Proceeds of the respective Confirmed Debtor.

Except where indicated, the claims for each of the Debtors are to be classified as follows:

- Class 1 – Administrative Claims
- Class 2 – Priority Tax Claims
- Class 3 – Secured Claim of Wells Fargo Bank N.A.
- Class 4 – Allowed Claims of General Unsecured Creditors
- Class 5 – CRVM Claim
- Class 6 – Marcel Developer Fee Claim
- Class 7 – Intercompany Claims
- Class 8 – Loans from Veldekens Entities
- Class 9 – Equity Interest

<i>Class Description</i>	<i>Treatment Under the Plan</i>
Villagio Class 1 Administrative Claims	Unimpaired. Will be paid cash on the Effective Date or upon entry of an order of the Bankruptcy Court, if necessary.
Villagio Class 2 Tax Claims	Impaired. Allowed Claims of taxing authorities will be paid with deferred Cash payments, bearing interest at twelve percent (12%) annual interest, over a period not exceeding fifty-two (52) months after the date of assessment of such claim, of a value, as of the Effective Date, equal to the allowed amount of such claim as permitted by Bankruptcy Code § 1129(a)(9)(c), to commence thirty days after the Effective Date.
Villagio Class 3 – Secured Claim of Wells Fargo Bank N.A.	Impaired. Wells Fargo, the only holder of a Class 3 Claim, shall be paid with deferred Cash payments pursuant to the terms as set forth on the Term Sheet attached to the Joint Plan as Exhibit 1.
Villagio Class 4 – Allowed Claims of General Unsecured Creditors	Impaired. Holders of a Class 4 Allowed General Unsecured Claims against Villagio shall be paid in full by quarterly payments over the course of two (2) quarters. The interest rate shall be zero.
Villagio Class 5 – CRVM Claim	Impaired. Holders of a Class 5 CRVM Claim shall be paid in full by quarterly payments over the course of twenty (20) quarters. Payments shall not begin until all of the Class 4 Allowed General Unsecured Claims have been paid in full. The interest rate shall be zero.
Villagio Class 6 – Marcel Developer Fee Claim	Impaired. Holders of a Class 6 Marcel Developer Fee Claim shall be paid in full by quarterly payments over the course of twenty (20) quarters. Payments shall not begin until all of the Class 4 Allowed General Unsecured

	Claims have been paid in full. The interest rate shall be zero.
Villagio Class 7 – Intercompany Debt	Impaired. Intercompany Debt Claims against Villagio shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached Joint Plan as Exhibit 2.
Villagio Class 8 – Loans from Veldeken Entities	Impaired. Such claims shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached to the Joint Plan as Exhibit 2.
Villagio Class 9 – Equity Interest	Impaired. Such equity owners will obtain equity in Marcel Global, LLC at either the Class A or Class B Membership Interest commensurate with their investment of new capital pursuant to the terms as set forth on the Company Agreement of Marcel Global, LLC attached hereto as Exhibit 2.
CCH Class 1 Administrative Claims	Unimpaired. Will be paid cash on the Effective Date or upon entry of an order of the Bankruptcy Court, if necessary.
CCH Class 2 Tax Claims	Impaired. Allowed Claims of taxing authorities will be paid with deferred Cash payments, bearing interest at twelve percent (12%) annual interest, over a period not exceeding fifty-two (52) months after the date of assessment of such claim, of a value, as of the Effective Date, equal to the allowed amount of such claim as permitted by Bankruptcy Code § 1129(a)(9)(c), to commence thirty days after the Effective Date.
CCH Class 3 – Secured Claim of Wells Fargo Bank N.A.	Impaired. Wells Fargo, the only holder of a Class 3 Claim, shall be paid with deferred Cash payments pursuant to the terms as set forth on the Term Sheet attached to the Joint Plan as Exhibit 1.
CCH Class 4 – Allowed Claims of General Unsecured Creditors	Impaired. Holders of a Class 4 Allowed General Unsecured Claims against Villagio shall be paid in full by quarterly payments over the course of two (2) quarters. The interest rate shall be zero.
CCH Class 5 – CRVM Claim	Impaired. Holders of a Class 5 CRVM Claim shall be paid in full by quarterly payments over

	the course of twenty (20) quarters. Payments shall not begin until all of the Class 4 Allowed General Unsecured Claims have been paid in full. The interest rate shall be zero.
<i>CCH Class 6 – Marcel Developer Fee Claim</i>	<i>No Claimants.</i>
CCH Class 7 – Intercompany Debt	Impaired. Intercompany Debt Claims against CCH shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached Joint Plan as Exhibit 2.
CCH Class 8 – Loans from Veldekens Entities	Impaired. Such claims shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached to the Joint Plan as Exhibit 2.
CCH Class 9 – Equity Interest	Impaired. Such equity owners will obtain equity in Marcel Global, LLC at either the Class A or Class B Membership Interest commensurate with their investment of new capital pursuant to the terms as set forth on the Company Agreement of Marcel Global, LLC attached hereto as Exhibit 2.
Cinco Class 1 Administrative Claims	Unimpaired. Will be paid cash on the Effective Date or upon entry of an order of the Bankruptcy Court, if necessary.
Cinco Class 2 Tax Claims	Impaired. Allowed Claims of taxing authorities will be paid with deferred Cash payments, bearing interest at twelve percent (12%) annual interest, over a period not exceeding fifty-two (52) months after the date of assessment of such claim, of a value, as of the Effective Date, equal to the allowed amount of such claim as permitted by Bankruptcy Code § 1129(a)(9)(c), to commence thirty days after the Effective Date.
Cinco Class 3 – Secured Claim of Wells Fargo Bank N.A.	Impaired. Wells Fargo, the only holder of a Class 3 Claim, shall be paid with deferred Cash payments pursuant to the terms as set forth on the Term Sheet attached to the Joint Plan as Exhibit 1.
Cinco Class 4 – Allowed Claims of General Unsecured Creditors	Impaired. Holders of a Class 4 Allowed General Unsecured Claims against Villagio shall be paid in full by quarterly payments over the course of two (2) quarters. The interest rate

	shall be zero.
Cinco Class 5 – CRVM Claim	Impaired. Holders of a Class 5 CRVM Claim shall be paid in full by quarterly payments over the course of twenty (20) quarters. Payments shall not begin until all of the Class 4 Allowed General Unsecured Claims have been paid in full. The interest rate shall be zero.
Cinco Class 6 – Marcel Developer Fee Claim	Impaired. Holders of a Class 6 Marcel Developer Fee Claim shall be paid in full by quarterly payments over the course of twenty (20) quarters. Payments shall not begin until all of the Class 4 Allowed General Unsecured Claims have been paid in full. The interest rate shall be zero.
Cinco Class 7 – Intercompany Debt	Impaired. Intercompany Debt Claims against Cinco shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached Joint Plan as Exhibit 2.
Cinco Class 8 – Loans from Veldekens Entities	Impaired. Such claims shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached to the Joint Plan as Exhibit 2.
Cinco Class 9 – Equity Interest	Impaired. Such equity owners will obtain equity in Marcel Global, LLC at either the Class A or Class B Membership Interest commensurate with their investment of new capital pursuant to the terms as set forth on the Company Agreement of Marcel Global, LLC attached hereto as Exhibit 2.
Marcel Class 1 – Administrative Claims	Unimpaired. Will be paid cash on the Effective Date or upon entry of an order of the Bankruptcy Court, if necessary.
Marcel Class 2 – Tax Claims	Impaired. Allowed Claims of taxing authorities will be paid with deferred Cash payments, bearing interest at twelve percent (12%) annual interest, over a period not exceeding fifty-two (52) months after the date of assessment of such claim, of a value, as of the Effective Date, equal to the allowed amount of such claim as permitted by Bankruptcy Code § 1129(a)(9)(c), to commence thirty days after the Effective Date.

Marcel Class 3 – Secured Claim of Wells Fargo Bank N.A.	Impaired. Wells Fargo, the only holder of a Class 3 Claim, shall be paid with deferred Cash payments pursuant to the terms as set forth on the Term Sheet attached to the Joint Plan as Exhibit 1.
Marcel Class 4 – Allowed Claims of General Unsecured Creditors	Impaired. Holders of a Class 4 Allowed General Unsecured Claims against Villagio shall be paid in full by quarterly payments over the course of two (2) quarters. The interest rate shall be zero.
Marcel Class 5 – CRVM Claim	Impaired. Holders of a Class 5 CRVM Claim shall be paid in full by quarterly payments over the course of twenty (20) quarters. Payments shall not begin until all of the Class 4 Allowed General Unsecured Claims have been paid in full. The interest rate shall be zero.
<i>Marcel Class 6 – Marcel Developer Fee Claim</i>	<i>No Claimants.</i>
Marcel Class 7 – Intercompany Debt	Impaired. Intercompany Debt Claims against Marcel shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached Joint Plan as Exhibit 2.
Marcel Class 8 – Loans from Veldekens Entities	Impaired. Such claims shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached to the Joint Plan as Exhibit 2.
Marcel Class 9 – Equity Interest	Impaired. Such equity owners will obtain equity in Marcel Global, LLC at either the Class A or Class B Membership Interest commensurate with their investment of new capital pursuant to the terms as set forth on the Company Agreement of Marcel Global, LLC attached hereto as Exhibit 2.
RNT Class 1 Administrative Claims	Unimpaired. Will be paid cash on the Effective Date or upon entry of an order of the Bankruptcy Court, if necessary.
RNT Class 2 Tax Claims	Impaired. Allowed Claims of taxing authorities will be paid with deferred Cash payments, bearing interest at twelve percent (12%) annual interest, over a period not exceeding fifty-two (52) months after the date of assessment of such claim, of a value, as of the Effective Date, equal to the allowed

	amount of such claim as permitted by Bankruptcy Code § 1129(a)(9)(c), to commence thirty days after the Effective Date.
RNT Class 3 – Secured Claim of Wells Fargo Bank N.A.	Impaired. Wells Fargo, the only holder of a Class 3 Claim, shall be paid with deferred Cash payments pursuant to the terms as set forth on the Term Sheet attached to the Joint Plan as Exhibit 1.
RNT Class 4 – Allowed Claims of General Unsecured Creditors	Impaired. Holders of a Class 4 Allowed General Unsecured Claims against Villagio shall be paid in full by quarterly payments over the course of two (2) quarters. The interest rate shall be zero.
RNT Class 5 – CRVM Claim	Impaired. Holders of a Class 5 CRVM Claim shall be paid in full by quarterly payments over the course of twenty (20) quarters. Payments shall not begin until all of the Class 4 Allowed General Unsecured Claims have been paid in full. The interest rate shall be zero.
RNT Class 6 – Marcel Developer Fee Claim	Impaired. Holders of a Class 6 Marcel Developer Fee Claim shall be paid in full by quarterly payments over the course of twenty (20) quarters. Payments shall not begin until all of the Class 4 Allowed General Unsecured Claims have been paid in full. The interest rate shall be zero.
RNT Class 7 – Intercompany Debt	Impaired. Intercompany Debt Claims against RNT shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached Joint Plan as Exhibit 2.
RNT Class 8 – Loans from Veldekens Entities	Impaired. Such claims shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached to the Joint Plan as Exhibit 2.
RNT Class 9 – Equity Interest	Impaired. Such equity owners will obtain equity in Marcel Global, LLC at either the Class A or Class B Membership Interest commensurate with their investment of new capital pursuant to the terms as set forth on the Company Agreement of Marcel Global, LLC attached hereto as Exhibit 2.
Greens/Tidwell Class 1 Administrative Claims	Unimpaired. Will be paid cash on the

	Effective Date or upon entry of an order of the Bankruptcy Court, if necessary.
Greens/Tidwell Class 2 Tax Claims	Impaired. Allowed Claims of taxing authorities will be paid with deferred Cash payments, bearing interest at twelve percent (12%) annual interest, over a period not exceeding fifty-two (52) months after the date of assessment of such claim, of a value, as of the Effective Date, equal to the allowed amount of such claim as permitted by Bankruptcy Code § 1129(a)(9)(c), to commence thirty days after the Effective Date.
Greens/Tidwell Class 3 – Secured Claim of Wells Fargo Bank N.A.	Impaired. Wells Fargo, the only holder of a Class 3 Claim, shall be paid with deferred Cash payments pursuant to the terms as set forth on the Term Sheet attached to the Joint Plan as Exhibit 1.
Greens/Tidwell Class 4 – Allowed Claims of General Unsecured Creditors	Impaired. Holders of a Class 4 Allowed General Unsecured Claims against Villagio shall be paid in full by quarterly payments over the course of two (2) quarters. The interest rate shall be zero.
Greens/Tidwell Class 5 – CRVM Claim	Impaired. Holders of a Class 5 CRVM Claim shall be paid in full by quarterly payments over the course of twenty (20) quarters. Payments shall not begin until all of the Class 4 Allowed General Unsecured Claims have been paid in full. The interest rate shall be zero.
<i>Greens/Tidwell Class 6 – Marcel Developer Fee Claim</i>	<i>No Claimants.</i>
<i>Greens/Tidwell Class 7 – Intercompany Debt</i>	<i>No Claimants.</i>
Greens/Tidwell Class 8 – Loans from Veldekens Entities	Impaired. Such claims shall be subordinated and paid in accordance with the terms as set forth in Section 8.1 of the Company Agreement of Marcel Global, LLC attached to the Joint Plan as Exhibit 2.
Greens/Tidwell Class 9 – Equity Interest	Impaired. Such equity owners will obtain equity in Marcel Global, LLC at either the Class A or Class B Membership Interest commensurate with their investment of new capital pursuant to the terms as set forth on the Company Agreement of Marcel Global, LLC attached hereto as Exhibit 2.

ARTICLE X – ADMINISTRATIVE EXPENSES

Portions of the Debtors' post-petition administrative expenses and operating expenses have been satisfied on a regular basis out of each respective Debtor's income in accordance with the cash collateral orders and approved budgets. While the Joint Plan contemplates payment of Administrative Claims owed to professionals on the Effective Date of the Joint Plan, this is only for outstanding unpaid Professional Fees in excess of the retainers held by such professionals, and the amounts paid to such professionals prior to confirmation of the Joint Plan. Administrative expenses are as follows:

1. Hughes Watters Askanase, L.L.P. (Legal Fees) (counsel for the Debtors). No final fee estimate can yet be made. Fees incurred to date shall be supplemented at a later date.
2. Andrews Myers, P.C. (Legal Fees) (Special Real Estate Counsel for the Debtors) No final fee estimate can yet be made. Fees incurred to date shall be supplemented at a later date.
3. Kaiser, P.C. (Legal Fees) (Special Litigation Counsel for the Debtors) No final fee estimate can yet be made. Fees incurred to date shall be supplemented at a later date.
4. Trustee's Fees. The U.S. Trustee's office charges quarterly fees for all Chapter 11 proceedings. As the time of filing of the Disclosure Statement, the Debtors were current on their U.S. Trustee quarterly fees.

ARTICLE XI – EXECUTORY CONTRACTS AND UNEXPIRED LEASES

The executory contracts and unexpired leases expressly assumed by Debtors are listed in Exhibit 3 of the Joint Plan for each of the Debtors. All executory contracts and unexpired leases not already assumed or expressly assumed in the Joint Plan shall be deemed rejected by the respective Debtor under the Joint Plan on the Effective Date.

ARTICLE XII – IMPLEMENTATION AND EXECUTION OF JOINT PLAN

A. Substantive Consolidation of Greens and Tidwell.

The Plan is a joint plan for the Debtors that provides for the substantive consolidation of Greens' and Tidwell's estates on the Effective Date.

Substantive consolidation is defined as "[t]he merger of two or more bankruptcy cases, usually pending against the same debtor or related debtors, into one estate for purposes of distributing assets, usually resulting in the two estates sharing assets and liabilities, and in the extinguishment of duplicate claims and claims between debtors." *In re Introgen Therapeutics, Inc.*, 429 B.R. 570, 581 (Bankr. W.D. Tex. 2010) (quoting BLACK'S LAW DICTIONARY 351, 9th

Ed. 2009). Substantive consolidation results in the combination of both of these Debtors and their assets into a single pool from which the claims of the creditors of Greens and Tidwell are paid. Claimants holding Claims against each of these two Debtors based on the fact that the Debtors are jointly liable for the Claim shall be treated as having a single Claim against the Debtors' combined estates to the extent the Claim is Allowed. Any Intercompany Claims will not receive any distribution on account of such Claims and such Claims shall be discharged, cancelled, released, and extinguished as of the Effective Date. *See In re Babcock & Wilcox Co.*, 250 F.3d 955, 959 n. 5 (5th Cir. 2001) (“[substantive consolidation] usually results in, *inter alia*, pooling the assets of, and claims against, the two entities; satisfying liabilities from the resultant common fund; eliminating intercompany claims; and combining the creditors of the two companies for purposes of voting on reorganization plans”). Even though substantive consolidation was not codified in the Bankruptcy Code, the power is universally recognized as an equitable remedy available to the Bankruptcy Court under section 105 of the Bankruptcy Code. *See In re S.I. Acquisition, Inc.*, 817 F.2d 1142, 1144 n.2 (5th Cir. 1987)(“The bankruptcy court has authority to order *de facto* disregard of the corporate form through [substantive] consolidation proceedings”).

The Fifth Circuit has not specified a test for determining when substantive consolidation is appropriate. *See, i.e. In re Introgen Therapeutics, Inc.*, 429 B.R. at 582. Generally, courts have applied two distinct types of tests: (i) a factor based test and (ii) a balancing test. *Id.* Recent Texas cases have adopted the balancing test, focusing on the impact of consolidating the creditors and weighing it against the benefits of consolidation. *In re Introgen Therapeutics*, 429 B.R. at 583. A court looks to the reliance of the creditor to evaluate (1) whether creditors dealt with the entities as a single economic unit and did not rely on their separate identity when extending credit, or (2) whether the affairs of the debtors are so entangled that consolidation benefits all creditors. *Id.*

Greens and Tidwell meet both of the balance test factors. First, substantially all of these Debtors' creditors and tenants dealt with Greens and Tidwell as one entity when extending credit or otherwise conducting business. For example, while Tidwell and Wells Fargo entered into a creditor-debtor relationship on or around February 20, 2004, this loan was secured by a deed of trust and assignment of rents and leases executed by both Tidwell and Greens. It was further guaranteed by Greens. The same occurred when Tidwell and Wells Fargo executed an additional loan dated September 9, 2005. Additionally, entities such as Waste Management and the City of Houston provided services, including utilities to both Debtors but only dealt with Tidwell. Finally, Greens and Tidwell each own a portion of Greenbriar North Shopping Center. However, there is no way other than by mapping out their respective legal descriptions to determine which entity owns which portion of the Greenbriar North Shopping Center. All rent checks received from tenants of Greenbriar North Shopping Center were deposited into Tidwell's bank account.

Greens' and Tidwell's operations, assets and debts are substantially entangled, as the Debtors' only business was the operation of the Greenbriar North Shopping Center. The Joint Plan's substantive consolidation of the Greens and Tidwell Debtors will not prejudice the creditors as the creditors already treat the Greens and Tidwell Debtors as one entity.

B. Assets of the Reorganized Debtors.

Pursuant to the provisions of Sections 1141(b) and 1141(c) of the Bankruptcy Code, on the Effective Date all assets of each Debtor will vest in that Debtor. Meaning, all assets of Villago will vest in Villago, all assets of Compass Care will vest in Compass Care, all assets of Cinco will vest in Cinco, , all assets of Marcel will vest in Marcel, all assets of New Trails will vest in New Trails, and all assets of Greens and Tidwell will vest in the consolidated entity.

C. Business Operations of Villagio, Compass Care, Cinco, Greens, Marcel, Tidwell and New Trails.

Upon the Effective Date of the Joint Plan, Villagio, Compass Care, Cinco, Marcel, New Trails and the consolidated entity shall be free to conduct their respective Confirmation Businesses. Also upon the Effective Date of this Joint Plan, the Debtors shall be free to manage their respective affairs, and to enter into transactions without restriction or limitation imposed under any provision of the Bankruptcy Code.

With respect to the management, each of the Reorganized Debtors will be managed by Commercial Real Ventures Management, LLC (“**CRVM**”). Unless later amended by agreement between Wells Fargo, the Debtors and CRVM, CRVM’s monthly management fee for each of the Reorganized Debtors shall be 5% of each of the respective Debtors’ total revenue for the month.

Vernon Veldekens is the managing member of CRVM.

D. Distributions.

1. Distribution of Distributable Proceeds. Except as otherwise provided in the Joint Plan, on the Distribution Dates, each Debtor shall begin distributing the Distributable Proceeds of the respective Debtor to the holders of Class 1, 2, 3, and 4 Claims pursuant to their respective payment schedule.

E. Objection to Allowance of Claims / Interests.

Only the Debtors may prosecute objections to the allowance of any Claim or interest not specifically allowed under such Debtor’s respective plan. Upon Confirmation of each Debtor’s plan, all Claims and interests set forth within the Schedules of Assets and Liabilities, as liquidated, non-contingent and/or non-disputed, are deemed “Allowed Claims” unless the respective Debtor, within sixty (60) days thereafter, has filed an objection thereto. The Debtors may file objections to any and all Claims or interests, whether or not scheduled as disputed, unliquidated or contingent on the Claims schedule, at any time prior to the expiration of sixty (60) days after the Effective Date. If, within the time so specified, no objection is filed to the allowance of any Claim or interest duly scheduled or otherwise proved, such Claim or interest shall be deemed allowed in the amount which is proved and the holder of such Claim or interest shall be entitled to obtain distribution thereon. The expense of prosecuting Claims or interest

objections shall be borne by the Reorganized Debtors, except as otherwise awarded by the Bankruptcy Court. The Debtors shall have the right to enter into any settlement with respect to any Claim for an amount less than \$20,000.00 without further approval by the Court. At this time the Debtors are currently performing their respective claims analysis, and expressly reserve the right to object to all claims, and to amend the schedules prior to confirmation.

F. Preservation of Debtors' Causes of Action.

All claims for return of preference payments, post-petition transfers, or for fraudulent transfers pursuant to § 544, § 547, § 548, § 549 and/or § 550 of the Code, all claims existing against officers and directors of the Debtors, all claims against third parties on account of an indebtedness, and other claims of the Debtors, to the extent not specifically compromised and released pursuant to the Joint Plan, are hereby preserved and retained for enforcement by the respective Debtor subsequent to the Effective Date. The payments made during the preference period are detailed on each respective Debtor's Statement of Financial Affairs in response to Question 3, found at Docket Nos. 29 (p. 33–38), 30 (p. 33–37), 31 (p. 23–26), 32 (p. 26–29), 33 (p. 24–27), 34 (p. 26–30) and 35 (p. 25–29). No claim of the Debtors shall be waived, compromised, settled, relieved or relinquished solely as a result of plan confirmation.

All claims held by each respective Estate shall be prosecuted by the respective Debtor or the respective Reorganized Debtor. All decisions with respect to the prosecution and/or settlement of such claims shall be made by the respective Reorganized Debtor. All costs associated with prosecuting such claims shall be paid by the respective Reorganized Debtor.

G. Non-Consensual Confirmation.

With respect to any class of Claims that does not vote to accept this Joint Plan, the Debtors will seek confirmation of each of their plans through application of the “cramdown” provisions of Section 1129(b) of the Code.

H. Conditional Effective Date.

The Effective Date is conditioned upon the Confirmation Order becoming final and non-appellable.

ARTICLE XIII – DISCHARGE OF DEBTORS, INJUNCTION AND RELEASES

A. Discharge.

Except as otherwise provided in the Joint Plan or in the Confirmation Order, Confirmation shall operate as a discharge pursuant to Section 1141(d)(1) of the Code. The discharge is effective as of the Effective Date, of any and all debts or Claims against the Debtors that arose anytime before Confirmation, including but not limited to all debts or Claims that accrued before, on or after the Petition Date. As to every discharged debt and Claim, the Creditor that held such debt or Claim shall be precluded from asserting against the respective Debtor, or such Debtor's respective Estate, any further Claim based upon any document,

instrument or act, omission, transaction or any other activity of any kind or nature that occurred prior to the Confirmation Date, including without limitation, Claims in the nature of successor liability. Without limiting the generality of the foregoing, on the Effective Date the Debtors shall be discharged from any debt that arose before Confirmation and any debt of the kind specified in Sections 502(g), 502(h), 502(i) of the Code to the full extent permitted by Section 1141(d)(1)(A) of the Code.

B. Injunction.

The Confirmation Order shall operate as a temporary injunction against the commencement or continuation of any act relating to the collection or enforcement of any Claim or rights governed by the discharge provisions hereof ("***Discharged Claim***") against the respective Debtor absent a default in respect to the treatment of the Claims of the Creditor under the respective Debtor's plan. A default under a respective Debtor's Plan shall not cause a default under any other Debtor's plan. The Confirmation Order shall provide, among other things that except as otherwise provided in this Joint Plan, all Creditors who have held, hold or may hold Claims against any of the Debtors are enjoined from and after the Effective Date unless there has been a default under that respective Debtor's plan, from: (i) commencing or continuing in any manner any action or proceeding of any kind with respect to such Discharged Claim against the respective Debtor; (ii) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree of order against the respective Debtor, its estate with respect to such Discharged Claim; (iii) creating, perfecting or enforcing any encumbrance of any kind against the respective Debtor, or its estate, with respect to any such Claim or interest; and (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due the respective Debtor, its estate, and/or the respective Reorganized Debtor with respect to any such Discharged Claim.

C. Releases.

The Debtors, and any officers, partners, directors, employees, any other agents, contractors, financial advisors, attorneys and accountants or any property of the foregoing persons/entities or any direct or indirect transferee of any property, or direct or indirect successor in interest to any of the foregoing persons, or any property of any such transferee or successor shall have no liability to any Creditors with a Claim or interest for any act or omission in connection with or arising out of the administration of this Joint Plan or the property to be distributed under this Joint Plan, except for willful misconduct or gross negligence.

D. Protection of Certain Parties in Interest.

If the respective current officers, directors, shareholders, members, representatives, attorneys, financial advisors, and agents of the Debtors, act in good faith, the Joint Plan provides they will not be liable to any holder of a Claim or Equity Interest, or other party with respect to any action, forbearance from action, decision, or exercise of discretion taken from the Petition Date to the Effective Date in connection with (i) the operation of the Debtors; (ii) the proposal or implementation of any of the transactions provided for, or contemplated in, the Joint Plan and the documents and exhibits that aid in effectuating the Joint Plan, ("***Plan Documents***"); or (iii) the

administration of the Joint Plan or the assets and property to be distributed pursuant to the Plan Documents; other than for willful misconduct or gross negligence. The Debtors, the Reorganized Debtors, and their respective affiliates, officers, directors, shareholders, members, representatives, attorneys, financial advisors, and agents may rely upon the opinions of counsel, certified public accountants, and other experts or professionals employed by the Debtors, and the Reorganized Debtors, and such reliance will conclusively establish good faith. In any action, suit or proceeding by any holder of a Claim or Equity Interest or other party in interest contesting any action by, or non-action of, the Debtors, the Reorganized Debtors or their respective affiliates, officers, directors, shareholders, members, representatives, attorneys, financial advisors, and agents as not being in good faith, the reasonable attorney's fees and costs of the prevailing party will be paid by the losing party and as a condition to going forward with such action, suit, or proceeding at the outset thereof, all parties thereto will be required to provide appropriate proof and assurances of their capacity to make such payments or reasonable attorney's fees and costs in the event they fail to prevail.

E. Effectuating Documents and Necessary Authorizations.

The Plan Documents, which consist of documents and exhibits that aid in effectuating the Joint Plan, will be executed and, if appropriate, filed with the appropriate governmental authorities on or before the Effective Date, and they will become effective on the Effective Date.

The Debtors will have authority to execute, deliver, file, or record such other and further contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of each Debtor's plan.

The Debtors, if and to the extent necessary, will seek such orders, judgments, injunctions, regulatory approvals, and rulings that may be required to carry out and further the intentions and purposes, and give full effect to the provisions, of each Debtor's plan.

F. Regulatory Approvals.

As the Joint Plan is not intended to modify or supplement any regulatory authority over the Debtors, all regulatory approvals required to be obtained in connection with the Joint Plan will be sought and obtained.

G. Objection Procedures and Treatment of Disputed Claims and Bar Dates.

1. Objection Deadline and Process.

Under the Joint Plan, the Debtors shall have the exclusive authority to object to the allowance of any Claim, which shall be exercised at the sole discretion of the Debtors. All objections to Claims must be filed within sixty (60) days following the Effective Date of the Joint Plan, unless extended by the Bankruptcy Court.

Notice of any proceedings with respect to a Claim Objection, including a settlement or

withdrawal, will be sufficient if served by the Debtors on the holder of the Claim to which Objection has been made. Rule 9019 of the Bankruptcy Rules will not apply to the settlement or withdrawal of any Claim Objection.

Each Claim known to Villagio at the Petition Date is listed at Docket No. 29; each Claim known to Compass Care at the Petition Date is listed at Docket No. 30; each Claim known to Cinco at the Petition Date is listed at Docket No. 31; each Claim known to Marcel at the Petition Date is listed at Docket No. 33; each Claim known to New Trails at the Petition Date is listed at Docket No. 35; each Claim known to Greens at the Petition Date is listed at Docket No. 32; and each Claim known to Tidwell at the Petition Date is listed at Docket No. 34. Creditors who believe that they hold Claims against the Estate, but whose Claims do not appear at Docket Nos. 29 thru 35, or who believed the respective Debtor owed them an amount greater than that listed at Docket Nos. 29 thru 35, were required by the Bankruptcy Court to file a proof of claim prior to December 10, 2012, the Claim Bar Date.

While there are a number of Claims against the Debtors, the Debtors anticipate filing only a small number of Claim Objections to Proof of Claims filed against the Debtors' Estates. Most, if any, of the Claim Objections are of a routine nature.

However, the Debtors expect that some Claim Objections will be more substantive and may require litigation in order to resolve the allowance of the Claim. **DO NOT VOTE BASED ON THE ASSUMPTION THAT YOUR CLAIM WILL BE ALLOWED. CLAIM OBJECTIONS MUST BE RESOLVED AND YOU SHOULD NOT BELIEVE THAT YOUR CLAIM WILL BE ALLOWED MERELY BECAUSE YOU FILED A PROOF OF CLAIM OR CAST A VOTE FOR OR AGAINST THE JOINT PLAN.**

2. Bar Date to File an Administrative Claim or a Claim for Rejection Damages.

The bar date to file an Administrative Expense claim against any of the Debtors is thirty (30) days after the Effective Date. The bar date to file a claim for any damages resulting from a rejection of an executory contract that is rejected through the Joint Plan, is thirty (30) days after the Effective Date.

No payments will be made to the holder of a Claim until all Objections to that Claim have been resolved by Final Order.

H. Provisions Governing Distributions.

1. Distribution Responsibility.

Each Debtor will be responsible for all distributions under the terms of its respective plan.

2. Delivery of Distributions.

Subject to Rule 9010 of the Federal Rules of Bankruptcy Procedure, distributions to holders of Allowed Claims will be made at the address of each such holder as set forth on the proofs of claim filed by such holders, or at the last known address of such holder if no proof of claim is filed or if the respective Debtor has been notified in writing of a change of address.

3. Distributions to Holders of Disputed Claims.

At such time as a Disputed Claim becomes an Allowed Claim, the respective Debtor shall pay that claim within thirty (30) days of such determination. However, if the class to which the former Disputed Claim belongs to has not received a distribution, or has only received a partial distribution under the Joint Plan, such claim will be paid at the same time the class receives its future distributions, and such claim will receive any previously made distributions within thirty (30) days of the date that the Disputed Claim becomes an Allowed Claim.

I. Confirmation of the Joint Plan.

1. Confirmation Hearing.

Section 1128(a) requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the plan, ("**Confirmation Hearing**"). Pursuant to the *Order Under 11 U.S.C. § 1125 and Bankruptcy Rule 3017 Approving Disclosure Statement and Fixing Time for Filing Acceptances and Rejections to the Chapter 11 Joint Plan of Reorganization* entered by the Bankruptcy Court on _____, 2013, the Confirmation Hearing has been scheduled before the **Honorable United States Bankruptcy Judge Marvin Isgur, United States Bankruptcy Court, Courtroom 404, 515 Rusk, Houston, Texas 77002** on _____ at _____ **Central Standard Time**. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except an announcement made at the Confirmation Hearing or any adjournment thereof.

Section 1128(b) provides that any party-in-interest may object to confirmation of the Joint Plan. However, an impaired Creditor, who votes to accept the Joint Plan, may not have standing to object to the Joint Plan. Objections to confirmation of the Joint Plan are governed by Bankruptcy Rule 9014 and any applicable Local Rules of the Bankruptcy Court. Any objection to confirmation must be made in writing and filed with the Bankruptcy Court with proof of service and served upon and actually received on or before _____.

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

2. Statutory Requirements for Confirmation of the Joint Plan.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Bankruptcy Code's requirements for confirmation of each Debtor's plan has been satisfied, in which event the Bankruptcy Court will enter an order confirming the Joint Plan. As set forth in 11 U.S.C. § 1129 of the Bankruptcy Code, these requirements are as follows:

- (a) The plan complies with the applicable provisions of the Bankruptcy Code.
- (b) The proponents of the plan comply with the applicable provisions of the Bankruptcy Code
- (c) The plan has been proposed in good faith and not by any means forbidden by law.
- (d) Any payments made or to be made by the plan proponents, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in, or in connection with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the Court as reasonable.
- (e)
 - (a)(i) The proponents of the plan have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, or officer of the Debtors, any affiliate of the Debtors participating in a Joint Plan with the Debtors, or a successor to the Debtors under the plan; and
 - (ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and
 - (iii) the proponents of the plan have disclosed the identity of any insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for such insider.
- (f) Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the Plan Proponents has approved any rate change provided for in the Joint Plan, or such rate change is expressly conditioned on such approval.
- (g) With respect to each class of impaired claims or equity interests:
 - (i) each holder of a claim or interest of such class:
 - (1) has accepted the respective Debtor's plan; or
 - (2) will receive or retain under such plan on account of such claim or interest property of a value, as of the Effective Date of such plan, that is not less than the amount that such holder would so receive or retain

if such Debtor was liquidated under Chapter 7 of the Bankruptcy Code on such date; or

- (ii) if §1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the holder of a claim of such class will receive or retain under the Joint Plan on account of such claim property of a value as of the Effective Date, that is not less than the value of such holder's interest in the estate's interest in the property that secured such claims.
- (h) With respect to each class of claims or interests:
- (i) such class has accepted the respective Debtor's plan; or
 - (ii) such class is not impaired under the plan.
- (i) Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that:
- (i) with respect to a claim of a kind specified in § 507(a)(2) or § 507(a)(3) of the Bankruptcy Code, on the Effective Date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;
 - (ii) with respect to a class of claims of a kind specified in §§ 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7) of the Bankruptcy Code, each holder of a claim of such class will receive:
 - (1) if such class has accepted the respective Debtor's plan, deferred cash payments of a value, as of the Effective Date of such plan, equal to the allowed amount of such claim; or
 - (2) if such class has not accepted the respective Debtor's plan, cash on the effective date of the such plan equal to the allowed amount of such claim; and
 - (iii) with respect to a claim of a kind specified in § 507(a)(8) of the Bankruptcy Code, the holder of a claim will receive on account of such claim regular installment payments in cash—
 - (1) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

- (2) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303; and
- (3) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122 (b)); and
- (iv) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph (iii).
- (j) If a class is impaired under the respective Debtor's plan, at least one class of claims that is impaired has accepted such plan, determined without including any acceptance of the plan by any insider.
- (k) Confirmation of the Joint Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Plan Proponents or any successor to the Plan Proponents under the Joint Plan, unless such liquidation or reorganization is proposed in the Joint Plan.

The Debtors believe that the Joint Plan satisfies all the statutory requirements of Chapter 11 of the Bankruptcy Code, that it has complied or will have complied with all of the requirements of Chapter 11, and that the proposal of the Joint Plan is made in good faith.

Because the Joint Plan proposes to satisfy all Allowed Claims in full, the Debtors believe that the holders of all Claims and Equity Interests impaired under the Joint Plan will receive payments or distributions under the Joint Plan having a present value as of the Effective Date in amounts not less than the amounts likely to be received by such holders if each Debtor was liquidated in a case under Chapter 7 of the Bankruptcy Code.

Finally, the Debtors believe that the confirmation of the Joint Plan is not likely to be followed by the liquidation or the need for further financial reorganization of any of the Debtors.

J. Cramdown.

In the event that any impaired class of Claims and Equity Interests does not accept any Debtor's respective plan, the Bankruptcy Court may still confirm such plan if, as to each

impaired class, which has not accepted such plan, the plan does not discriminate "unfairly" and is "fair and equitable." A plan of reorganization does not discriminate unfairly within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its claims or equity interests.

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

1. With respect to a class of secured claims, the plan provides:
 - (a) (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the Plan Proponent or transferred to another entity, to the extent of the allowed amount of such claims; and
 - (ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property;
 - (b) for the sale, subject to § 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or
 - (c) for the realization by such holders of the indubitable equivalent of such claims.
2. With respect to a class of unsecured claims, the plan provides:
 - (a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or
 - (b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property.
3. With respect to a class of interests, the plan provides:
 - (a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation

preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest; or

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

The Bankruptcy Court will determine at the Confirmation Hearing whether the plan of each respective Debtor is fair and equitable with respect to, and does not discriminate unfairly against any rejecting impaired class of Claims and Equity Interests. The Debtors believe that the Bankruptcy Court will find these requirements satisfactory and will confirm the Joint Plan.

K. Retention of Jurisdiction by Bankruptcy Court.

After the Effective Date of the Joint Plan, the Bankruptcy Court will continue to have jurisdiction over all matters arising under, arising out of or relating to these cases. Such jurisdiction will be exercised to (a) insure that the purpose and intent of the Joint Plan are carried out; (b) consider any modification of the Joint Plan under Section 1127 of the Bankruptcy Code before substantial consummation as defined in Section 1101(2) of the Bankruptcy Code; (c) hear and determine all Claims, controversies, suits, and disputes against the Debtors; (d) hear and determine all Objections to Claims, controversies, suits and disputes that may be pending at or initiated after the Effective Date; (e) classify the Claims of any creditor and to re-examine Claims which have been allowed for purposes of voting, and to determine Objections which may be filed to Claims; (f) hear, adjudicate, determine, and enforce claims and causes of action which may exist on behalf of the Debtors or their estates; (g) consider and act on the compromise and settlement of any Claim against or cause of action on behalf of the Debtors or their estates; (h) hear and determine all controversies, suits, and disputes that may arise in connection with the interpretation, execution, or enforcement of the Joint Plan; (i) hear and determine all requests for compensation and/or reimbursement of expenses for services rendered or expenses incurred prior to the Effective Date which may be made after the Effective Date of the Joint Plan; (j) enforce and interpret by injunction or otherwise the terms and conditions of the Joint Plan; (k) adjudicate any and all disputes regarding ownership and other rights regarding Debtors' and/or the Reorganized Debtors' assets; (l) enter an order closing the Jointly Administered Chapter 11 Cases; (m) correct any defect, cure any omission, or reconcile any inconsistency in the Joint Plan or Confirmation Order which may be necessary or helpful to carry out the purposes and intent of the Joint Plan; (n) consider any and all actions taken to enforce the terms of or to collect on any of the indebtedness described herein on the Debtors or any other related party; and (o) consider and act on such other matters consistent with the Joint Plan as may be provided in the Confirmation Order.

L. Miscellaneous Provisions.

1. Compliance with Law.

The Joint Plan mandates compliance by Villagio, Compass Care, Cinco, Marcel, New Trails, the consolidated entity, and any other person charged with carrying out any provisions of

the Joint Plan with all withholding and reporting requirements imposed by federal, state and local taxing authorities, and all distributions under the Joint Plan will be subject to such withholding and reporting requirements. In addition, the Joint Plan requires that Villagio, Compass Care, Cinco, Marcel, New Trails, and/or the consolidated entity, if notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business, comply with such law, rule, regulation or order, unless the legality or applicability of such requirement is being contested in good faith in an appropriate proceeding and, if appropriate, an adequate reserve has been set aside. Finally, all fees payable pursuant to Section 1930 of Title 28 of the United States Code, will be paid on or before the Effective Date.

2. Modification, Revocation and Severability Rights.

The Debtors may modify the Joint Plan at any time before confirmation, provided that the requirements of §§ 1122, 1123 and 1125 are satisfied with respect to the modification. After confirmation and before substantial consummation of the Joint Plan, modifications to the Joint Plan may be made by the Debtors to the extent permitted by Sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, may confirm the Joint Plan under Section 1129 of the Bankruptcy Code, as modified.

If a Debtor's plan is withdrawn or revoked by the respective Debtor, or if confirmation of a Debtor's plan does not occur, then such plan will be deemed null and void.

M. Each Debtor's plan is independent.

While in the interest of convenience for all creditors and parties-in-interest, Villagio, Compass Care, Cinco, Marcel, New Trails, Greens and Tidwell, seek to confirm a Joint Plan, because each Debtor's bankruptcy is jointly-administered, confirmation of each Debtor's plan is independent of the confirmation of any other Debtor's plan. Thus, a default under one Debtor's plan shall not cause a default under any other Debtor's plan.

N. Liquidation Analysis.

As demonstrated in the Joint Plan, the Debtors propose to pay all of their creditors in full. As such, the analysis typically required 11 U.S.C. § 1129(7)(A) is not necessary because the Debtors are proposing to pay all Claims holders the amount of the Allowed Claim.

O. Risk Factors.

Both failure to achieve confirmation of the Joint Plan, and consummation of the Joint Plan, are subject to a number of risks. In addition, there are certain risks inherent in the reorganization process under the Bankruptcy Code. If certain standards set forth in the Bankruptcy Code are not met, the Bankruptcy Court will not confirm the Joint Plan even if Creditors accept the Joint Plan. Although the Debtors believe that the Joint Plan meets such standards, there can be no assurance that the Bankruptcy Court will reach the same conclusion. If the Bankruptcy Court were to determine that such requirements were not met, it could require

the Debtor or Debtors to re-solicit acceptances, which could delay and/or jeopardize confirmation of the Joint Plan. The Debtors believe that the solicitation of votes on the Joint Plan will comply with Section 1126(b) and that the Bankruptcy Court will confirm the Joint Plan. The Debtors, however, can provide no assurance that modifications of the Joint Plan will not be required to obtain confirmation of the Joint Plan, or that such modifications will not require a re-solicitation of acceptances.

ARTICLE XVI – FEDERAL INCOME TAX CONSEQUENCES

THE FOLLOWING DISCUSSION IS A SUMMARY OF CERTAIN SIGNIFICANT FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO THE DEBTORS AND TO HOLDERS OF CLAIMS AND EQUITY INTERESTS AND IS BASED ON THE INTERNAL REVENUE CODE OF 1986 (TITLE 26, UNITED STATES CODE), AS AMENDED TO THE DATE HEREOF (THE “TAX CODE”), TREASURY REGULATIONS PROMULGATED AND PROPOSED THEREUNDER, JUDICIAL DECISIONS AND PUBLISHED ADMINISTRATIVE RULES AND PRONOUNCEMENTS OF THE IRS AS IN EFFECT ON THE DATE HEREOF. CHANGES IN SUCH RULES OR NEW INTERPRETATIONS THEREOF COULD SIGNIFICANTLY AFFECT THE TAX CONSEQUENCES DESCRIBED BELOW. NO RULINGS HAVE BEEN REQUESTED FROM THE IRS. MOREOVER, NO LEGAL OPINIONS HAVE BEEN REQUESTED FROM COUNSEL WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN.

THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES OF THE PLAN TO THE HOLDERS OF CLAIMS AND EQUITY INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. IN ADDITION, THIS DISCUSSION DOES NOT COVER ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO THE DEBTORS OR THE HOLDERS OF ALLOWED CLAIMS OR EQUITY INTERESTS (SUCH AS HOLDERS WHO DO NOT ACQUIRE THEIR CLAIM ON ORIGINAL ISSUE), NOR DOES THE DISCUSSION DEAL WITH TAX ISSUES PECULIAR TO CERTAIN TYPES OF TAX PAYERS (SUCH AS DEALERS IN SECURITIES, S CORPORATIONS, LIFE INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, TAX-EXEMPT ORGANIZATIONS AND FOREIGN TAXPAYERS). NO ASPECT OF FOREIGN, STATE, LOCAL OR ESTATE AND GIFT TAXATION IS ADDRESSED.

THE FOLLOWING SUMMARY IS, THEREFORE, NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR EQUITY INTEREST. HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES PECULIAR TO THEM UNDER THE PLAN. THE DEBTORS ASSUME NO RESPONSIBILITY FOR THE TAX EFFECT THAT CONFIRMATION AND RECEIPT OF ANY DISTRIBUTION UNDER THE PLAN MAY HAVE ON ANY GIVEN CREDITOR OR OTHER PARTY IN INTEREST.

No administrative rulings will be sought from the Internal Revenue Service (hereinafter “**IRS**”) with respect to any of the federal income tax aspects of the Plan. Consequently, there can be no assurance that the treatment described in this Disclosure Statement will be accepted by the IRS. No opinion of counsel has either been sought or obtained with respect to the federal income tax aspects of the Plan.

A. IRS Circular 230 Disclosure

THIS DISCLOSURE STATEMENT IS WRITTEN TO SUPPORT THE PROMOTION OR THE MARKETING OF TRANSACTIONS DISCUSSED HEREIN. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, THE DEBTORS ARE INFORMING YOU THAT THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES THAT MAY BE IMPOSED ON SUCH TAXPAYER UNDER THE TAX CODE. TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

B. Consequences to Holders of Claims

1. Realization and Recognition of Gain or Loss in General

The federal income tax consequences of the implementation of the Plan to a Holder of a Claim will depend, among other things, upon the origin of the Holder’s Claim, when the Holder’s Claim becomes an Allowed Claim, when the Holder received payment in respect of such Claim, whether the Holder reports income using the accrual or cash method of accounting, whether the Holder has taken a bad debt deduction or worthless security deduction with respect to such Claim, whether the Claimant receives consideration in more than one tax year of the Claimant, whether the Claimant is a resident of the United States, whether all the consideration received by the Claimant is deemed to be received by that Claimant in an integrated transaction and whether the Holder’s Claim constitutes a “security” for federal income tax purposes.

Generally, a Holder of an Allowed Claim will realize gain or loss on the exchange under the Plan of its Allowed Claim for stock and other property (such as Cash and new debt instruments), in an amount equal to the difference between (i) the sum of the amount of any Cash and the issue price of any debt instrument (other than any consideration attributable to a Claim for accrued but unpaid interest), and (ii) the adjusted basis of the Allowed Claim exchanged therefore (other than basis attributable to accrued but unpaid interest previously included in the Holder’s taxable income). The treatment of accrued but unpaid interest and amounts allocable thereto varies depending on the nature of the Holder’s claim, such as (i) the nature and origin of the Claim; (ii) the tax status of the holder of the Claim; (iii) whether the holder is a financial institution; (iv) whether the Claim is a capital asset in the hands of the holder; (v) whether the Claim has been held for more than one (1) year; (vi) the extent to which the holder previously claimed a loss, bad debt deduction or charge to a reserve for bad debts with respect to the Claim, and is discussed below.

Whether or not such realized gain or loss will be recognized (*i.e.*, taken into account) for federal income tax purposes will depend in part upon whether such exchange qualifies as a recapitalization or other ‘reorganization’ as defined in the Tax Code, which may in turn depend upon whether the Claim exchanged is classified as a ‘security’ for federal income tax purposes. The term ‘security’ is not defined in the Tax Code or in the Treasury Regulations. One of the most significant factors considered in determining whether a particular debt instrument is a security is the original term thereof. In general, the longer the term of an instrument, the greater the likelihood that it will be considered a security. As a general rule, a debt instrument having an original term of 10 years or more will be classified as a security, and a debt instrument having an original term of fewer than five years will not. Debt instruments having a term of at least five years but less than 10 years are likely to be treated as securities, but may not be, depending upon their resemblance to ordinary promissory notes, whether they are publicly traded, whether the instruments are secured, the financial condition of the debtor at the time the debt instruments are issued, and other factors. Each Holder of an Allowed Claim should consult his or her own tax advisor to determine whether his or her Allowed Claim constitutes a security for federal income tax purposes.

2. Accrued Interest

The Debtors intend to take the position that all payments in respect of Allowed Claims will be first allocated to the principal amount of the Allowed Claim, with any excess allocated to accrued unpaid interest. However, there is no assurance that such allocation would be respected by the IRS for federal income tax purposes. In general, to the extent any amount received by a Holder of an Allowed Claim is received in satisfaction of accrued interest during its holding period, such amount will be taxable to the Holder as interest income (if not previously included in the Holder’s gross income). Conversely, a Holder generally will recognize a deductible loss to the extent any accrued interest claimed was previously included in gross income and is not paid in full. Each Holder of an Allowed Claim is urged to consult its tax advisor regarding the allocation of consideration and deductibility of unpaid interest for tax purposes.

A Holder, who, under its accounting method, was not previously required to include in income, accrued but unpaid interest attributable to its existing Claims, and who exchanges its interest Claim for cash, or other property, pursuant to the Plan will be treated as receiving ordinary interest income to the extent of any consideration so received allocable to such interest, regardless of whether that Holder realizes an overall gain or loss as a result of the exchange of its existing Claims.

3. Withholding

All distributions to Holders of claims under the Plan are subject to any applicable withholding. Under federal income tax law, interests, dividends, and other reportable payments may, under certain circumstances, be subject to ‘backup withholding’ at a 28% rate. Backup withholding generally applies if the Holder (a) fails to furnish its social security number or other taxpayer identification number (“*TIN*”), (b) furnishes an incorrect *TIN*, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the *TIN* provided is its correct number and that it

is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

C. Consequences to Debtors or Reorganized Debtors - Discharge of Indebtedness Income Generally

In general, the discharge of a debt obligation by a debtor for an amount less than the adjusted issue price (generally, the amount received upon incurring the obligation plus the amount of any previously amortized original issue discount and less the amount of any previously amortized bond issue premium) gives rise to cancellation of indebtedness (“**COD**”) income which must be included in a debtor’s income for federal income tax purposes, unless, in accordance with section 108(e)(2) of the Tax Code, payment of the liability would have given rise to a deduction. A corporate debtor that issues its own stock or its own debt in satisfaction of its debt is treated as realizing COD income to the extent the fair market value of the stock or the issue price of new debt issued is less than the adjusted issue price of the old debt. COD income is not recognized by a taxpayer that is a debtor in a title 11 (bankruptcy) case if a discharge is granted by the Bankruptcy Court or pursuant to a plan approved by the Bankruptcy Court (the “**Bankruptcy Exclusion Rules**”).

The Debtors have not determined if any COD income will be realized pursuant to the Joint Plan, but believes that the COD income, if any, will not be recognized by the Debtors due to the Bankruptcy Exclusion rules. However, the Debtors, as a result of the exception, may be subject to a reduction of certain of its “tax attributes” to the extent that COD income is not recognized under the Bankruptcy Exclusion Rules. Thus, while the Debtors will not recognize taxable income from discharge of indebtedness, they may experience reductions in (i) any net operating losses (“**NOL**”) that have accumulated, (ii) the tax basis of its property, and (iii) other tax attributes, as set forth in section 108(b)(2) of the Tax Code.

Nothing herein shall be construed as advice to the Reorganized Debtors; the Reorganized Debtors are relying solely on their own counsel for such advice.

ARTICLE XVII – EXHIBITS TO DISCLOSURE STATEMENT

EXHIBIT A – Plan of Reorganization

- **Exhibits to Plan:**
 - i. Exhibit 1 – Term Sheet
 - ii. Exhibit 2 – Company Agreement of Marcel Global, LLC
 - iii. Exhibit 3 – List of Executory Contacts/Leases to be Assumed
- **Addendums to Plan:**
 - i. Addendum 1 – Villagio Partners, Ltd.
 - ii. Addendum 2 – Compass Care Holdings, Ltd.
 - iii. Addendum 3 – Cinco Office VWM, L.P.
 - iv. Addendum 4 – Marcel Construction and Maintenance, Ltd.
 - v. Addendum 5 – Research-New Trails Partners, Ltd.

vi. Addendum 6 – Greens Imperial Center, Inc./Tidwell Properties, Inc.

ARTICLE XVIII – CONCLUSION

The Debtors believe that the Joint Plan will provide an opportunity for creditors of the Debtors to receive more than would be received if each of the cases was liquidated in a case under Chapter 7 of the Bankruptcy Code. Accordingly, the Debtors urge you to vote in favor of the Joint Plan.

Signed this 20th day of February, 2013.

Respectfully submitted,

Villagio Partners, Ltd.

By: Research-New Trails Ventures, L.L.C.
A Texas limited liability company,
Its general partner

By: /s/ Vernon Veldekens
Vernon Veldekens,
Manager

Compass Care Holdings, Ltd.,

By: AV Service, L.L.C.
A Texas limited liability company,
Its general partner

By: /s/ Vernon Veldekens
Vernon Veldekens,
Authorized Representative

By: Run Management, L.L.C.
A Texas limited liability company,
Its general partner

By: /s/ Vernon Veldekens
Vernon Veldekens,
Authorized Representative

Cinco Office VWM, L.P.

By: Research-New Trails Ventures, L.L.C.
A Texas limited liability company,
Its general partner

By: /s/ Vernon Veldekens
Vernon Veldekens,
Manager

Greens Imperial Center, Inc.

By: /s/ Vernon Veldekens
Vernon Veldekens,
Authorized Representative

Marcel Construction & Maintenance, Ltd.

By: Five V, Inc.
A Texas corporation,
Its sole general partner

By: /s/ Vernon Veldekens
Vernon Veldekens,
President

Tidwell Properties, Inc.

By: /s/ Vernon Veldekens
Vernon Veldekens,
Authorized Representative

Research-New Trails Partners, Ltd.

By: /s/ Vernon Veldekens
Vernon Veldekens,
Manager

* Filing party has the original signed document in their files for review upon request.

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