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ATTORNEYS FOR DEBTOR

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

IN RE:	§	
	§	
WHITTLE DEVELOPMENT, INC.,	§	Case No. 10-37084-HDH-11
	§	
MARIAH BAY DEVELOPMENT, INC.,	§	Case No. 10-37805-HDH-11
	§	
Debtors.	§	Jointly Administered Under
	§	Case No. 10-37084-HDH-11

JOINT AMENDED DISCLOSURE STATEMENT

Whittle Development, Inc. (“**WDI**”) and Mariah Bay Development, Inc. (“**MBD**”) (sometimes collectively the “**Debtors**”), jointly propose and submit this submits their Joint Amended Disclosure Statement (the “**Disclosure Statement**”), pursuant to Section 1125 of the Bankruptcy Code for the purposes of providing adequate information to all holders of claims against the Debtor and to the holders of its interests, from which such holders may make an informed judgment about the Amended Joint Plan of Reorganization (the “**Plan**”).

I. PURPOSE OF THE DISCLOSURE STATEMENT

On April 4, 2011, the Plan was filed by the Debtor providing for the Reorganization of its financial affairs in accordance with the Bankruptcy Code. This Disclosure Statement has been prepared by the Debtors, for the purpose of disclosing information which, in the Debtors’ opinion, is material, important, and necessary for persons who are entitled to vote on the Plan to arrive at an informed decision whether to accept or reject the Plan. The material contained in this

Disclosure Statement is intended for that purpose and solely for use by known Creditors and Interest Holders, and may not be relied on for any other purpose¹.

This Disclosure Statement describes various transactions contemplated under the Plan, including how Creditors will be paid and how the Interest Holders will be treated. The treatment of all Classes of Claims and Interests in each case is described in Article IV of this Disclosure Statement. **You are urged to study the Plan and to consult your counsel about the Plan and its impact upon your legal rights before voting on the Plan.**

II. DISCLAIMERS

THIS DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE DEBTORS FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE, TO THE BEST OF THE DEBTOR'S KNOWLEDGE, INFORMATION AND BELIEF. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO AN AUDIT. TO THE EXTENT THAT THEY WERE RELIED UPON, THE RECORDS KEPT BY THE DEBTORS ARE NOT WARRANTED OR REPRESENTED TO BE WITHOUT ANY INACCURACY. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE EITHER A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT ALSO CONTAINS A SUMMARY OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN TRANSACTIONS CONTEMPLATED UNDER THE PLAN AND CERTAIN CLAIMS ASSERTED BY CREDITORS OF THE DEBTORS. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF DOCUMENTS REFERRED TO OR CLAIMS DESCRIBED THEREIN. REFERENCE IS HEREBY MADE TO THE PLAN AND THE OTHER AGREEMENTS AND DOCUMENTS REFERRED TO IN THIS DISCLOSURE STATEMENT FOR A COMPLETE STATEMENT OF THE TERMS AND PROVISIONS THEREOF. ALL TERMS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE PLAN HAVE THE SAME MEANING UNLESS OTHERWISE STATED. IN THE EVENT THAT THE TERMS OF THIS DISCLOSURE STATEMENT ARE INCONSISTENT WITH THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL CONTROL.

THIS DISCLOSURE STATEMENT IS INTENDED FOR THE SOLE USE OF CREDITORS OF THE DEBTORS TO ENABLE SUCH CREDITORS TO MAKE AN INFORMED DECISION IN VOTING ON THE PLAN. THIS DISCLOSURE STATEMENT MAY NOT BE USED OR RELIED ON FOR ANY OTHER PURPOSE, AND NOTHING CONTAINED IN IT SHALL BE DEEMED AN ADMISSION OF FACTS OR CONCLUSIVE ADVICE ON THE LEGAL EFFECTS OF THE PLAN AND THE ADMINISTRATION OF THE DEBTORS' ASSETS ON HOLDERS OF CLAIMS OR EQUITY INTERESTS.

NO REPRESENTATIONS CONCERNING THE DEBTORS' ASSETS OR LIABILITIES OR FINANCIAL CONDITION ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT MAY NOT BE USED BY ANY

¹ Capitalized terms which are not defined herein are defined either in the Plan or are defined terms per Section 101 of the Bankruptcy Code

PERSON OR ENTITY, INCLUDING WITHOUT LIMITATION, THE PARTIES HERETO, IN ANY LEGAL PROCEEDING TO PROVE OR DISPROVE ANY MATTER DEALT WITH HEREIN. THIS DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED IN IT SHALL CONSTITUTE, OR BE DEEMED CONCLUSIVE ADVICE ON, THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION ON HOLDERS OF CLAIMS.

III. BRIEF EXPLANATION OF CHAPTER 11

Chapter 11 is the principal reorganization chapter of the Code. Pursuant to Chapter 11, each Debtor is authorized to reorganize each Debtor's financial affairs for their own benefit and that of the creditors. Attempts at collection of pre-petition Claims are automatically stayed during the pendency of the case. Formulation of a plan of reorganization is the principal purpose of a Chapter 11 Reorganization Case. The plan is the vehicle for satisfying the holders of Claims against the Debtor. Unless a Trustee is appointed, each Debtor has the exclusive right to file a plan during the first one hundred and twenty (120) days of the Chapter 11 Case. Section 1121(c) of the Code provides for an automatic extension of the exclusivity period to one hundred and eighty (180) days after the commencement of the Case if a Debtor files a plan during the initial one hundred and twenty (120) day exclusivity period. In this case, the Debtor has filed the Plan within their exclusive period, as extended by an order of the Bankruptcy Court.

IV. BRIEF DESCRIPTION OF THE DEBTOR AND STATUS OF THE CASE

A. Difficulties Leading to Bankruptcy

Both of the Debtors operations depended upon the continued vitality of the commercial and residential real estate development market in Rockwall County, Texas. The lofty and unsupported peak in the residential real estate development field, which occurred nationally in late 2007 and early 2008, occurred in the DFW Metroplex not long thereafter. The peak in commercial real estate development, while nowhere near as exacerbated as the peak in the residential market, came thereafter in 2008. The meltdown of the financial sector in the fall of 2008 and into early 2009, recalibrated both the market for new funds for development and the level of demand for new development, be it residential or commercial. Subsequent agency action by those arms of the government charged with maintaining the banking system made real estate development lending for acquisitions for further development, from holders of significant land inventory, a memory which grows more distant with time. In essence the factors which made for the onset and lingering nature of the Great Recession devastated the commercial and real estate development market, irrespective of whether or not your projects or opportunities were basically sound and were located in a market where the absurd value plays were not the norm.

The resulting subsequent dearth of activity meant that holding on to large portfolios of raw undeveloped or partially developed land became a function of paying the holding price for longer than most all holders of developmental land, including these Debtors, could handle. This

extremely slow, almost moribund pace, coupled with other specific factors detailed hereinafter, left the Debtors with no other choice but to seek protection in Chapter 11.

These Debtors had had the benefit of some income support from affiliated entities, but that support was significantly less than what the Debtors had put into those entities and there was, on account of the economic malaise, pressure on those entities and their operations as well. One such affiliate, Mariah Bay Leasing, Inc. went into Chapter 11 in early 2010 and by September of 2010 had seen the loss of its operating asset to foreclosure and the conversion of that case to Chapter 7 liquidation. When faced with a series of foreclosure notices, some brought on by interest payment problems, others on account of deeming themselves insecure, the Debtors had no choice but to file Chapter 11 to preserve the long term value of their respective portfolios.

B. Events in the Chapter 11 Proceeding

Since the filing of the Debtors cases, the market for commercial and residential real estate developmental sales has improved, albeit nominally. The Debtors have sold both commercial and residential developmental tracts, as well as a completed home sale. The Debtors have continued to market their properties and are generally seeing some increased interest and prospects for future sales. The Debtors have, with the help of various lenders, streamlined the process for selling their inventory of developmental land. The Debtors cash flow issues have been bridged during the case, by means of borrowing orders with City Bank as the lender. The Debtors and City Bank have also entered into a compromise settlement agreement for the purpose of resolving complicated pre-petition transfer issues and to provide both operating funding and funds for later distribution, per the Plan, to unsecured creditors.

C. Basic Premise of the Debtors' Plan

The Plan is drafted with the mission of providing for the marketing and sale of the land portfolio of each of the Debtors in a manner which will enable the unsecured creditors to capture the resident equity in those portfolios, while affording the secured creditors adequate protection of their interests and a more dedicated sales force to enable their collateral to fetch a higher price than they could secure vis a vis foreclosure and marketing their portions of these Debtors portfolios. The Plan also enables unsecured creditors to participate without the effect of the large guaranty claim of City Bank Texas. In essence the Plan is, in many respects, a controlled liquidation of these portfolios, with a prospect that, with the help of the provisions regarding City Bank, all creditors in both cases will have their allowed claims paid in full. But there are claims issues and litigation which accompanied the filing of this case and which remains, and in some respects has been modified, which the Debtors feel will lower the amount of claims which must be paid in order to meet that goal of payment in full. However, until those disputes are determined or resolved, the full amount of the stated claims must be reserved.

V. GENERAL OUTLINE OF THE PLAN

THE PRINCIPAL PROVISIONS OF THE PLAN ARE SET FORTH BELOW. THIS IS A BROAD OVERVIEW OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH IS ATTACHED AS EXHIBIT "A" TO THIS DISCLOSURE STATEMENT. AS NOTED ABOVE, ALL CAPITALIZED TERMS USED HEREIN AND NOT OTHERWISE DEFINED IN THE BANKRUPTCY CODE HAVE THE MEANINGS ASSIGNED TO THEM IN THE PLAN, WHICH IS ATTACHED AS EXHIBIT "A."

WDI

A. Classification and Treatment of Claims and Interests

1. **Class 1: Allowed Secured Claims of Ad Valorem Taxing Authorities and Tax Ease, Inc.** Class 1 shall consist of subclasses of holders of Secured Claims as to ad valorem property taxes with regard to WDI's real property and/or business personal property. Claims listed as Disputed per Section 8.02 of the Plan are subject to proceedings under Section 505 of the Code. The Allowed Secured Claims of Ad Valorem Taxing Authorities and Tax Ease will retain their lien and lien priority as provided under otherwise applicable state law or as modified by their contract, will be entitled to accrue interest per applicable state law or contractual provision and will be paid the balance of their Allowed Secured Claim which relates to each parcel of property upon the sale of each specific parcel, as each such parcel is sold by the applicable Debtor. Each county, city or governmental unit which is entitled to levy, assess and collect ad valorem taxes, as well as Tax Ease, Inc., will be treated as a separate subclass of Class 1. Each sub class is impaired.

- a. Rockwall County Taxing Authorities;
- b. Rockwall CAD;
- c. Collin County; and
- d. Tax Ease, Inc.

2. **Class 2: Allowed Secured Claim of 1st International Bank.** Class 2 shall consist of the Allowed Secured Claim of 1st International Bank. As of the filing of the Plan, 1st International Bank is generally secured by: a) One (1) Estate Lot /Hills of Buffalo Creek development, located in Heath, Texas; b) Twenty six (26) Golf Course lots in Buffalo Creek development (phases 10 and 11), located in Heath, Texas; c) One (1) Golf Course Lot [17 Falcon View] located in Heath, Texas; and d) One (1) Spec House [15 Falcon View] located in Heath, Texas. The Allowed Secured Claim of 1st International Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of

the Petition Date and will be paid from the sale of the specific lots or tracts which constitute 1st International Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures 1st International Bank's Allowed Secured Claim; provided, however, that WDI has the right to exercise the Push-Back Option, and 1st International Bank has the right to exercise the Take-Back Option with regard to the following properties: a) One (1) Estate Lot /Hills of Buffalo Creek development, located in Heath, Texas; b) One (1) Golf Course Lot [17 Falcon View] located in Heath, Texas; and c) One (1) Spec House [15 Falcon View] located in Heath, Texas. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, 1st International's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – 1st International in order for the Allowed Secured Claim of 1st International Bank to be resolved. This class is impaired.

3. Class 3: Allowed Secured Claim of Alliance Bank. Class 3 shall consist of Allowed Secured Claim of Alliance Bank. As of the filing of the Plan, Alliance Bank is generally secured by ten (10) commercial lots, "Cobblestone Commercial, Phase 2", located in Heath, Texas. The Allowed Secured Claim of Alliance Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Alliance Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Alliance Bank's Allowed Secured Claim; provided, however, that WDI has the right to exercise the Push-Back Option, and Alliance Bank has the right to exercise the Take-Back Option with regard to the following properties; a) ten (10) commercial lots, "Cobblestone Commercial, Phase 2" located in Heath, Texas; and b) 83 Single Family Lots Hidden Creek Estates Phase 2, in Royse City TX. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Alliance's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Alliance in order for the Allowed Secured Claim of Alliance Bank to be resolved. This class is impaired.

4. Class 4: Asserted Secured Claim of BB&T. Class 4 shall consist of asserted Secured Claims of BB&T. As of the filing of the Plan, BBT's asserted secured claim is generally secured by Seventy (70) Single Family Lots in Hidden Creek Estates, Phase 2, Royce City, Texas. The Asserted Secured Claim of BBT is subject to an objection and an adversary proceeding regarding approximately fifteen (15) platted commercial lots in Rockwall, Texas known as the "Alliance Addition" asserting, among other things, that BBT is the recipient/beneficiary of an avoidable transfer under Sections 547 and 550 of the Bankruptcy

Code with regard to the transfer of the Alliance Addition. If, however, the litigation against BBT is determined or otherwise resolved and BBT's resulting claim becomes allowed, then and only then will the following control: The subsequently determined Allowed Secured Claim of BBT will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute BBT's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures BBT's Allowed Secured Claim; provided, however, that WDI has the right to exercise the Push-Back Option, and BBT has the right to exercise the Take-Back Option with regard to the following property: Seventy (70) Single Family Lots in Hidden Creek Estates, Phase 2, Royce City, Texas. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, BBT's subsequently Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – BBT in order for the subsequently Allowed Secured Claim of BBT to be resolved. Any unsecured claim which results on account of the resolution of the litigation between the WDI and BBT shall be treated as a Class 14 Allowed General Unsecured Claim. This class is impaired.

5. Class 5: Allowed Secured Claim of Community Bank. Class 5 shall consist of Allowed Secured Claims of Community Bank. As of the filing of the Plan, Community Bank is generally secured by two (2) Patio Home lots in The Enclave of Buffalo Creek, Heath, Texas. The Allowed Secured Claim of Community Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Community Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Community Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Community's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Community in order for the Allowed Secured Claim of Community Bank to be resolved. This class is impaired.

6. Class 6: Allowed Secured Claim of Jefferson Bank. Class 6 shall consist of Allowed Secured Claims of Jefferson Bank. As of the filing of the Plan, Jefferson Bank is generally secured by: a) the balance of nineteen (19) [as of the filing of the Plan a total of ten (10)] single family lots at Buffalo Creek Tennis Village, Heath Texas, as well as certain rights which the Debtor has secured with regard to their sale by means of the order approving the sale of such lots, over time, to Altura Builders, LLC ; and b) sixteen (16) golf course lots in Buffalo

Creek Country Club Estates, Heath, Texas. The Allowed Secured Claim of Jefferson Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Jefferson Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Jefferson Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Jefferson's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Jefferson in order for the Allowed Secured Claim of Jefferson Bank to be resolved. This class is impaired.

7. Class 7: Allowed Secured Claim of Lakeside National Bank. Class 7 shall consist of Allowed Secured Claims of Lakeside National Bank. As of the filing of the Plan, Lakeside National Bank is generally secured by: a) five (5) Single Family lots in Hidden Creek Estates, Royce City, Texas; and b) One (1) Single Family Lot – Tubbs Road – Rockwall, Texas. The Allowed Secured Claim of Lakeside National Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Lakeside National Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Lakeside National Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Lakeside National's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Lakeside National in order for the Allowed Secured Claim of Lakeside National Bank to be resolved. This class is impaired.

8. Class 8: Allowed Secured Claim of Synergy Bank. Class 8 shall consist of Allowed Secured Claims of Synergy Bank. As of the filing of the Plan, Synergy Bank is generally secured by: a) one and one half (1.5) acres at the corner of Horizon and FM 549 in Rockwall, Texas, and b) One (1) Single Family House at 809 Hubbard Dr., Rockwall, Texas. The Allowed Secured Claim of Synergy Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Synergy Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Synergy Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then

Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Synergy's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Synergy in order for the Allowed Secured Claim of Synergy Bank to be resolved. This class is impaired.

9. Class 9: Allowed Secured Claim of Tony Seely. Class 9 shall consist of Allowed Secured Claims of Tony Seely. As of the filing of the Plan, Tony Seely is generally secured by a second lien on One (1) Single Family House at 809 Hubbard Dr., Rockwall, Texas. The Allowed Secured Claim of Tony Seely will be paid pursuant to the Global Single Lot/Tract Plan Treatment and shall retain his lien and lien priority and Credit Bid Rights with regard to the collateral as of the Petition Date and will be paid from the sale of the tract which constitutes Tony Seely's collateral base. Tony Seely's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Tony Seely in order for the Allowed Secured Claim of Tony Seely to be resolved. This class is impaired.

10. Class 10: Allowed Secured Claim of Glen Whaley. Class 10 shall consist of Allowed Secured Claims of Glen Whaley. As of the filing of the Plan, Glen Whaley is generally secured by Two Hundred (200) acres of undeveloped land in Heath, Texas. The Allowed Secured Claim of Glen Whaley will be paid pursuant to the Global Single Lot/Tract Plan Treatment and shall retain his lien and lien priority and Credit Bid Rights with regard to the collateral as of the Petition Date and will be paid from the sale of the tract which constitutes Glen Whaley's collateral base. Glen Whaley's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Glen Whaley in order for the Allowed Secured Claim of Glen Whaley to be resolved. This class is impaired.

11. Class 11: Allowed Secured Claim of Lee Groves. Class 11 shall consist of Allowed Secured Claims of Lee Groves. As of the filing of the Plan, Lee Groves is generally secured by thirteen (13) Single Family homes and lots in Royce City, Texas. The Allowed Secured Claim of Lee Groves will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain his lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Lee Groves' collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Lee Groves' Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Lee Groves' Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Lee Groves in order for the Allowed Secured Claim of Lee Groves to be resolved. This class is impaired.

12. Class 12: Allowed Secured Claim of City Bank Texas. Class 12 shall consist of Allowed Secured Claims of City Bank Texas. The Allowed Secured Claim of City Bank Texas (which does not include any claims acquired by City Bank post petition) shall retain its

lien and lien priority as against the City Bank CSA Collateral-WDI with regard to the City Bank CSA Debt –WDI.

The Hotel Guaranty Obligation

The Hotel Guaranty portion of the City Bank CSA Debt – WDI will be converted from a guaranty of payment to a guaranty of collection. The effect of the conversion of the Hotel Guaranty portion of the City Bank CSA Debt – WDI, to a guaranty of collection will be to postpone any right to foreclosure upon any of the accounts or other assets which constitute the City Bank CSA Collateral until after City Bank has failed to collect sufficient funds from the maker on the debt which generated the Hotel Guaranty portion of the City Bank CSA Debt – WDI. Nonetheless, City Bank shall be deemed to be, on the Plan Closing Date, in possession, per Texas Business and Commerce Code § 9-609, of the accounts which comprise a portion of the City Bank CSA Collateral-WDI. If the portion of the City Bank CSA Debt – WDI which is generated by the Hotel Guaranty, is otherwise paid, then the accounts and other collateral which constitutes the City Bank CSA Collateral-WDI (but not the *in rem* collateral) shall be released to WDI. Notwithstanding the above, City Bank Texas will allow the conversion by the holders of the Class 13 Allowed General Unsecured Claims of Insiders and Affiliates (MBD) and the conversion by the holders of the Class 15 Allowed General Unsecured Claims of Insiders and Affiliates (WDI) to the New Equity Securities of WDI and New Equity Securities of MBD, with City Bank's lien's attaching to what is being received on account of the accounts and other assets which constitute the City Bank CSA Collateral – WDI. City Bank, on account of the City Bank/HGYC CSA and CULS MSA, and in exchange for the various options and protections afforded therein, including, *inter alia*, the City Bank Note Acquisition Option, shall waive any right that it may have to a distribution on its claims in either Class 14 Allowed General Unsecured Creditors (WDI), or Class 12 Allowed General Unsecured Creditors (MBD) [though City Bank will retain the right to vote \$20,000,000.00 of its Allowed Claims herein as a Class 14 Allowed General Unsecured Claim (WDI) and as a Class 12 Allowed General Unsecured Claim (MBD)].

The 2008 Hotel Note

As to the *in rem* portion of the City Bank CSA Collateral - WDI, there will be no obligation of WDI to service any portion of that obligation. The *in rem* portion, securing first the City Bank's Hotel Note 2008 and thereafter the Hotel Guaranty Obligation, has no specific due date or deadline.

With regard to such collateral securing City Bank's Hotel Note 2008 and the Hotel Guaranty Obligation (generally those subordinated liens with regard to certain of the lots located in the Buffalo Creek Tennis Village and Buffalo Country Club Estates) WDI shall be entitled to sell any specific lot or lots which serve as collateral for City Bank's Hotel

Note 2008 or the Hotel Guaranty Obligation, so long as WDI transfers \$10,000 from the proceeds of the sale of such lot(s). This class is impaired.

13. Class 13: Allowed Secured Claim of Lajoie Industries, LLC. Class 13 shall consist of Allowed Secured Claims of Lajoie Industries, LLC. As of the filing of the Plan, Lajoie Industries, LLC is generally secured by mechanics and materialmen's liens on 15 Falcon View, Heath, Texas. The Allowed Secured Claim of Lajoie Industries, LLC shall either: a) receive whatever sum, if any, may be paid from the sale of the collateral at issue to this Class; b) be entitled to credit bid per 11 U.S.C. §363(k) as incorporated under 11 U.S. C. §1129(b)(2)(A)(ii) and top or exceed the applicable Multi Lot/Tract Contract or Single Lot/Tract Contract which attempts to sell the underlying collateral; or c) elect to be treated as a Class 14 Allowed General Unsecured Creditor on its ballot.

14. Class 14: Asserted Secured Claim of JWS Rockwall. If allowed, the Asserted Secured Claim of JWS Rockwall will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute BBT's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures BBT's Allowed Secured Claim.

15. Class 15: Allowed General Unsecured Claims. Class 15 shall consist of the Allowed General Unsecured Claims which are not in Class 16. Each holder of an Allowed General Unsecured Claim of WDI, except for the CULS/TF-Harbor Allowed Claim, shall be entitled to an initial cash distribution equal to 5.2941176% of such holder's Allowed General Unsecured Claims on the Plan Distribution Date, as an initial distribution. The CULS/TF-Harbor Allowed Claim, in lieu of such initial distribution on the Plan Distribution Date, shall receive the applicable benefits detailed in the CULS MSA (made possible by the City Bank/HGYC CSA). Thereafter, each holder of an Allowed General Unsecured Claim of WDI shall be entitled to a pro-rata distribution of the proceeds received from the Unsecured Claims Note. Such pro-rata distribution of the proceeds of the Unsecured Claims Note shall be split between the holders of Allowed General Unsecured Claims of WDI (including the CULS/TF-Harbor Allowed Claim) and those of the holders of Allowed General Unsecured Claims of MBD (whether such amount is what is paid on account of the Unsecured Claims Note or the \$250,000.00 from the potential sale of the Unsecured Claims Note described in section 4.06(6), below). The treatment provided herein shall be in full satisfaction of the allowed claims in this class.

16. Class 16: Allowed General Unsecured Claims of Insiders and Affiliates. Class 16 shall consist of the Allowed General Unsecured Claims of Insiders and Affiliates. Allowed General Unsecured Claims of Insiders and Affiliates shall have their Allowed Claim converted into the New Equity Securities of WDI. Lien rights of any third party who, as of the Effective Date, has a perfected security interest in the electing Allowed Claim by and through its holder shall retain such liens on New Equity Securities of WDI, which are received in exchange

for such claims.

17. Class 17: Allowed Interests. The holders of Allowed Interests of WDI shall have their Equity Securities cancelled as of the Plan Closing Date.

B. Treatment of Unclassified Claims

MBD

A. Classification and Treatment of Claims and Interests

1. Class 1: Allowed Secured Claims of Ad Valorem Taxing Authorities. Class 1 shall consist of subclasses of holders of Secured Claims as to ad valorem property taxes with regard to MBD's real property and/or business personal property. The Allowed Secured Claims of Ad Valorem Taxing Authorities will retain their lien and lien priority as provided under otherwise applicable state law or as modified by their contract, will be entitled to accrue interest per applicable state law or contractual provision and will be paid the balance of their Allowed Secured Claim which relates to each parcel of property upon the sale of each specific parcel, as each such parcel is sold by the applicable Debtor. Each county, city or governmental unit which is entitled to levy, assess and collect ad valorem taxes will be treated as a separate subclass of Class 1. Each sub class is impaired.

- a. Rockwall County Taxing Authorities;
- b. Rockwall CAD;
- c. Collin County; and
- d. Community ISD.

2. Class 2: Allowed Secured Claim of Alliance Bank. Class 2 shall consist of the Allowed Secured Claim of Alliance Bank. As of the filing of the Plan, Alliance Bank is generally secured by seven (7) Single Family Lots in Chisholm Crossing, Rockwall, Texas. The Allowed Secured Claim of Alliance Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute 1st International Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Alliance Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Alliance's Allowed Secured Claim against MBD must be paid in full, with interest

at the Plan Rate – Alliance in order for the Allowed Secured Claim of Alliance Bank to be resolved. This class is impaired.

3. Class 3: Allowed Secured Claim of American National Bank. Class 3 shall consist of Allowed Secured Claim of American National Bank. As of the filing of the Plan, American National Bank is generally secured by a commercial tract located at 295 and I-30 in Rockwall, Texas. The Allowed Secured Claim of American National Bank will be paid pursuant to the Global Single Lot/Tract Plan Treatment and shall retain its lien and lien priority and Credit Bid Rights with regard to the collateral as of the Petition Date and will be paid from the sale of the tract which constitutes American National Bank's collateral base. American National Bank's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – American National Bank in order for the Allowed Secured Claim of American National Bank to be resolved. This class is impaired.

4. Class 4: Allowed Secured Claim of BBT. Class 4 shall consist of Allowed Secured Claims of the Allowed Secured Claim of BBT. As of the filing of the Plan, BBT is generally secured by Two hundred forty (240) acres of undeveloped land in Hidden Creek Estates, Royce City, Texas. The Asserted Secured Claim of BBT in the WDI case is subject to an objection and an adversary proceeding, asserting, among other things, that BBT is the recipient of transfer avoidable under Section 547 of the Bankruptcy Code. If, however, the litigation against BBT is determined or otherwise resolved and BBT's claim becomes allowed, then and only then will the following control: The Allowed Secured Claim of BBT will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute BBT's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures BBT's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Provided however, if: a) collateral securing the Allowed Secured Claim of BBT in the MBD stands as collateral for the Asserted Secured Claim of BBT in the WDI case; or b) if the Allowed Secured Claim in MBD is secured by collateral asserted to be securing the Asserted Secured Claim of BBT in the WDI case, then such provisions will be suspended until there is a determination as to the Allowed Secured Claim of BBT in the WDI case. Regardless of the applicability of payment streams and methodologies set forth herein, BBT's subsequently Allowed Secured Claim against BBT must be paid in full, with interest at the Plan Rate – BBT in order for the subsequently Allowed Secured Claim of BBT to be resolved. This class is impaired.

5. Class 5: Allowed Secured Claim of JWS Rockwall. Class 5 shall consist of Allowed Secured Claim of JWS Rockwall. As of the filing of the Plan, JWS Rockwall is generally secured by: a) One hundred seventy four (174) acre undeveloped tract in Chisholm Crossing Phase 4, Rockwall, Texas; b) lease rights, unearned insurance premiums, equipment, personal property deposits, defined general intangible contracts, accounts receivable, rights

associated but not limited to the described 174 acre tract (second contractual personal property lien priority based on [5/1/09 UCC-1]); and c) a second lien on sixteen (16) Buffalo Creek lots. The Allowed Secured Claim of JWS Rockwall will be paid pursuant to the Global Single Lot/Tract Plan Treatment and shall retain its lien and lien priority and Credit Bid Rights with regard to the collateral as of the Petition Date and will be paid from the sale of the tract which constitutes JWS Rockwall's collateral base.; provided, however, that MBD has the right to exercise the Push-Back Option, and JWS Rockwall has the right to exercise the Take-Back Option with regard to the following property: a) One hundred seventy four (174) acre undeveloped tract in Chisholm Crossing Phase 4, Rockwall, Texas. If JWS Rockwall exercises the Take-Back Option, its claim against MBD shall be satisfied in full, and JWS Rockwall's Class 14 Claim in WDI shall be allowed (compromising and resolving any and all Avoidance Actions which may exist) allowing such claims solely for the purpose of receiving \$10,000.00 per lot for each of the (16) Buffalo Creek Single Family Golf Course lots owned by WDI on which it asserts it has a second lien, upon payment of such amounts, JWS Rockwall's claim against WDI shall be satisfied in full. JWS Rockwall's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – JWS Rockwall in order for the Allowed Secured Claim of JWS Rockwall to be resolved. This class is impaired.

6. Class 6: Allowed Secured Claim of Lakeside National Bank. Class 6 shall consist of Allowed Secured Claim of Lakeside National Bank. As of the filing of the Plan, Lakeside National Bank is generally secured by: a) One (1) House and lot at 5702 Southern Cross, Rockwall, Texas; b) One (1) residential lot located at 1534 Hubbard, Heath, Texas; and c) One (1) Single Family lot, Chisholm Crossing, Rockwall, Texas. The Allowed Secured Claim of Lakeside National Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Lakeside National Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Lakeside National Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Lakeside National's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – Lakeside National in order for the Allowed Secured Claim of Lakeside National Bank to be resolved. This class is impaired.

7. Class 7: Allowed Secured Claim of Synergy Bank. Class 7 shall consist of Allowed Secured Claims of Synergy Bank. As of the filing of the Plan, Synergy Bank is generally secured by: a) Eighteen and 2/10th's acre of land, McClendon Chisholm, Texas; and b) Seven (7) Single Family lots in Hidden Creek Estates, Royce City, Texas. The Allowed Secured Claim of Synergy Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be

paid from the sale of the specific lots or tracts which constitute Synergy Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Synergy Bank's Allowed Secured Claim; provided, however, that WDI has the right to exercise the Push-Back Option, and Synergy Bank has the right to exercise the Take-Back Option with regard to the following properties; a) Eighteen and 2/10th's acre of land, McClendon Chisholm, Texas; and b) Seven (7) Single Family lots in Hidden Creek Estates, Royce City, Texas. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Synergy's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – Synergy in order for the Allowed Secured Claim of Synergy Bank to be resolved. This class is impaired.

8. Class 8: Allowed Secured Claim of Jefferson Bank. Class 8 shall consist of Allowed Secured Claims of Jefferson Bank. As of the filing of the Plan, Jefferson Bank is generally secured by a Thirteen and 9/10th's (13.9) acre commercial tract in McClendon Chisholm, Texas. The Allowed Secured Claim of Jefferson Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Jefferson Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Jefferson Bank's Allowed Secured Claim; provided, however, that MBD has the right to exercise the Push-Back Option, and Jefferson Bank has the right to exercise the Take-Back Option with regard to the following property: a Thirteen and 9/10th's (13.9) acre commercial tract in McClendon Chisholm, Texas. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Jefferson's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – Jefferson in order for the Allowed Secured Claim of Jefferson Bank to be resolved. This class is impaired.

9. Class 9: Allowed Secured Claim of Lee Groves. Class 9 shall consist of Allowed Secured Claims of Lee Groves. As of the filing of the Plan, Lee Groves is generally secured by Twenty (20) acre multi-family/commercial tract, Royce City, Texas. The Allowed Secured Claim of Lee Groves will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain his lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Lee Groves' collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Lee Grove's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does

not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Lee Groves' Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – Lee Groves in order for the Allowed Secured Claim of Lee Groves to be resolved. This class is impaired.

10. Class 10: Allowed Secured Claim of City Bank Texas. Class 10 shall consist of Allowed Secured Claims of City Bank Texas. The Allowed Claim of City Bank Texas (which does not include any claims acquired by City Bank post petition) shall retain its lien and lien priority as against the City Bank CSA Collateral-MBD with regard to the City Bank CSA Debt – MBD.

The Hotel Guaranty Obligation

The Hotel Guaranty portion of the City Bank CSA Debt – MBD will be converted from a guaranty of payment to a guaranty of collection. The effect of the conversion of the Hotel Guaranty portion of the City Bank CSA Debt – MBD, to a guaranty of collection will be to postpone any right foreclosure upon any of the personal property collateral which constitute the City Bank CSA Collateral until after City Bank has failed to collect sufficient funds from the maker on the debt which generated the Hotel Guaranty portion of the City Bank CSA Debt – MBD. Nonetheless, City Bank shall be deemed to be, on the Plan Closing Date, in possession, per Texas Business and Commerce Code § 9-609, of the accounts which comprise a portion of the City Bank CSA Collateral-MBD. If, the portion of the City Bank CSA Debt – MBD which is generated by the Hotel Guaranty, is otherwise paid, then the accounts and other collateral which constitutes the City Bank CSA Collateral-MBD shall be released to MBD. Notwithstanding the above, City Bank Texas will allow the conversion by the holders of the Class 13 Allowed General Unsecured Claims of Insiders and Affiliates (MBD) and the conversion by the holders of the Class 15 Allowed General Unsecured Claims of Insiders and Affiliates (WDI) to the New Equity Securities of WDI and New Equity Securities of MBD, with City Bank's lien's attaching to what is being received on account of the accounts and other assets which constitute the City Bank CSA Collateral – MBD. City Bank Texas, on account of the City Bank CSA and CULS MSA, and in exchange for the various options and protections afforded to it in those agreements including, inter alia, the City Bank Note Acquisition Option, shall waive any right that it may have to a distribution on the unsecured portion of any of its claims in either Class 14 Allowed General Unsecured Creditors (WDI), or Class 12 Allowed General Unsecured Creditors (MBD) [though City Bank will retain the right to vote \$20,000,000.00 of its Allowed Claims herein as a Class 14 Allowed General Unsecured Claim (WDI) and as a Class 12 Allowed General Unsecured Claim (MBD)].

The 2008 Hotel Note

The 2008 Hotel Note, as to MBD, is wholly unsecured. Pursuant to the City

Bank/HGYC CSA and the CULS MSA, City Bank is not entitled to any distribution on this claim. However, City Bank retains the right to vote the amount of the claim (approximately \$300,000) as part of those agreements. , This class is impaired.

11. Class 11: Allowed Secured Claim of United Texas Bank. Class 11 shall consist of Allowed Secured Claims of United Texas Bank. The Allowed Secured Claim of United Texas Bank has been acquired by City Bank. The treatment of the acquired Allowed Secured Claim shall be resolved as a part of the requirements of the City Bank/HGYC CSA, which resolution enables the Debtor to complete the requirements of the CULS MSA. MBD, on account of the implementation of the City Bank/HGYC CSA and the CULS MSA, shall not be obligated to make any payment to the holder of the Allowed Secured Claim of United Texas Bank on account of such claim insofar as the Parking Lot Property. The Shopping Parking Tract and Hotel Parking Tact are to be transferred as required by the CULS MSA as described in section 4.06, below. The Shopping Parking Tract is valued at \$225,000.00, and the Hotel Parking Tact is valued at \$150,000.00. With regard to the pad site not otherwise within the boundaries of the Parking Lot Property, the holder of the Secured Claim of United Texas Bank shall have a non recourse lien against the pad site in the amount of \$375,000.00 which shall accrue interest but not require interest payments. If MBD does not close a sale of the pad site, which is acceptable to the holder of the Allowed Secured Claim of United Texas Bank, by the one year anniversary of the Plan Closing Date, then such holder may, pursuant to otherwise applicable state law, foreclose upon the non recourse lien on the pad site. Any excess funds generated by the sale of the pad site shall be utilized for Joint Operations. This class is impaired..

12. Class 12: Allowed General Unsecured Claims. Class 12 shall consist of the Allowed General Unsecured Claims who are not Class 13 Unsecured Claims. Each holder of an Allowed General Unsecured Claim of MBD shall be entitled to an initial cash distribution equal to 5.2941176% of such holder's Allowed General Unsecured Claims on the Plan Distribution Date, as an initial distribution. Thereafter, each holder of an Allowed General Unsecured Claim of MBD shall be entitled to a pro-rata distribution of the proceeds received from the Unsecured Claims Note. Such pro-rata distribution of the proceeds of the Unsecured Claims Note shall be split between the holders of Allowed General Unsecured Claims of WDI (including the CULS/TF-Harbor Allowed Claim) and those of the holders of Allowed General Unsecured Claims of MBD (whether such amount is what is paid on account of the Unsecured Claims Note or the \$250,000.00 from the potential sale of the Unsecured Claims Note described in section 4.06(6), below). The treatment provided herein shall be in full satisfaction of the allowed claims in this class. This class is impaired.

13. Class 13: Allowed General Unsecured Claims of Insiders and Affiliates. Class 13 shall consist of the Allowed General Unsecured Claims of Insiders and Affiliates. Those claims generally are: a) Fox Chase Development - \$262,733.95; b) Mariah Bay Leasing, Inc. - \$3,343,925; and c) Robert S. Whittle - \$8,223,713.85². Allowed Class 13 Allowed General Unsecured Claims of Insiders and Affiliates shall have their Allowed Claim converted into the

² Fox Chase and Robert Whittle are otherwise independently contractually subject to liens securing various claims of City Bank Texas.

New Equity Securities of MBD. Lien rights of any third party who, as of the Effective Date, has a perfected security interest in the electing Allowed Claim by and through its holder shall retain such liens on New Equity Securities of MBD, which are received in exchange for such claims. This class is impaired.

14. Class 14: Allowed Interests. Class 14 shall consist of the holder of Allowed Interests of MBD. The holders of Allowed Interests of MBD shall have their Equity Securities cancelled as of the Plan Closing Date.

B. Treatment of Unclassified Claims

1. Title 28 U.S.C. Section 1930 Fees. All fees required pursuant to 28 U.S.C. Section 1930 shall, if not previously paid in full, be paid in cash as and when those fees are normally due, by each of the Debtors from their post petition cash flow.

2. Allowed Administrative Expense Claims of Professionals. Each holder of an Allowed Administrative Expense Claim of Professionals, if not previously paid in full pursuant to a Final Order of the Bankruptcy Court, shall receive Cash equal to the unpaid amount of such Allowed Administrative Expense Claim from proceeds of sales of each of the Debtors real property holdings on the first business day after an Order is entered regarding such Allowed Administrative Expense Claim. All Administrative Expense Claims of Professionals for work performed through the Plan Closing Date shall be filed with the Court within thirty (30) days of the Plan Closing Date or be barred.

3. Allowed Administrative Expense Claims Incurred in a Debtor's Ordinary Course of Business. Each holder of an Allowed Administrative Expense Claim Incurred in a Debtor's Ordinary Course of Business shall be paid in accordance with the customary terms and conditions of said vendor in its dealings with the applicable Debtor, without any further Court order.

4. Allowed Unsecured Priority Claims of Taxing Authorities. Each holder of an Allowed Unsecured Priority Claim of Taxing Authorities shall be paid in full either on (1) the Plan Closing Date; or (2) in equal quarterly installments commencing on the Initial Plan Distribution Date with the final payment to be made on the third anniversary of the Initial Plan Distribution Date.

C. Key Definitions and Implementation of the Plan

Key Defined Terms

1. Credit Bid Rights shall mean the retention by holders of Allowed Secured Claims to credit bid afforded to them under section 363(k) of the Bankruptcy Code as to any specific sale of their collateral which may occur during operation of the Plan on account of the Global Single Lot /Tract Plan Treatment or the Global Multi-Lot /Tract Plan Treatment, as may be applicable to such sale. Any such holder electing to credit bid must, at a minimum, credit bid the amount that

would be allocated from any particular sale to pay down their lien on the property in question, as well as any then due *ad valorem* taxes due, as well as the amount which may be due to the holders of contractual secured claims with a higher priority; such holders are not required to credit bid the amount from any particular sale that would be allocated to make-ready requirements of the proposed purchaser or to pay commissions on the proposed sale.

2. Global Multi Lot/Tract Plan Treatment shall mean the baseline Plan treatment afforded to each Allowed Secured Creditor whose security consists of multiple lots or tracts of real property. The Global Multi Lot/Tract Plan Treatment, as applied to certain Allowed Secured Creditors may be modified as specifically set forth in their treatment provisions detailed in the applicable Article III recitation. The Global Multi Lot/Tract Plan Treatment is as follows:

- (a) If, as of the Confirmation Hearing, the applicable Debtor has entered into a Multi Lot Sales Contract, then from and after the initial closing of such Multi Lot Sales Contract, the specific secured claim associated with such lots/tracts to be sold, shall not require, nor be entitled to, any Retention Funding. However, interest at the Plan Rate – (Applicable Entity), will continue to accrue as to the whole of the specific secured claim involved and such interest accrued will be required to be paid from the proceeds of the each sub closing which occur on account of the Multi Lot Sales Contract, in addition to the Lot/Strike Price which is otherwise due from such closing;
- (b) If, after the Confirmation Hearing, the applicable Debtor enters into a Multi Lot Sales Contract, then from and after the initial closing of such Multi Lot Sales Contract, the specific secured claim associated with such lots/tracts to be sold thereafter per the Multi Lot Sales Contract, shall not require, nor be entitled to, any Retention Funding which would otherwise accrue after the execution of such Multi Lot Sales Contract. However, interest at the Plan Rate – (Applicable Entity), will continue to accrue as to the whole of the specific secured claim involved and such interest accrued will be required to be paid from the proceeds of the each sub closing which occur on account of the Multi Lot Sales Contract, in addition to the Lot/Strike Price which is otherwise due from such closing;
- (c) If, collateral which secures a specific secured claim is not, either per the pre-petition documentation securing the transaction, or by virtue of the tract or lot not being conducive to being sold in multiple lots/tracts per the Lot/Strike Price Formula, then the specific secured debt, plus any interest or fees not paid from Retention Funding, shall be paid from the proceeds of the sale of such tract or lot;
- (d) If neither (a) or (b) are applicable or if (c) is applicable as to a specific secured claim associated with specific lots/tracts on the Plan Closing Date, then the applicable allowed secured creditor shall be entitled to Retention Funding at the Plan Rate – (Applicable Entity), during the Initial Retention Funding Period;

- (e) Any Multi Lot Sales Contract or Single Tract Sales Contract which is entered into after the Confirmation Hearing, shall have the effect of: (i) lowering the Retention Funding otherwise due so that only lots/tracts which are not subject to a Multi Lot Sales Contract or Single Tract Sales Contract will be included in determining the subsequent amount of the Retention Funding obligation; and (ii) for every reduction of ten percent (10%) in the pre-petition amount of the applicable allowed secured claim as to the applicable Debtor which is generated by any closings on account of the Multi Lot Sales Contract(s) or Single Tract Sales Contract(s), the Initial Retention Funding Period shall be extended by three (3) periods, on account of each such closing;
- (f) Only if the applicable allowed secured creditor is entitled to cross collateralization rights as to its secured claims herein, solely against one of the Debtors on account of its pre-petition deeds of trust(s) and has no right of cross collateralization as to secured claims which the applicable allowed secured creditor has as against the other Debtor, then such cross collateralization rights shall be suspended and will be of no force or effect so long as: (i) the applicable Debtor is in compliance with its Retention Funding obligations as to the applicable allowed secured creditor, as they may be modified or extended per these Plan provisions; and (ii) the Lot Strike Price Formula, as applied to all of the specific lots/tracts with which are not the subject of a then existing Multi Lot Sales Contract or a Single Tract Sales Contract, shows that the applicable allowed secured creditor is not Adequately Protected, then the Lot/Strike Price Formula as to those specific lots/tracts shall be adjusted so that any subsequent sale will leave those remaining lots/tracts in compliance with the Lot/Strike Price Formula;
- (g) Only if the applicable allowed secured creditor is entitled to cross collateralization rights as to its secured claims herein against one Debtor on account of its pre-petition deeds of trust(s) and rights regarding cross collateralization exists as to secured claims which the applicable allowed secured creditor has as against the other Debtor, then such cross entity cross collateralization rights shall be suspended and will be of no force or effect so long as: (i) WDI and MBD are both in compliance with their respective Retention Funding obligations as to the applicable allowed secured creditor, as they may be modified or extended per these Plan provisions; (ii) the Lot Strike Price Formula, as applied to all of the specific lots/tracts of both WDI and MBD combined, which are not the subject of a then existing Multi Lot Sales Contract or a Single Tract Sales Contract, shows that the applicable allowed secured creditor is not Adequately Protected, then the Lot/Strike Price Formula as to those specific lots/tracts shall be adjusted so that any subsequent sale will leave those remaining lots/tracts in compliance with the Lot/Strike Price Formula;
- (h) If the applicable Debtor fails to meet its payment requirements with regard to Retention Funding during its Initial Retention Funding Period, as it may be extended where applicable, as to a specific Allowed Secured Claim and the

Debtor continues to fail to meet that payment requirement after 5 business days written/e-mail notice of such failure, then such holder of the applicable Allowed Secured Claim shall be entitled to exercise its otherwise applicable state law or contractual remedies, unimpeded by any of the terms of this Plan in order to realize the indubitable equivalent of their Allowed Secured Claim; and

- (i) If the applicable Debtor has not, as of the terminating date of the Initial Retention Funding Period, as it may be extended per the Plan, secured the execution of a Multi Lot/Tract Contract, then such holder of the applicable Allowed Secured Claim shall be entitled to exercise its otherwise applicable state law or contractual remedies, unimpeded by any of the terms of this Plan in order to realize the indubitable equivalent of their Allowed Secured Claim.

3. Global Single Lot /Tract Plan Treatment shall mean the baseline Plan treatment afforded to each Allowed Secured Creditor whose security consists of a single lot or tract of real property. The Global Single Lot/Tract Plan Treatment, as applied to certain Allowed Secured Creditors may be modified as specifically set forth in their treatment provisions detailed in the applicable Article III recitation. The Global Single Lot/Tract Plan Treatment is as follows:

- (a) If, as of the Confirmation Hearing, the applicable Debtor has entered into a Single Lot Sales Contract, then from and after the initial closing of such Single Lot Sales Contract, the specific secured claim associated with such lot/tract to be sold, shall not require, nor be entitled to, any Retention Funding. However, interest at the Plan Rate – (Applicable Entity), will continue to accrue as to the whole of the specific secured claim involved and such interest accrued will be required to be paid from the proceeds of the closing which occur on account of the Single Lot Sales Contract closing;
- (b) If, after the Confirmation Hearing, the applicable Debtor enters into a Single Lot Sales Contract, then on account of such Single Lot Sales Contract, the applicable Debtor shall not be required, nor shall the applicable secured creditor be entitled to, any Retention Funding which would otherwise accrue after the execution of such Single Lot Sales Contract. However, interest at the Plan Rate – (Applicable Entity), will continue to accrue as to the whole of the specific secured claim involved and such interest accrued will be required to be paid from the proceeds of the closing of the Single Lot Sales Contract;
- (c) If neither (a) or (b) are applicable as to a specific secured claim associated with a specific lot/tract on the Plan Closing Date, then the applicable allowed secured creditor shall be entitled to Retention Funding at the Plan Rate – (Applicable Entity), during the Initial Retention Funding Period;
- (d) If the Single Lot/Tract, by virtue of its size, is subject to being subdivided or sold in smaller units or parcels, without the need for securing any zoning or other specific governmental authority to sell such Single Lot/Tract in smaller units or

parcels, then such Single Lot/Tract will be subject to application of the Lot Strike Price Formula and as a result, by virtue of the applicable Debtor's election, to be filed of record in the Case and specifically noticed to the holder of the applicable allowed secured claim, at least ten (10) business days prior to the Confirmation Hearing, treat such Single Lot/Tract in the same manner as if it were initially a Global Multi Lot/Tract;

- (e) If the applicable Debtor fails to meet its payment requirements with regard to Retention Funding during its Initial Retention Funding Period, as it may be extended where applicable, as to a specific Allowed Secured Claim and the Debtor continues to fail to meet that payment requirement after 5 business days written/e-mail notice of such failure, then such holder of the applicable Allowed Secured Claim shall be entitled to exercise its otherwise applicable state law or contractual remedies, unimpeded by any of the terms of this Plan in order to realize the indubitable equivalent of their Allowed Secured Claim; and
- (f) If the applicable Debtor has not, as of the terminating date of the Initial Retention Funding Period, as it may be extended per the Plan, secured the execution of a Single Lot/Tract Contract, then such holder of the applicable Allowed Secured Claim shall be entitled to exercise its otherwise applicable state law or contractual remedies, unimpeded by any of the terms of this Plan in order to realize the indubitable equivalent of their Allowed Secured Claim.

4. Initial Retention Funding Period shall mean that period of time starting on the 45th day after the Plan Closing Date as to the allowed amount of a specific secured claim, which will thereafter be due on or before the next business day which is 30 days afterwards, for up to a period of twelve additional subsequent 30 day periods [for a total of thirteen (13) periods].

5. Lot/Tract Strike Price shall mean any per lot or per tract strike or release price provided for in the last filed deed of trust with regard to a specific first contractual priority Allowed Secured Claim. Any second contractual priority Allowed Secured Claim which states a per lot or per tract release price will have such provisions suspended until the applicable first contractual priority Allowed Secured Claim is paid in full and then, at such time, the second contractual priority Allowed Secured Claim strike of release price shall become applicable. At all times, any contractual Lot/Tract Strike Price shall be subject to revision per the Lot/Strike Price Formula, if the application of the Lot/Strike Price Formula would reduce the strike or release price provided in an applicable deed of trust or other applicable pre-petition document which an applicable Debtor would have been required to abide by pre-petition.

6. Lot/Tract Strike Price Formula shall mean the formula for determining a per lot or per tract release price, where feasible, with regard to the collateral held by any first contractual priority Allowed Secured Claim or any inferior contractual priority Allowed Secured Claim which, by virtue of the sale of such properties, becomes a first contractual priority Allowed Secured Claim. The Lot/Tract Strike Price Formula will be applied to each Allowed Secured Claim which is specifically stated in the Plan as being subject to the Global Multi Lot/Tract Plan

Treatment or which may become subject to the Global Multi Lot/Tract Plan Treatment per the terms of the Global Single Lot/Tract Plan Treatment. The Lot/Tract Strike Price Formula shall utilize the same specific ratio of the amount of the claim of the Allowed Secured Creditor to the specific Debtor's stated valuation of each specific tract(s)/lot(s) involved, without the averaging as would occur in determining the Plan Rate – (Applicable Entity). The specific application of the Lot/Tract Strike Price Formula as to each applicable tract(s)/lot(s) and the resulting per tract/lot release price is set forth in Plan Exhibit 1.45. The application of the Lot/Tract Strike Price Formula, in conjunction with the execution of a Multi Lot Sale Contract, may not be utilized to: a) land lock the remaining portions of the holder of an Allowed Secured Claim's collateral; b) enable the applicable Debtor to attach values to lots or tracts which are substantially dissimilar or subject to flood plain or other developmental restrictions; or c) to burden less valuable lots with an excessive remaining claim amount by virtue of serial sales. Variations in per lot amounts, within a Multi Lot Sales Contract maybe utilized to achieve the per lot price described in Plan Exhibit 1.45 as an average price.

7. **Plan Rate - (Applicable Entity)** shall mean the rate of interest which an applicable Debtor is required to pay an applicable Allowed Secured Creditor per the terms of the Plan as applied to a specific Allowed Secured Creditor. The Plan Rate – (Applicable Entity) shall be a function of the average of the sum of the ratio(s) of the amount of the claim of the Allowed Secured Creditor to the specific Debtor's stated valuation of each specific tract, where the Allowed Secured Creditor is secured by multiple tracts or lots. If the Allowed Secured Creditor has an Allowed Claim which is only secured by a specific tract, then, irrespective of any potential application of the Lot/Strike Price Formula per the terms of the Plan, then there will only be one ratio determination with regard to arriving at such Allowed Secured Creditor's Plan Rate. The Plan Rate – (Applicable Entity) for each of the Allowed or Asserted Secured Creditor, with the applicable calculations, is set forth on Plan Exhibit 1.52.

8. **Push-Back Option** shall mean the option vested in the Debtor that owns the collateral in question, to forfeit to the secured creditor that holds a senior secured lien on a specific piece of collateral, such collateral in full satisfaction as the indubitable equivalence of that creditor's claim that is primarily³ secured by the forfeited collateral. The Debtors may exercise the Push-Back Option at any time between the Effective Date and September 25, 2011 by sending written notice to the affected secured creditor. If the Debtors do not exercise the Push-Back Option by September 25, 2011, it shall expire. Any collateral as to which a Debtor exercises the Push-Back Option shall be applied against allowed claim held by the creditor at amount the Debtor listed on schedule D of such Debtor. Any creditor that is the subject of an exercised Push-Back Option shall have the choice to: (a) record a deed in lieu of foreclosure (which the Debtor must execute and supply in a form acceptable to the secured creditor); or (b) post the subject property for foreclosure at the next available foreclosure sale following the date on which the Debtor gave notice to the creditor of its intent to exercise the Push-Back Option. If

³ For creditors that have cross-collateralization and/or cross-entity cross-collateralization rights, the "claim that is primarily secured by the forfeited collateral" is the claim based on the loan which is secured on its face by the collateral in question, excluding any cross-collateralization and/or cross-entity cross-collateralization rights.

a creditor does not make a choice between the above options, the Debtor will deliver a deed in lieu of foreclosure to the creditor on or before October 5, 2011. The exercise of the Push-Back Option does not impair or affect the allowed secured claims of Ad Valorem Taxing Authorities and Tax Ease.

9. **Take-Back Option** shall mean the option of a creditor to take specific collateral in full satisfaction of its claim that is primarily⁴ secured by such collateral. Any creditor that exercises the Take-Back Option shall release the personal guarantee of Rob Whittle as to the loan that is primarily secured by the specific property that is the subject of the exercised Take-Back Option, and shall be barred from asserting or collecting on any claim of deficiency as to the collateral that is taken back. A creditor is only entitled to exercise the Take-Back Option if it votes in favor of the Plan. A creditor may exercise the Take-Back Option by either: (a) checking the box on its ballot stating that it is exercising the Take-Back Option; or (b) giving the affected Debtor notice in writing that it exercising the Take-Back Option. A creditor that desires to exercise the Take-Back Option must do so by September 25, 2011. If a creditor does not exercise the Take-Back Option by September 25, 2011, it shall expire; additionally, the Take-Back Option automatically and immediately expires when a property subject to the Tack-Back Option becomes subject to a multi-lot sales contract or other sales contract prior to such exercise. Any creditor that exercises the Take-Back Option shall have the choice to: (a) record a deed in lieu of foreclosure (which the Debtor must execute and supply in a form acceptable to the secured creditor); or (b) post the subject property for foreclosure at the next available foreclosure sale following the date on which the creditor gave notice to the Debtor of its intent to exercise the Take-Back Option. If a creditor that has exercised the Take-Back Option does not make a choice between the above choices, the Debtor will deliver a deed in lieu of foreclosure to the creditor on or before October 5, 2011. The exercise of the Take-Back Option does not impair or affect the allowed secured claims of Ad Valorem Taxing Authorities and Tax Ease.

Plan Implementation

Joint Operations

8. **Post Confirmation – Joint Operations (Rationale)**. Historically, the operational requirements with regard to WDI and MBD's buying and selling of their respective portfolios of real property, some portions of which were undeveloped, while other portions had varying degrees of developmental infrastructure, were paid for from what ever source of cash flow that MBD or WDI, as well as the previously operated Mariah Bay Leasing, Inc., could generate. Intercompany accounts, while they were kept, were limited to significant transactions between entities. Loans between insider and affiliate entities were documented and accounted for on such a basis. But operational expenses, rent, electricity, salaries, outside vendor services, especially with regard to the maintenance and upkeep and preparation of the various properties for sale,

⁴ For creditors that have cross-collateralization and/or cross-entity cross-collateralization rights, the "claim that is primarily secured by the forfeited collateral" is the claim based on the loan which is secured on its face by the collateral in question, excluding any cross-collateralization and/or cross-entity cross-collateralization rights.

salaries for staff and contract labor, were paid from which ever of the two Debtors or other affiliates or insiders entities had funds which could be safely used. No attribution or allocation of such costs have ever been kept or accounted for as between WDI or MBD. The initial funds which both Debtors utilized to operate initially, post petition, were solely from a loan to WDI, though MBD, received benefit of the expenditure of those sums. Only the post petition Court authorized borrowings from City Bank, were sought to be allocated amongst the two estates. But such attribution and allocation, while formally desirous, is, in this instance a practical nightmare, requiring a disproportionate amount of effort in performing such allocations relative to the amount of funds which are required to do all the tasks necessary to sell the various lots and tracts in the different developments and locations

The Plan, in light of this past history and the difficulty, relative to the cost and effort, of allocating such expenses between these entities seeks to, on the one hand assure that the unsecured creditors of WDI and MBD each receive the benefits of the income earned from the sale and development of their respective real property holdings, while on the other hand assuring that day to day operations of the relatively small staff, spends its time and efforts in getting the portfolios of real property sold, as well as keeping those portfolios in good condition vis a vis the regulations and requirements of the local authorities where the real estate holdings are located.

As such the Plan provides for specific significant assets and more particularly their resulting net income, to remain segregated. Generally, the “equity” which each of the Debtors fervently believes will be available from a controlled and rational sale of these portfolios can be easily attributed to a specific Debtor, because, other than in instances where cross entity, cross collateralization would have otherwise affected the flow of funds, the “equity” goes to the entity who owns it. The Plan approaches these issues of a need to assure the vitality of operations which will enable each of the Debtor’s portfolios to be more properly marketed, developed and sold and the need to assure that creditors of each Debtor get treated fairly relative to the estates to which they have an Allowed Claim by contributing portions of each sale of real property (which is not otherwise specifically dedicated exclusively to the payment of unsecured creditors) for joint operations.

9. Post Confirmation Net Equity Allocations. 1.01 When any specific property which is not otherwise subject to a differing allocation, of either Debtor is sold, the Net Equity attributable to such sale, be it generated by a Single Lot Sales Contract or a Multi Lot Sales Contract, shall be split: a) until all Allowed Administrative Expense Claims of Professionals are paid in full: (i) 40% to fund joint operations of the Debtors; (ii) 30% to the payment of the unpaid Allowed Administrative Expense Claims of Professionals, if any; and (iii) 30% to Retention Funding Obligations (or held by each such Debtor for future Retention Funding Obligations) and b) upon full payment of all Allowed Administrative Expense Claims of Professionals, the ratios shall be permanently adjusted thereafter such that Net Equity will be applied (i) 45% to fund joint operations of the Debtors; and (ii) 55% to fund Retention Funding Obligations(or held by each such Debtor for future Retention Funding Obligations).

The Post Confirmation Net Equity Allocations described above are goals for the Debtors. If the Debtors are unable to pay ad valorem taxes on their property in full, or if they fall behind

on other payments required by this Plan, the Debtors may make reasonable adjustments to the Post Confirmation Net Equity Allocations described above.

Powers, Duties and Compensation of the Plan Agent

10. Powers and Duties of the Plan Agent. The Plan Agent is charged with the following tasks:

(a) Set up distribution matrices for each of the Debtors so that the holders of Allowed General Unsecured Claims in each case, whether Allowed or Disputed, will have their distributions under the Plan properly allocated and dispersed or held at interest until disbursement is authorized in accordance with the provisions of the Plan;

(b) Collect from HGYC the proceeds of the Unsecured Creditors Note or transfer the Unsecured Creditors Note if City Bank timely exercises and pays the \$250,000 consideration required per the City Bank Note Acquisition Option.

(c) Make distributions to Allowed General Unsecured Creditors in accordance with the terms of this Plan and as required by sections 3.18 and 3.32, and to make adjustments in allocations of funds amongst holders of Claims, whether Allowed or Disputed, as circumstances, such as allowance or resolution of disputed claims occurs or on account of a Pro Tanto Reduction, as contemplated by the Plan;

(d) To open accounts in the name of each Debtor in order to invest in U.S. Government backed securities, the amounts held as to any Claims which the Plan Agent is to otherwise make distributions or which are Disputed, until the disputes are resolved in accordance with applicable provisions of the Plan;

(e) To declare defaults under the Plan with regard to those specific aspects of the Plan which the Plan Agent is charged with monitoring and to enforce compliance of those obligations by the Debtors or HGYC on behalf of the respective Allowed General Unsecured Creditors.

(f) To hire professionals and to incur expenses in order to enforce each of the Debtor's or HGYC's obligations to the holders of Allowed General Unsecured Claims and to pay such expenses without approval by the Bankruptcy Court from the accounts which are set up pursuant to subpart (d) above.

(g) To ensure that all parties to the CULS MSA comply fully with their obligations thereunder, and to bring any action necessary to enforce compliance with the CULS MSA, including, but not limited to, the provisions of the CULS MSA that require re-platting of the Parking Lot Property.

(h) To the full benefit of, and to exercise all powers incident to, the jurisdiction retained by the Bankruptcy Court pursuant to Section 10.05 of this Plan, consistent with the Plan Agent's charge hereunder.

11. Compensation. The Plan Agent will be entitled to receive compensation for services rendered, on a monthly basis if possible, on the basis of an hourly rate of \$200 per hour for work performed discharging his duties, from the respective accounts set up according to the provisions of Plan Section 5.03(c) for work performed for a specific Debtor, without further order of the Bankruptcy Court.

12. Selection of Successor. In the event the Plan Agent resigns, is removed or is otherwise unable to serve, a successor shall be selected by a majority vote of the holders of Allowed General Unsecured Claim of both Debtors, CULS, City Bank and the Debtors.

Approval of the CULS MSA

13. Approval of the CULS MSA. The entry of the Confirmation Order constitutes an approval by the Court of the terms of the CULS MSA, as set forth below provided, however, that City Bank may terminate its participation in the CULS MSA for any reason or no reason by paying the sum of \$75,000.00 in good funds to TF-Harbor no later than 12:00 o'clock noon on August 4, 2011. Such funds must be received by 12 o'clock noon on August 4, 2011, or such termination will be ineffective. In the event that City Bank elects to terminate the CULS MSA, the Plan, as it incorporates the CULS MSA, shall be withdrawn. If City Bank does not elect to terminate the CULS MSA, then, if the terms of the Plan and those of the CULS MSA conflict, the terms of the Plan shall take precedence over those of the CULS MSA.

The justification for approval of the CULS MSA is set forth in **Exhibit C-13** to this Disclosure Statement.

The CULS MSA provides, and the Plan hereby incorporates, the following terms:

1. The parties to the CULS MSA, by virtue of the resolution of the Class 11 Allowed Secured Claims of United Texas Bank set forth in the City Bank/HGYC CSA shall take any and all actions and execute any and all documents necessary to cause the Shopping Parking Tract to be transferred free and clear of all liens and encumbrances to TF-Harbor (including the funding of all applicable then due ad valorem taxes), subject to the restrictions in section 1(b), below).
 - a. In order to facilitate such transfer, MBD shall have the Parking Lot Property re-platted into two separate parcels, the Shopping Parking Tract and the Hotel Parking Tract. MBD, by virtue of the entry of the Confirmation Order, appoints City Bank as its agent for such re-platting, with City Bank bearing all costs and expenses of such re-platting.
 - b. City Bank, pursuant to the City Bank/HGYC CSA, shall, as soon as practicable after entry of the Confirmation Order, file releases of all liens and encumbrances it has against the Shopping Parking Tract so that MBD can transfer the Shopping Parking Tract to TF Harbor, as noted above. If City Bank is unable to complete re-platting as described in section (1)

above, and pursuant to the terms of section (1)(c), below, then City Bank shall release any all other liens and encumbrances it has against the Hotel Parking Tract and provide any necessary funding to pay applicable ad valorem real property taxes to enable MBD to transfer the Hotel Parking Tract to TF-Harbor; provided, however, that RHCG, MBD, TF-Harbor and any other present beneficiary of an easement on the Parking Lot Property shall continue to receive the benefit of any mutual cross-easements and maintenance agreements relating to the Parking Lot Property.

- c. If the replatting described in section (1), above, is not completed by June 8, 2012, then at City Bank's sole option:
 - i. the period for replatting shall be extended to September 8, 2012, in exchange for City Bank's payment to TF-Harbor of \$25,000.00; or
 - ii. if the option described in section (1)(c)(i), above, is not exercised, and City Bank does not pay TF-Harbor \$25,000.00, then the Hotel Parking Tract shall be transferred to TF-Harbor free and clear of all liens and encumbrances, but subject to the easements and maintenance agreements set forth in section (2), below.
 - d. If City Bank elects to exercise the extension described in option (1)(c)(i), above, and the re-platting period is extended to September 8, 2012, but such re-platting is not completed by that date, then the Hotel Parking Tract shall be transferred by the applicable Debtor, to TF-Harbor free and clear of all liens and encumbrances which City Bank has acquired post petition, but subject to the easements and maintenance agreements set forth in section (2), below.
2. All parties to the CULS MSA shall execute and file documents in order to create, modify or clarify, as may be necessary, commercially reasonable mutual cross-easements and maintenance agreements affecting the Parking Lot Property, for the benefit RHCG, MBD, TF-Harbor and each of their successors, lien holders and assigns, as well as any other present beneficiary of easements on the Parking Lot Property.
 - a. TF-Harbor shall draft all such easements and maintenance agreements required by section (2), above, with such easements and maintenance agreements subject to the approval of City Bank, MBD and RHCG; such approval shall not be unreasonably withheld.
 3. Upon transfer to TF-Harbor of whatever portion(s) of the Parking Lot Property which may be required to be transferred to TF-Harbor pursuant to section (1), above, the remainder, if any, of the Parking Lot Property, shall be transferred by MBD to RHCG in like manner as the transfer to TF-Harbor.

4. On the Plan Closing Date, the parties to the CULS MSA shall cause the following releases and assignments:
 - a. CULS and TF-Harbor shall assign to WDI, without representation or warranty, only the right to any proceeds from any claim either holds against the chapter 7 bankruptcy estate of Mariah Bay Leasing Corporation. Neither CULS, TF-Harbor, nor WDI may take any action by or through such claim(s), with regard to the conduct of the chapter 7 bankruptcy estate of Mariah Bay Leasing.
 - b. CULS and TF-Harbor shall release every other party to the CULS MSA, along with each of their officers, directors and owners (Robert S. Whittle), from any and all liability from whenever such liability may have been generated, through the Plan Closing Date in any way relating to or arising out of the transactions with either of the Debtors or any of their owners or affiliates; provided however, that the CULS/TF-Harbor Allowed Claim is not released.
 - c. City Bank shall release every other party to the CULS MSA, along with each of their officers, directors and owners, from any and all liability from whenever such liability may have been generated, through the Plan Closing Date in any way relating to or arising out of the transactions with either of the Debtors or any of their owners or affiliates; provided, however that City Bank shall release the Debtors and any of their owners or affiliates only to the extent provided for by the City Bank/HGYC CSA. City Bank will not release its claims against RHCG, Caruth Lake Development Corporation, Robert S. Whittle, HGYC, or Fox Chase Development Corporation, nor shall City Bank release its claims against WDI or MBD to the extent such claims are not compromised by the CULS MSA or City Bank/HGYC CSA. City Bank may vote its claims to be released hereunder as set forth in the Plan.
 - d. WDI, MBD, Robert S. Whittle, RHCG, and HGYC, shall release every other party to the CULS MSA, along with each of their officers, directors and owners, from any and all liability, including claims against any property, from whenever such liability may have been generated, through the Plan Closing Date in any way relating to or arising out of the transactions with either of the Debtors or any of their owners or affiliates and shall, by the Plan Closing Date, remove any filed lis pendens which affects CULS or TF-Harbor's ownership interest in the property it has foreclosed upon, which was previously owned by Mariah Bay Leasing; provided, however, that such release does not extend to any of City Bank's obligations under the City Bank/HGYC CSA.

5. The terms of the CULS MSA shall be interpreted in accordance with Texas law, and the United States Bankruptcy Court of the Northern District of Texas shall retain jurisdiction to consider any dispute arising out of or relating to the terms of the CULS MSA.
6. City Bank is granted an option to purchase the Unsecured Claims Note from the Plan Agent. The City Bank Note Acquisition Option shall have a term, which ends 18 months from the Confirmation Date. The exercise of the City Bank Note Acquisition Option obligates City Bank to pay \$250,000.00 to the Plan Agent, upon such timely exercise, to acquire the Unsecured Claims Note.

Approval of the City Bank/HGYC CSA

14. Approval of the City Bank/HGYC CSA. Entry of the Confirmation Order constitutes approval by the Court of the terms of the City Bank/HGYC CSA, as set forth below. The City Bank/HGYC CSA is enforceable from and after the Effective Date.

The City Bank/HGYC CSA provides, and the Plan hereby incorporates, the following terms:

The justification for approval of the City Bank HGYC CSA is set forth in Exhibit C-14 to this Disclosure Statement.

1. City Bank shall transfer to the Debtors an aggregate amount of up to \$525,000.00 on or after the Plan Closing Date, as required, as follows:
 - a. Up to \$125,000 (over the amount advanced to the Debtors under the City Bank 364 Loans) to pay for the Allowed Administrative Expense Claim of Professionals
 - b. The fund necessary to make initial distributions of 5.2941176%, up to a maximum of \$200,000, to holders of Allowed General Unsecured Claims of MBD and WDI on the Plan Distribution Date;
 - c. The balance, to be drawn upon by the Debtors as necessary for operational costs, and interest carry needs beginning in September of 2011. In the event Debtors draw upon any portion of the \$525,000 which is not paid out per a. or b. above, then such advance(s) shall be evidenced by a note to be drawn by City and executed by the Debtors which shall mature 1 year from issuance date, but which may be extended by agreement of the parties. Such note(s) shall be secured by a lien on the Net Equity available from the sale of assets of the Debtors (other than Net Equity which arises from properties of the Debtors which are already subject to liens of City Bank pursuant to the Plan).

2. Each and every obligation of either of the Debtors to City Bank arising from any guarantees executed in connection with the City Bank Facilitated Transactions, shall be avoided, released and fully extinguished; provided, however, that the avoidances and releases provided hereunder shall not be deemed to modify, amend or affect in any way: (a) the underlying obligations assumed or incurred by the transferee entities in connection with the City Bank Facilitated Transactions; (b) any obligations of non-debtor guarantors; and (c) the in rem rights of City Bank with regard to an applicable Debtor, as set forth hereinafter.
3. HGYC shall issue the Unsecured Claims Note to the Plan Agent. which is due four (4) years from the Plan Closing Date, to the Plan Agent, for the benefit of the Allowed General Unsecured Claims of both Debtors, a second priority contractual lien position attaching to all of the properties which the Debtors transferred to HGYC until the payment of the Unsecured Claims Note.
4. City Bank shall retain all of its other liens, claims and rights. On the Plan Closing Date the Debtors and their respective bankruptcy estates or its respective successor(s), including without limitation a trustee appointed by the Bankruptcy Court or an agent appointed pursuant to a confirmed plan of reorganization, each hereby forever releases, acquits, and discharges City Bank and its predecessors, successors, assigns, legal representatives, agents, attorneys, officers, directors, managers, and employees from any and all claims or causes of action of any kind whatsoever, at common law, statutory or otherwise which any of the Debtors or their respective bankruptcy estates have or might have, or which may hereafter accrue in the future, whether known or unknown, asserted or not asserted, directly or indirectly attributable to, or arising out of or in any way related to the Debtors' properties, the properties transferred to HGYC and any property transferred to City Bank, including without limitation, any avoidance action or challenge to the validity, priority or amount of City Bank's liens in the Debtors' properties pursuant to chapter 5 of the Bankruptcy Code or applicable state law, provided that, the foregoing shall neither release nor excuse the Debtors, HGYC, City Bank or other referenced parties from their respective obligations under the City Bank/HGYC CSA.

Post Petition Governance of the Debtors

15. Compensation, Powers and Duties of Directors and Officers of Each of the Debtors. Robert Whittle will continue to be compensated on a commission basis from the sale of each of the Debtors real property assets and will continue to be able to receive such a commission of up to 6% in accordance with regular commercial practice by virtue of the entry of the Confirmation Order which order shall be deemed to meet the requirements of and continue forward the exception with regard to such commissions be paid under V. A.T.S. § 1101.005 (5) (2011) but only with regard to real property of the Debtors which is addressed by the Plan. Robert Whittle will be the sole officer and sole director of each of the Debtors and shall be

entitled to operate each of the Debtors in the same manner as any non debtor corporate entity, with the exception of the requirement to abide by, follow and in good faith, implement the terms of the Plan as to each Debtor.

16. Confirmation as Equivalent to Equity Security Holder Approval. The entry of the Confirmation Order will be deemed to meet all necessary Equity Security holder approval requirements, as to each Debtor, under any applicable provisions of Texas law necessary to take the actions set forth in the Plan, to conduct the transfers and payments called for under the Plan and to take the actions set forth in the Plan.

D. Executory Contracts and Unexpired Leases

1. Assumption of Executory Contracts and Unexpired Leases. The following Executory Contracts and Unexpired Leases will be assumed under the Plan by the applicable Debtor. The estimated amount of cure payment required is listed where applicable:

WDI

Residential Developer Agreement, as amended on August 21, 2009 between WDI and the City of Heath (no known monetary cure obligations).

2. Rejection of Certain Executory Contracts and Unexpired Leases. The Confirmation Order will operate as an order of rejection under section 365 of the Bankruptcy Code with respect to the following listed executory contracts and unexpired leases, to the extent that they are in fact executory contracts. If they are not in fact executory, then the listing herein shall not cause them to have such status. Any executory contract or unexpired lease which is subject to a separate motion to reject will be governed by the results of that motion.

WDI/MBD

Provisions of any pre-petition Loan Agreement between either of the Debtors and any specific lender which cannot be assumed per Section 365(c)(2) of the Bankruptcy Code and thus are deemed to be rejected.

3. Claims Based on Rejection of Executory Contracts and Unexpired Leases.

All proofs of claim with respect to Claims arising from the rejection of an executory contract or unexpired leases, unless a prior order specifically directs otherwise, must be filed with the Bankruptcy Court within 21 days of the Effective Date (the "Rejection Claims Bar Date"). Any Claims arising from rejection an executory contract or unexpired leases which are not filed on or prior to the Rejection Claims Bar Date will be forever barred from participating as a Class 14 Allowed General Unsecured Claim or Class 12 Allowed General Unsecured Claim, as applicable. Each Debtor shall object to any timely filed proof of claim for rejection damages on or prior to the Claims Objection Bar Date.

E. Retention of Causes of Action

Retention of Causes of Action. All causes of action, rights, claims and demands against any third parties, creditors, individuals, insiders or other entities which each Debtor or each Debtor in Possession owns or has an interest in or can assert in any fashion, in any forum, since their formation, or which could be asserted by any creditor or trustee under the Bankruptcy Code, whether pre-petition or post-petition, including, but not limited to, actions under §§ 542 through 553 inclusive of the Bankruptcy Code (sometimes referred to as "Avoidance Actions") and § 510 of the Bankruptcy Code to recover assets for an applicable Debtor's estate and to subordinate claims (collectively an applicable "Debtor's Actions"), as well as all proceeds of and recoveries on Debtor's Actions, are retained post confirmation by each applicable Debtor. Since this Plan proposes payment in full, in cash, although over time, of each holder of an Allowed Claim, each Debtors expressly covenant to not pursue any Avoidance Action under §§ 544 – 548 as against any creditor who is not an insider or affiliate of either Debtor, unless such Avoidance Action was initiated prior to the entry of the Confirmation Order. Notwithstanding this express covenant, if the City Bank/HGYC CSA has not been approved by Final Order of the Bankruptcy Court on or prior to the entry of the Confirmation Order, then any Avoidance Action described in the Motion to Approve the City Bank/HGYC CSA is expressly reserved.

F. Effect of Confirmation

1. Discharge of Claims. If, on or before the Consummation of the Plan Date as to each Debtor, such Debtor acquires additional lots, parcels, acreage or tracts and continues to function as an operating entity sufficient to secure a discharge per Section 1141(d)(3) of the Code, such Debtor be discharged from all claims or other debts that arose before the Confirmation Date as set forth in Section 1141 of the Code. Additionally, all Persons who have claims against a specific Debtor which arose prior to the Confirmation Date shall also be prohibited from asserting such claims against that Debtor, except as provided in the Plan.

2. Injunctions. Except as provided in the Plan or the Confirmation Order, on the date in which the Confirmation Order becomes a Final Order, all entities that have held, currently hold, or may hold a Claim against a Debtor or an interest or other right of an equity security holder in a Debtor are permanently enjoined from taking any of the following actions on account of any such Claims or Interests: (1) commencing or continuing in any manner any action or other proceedings against a Debtor or that Debtor's property or the Plan Agent; (2) enforcing,

attaching, collecting or recovering in any manner any judgment, award, decree or order against a Debtor or that Debtor's property or the Plan Agent; (3) creating, perfecting or enforcing any lien or encumbrance against a Debtor or that Debtor's property or the Plan Agent; (4) asserting against a Debtor or that Debtor's property a set off, right or claim of subordination or recoupment of any kind against any debt, liability or obligation due to the Debtor in any manner or form or by any means, be it non judicially, administratively, or otherwise; and (5) commencing or continuing any action, in any manner, in any place by any means whatsoever, that does not comply with or is inconsistent with the provisions of the Plan. Provided that if a Debtor, prior to its Consummation of the Plan Date, acquires additional lots, parcels, acreage or tracts and continues to function as an operating entity sufficient to secure a discharge per Section 1141(d)(3) of the Code, then the holders of Claims against such Debtor shall be forever barred from asserting such Claims against such Debtor by virtue of the discharge granted under the Plan.

3. Revesting and Vesting. Except as otherwise provided in the Plan, on and after the Effective Date, all Property of a Debtor's estate shall vest in that Debtor free and clear of all claims, liens, debts, liabilities, charges, interests and other encumbrances.

VI. JURISDICTION

1. Retention of Jurisdiction and Closing of the Case. The Plan retains jurisdiction of the Court for a number of specific purposes set out in Section 10.05 of the Plan. The jurisdictional provision is intended to allow each of the Debtors and other parties in interest to finalize all litigation, including claims determinations, and to administer each of the Debtors cases and pay claims.

2. Miscellaneous Provisions. Except as expressly stated in the Plan, or allowed by the Court, no interest, penalty or late charge is to be Allowed on any Claim subsequent to the Filing Date. No attorneys' fees will be paid with respect to any Claim except as specified in the Plan or as allowed by an order of the Court. After Confirmation, the Debtor may, with the approval of the Court, and so long as it does not materially or adversely affect the interest of Creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan or in the Order of Confirmation, in such manner as may be necessary to carry out the purposes and effect of the Plan.

VII. VOTING

A. Ballots and Voting Deadline. A Ballot to be used for voting to accept or reject the Plan, together with a postage prepaid return envelope is enclosed.

The Bankruptcy Court has established **July __, 2011**, as the date that, in order for ballots to be counted for voting purposes, such ballots for acceptance or rejection of this Plan must be received by counsel for the Debtors by that record date for voting at the following address:

**Attn: Whittle Development Ballots
Attn: Mariah Bay Development Ballots
WRIGHT GINSBERG BRUSILOW P.C.
Republic Center
325 North St. Paul Street, Suite 4150
Dallas, Texas 75201**

THE DEBTOR URGES ALL CREDITORS TO VOTE TO ACCEPT THE PLAN.

AGAIN, YOUR BALLOT MUST BE RECEIVED BY COUNSEL FOR THE DEBTOR ON OR BEFORE 4:00 P.M., CENTRAL DAYLIGHT TIME, ON JULY ___, 2011, IN ORDER TO BE CONSIDERED IN DETERMINING WHETHER THE PLAN HAS BEEN ACCEPTED OR REJECTED BY YOUR CLASS.

IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS, YOU MAY RECEIVE MORE THAN ONE BALLOT. YOU SHOULD VOTE A BALLOT FOR EACH CLAIM YOU HOLD.

IF A BALLOT IS DAMAGED OR LOST OR IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURES FOR VOTING ON THE PLAN, CONTACT COUNSEL FOR THE DEBTORS AT THE FOLLOWING ADDRESS:

**E. P. Keiffer
WRIGHT GINSBERG BRUSILOW PC
Republic Center
325 North St. Paul Street, Suite 4150
Dallas, TX 75201
Phone: (214) 651-6500
Fax: (214) 744-2615
Email: pkeiffer@wgblawfirm.com**

B. Persons Entitled to Vote. In order to simplify the voting procedure, ballots have been sent to all known holders of all Claims in classes in both cases. Holders of Allowed Claims and holders of Disputed Claims which have been temporarily allowed for voting purposes are entitled to vote on the Plan as to a specific Debtor. For purposes of the Plan, an Allowed Claim is a Claim against a Debtor which (a) has been scheduled by that Debtor pursuant to the Code as undisputed, non contingent, and liquidated and as to which no objection has been filed within the time allowed for the filing of objections, (b) as to which a timely proof of claim or application for payment has been filed and as to which no objection has been filed within the time allowed for filing of objections, (c) has been Allowed by Final Order, or (d) has been Allowed under the

Plan. Therefore, although the holders of Disputed Claims will receive ballots, these votes will not be counted unless such claims become Allowed Claims as provided under the Plan or are temporarily allowed for voting purposes by the Court.

Pursuant to the requirements of section 1126 of the Code, each Class of impaired Claims or Interests is entitled to vote on acceptance or rejection of the Plan. Any Creditor of a Debtor whose Claim is in an impaired Class under the Plan is entitled to vote, unless their class has been deemed to reject on account of the treatment afforded that class.

Under section 1124(2) of the Code, a Class is impaired under a Plan unless, with respect to each Claim or Interest of such Class, such Plan:

1. Leaves unaltered the legal, equitable, and contractual rights of the holder of such Claim or Interest; or
2. Notwithstanding any contractual provision or applicable law that entitled the holder of a Claim or Interest to receive accelerated payment of its Claim or Interest after the occurrence of a default:
 - a. Cures any such default that occurred before or after the commencement of the Case under the Code, other than a default of the kind specified in Section 365(b)(2) of the Code;
 - b. Reinstates the maturity of such Claim or Interest as it existed before the default;
 - c. Compensates the holder of such Claim or Interest for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and
 - d. Does not otherwise alter the legal, equitable, or contractual rights to which such Claim or equity Interest entitles the holder of such Claim or Interest.

Claims in Classes 1 through 15 as to WDI and in Classes 1 through 14 as to MBD are impaired as defined in Section 1124 of the Bankruptcy Code. Such classes which are impaired under the Plan and persons holding such Claims in such Classes are entitled to vote to accept or reject the Plan, unless disputed or subject to an objection as set forth above. Class 16 Interests as to WDI and Class 15 Interests as to MBD are also impaired, but since the interests will be cancelled and they are deemed to have rejected the Plan and will not be entitled to vote on the Plan.

C. Vote Required For Class Acceptance of The Plan. As a condition to Confirmation, the Code requires that each impaired Class of Claims or Interests accept the Plan, as to each Debtor subject to the exceptions described below. At least one impaired Class of Claims must accept the Plan as to a specific Debtor.

Section 1126 of the Code defines acceptance of a Plan by a Class of Claims as acceptance by holders of two thirds in dollar amount and a majority in number of Claims of that Class actually voting to accept or reject the Plan. The Code defines acceptance of a Plan by a Class of Interests as acceptance by two thirds in amount of the Allowed Interests of such Class held by holders of such Interests actually voting to accept or reject the Plan. Holders of Claims or Interests which fail to vote are not counted as either accepting or rejecting the Plan.

Classes of Claims and Interests that are not impaired under the Plan are deemed as a matter of law to have accepted the Plan and therefore are not permitted to vote for such Plan. Classes of Claims and Interests that do not receive or retain any property under the Plan on account of such Claims or Interests are deemed to have rejected the Plan. ACCEPTANCES OF THE PLAN ARE BEING SOLICITED ONLY FROM IMPAIRED CLASSES OF CLAIMS.

VIII. FINANCIAL INFORMATION CONCERNING EACH DEBTOR

WDI

A. Financial Information Regarding WDI. WDI's post petition financial status is set forth in the attached monthly operating statements (see Exhibit "VIII.A-1."), which covers reports required to be filed during the period of time that WDI has been in Chapter 11. All of this data will, in conjunction with the projections submitted, be sufficient for the creditors of the WDI who are entitled to vote, to determine whether to vote for or against the Plan.

MBD

B. Financial Information Regarding MBD. MBD's post petition financial status is set forth in the attached monthly operating statements (see Exhibit "VIII.A-2."), which covers reports required to be filed during the period of time that MBD has been in Chapter 11. All of this data will, in conjunction with the projections submitted, be sufficient for the creditors of the MBD who are entitled to vote, to determine whether to vote for or against the Plan.

IX. ACCEPTANCE AND CONFIRMATION OF THE PLAN

A. Requirements for Confirmation. At the Confirmation hearing, the Court will determine whether the provisions of section 1129 of the Code have been satisfied. The requirements of section 1129 of the Code, as well as a description of the requirements for a "cramdown" over rejecting classes of claims or interests is set forth in **Exhibit "IX,"** attached hereto and fully incorporated herein. If all of the provisions of section 1129 are met, the Court may enter an order confirming the Plan. The Court may confirm only one plan. If the requirements of section 1129(a) and (b) are met with respect to more than one plan, the Court shall consider the preferences of creditors and equity security holders in determining which plan to confirm.

B. The Plan Meets All of the Requirements for Confirmation. The Debtors believe that the Plan satisfies all of the statutory requirements of Chapter 11 of the Code and therefore should be confirmed. More specifically: (1) the Plan complies with all of the applicable provisions of the Code; (2) each Debtor, a proponent of the Plan, has complied with the Code and has proposed the Plan in good faith; (3) all disclosure requirements concerning (a) payments made or to be made for services rendered in connection with the Chapter 11 case or the Plan, and (b) the identity and affiliations of individuals who will serve each Reorganized Debtor after confirmation have been, or will be met prior to or at the confirmation hearing; and (4) Administrative Claims, Priority Claims, and fees required to be paid under the Code are appropriately treated under the Plan. The Plan also meets the “best interest of creditors” test and is “feasible.” In addition, as discussed hereafter, if any Class of Claims reject the Plan, the Plan can nevertheless be confirmed because it meets the “cramdown” standard with respect to such Class.

1. **The Plan Meets the “Best Interest of Creditors” Test.** The “best interest of creditors” test requires that the Court find that the Plan provides to each non-accepting holder of a Claim or Interest treated under the Plan a recovery which has a present value at least equal to the present value of the distribution that such person would receive from a Debtor if that Debtor were liquidated under Chapter 7 of the Code. Reference to the Liquidation Analysis of Article XI of this Disclosure Statement demonstrates that the Plan meets the best interest of creditors test with respect to all Claims and Interests.

2. **The Plan is “Feasible”.** The Code requires that, as a condition to Confirmation of a Plan, the Court find that Confirmation is not likely to be followed by liquidation or a need for further financial reorganization, except as proposed in the Plan. The Plan provides for a means to pay all creditors the distributions which are generated by the Interest Acquisition Auction as set forth in the Plan.

3. **The Plan Meets the Cramdown Standard with Respect to any Impaired Class of Claims Rejecting the Plan.** The Plan can still be confirmed if there is an impaired class of claims or interests that reject the Plan because the Plan satisfies the provisions of cramdown of Interests under §1129(b)(2) of the Code. Specifically, the Debtors have crafted the Plan to meet the requirements of §1129(b)(2) of the Code as to objections which unsecured creditors may raise as a class or individually, as well as addressing the requirements for treating secured creditors who do not consent, as well.

X. ASSETS AND THEIR VALUES

The following is a summary description of each of the Debtor’s assets as of May 31, 2011, which values each Debtor assumes will be sufficiently similar to those which should be present on each Debtor’s Plan Closing Date, assumed to be in August, 2011, but which either or both of the Debtors hope will decline on account of sales which close and reduce the overall secured debt. The information is compiled by each Debtor from its records, the Schedules and

Statement of Financial Affairs, and Monthly Operating Reports filed by each Debtor and lastly assumes the approval of the City Bank/HGYC CSA. This valuation is based upon the principal assets being sold at a non liquidation sale pace, utilizing the values set forth in the Plan or other documentation. The Debtors contend that these values will generally hold through the Plan Closing Date.

WDI

A.	Cash and Checking Account	\$ 73,894.27⁵
B.	Office Equipment and Supplies	\$ 60,000.00
C.	Equipment and Supplies used in business	\$ 27,000.00
D.	Real Property Inventory	\$18,397,900.00
E.	Accounts ⁶	\$ 7,283,985.00
F.	City Bank CSA/HGYC and CUL MSA (if approved) ⁷	\$ 1,316,750.00
TOTAL		<u>\$ 27,159,529.27</u>

MBD

A.	Cash and Checking Account	\$ 6,696.24⁸
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⁵ No earnest money from any contract which the Debtor has sought to enter into, but which has not been approved by prior order of the Bankruptcy Court, is currently held by the Debtor.

⁶ The accounts, taken at face value for the purposes of this Disclosure Statement, without any statement as to their collectability or value are from: a) Rockwall Hotel and Conference \$563,704.00; b) Misc. \$38,149.00; c) Robert S. Whittle - \$6,029,852.00; d) Fox Chase - \$190,397.00; and e) Caruth Lake Development - \$461,883.00

⁷ Per the City Bank CSA the Debtors are entitled to a \$1,000,000 second lien on the properties transferred to HGYC from April to August of 2010. The Debtors attribute the value of that second lien 60% to WDI and 40% to MBD. The forgiveness of the \$475,000 of City Bank 364 Loans (allocated, as per the obligation statements in the applicable borrowing motions [68% to WDI and 32% to MBD]; funding of up to \$125,000 for payment of administrative claims of the Debtors' professionals, \$200,000 for the purpose of paying the initial distribution to Allowed General Unsecured Creditors in both cases, providing for the transfers per the CULS MSA (minimum of \$225,000 –WDI only) and up to \$200,000 for Joint Operations (all arbitrarily allocated 25% to MBD and 75% to WDI)

⁸ Setoffs have been taken against the initial amount of \$20,451.31, without Bankruptcy Court order or authorization under Section 549 of the Code by American National Bank. American Bank is otherwise secured by such accounts and would, but for Section 365 and 553, be clearly entitled to make such setoffs. MBD sees no functional benefit in seeking to avoid these transfers, which stopped in December, 2010.

B.	Security Deposits	\$ 650.00
C.	Real Property Inventory	\$ 9,272,600.00⁹
D.	Accounts ¹⁰	\$18,886,024.45
E.	City Bank CSA /CULS MSA Values (if approved)	\$ 785,000.00¹¹
TOTAL		<u>\$ 28,950,970.69</u>

XI. LIABILITIES

A. Administrative Expenses. Upon Court approval, each Debtor has employed Wright Ginsberg Brusilow P. C. (“WGB”) as general bankruptcy counsel in connection with this case. WGB has incurred approximately \$247,596.86 in fees and expenses through June 19, 2011, in connection with these cases. WGB has draw down its \$96,124.50 joint pre-petition retainer and applied same through procedures approved by this Court. WGB has additionally been paid \$30,000 by and through certain Court approved post petition lending by City Bank Texas to the Debtors. Prior to the Confirmation Date, WGB is slated to have received an additional \$35,000. WGB anticipates that the fees and expenses incurred up to the Plan Closing Date, inclusive of the closing required under the Plan, will add between \$20,000 to \$40,000 to the amount due, depending upon the degree to which the Plan is opposed, for a total range of \$117,500 to \$137,500 of funds necessary beyond the pre-petition retainer and advances from post petition lendings, although that number could increase depending upon the extent and degree of opposition which occurs in the case or if additional litigation has to be initiated in the Bankruptcy Court to address issues critical to the Debtor’s survival. Unpaid statutory fees of up to \$4,785 under 28 U.S.C. § 1930 are estimated to be due on or before the Plan Closing Date. Finally, there will have been \$475,000 of advances from City Bank per prior orders of the Bankruptcy Court which will be subsumed within the City Bank CSA.

⁹ This figure includes the effect of the sale of all real property approved by order of the Bankruptcy Court in these jointly administered cases.

¹⁰ The accounts, taken at face value for the purposes of this Disclosure Statement, without any statement as to their collectability or value are from: a)Rockwall Hotel and Conference Group Inc. 15,309,867; b) WDI - \$3,262,157.45; and c) Caruth Lake Development - \$294,000.00

¹¹ Per the City Bank CSA the Debtors are entitled to a \$1,000,000 second lien on the properties transferred to HGYC from April to August of 2010. The Debtors attribute the value of that second lien 60% to WDI and 40% to MBD. The forgiveness of the \$475,000 of City Bank 364 Loans (allocated, as per the obligation statements in the applicable borrowing motions [68% to WDI and 32% to MBD]; funding of up to \$125,000 for payment of administrative claims of the Debtors’ professionals, \$200,000 for the purpose of paying the initial distribution to Allowed General Unsecured Creditors in both cases, providing for the transfers per the CULS MSA (minimum of \$225,000 –WDI only) and up to \$200,000 for Joint Operations (all arbitrarily allocated 25% to MBD and 75% to WDI)

WDI

B. Claims of Secured Creditors. There are twelve (12) contractual secured creditors, as well as the ad valorem taxing authorities and Tax Ease, listed below. The total amount of “secured” claims per the schedules or proof of claim for each such party’s claim is listed below (some claims show deductions for post petition sales, others do not) WDI does not waive any right to object to any of these claims (unless they are resolved by an order of the Court) by listing this data:

1.	1 st International Bank ¹²	\$ 2,314,243.21
2.	Alliance Bank	\$ 4,998,444.60
3.	BB&T ¹³	\$ 1,600,000.00
4.	Community Bank	\$ 69,464.93
5.	Jefferson Bank ¹⁴	\$ 1,654,844.67
6.	Lakeside National Bank	\$ 149,009.15
7.	Synergy Bank	\$ 786,461.63
8.	Tony Seely	\$ 197,600.00
9.	Glen Whaley	\$ 2,150,000.00
10.	Lee Groves	\$ 402,068.00
11.	City Bank Texas ¹⁵	\$24,672,229.96
12.	Lajoie Industries, LLC	\$ 3,641.11
13.	Tax Ease	\$ 225,256.42
14.	Ad Valorem Taxing Authorities	\$ 328,717.80

Total **\$39,552,781.48**

C. Claims of Priority Creditors. There are no known priority claims.

¹² The sale of a specific finished house, approved by the Bankruptcy Court, will reduce this amount once the closing occurs, by \$217,800 – the listed sum does not reflect that reduction.

¹³ This Debtor does not agree with this conclusion and its position is best stated in the Adversary Proceeding now pending the Bankruptcy Court and described in more detail in the footnote in the Liquidation portion of the Disclosure Statement as to WDI, see section XII.A.WDI.G. Avoidance Action.

¹⁴ Jefferson Bank’s claim is overstated in this section. Debtor was unable to timely obtain a corrected balance per entity, due computer malfunctions at the time of these amendments – the Debtor believes that the cumulative claim in both cases approximates \$2,100,000 or so.

¹⁵ This reflects the whole of the claim of City Bank Texas, if the City Bank CSA is approved. It also reflects all effect of all sales of real property of either Debtor which has been approved by the Bankruptcy Court and have closed. The vast majority of City Bank Texas’ claim, outside of the rights to accounts of this Debtor against others, is unsecured.

D. Unsecured Claims. The total amount of WDI unsecured debt (outside of the unsecured portion of the pre-petition City Bank Texas claim) is in excess of \$19,100,000 and is held by fifty-seven (57) separate creditors, but a significant portioned the claims are held by insiders or affiliates of the Debtor (three [3] claims totaling \$12,257,455). One of those fifty-seven (57) is an unsecured creditor to whose claims WDI has objected, BB&T, who asserts an unsecured deficiency claim of \$1,255,243.29, but until the matter is resolved it is included as stated. The CULS MSA claim of \$4,250,000 is included in this figure. Also, the amount does not include any rejection damages held by any holders of rejected executory contracts or unexpired leases, because WDI does not anticipate any rejection claims in this case which have not already been accounted for in this tally. WDI's right to object to any such proof of claim any listed claim in its schedules, to have the claim re-characterized as equity or to seek to have any such claim subordinated under §510 is reserved under the Plan, even if no objections or adversary proceeding regarding same is filed prior to the Confirmation Date.

MBD

B. Claims of Secured Creditors. There are ten (10) contractual secured creditors, as well as the ad valorem taxing authorities listed below. The total amount of "secured" claims per the schedules or proof of claim, as of the Petition Date, for each such party's claim is listed below (some claims show deductions for post petition sales, others do not). MBD does not waive any right to object to any of these claims (unless they are resolved by an order of the Court) by listing this data:

1.	Alliance Bank	\$ 207,823.72
2.	American National Bank	\$ 400,000.00
3.	BB&T ¹⁶	\$ 1,200,000.00
4.	JWS Rockwall	\$ 1,740,000.00
5.	Lakeside National Bank	\$ 164,855.46
6.	Synergy Bank	\$ 1,078,392.63
7.	Jefferson Bank	\$ 792,673.34
8.	Lee Groves	\$ 270,079.00
9.	City Bank Texas ¹⁷	\$24,672,229.96
10.	United Bank Texas	\$ 755,913.02

¹⁶ This Debtor must review the cross entity cross collateralization documentation set forth in BBT's POC #9 to verify whether guaranteed debts of WDI attach to the collateral which secured an initial loan, which has an amount due of roughly \$300,000 as against collateral with a value of at least \$1,200,000. This Debtor must, nonetheless, list what POC# 9 states for purposes of this Disclosure Statement. Additionally, this asserted claim may be indirectly affected by the litigation described in the footnote in the Liquidation portion of the Disclosure Statement as to WDI, see section XII.A.WDI.G. Avoidance Action.

¹⁷ This reflects the whole of the claim of City Bank Texas, if the City Bank CSA is approved. It also reflects all effect of all sales of real property of either Debtor which has been approved by the Bankruptcy Court and have closed. The vast majority of City Bank Texas' claim, outside of the rights to accounts of this Debtor against others, is unsecured.

11. Ad Valorem Taxing Authorities¹⁸ \$ 1,470,339.50

Total **\$32,752,306.93**

C. Claims of Priority Creditors. There are no known priority claims.

D. Unsecured Claims. The total amount of MBD unsecured debt (outside of the unsecured portion of the pre-petition City Bank Texas claim) is in excess of \$13,791,500 and is held by five (5) separate creditors, but the bulk are held by insiders or affiliates of the Debtor (three [3] claims totaling \$11,831,472.80). One of those five (5) is an unsecured creditor to whose claims WDI has objected, BB&T, who asserts an unsecured deficiency claim of \$1,952,511.36, but until the matter is resolved it is included as stated. Also, the amount does not include any rejection damages held by any holders of rejected executory contracts or unexpired leases, because MBD does not anticipate any rejection claims in this case. MBD's right to object to any such proof of claim any listed claim in its schedules, to have the claim re-characterized as equity or to seek to have any such claim subordinated under §510 is reserved under the Plan, even if no objections or adversary proceeding regarding same is filed prior to the Confirmation Date.

XII. LIQUIDATION ANALYSIS

In order to determine whether or not the Plan complies with the "best interest of creditors" test of section 1129(a)(7) of the Code, it is necessary to do an analysis of the liquidation of each of the Debtors' assets in a Chapter 7 as of the Confirmation Date. The Liquidation Analysis assumes the sale of all assets at "liquidation values", as such there is no going concern value given for either of the Debtors' current business.

The values of the assets that would be liquidated in Chapter 7 liquidation are based on the values already set forth in Article X of this Disclosure Statement, except as noted. The values have been reduced, however, by various discounts for sale and selling expenses as set forth in the Liquidation Analysis. A summary of the major assets and the assumptions upon which the discounts are based for the liquidation of such assets is set forth in the following paragraphs:

A. Liquidation

WDI

ASSETS:

A. Cash and Checking Account **\$ 73,894.27**

¹⁸ Includes a portion of a claim of \$1,132,000, which the Debtor asserts represents a tax claim owed by another entity, as well as a portion of tax obligations which the Debtor asserts are not justified as noted in that Debtor's adversary proceeding seeking a more proper valuation pursuant to Section 505 of the Bankruptcy Code.

B.	Office Equipment and Supplies	\$ 36,000.00¹⁹
C.	Equipment and Supplies used in business	\$ 16,200.00
D.	Real Property Inventory	\$12,878,530.00²⁰
E.	Accounts	\$ 140,000.00²¹
F.	City Bank/HGYC and CULS MSA CSA Asset Allocation	\$ 1,316,750.00²²
G.	Avoidance Actions ²³	\$ 650,000.00

**Available for Distribution for Costs of Administration, Secured,
Priority and General Unsecured Creditors**

\$ 15,111,374.27

¹⁹ Assumes 60% recovery of value of Office Equipment and other items used in business.

²⁰ Assumes 70% recovery of value of land at liquidation sales.

²¹ Claim against Robert Whittle of \$6,029,852 and Rockwall Hotel and Conference (the latter due to the fact that there is nominal value to this insider advance for construction and completion of that entity's operating asset once the \$24,600,000+ secured claim of City Bank [which is represented as a secured guaranteed debt in these cases] is taken into account) are considered worthless, while the balance of the claims, solely for this Liquidation Analysis, are valued at 20% or \$140,000

²² See footnote 15 for allocation information. There is no liquidation differential as these settlements do not depend upon the sale of any asset..

²³ WDI has filed an Adversary Proceeding # 11-03150 against BBT and its affiliate Eagle TX I SPE, LLC *d/b/a* Eagle Loan Star I SPE, LLC asserting, among other things, that the foreclosure was a preferential transfer because WDI asserts that the property was worth more than the specific debt on it and that the foreclosure enabled BBT through its affiliate Eagle to receive more than it would have in a Chapter 7 liquidation. WDI has valued the property at \$3,300,000 and the debt on that property is asserted to be roughly \$2,200,000. WDI functionally asserts that the property would bring a sum at a subsequent sale, which would pay the \$2,200,000 claim and generate an excess above that which either would eliminate other BBT claims depending upon cross entity cross collateralization and leave equity for the benefit of WDI's unsecureds as to other properties or generate significant net cash. For the purposes of the Liquidation Analysis, the Debtor would project the benefit of gross proceeds of \$500,000 net of non litigation and holding costs. WDI has noted that it has a probable avoidance action against JWS Rockwall, but such avoidance is difficult to value as it would only avoid a lien on certain properties where Jefferson Bank has a senior secured lien. For the purposes of this Liquidation Analysis, the sale of the underlying collateral at 75% of the amount of the value that the Debtor asserts it could have secured from the applicable portion of the Drees sale, would enable an avoidance to yield an extra \$150,000 to the WDI estate.

LIABILITIES:

Administrative Claims:	\$ 280,678.48
Inclusive of Attorneys fees [Debtors/General Admin](\$36,000)²⁴,	
Litigation Counsel²⁵ (162,500)	
U.S. Trustee's fees (\$2,500)²⁶	
Trustee's fees²⁷ (\$79,678.48_)	
Secured Claims (Cumulative)²⁸	\$ 13,230,551.52
TOTAL AMOUNT OF COSTS, SECURED AND PRIORITY CLAIMS	\$ 13,511,229.00
Net available for distribution to General Unsecured Creditors after funds transferred to secured creditors as their interests appear:	\$ 1,600,145.27
Total Unsecured Claims (rounded) as scheduled or filed (all are deemed allowed) and presumed with no under-secured claims other than City Bank:	\$42,650,000.00

²⁴ Eighty percent (80%) of the amount of fees due to counsel for the Debtor from and after the filing of the case through June 19, 2011 (roughly \$200,000) times 70% for an allocation between WDI and MBD or \$140,000, is used as an estimate of what would likely be allowed for Debtor's counsel on account of such conversion. After deducting a like percentage of the pre-petition retainer and Section 364 loan funded payments noted above (\$119,787), there would be \$20,213 due to Debtor's counsel. The balance of \$15,787 represents fees charged by counsel for a Trustee to address the myriad of issues in this case, assuming the City Bank/HGYC CSA and the CULS MSA is nevertheless approved.

²⁵ Assumed to be 25% of recoveries of \$650,000 set forth above as to Avoidance Actions

²⁶ U.S. Trustee fees are based upon assumed operations through the hypothetical conversion date for one full and one partial quarter at \$2,500.

²⁷ All Trustee fees are based upon the maximum allowed under the Code based upon value of the assets to be distributed, assumed to be \$1,880,882.75 and the Trustee recovering the maximum allowed under 11 U.S.C. § 326 on account of such distributions.

²⁸ The secured claim of City Bank as to both Debtors has the same legal basis, a secured guaranty of payment of debts owed by Rockwall Hotel and Conference Group, Inc. Reductions assumed to be received via payment from collateral in either Debtor reduce the amount due as to both Debtors as to any unsecured deficiency. The same principal applies, to a lesser extent to various other secured creditors. But both Debtors as to those similarly situated secured creditors have collateral, even in a Chapter 7 liquidation mode which will subsume the overwhelming majority of the total claim. As such the City Bank deficiency claim, as to both Debtors is \$24,672,229.96 minus the liquidation values of the accounts as to both Debtors (\$350,000 [WDI] +363,197 [MBD]) resulting in a \$713,197 unsecured claim in both cases for City Bank. Thus the cumulative secured claims in WDI are \$39,552,781.48 minus \$24,672,229.96 (12,880,551.52) plus \$350,000 or \$13,230,551.52.

Dividend

3.75181¢ per dollar

The Debtor believe the Plan is superior to the recovery risks and delays under a Chapter 7 liquidation because the total value of the Debtor to its unsecured creditors is more under the Plan than they will receive under a Chapter 7, because the loss of value to WDI's land holding portfolio by virtue of the foreclosures which Chapter 7 would engender. The proposed plan distributions are valued at minimum of 5.75¢ per dollar within 18 months of confirmation, with an initial distribution of just over 5¢ per dollar.

MBD

ASSETS:

A.	Cash and Checking Account	\$ 6,696.24
B.	Security Deposits	\$ 650.00
C.	Real Property Inventory	\$ 6,490,820.00²⁹
D.	Accounts	\$ 181,190.00³⁰
E.	City Bank/HGYC CSA and CULS MSA Allocation	\$ 785,000.00

Available for Distribution for Costs of Administration, Secured, Priority and General Unsecured Creditors

\$ 7,464,056.24

²⁹Assumes 70% recovery of value of land at liquidation sales.

³⁰ Claim against WDI, \$3,262,157.45, are presumed to get the percentage dividend that is available to unsecureds in that case ($\$3,262,157.45 \times .0375181 = \$122,389.95$). The claims against Rockwall Hotel and Conference are presumed to be of no value (due to the fact that there is nominal value to this insider advance for construction and completion of that entity's operating asset once the secured \$24,600,000+ claim of City Bank [which is represented as a secured guaranteed debt in these cases] is taken into account), while the balance of the claims, solely for this Liquidation Analysis, are valued at 20% or \$58,800. This results in a grand total of \$181,190.

LIABILITIES:

Administrative Claims:	\$ 25,975.00
Inclusive of Attorneys fees (\$25,000)³¹,	
U.S. Trustee's fees (\$975)³²	
Trustee's fees³³ (\$0.00)	
Secured Claims (Cumulative)³⁴	\$ 8,443,274.00
TOTAL AMOUNT OF COSTS AND PRIORITY CLAIMS	\$ 8,469,249.00
Net available for distribution to General Unsecured Creditors after funds transferred to secured creditors as their interests appear:	\$ 0.00
Total Unsecured Claims as scheduled or filed (all are deemed allowed) with no under-secured claims other than City Bank:	\$37,791,500.00
Dividend	0.0¢ per dollar

³¹ Eighty percent (80%) of the amount of fees due to counsel for the Debtor from and after the filing of the case through June 19, 2011 (roughly \$200,000) times 30% for an allocation between WDI and MBD or \$60,000, is used as an estimate of what would likely be allowed for Debtor's counsel on account of such conversion. After deducting a like percentage of the pre-petition retainer and Section 364 loan funded payments noted above (\$48,337), there would be \$12,663 due to Debtor's counsel. The balance of \$12,337 represents fees charged by counsel for a Trustee to address the myriad of issues in this case, assuming the City Bank/HGYC CSA and the CULS MSA is nevertheless approved.

³² U.S. Trustee fees are based upon assumed operations through the hypothetical conversion date for one full and one partial quarter at \$975.

³³ All Trustee fees are based upon the maximum allowed under the Code based upon value of the assets to be distributed, assumed to be \$0.00 and the Trustee recovering the maximum allowed under 11 U.S.C. § 326 on account of such distributions and being able to charge costs where necessary under 11 U.S.C. § 506.

³⁴ The secured claim of City Bank as to both Debtors has the same legal basis, a secured guaranty of payment of debts owed by Rockwall Hotel and Conference Group, Inc. Reductions assumed to be received via payment from collateral in either Debtor reduce the amount due as to both Debtors as to any unsecured deficiency. The same principal applies, to a lesser extent to various other secured creditors. But both Debtors as to those similarly situated secured creditors have collateral, even in a Chapter 7 liquidation mode which will subsume the overwhelming majority of the total claim. As such the City Bank deficiency claim, as to both Debtors is \$24,672,229.96 minus the liquidation values of the accounts as to both Debtors (\$350,000 [WDI] + +363,197 [MBD]) resulting in a \$713,197 unsecured claim in both cases for City Bank. Thus the cumulative secured claims in MBD are \$32,752,306.93 minus \$24,672,229.96 (\$8,080,076.97) plus \$363,197 or \$8,443,274.

The Debtor believe the Plan is superior to the recovery risks and delays under a Chapter 7 liquidation because the total value of the Debtor to its unsecured creditors is more under the Plan than they will receive under a Chapter 7, because the loss of value to MBD's land holding portfolio by virtue of the foreclosures which Chapter 7 would engender. The proposed plan distributions are valued at minimum of 5.75¢ per dollar within 18 months of confirmation, with an initial distribution of just over 5¢ per dollar.

XIII. LEGAL PROCEEDINGS IN THE CASE

The Bankruptcy Court has entered the following orders in the case:

1. Order Granting Request for Hearing on Expedited Motion for Interim and Final Orders Authorizing Use of Cash Collateral and Granting Adequate Protection [*Docket No. 22*]
2. Order Granting Debtor's Motion to Extend Deadline to File Schedules and Statement of Financial Affairs [*Docket No. 23*] and MBD [*Docket No. 18*]
3. Order Directing Joint Administration of Debtors' Chapter 11 Cases Pursuant to Federal Rule of Bankruptcy Procedure 1015 and Rule 1015.1 of the Local Bankruptcy Rules [*Docket No. 26*] and MBD [*Docket No. 19*]
4. Interim Order Authorizing Use of Cash Collateral and Granting of Adequate Protection [*Docket No. 27*]
5. Order Granting Request for Hearing on Expedited Joint Motion to Sell Property Free and Clear of Liens [*Docket No. 35*]
6. Final Order Authorizing Use of Cash Collateral and Granting Adequate Protection and Related Relief [*Docket No. 37*]
7. Amended Order Granting Request for Hearing on Expedited Joint Motion to Sell Property Free and Clear of Liens [*Docket No. 38*]
8. Order Regarding Employment of Attorney for Debtor [*Docket No. 39*] and MBD [*Docket No. 25*]
9. Order Granting Request for Expedited Hearing on Expedited Application for Determination That Rob Whittle Is a Regularly Employed "Broker" for the Debtor [*Docket No. 52*]
10. Order Authorizing Sale of Property Free and Clear of Liens, Claims and Encumbrances [*Docket No. 53*]

11. Order Granting Expedited Hearing on Motion to Reject Unexpired Lease of Nonresidential Real Property [*Docket No. 57*]
12. Order Regarding Employment of Rob Whittle as “Broker” for the Debtors [*Docket No. 58*]
13. Order Granting Agreed Motion for Reference to Bankruptcy Court [*Docket No. 59*]
14. Order Granting Expedited Hearing on Motion to Approve Lease Agreement [*Docket No. 74*]
15. Order Granting Expedited Motion to Approve Lease Agreement [*Docket No. 78*]
16. Order Granting Motion to Reject Unexpired Lease of Nonresidential Real Property [*Docket No. 79*]
17. Order Approving Motion to Determine Adequate Assurance of Payment of Utilities Required Under 11 U.S.C. §366 [*Docket No. 80*]
18. Agreed Order Regarding Motion of 1st International Bank for Relief from Automatic Stay, or in the Alternative for Adequate Protection and Waiver of Thirty Day Hearing Requirement (1700 Bison Meadows Lane, Heath, Texas) [*Docket No. 84*]
19. Order Granting Expedited Hearing on Expedited Motion for Interim and Final Orders Authorizing Post- Petition Financial Accommodations [*Docket No. 93*]
20. Order Modifying the Automatic Stay (HomeBank) [*Docket No. 94*]
21. Interim Order Authorizing Post-Petition Financial Accommodations [*Docket No. 97*]
22. Agreed Order Granting Credit Union Liquidity Services, LLC’s Motion for 2004 Examination of City Bank, Texas [*Docket No. 103*]
23. Final Order Authorizing Post-Petition Financial Accommodations [*Docket No. 107*]
24. Order Granting Expedited Hearing on Expedited Motion to Extend the Debtors’ Exclusive Period to File a Plan of Reorganization and Solicit Acceptances [*Docket No. 116*]
25. Order Approving Motion to Extend the Debtor’s Exclusive Period to File a Plan

of Reorganization and Solicit Acceptances [*Docket No. 127*]

26. Agreed Order Regarding Motion for Relief From the Automatic Stay (Jefferson Bank) [*Docket No. 138*]
27. Order Approving Motion to Assume Commercial Contract of Sale of Real Property [*Docket No. 141*]
28. Order Granting Expedited Hearing on Expedited Agreed Motion to Sell Property Free and Clear of Liens [*Docket No. 146*]
29. Order Authorizing Sale of Property Free and Clear of Liens, Claims and Encumbrances and Set-up Ordinary Course of Business Sales Procedures [*Docket No. 154*]
30. Order Authorizing Sale of Property Free and Clear of Liens, Claims and Encumbrances and Set-up Ordinary Course of Business Sales Procedures [*Docket No. 155*]
31. Order Granting in Part and Denying in Part the Motion to Lift Stay to Proceed with Non-bankruptcy Litigation (Branch Banking & Trust Company) [*Docket No. 156*]
32. Order Granting Third Motion for Distribution of Retainer Filed by Wright Ginsberg Brusilow P.C. [*Docket No. 158*]
33. Order Granting Second Motion for Distribution of Retainer Filed by Wright Ginsberg Brusilow P.C. [*Docket No. 159*]
34. Order Granting Fourth Motion for Distribution of Retainer Filed by Wright Ginsberg Brusilow P.C. [*Docket No. 160*]
35. Order Granting Expedited Hearing on Second Expedited Motion for Interim and Final Orders Authorizing Post-petition Financial Accommodations [*Docket No. 166*]
36. Agreed Order Granting Unopposed Motion to Allow Late Filed Secured Proof of Claim as Timely Filed [*Docket No. 171*]
37. Interim Order Authorizing Second Post-Petition Financial Accommodations [*Docket No. 172*]
38. Agreed Order Regarding Motion of Synergy Bank, S.S.B. for Relief from Automatic Stay [*Docket No. 173*]

39. Order and Notice of Hearing on Debtors' Disclosure Statement [*Docket No. 177*]
40. Order Granting Expedited Hearing On Expedited to Refresh and for Subsequent Distribution of Retainer [*Docket No. 181*]
41. Final Order Authorizing Second Post-Petition Financial Accommodations [*Docket No. 184*]
42. Order Granting Authority to Refresh Retainer [*Docket No. 186*]
43. Order Granting Expedited Hearing On Debtor's Third Expedited Motion for Interim and Final Orders Authorizing Post-Petition Financial Accommodations [*Docket No. 201*]
44. Order Granting Expedited Hearing On the Debtors' Expedited Motion to Continue Hearing On Approval of the Debtors' Disclosure Statement, to Continue Hearing On Approval of a Compromise and Settlement Agreement Between Debtors and City Bank Texas and to Adjust Lift-Stay and Other Deadlines As Necessary [*Docket No. 202*]
45. Interim Order Authorizing Third Post-Petition Financial Accommodations [*Docket No. 204*]
46. Order: A) Continuing Hearing On Approval the Debtors' Disclosure Statement; B) Continuing Hearing On Approval of a Compromise and Settlement Agreement Between Debtors and City Bank Texas; and C) Modifying Life-Stay Order and Associated Deadline [*Docket No. 206*]
47. Order for Mediation [*Docket No. 215*]
48. Final Order Authorizing Third Post-Petition Financial Accommodations [*Docket No. 217*]

The following matters are pending or have been or will be withdrawn:

1. Motion Pursuant to Rule 9019 for Approval of Compromise Settlement Agreement with City Bank, Texas [*Docket No. 161*] – Withdrawn because the Plan incorporates its terms (as revised) and seeks approval thereof.
2. Fifth Motion for Distribution of Retainer [*Docket No. 183*]
3. Motion to Sell Property [*Docket No. 194*]

4. Sixth Motion for Distribution of Retainer [*Docket No. 203*]³⁵
5. Motion of TF-Harbor, LLC, As Assignee of Credit Union Liquidity Services, LLC F/K/A Texans Commercial Capital, LLC for Leave to Late File Proof of Claim [*Docket No. 210*]³⁶
6. Seventh Motion for Distribution of Retainer [*Docket No. 218*]

XIV. TAX ISSUES

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF CLAIMS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED OR RELIED UPON, AND CANNOT BE USED OR RELIED UPON, BY HOLDERS OF CLAIMS OR INTERESTS OR ANY OTHER PERSONS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF CLAIMS OR ANY OTHER PERSONS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF U.S. TREASURY DEPARTMENT CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

A. Introduction

The following discussion summarizes certain material U.S. federal income tax consequences of the Plan to the Debtors and holders of Claims and Interests. The summary is provided for general informational purposes only and is based on the United States Internal Revenue Code of 1986, as amended (the “Tax Code”), the treasury regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all as in effect as of the date hereof (except as otherwise noted below with regard to the American Recovery and Reinvestment Act of 2009), and all of which are subject to change, possibly with retroactive effect. Changes in any of these authorities or in their interpretation could cause the United States federal income tax consequences of the Plan to differ materially from the consequences described below. The United States federal income tax consequences of the Plan are complex and in important respects uncertain. No ruling has been requested from the Internal Revenue Service (the “Service”); no opinion has been requested from Debtors’ counsel concerning any tax consequence of the Plan; and no tax opinion is given by this Disclosure Statement.

³⁵ Orders regarding these requests have been uploaded.

³⁶ Will be withdrawn if the CULS/MSA is approved by means of the confirmation of the Plan.

The following discussion does not address all aspects of federal income taxation that may be relevant to a particular holder of a Claim or Interest in light of its particular facts and circumstances or to particular types of holders of Claims subject to special treatment under the Tax Code. For example, the discussion does not address issues of concern to broker-dealers or other dealers in securities, or foreign (non-U.S.) persons, nor does it address any aspects of state, local, or foreign (non-U.S.) taxation, or the taxation of holders of Interests in a Debtor. In addition, a substantial amount of time may elapse between the Confirmation Date and the receipt of a final distribution under the Plan. Events subsequent to the date of this Disclosure Statement, such as the enactment of additional tax legislation, court decisions or administrative changes, could affect the federal income tax consequences of the Plan and the transactions contemplated hereunder.

On February 13, 2009, the House of Representatives and the Senate passed H.R.1, the American Recovery and Reinvestment Act of 2009 (the Recovery Act), a stimulus bill that includes tax breaks for businesses and individuals. The President signed the Recovery Act on February 17, 2009. The following discussion does not address any aspects of the Recovery Act, some of which may be relevant to a particular holder of a Claim or an Interest.

THE DISCUSSION THAT FOLLOWS IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND PROFESSIONAL TAX ADVICE BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS URGED TO CONSULT WITH ITS TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. Certain Definitions

For purposes of this Article XIV, except as expressly otherwise provided or unless the context otherwise requires, all capitalized terms not otherwise defined herein or in the Plan shall have the respective meanings assigned to them in this Article XIV.

“**COD**” shall mean cancellation of indebtedness income.

“**NOL**” shall mean net operating loss.

C. Certain Material Federal Income Tax Consequences to a Debtor

Cancellation of a debtor's debt is generally taxable income to the debtor, but this also depends upon the type of enterprise involved. In context, COD is the amount by which the indebtedness of a debtor discharged exceeds any consideration given in exchange therefore. Cancellation of a debt may not necessarily be COD, however. To the extent that the debtor entity is insolvent, or if the debtor is in bankruptcy, as is the case here, the Tax Code permits a

Debtor to exclude the COD from its gross income. The statutory exclusion for COD in a title 11 case generally excludes COD from gross income if the discharge is granted by a court to a debtor under its jurisdiction in a title 11 case, as is sought herein, to the extent it is applicable to a tax pass through entity.

The price for the bankruptcy COD exclusion (as well as the insolvency exclusion), where applicable, is reduction of a debtor's tax attributes to the extent of the COD income, generally in the following order: NOLs for the year of the discharge and NOL carryovers from prior years; general business tax credit carryovers; minimum tax credit available as of the beginning of the year following the year of discharge; net capital loss for the year of discharge and capital loss carryovers from prior years; basis of the debtor's assets; passive activity loss and credit carryovers from the year of discharge; and foreign tax credit carryovers to or from the year of discharge. The reduction of attributes does not occur until after the end of the debtor's tax year in which the COD occurred, so they should be available in determining the amount of its income, loss and tax liability which is reported as passing through the entity for the year of discharge.

As a result of the implementation of the Plan, each Debtor will have COD and potential attribute reduction. Because any reduction in tax attributes does not effectively occur until the first day of the taxable year following the taxable year in which the COD is incurred, the resulting COD, on its own, should not impair the ability of the Debtor to pass their tax attributes (to the extent otherwise available) on to the partners who were holders of interests for the year in which this cancellation of their interests occurs.

D. United States Federal Income Tax Consequences of Payment of Allowed Claims Pursuant to the Plan

The United States federal income tax consequences of payment of Allowed Claims pursuant to the Plan will depend on, among other things, the consideration received, or deemed to have been received, by the holder of the Allowed Claim, whether such holder reports income on the accrual or cash method, whether such holder receives distributions under the Plan in more than one taxable year, whether such holder's Claim is allowed or disputed at the Effective Date, whether such holder has taken a bad debt deduction or worthless security deduction with respect to its Claim.

In general, a holder of a Claim should recognize gain or loss equal to the amount realized under the Plan in respect of its Claim less the amount of such holder's basis in its Claim. Any gain or loss recognized in the exchange may be long-term or short-term capital gain or loss or ordinary income or loss, depending upon the nature of the Claim and the holder, the length of time the holder held the Claim and whether the Claim was acquired at a market discount. If the holder realizes a capital loss, its deduction of the loss may be subject to limitations under the Tax Code. The holder's aggregate tax basis for any property received under the Plan generally will equal the amount realized. The amount realized by a holder generally will equal the sum of the cash and the fair market value of any other property received (or deemed received) by the holder

under the Plan on the Effective Date and/or any subsequent distribution date, less the amount (if any) allocable to Claims for interest.

E. Certain Other Tax Consequences for Holders of Allowed Claims

In general, a holder of a Claim that was not previously required to include in its taxable income any accrued but unpaid pre-Effective Date interest on the Claim may be required to take such amount into income as taxable interest. A holder of a Claim that was previously required to include in its taxable income any accrued but unpaid pre-Effective Date interest on the Claim may be entitled to recognize a deductible loss to the extent that such interest is not satisfied under the Plan. Each such holder is urged to consult its tax advisor regarding the tax treatment of its distributions under the Plan and the deductibility of any accrued but unpaid interest for federal income tax purposes.

Because certain holders of Allowed Claims, including Disputed Claims that ultimately become Allowed Claims, may receive cash distributions subsequent to the Effective Date of the Plan, the imputed interest provisions of the Tax Code may apply to treat a portion of subsequent distributions as imputed interest. Additionally, because holders may receive distributions with respect to an Allowed Claim in a taxable year or years following the year of the initial distribution, any loss and a portion of any gain realized by the holder may be deferred. All holders of Allowed Claims are urged to consult their tax advisors regarding the possible application of (or ability to elect out of) the “installment method” of reporting with respect to their claims.

A holder of a Claim constituting an installment obligation for tax purposes may be required to recognize currently any gain remaining with respect to the obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than its face value, distributed, transmitted, sold or otherwise disposed of within the meaning of Section 453B of the Tax Code.

Bad Debt and/or Worthless Securities Deduction

A holder who, under the Plan, receives in respect of a Claim an amount less than the holder’s tax basis in the Claim may be entitled in the year of receipt (or in an earlier or later year) to a bad debt deduction in some amount under Section 166(a) of the Tax Code or a worthless securities deduction under Section 165(g) of the Tax Code. The rules governing the character, timing and amount of bad debt or worthless securities deductions place considerable emphasis on the facts and circumstances of the holder, the obligor and the instrument with respect to which deduction is claimed. Holders of Claims and Interests, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

F. Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of certain U.S. federal income tax consequences of the Plan, and is not a substitute for careful tax planning with a tax

professional. The above discussion is for general information purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a holder's individual circumstances.

HOLDERS OF CLAIMS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

Dated: June 24, 2011

Submitted by:

WHITTLE DEVELOPMENT, INC.

By: /s/ Robert Whittle
President

MARIAH BAY DEVELOPMENT, INC.

By: /s/ Robert Whittle
President

E. P. Keiffer (SBN 11181700)
Kim E. Moses (SBN 24035872)
Shane A. Lynch (SBN 24065656)
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ATTORNEYS FOR DEBTORS

Disclosure Statement

Exhibit “A”

Plan of Reorganization

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ATTORNEYS FOR DEBTORS

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	
WHITTLE DEVELOPMENT, INC.	§	Case No. 10-37084-HDH-11
	§	
MARIAH BAY DEVELOPMENT, INC.	§	Case No. 10-37805-HDH-11
	§	
Debtors.	§	
	§	Jointly Administered Under
	§	Case No. 10-37084-HDH-11

AMENDED JOINT PLAN OF REORGANIZATION

Whittle Development, Inc. (“*WDI*”) and Mariah Bay Development, Inc. (“*MBD*”) (sometimes collectively the “*Debtors*”), jointly propose and submit this Amended Joint Plan of Reorganization (the “*Plan*”).

ARTICLE I.

DEFINITIONS

Capitalized terms used in this Plan, unless otherwise defined herein, shall have the meanings or rules of construction assigned to each under the Bankruptcy Code. In construing the defined term or terms used in the Plan, (i) the singular shall include the plural and the plural shall include the singular, (ii) the conjunctive shall include the disjunctive and the disjunctive shall include the conjunctive, and (iii) reference to any gender shall include any other gender as appropriate. Unless the context otherwise requires, the following terms used herein shall have the following meanings:

1.01 Adequately Protected shall mean, with respect to the application of the Global Multi Lot/Tract Plan Treatment and the Single Lot/Tract Plan Treatment, the requirement that the

amount of the secured claim on the Effective Date, is equal to 85%, or less of the value of all of the collateral by which such debt is secured, with due consideration given in such calculation, to the existing *ad valorem* indebtedness on such property, as well the effect of any contractual liens which have priority over the specific secured indebtedness as to which the application of the Global Multi Lot/Tract Plan Treatment or the Single Lot/Tract Plan Treatment is being addressed, with regard to setting the Plan Rate (Applicable Entity).

1.02 Allowed shall mean with respect to a Claim, except for a Claim which is an Allowed Administrative Expense Claim, a Claim allowable under Section 502 of the Code, Scheduled by a Debtor in their respective Schedules as not disputed, contingent or unliquidated in a specific dollar amount or a Claim proof of which was filed with the Bankruptcy Court on or before the Bar Date, and (a) as to which no objection has been filed with the Bankruptcy Court by the Objection Deadline, unless such Claim is to be determined in a forum other than the Bankruptcy Court, in which case such Claim shall not become Allowed until determined by Final Order of such other forum and Allowed by Final Order of the Bankruptcy Court, or (b) as to which an objection was filed by the Objection Deadline, and then only to the extent allowed by Final Order of the Bankruptcy Court. Unless otherwise specified in this Plan, an Allowed Claim shall not include any amount of punitive damages, penalties, or any amount of interest which may have accrued from and after the Petition Date on any such Claim. Nothing contained herein shall in any way limit the right of the Debtors to request the Bankruptcy Court to designate, pursuant to § 1126(e) of the Code, any Claimant as an entity whose acceptance or rejection of the Plan was not in good faith or is not solicited or procured in good faith or in accordance with the provisions of Chapter 11 of the Code. With respect to an Allowed Administrative Expense Claim, Allowed shall refer solely to Final Orders of the Bankruptcy Court following proper application for the approval of payment thereof in accordance with the Code and the Bankruptcy Rules.

1.03 Allowed Administrative Expense Claim shall mean an Allowed Claim arising from costs or expenses of administration of the Debtor's Estate allowed under Section 503(b) of the Bankruptcy Code, including, without limitation: any actual and necessary expenses of preserving the Debtor's Estate; any actual and necessary expenses of operating a Debtor's business from and after the Petition Date to and including the Confirmation Date; all allowances of compensation or reimbursement of expenses to the extent approved by the Bankruptcy Court under Section 330 of the Bankruptcy Code; and any fees or charges assessed against a Debtor's Estate under Chapter 123, Title 28, United States Code.

1.04 Allowed Claim shall mean any Claim in the amount and in the priority classification set forth in any proof of such Claim that has been timely filed in this case, or in the absence of such proof, as set forth in a Debtor's Schedule of Liabilities, as amended, filed in the Case, unless: (i) such Claim has been listed in such Schedule as disputed, contingent, or unliquidated, in which case such Claim shall be allowed only if a proof of such Claim has been timely filed; (ii) such Claim has been objected to or is objected to after entry of the Confirmation Order, in which case such Claim shall be allowed only in such amount and such classification as is authorized by a Final Order of the Bankruptcy Court; or (iii) such Claim has been paid in full,

withdrawn or otherwise deemed satisfied in full. An Allowed Claim shall not include unmatured interest accruing after the Petition Date unless otherwise stated in the Plan.

1.05 Allowed General Unsecured Claim shall mean an Allowed Claim which is not entitled to priority under Section 507(a) of the Bankruptcy Code, or as to which the claimant does not have a validly perfected enforceable lien or security interest as defined in Sections 101(37), (50) and (51) of the Bankruptcy Code, or an Allowed Claim arising from the rejection of an unexpired lease or executory contract.

1.06 Allowed Interests shall mean the equity interests of all of the holders of any Equity Security of a Debtor prior to the Confirmation Date.

1.07 Allowed Secured Claim shall mean an Allowed Claim which is secured by an interest in property of a Debtor's Estate, to the extent of the value of such property.

1.08 Allowed Unsecured Priority Claim shall mean an Allowed Claim of a creditor which is unsecured and which is entitled to priority under Sections 507(a)(3) - (a)(8) of the Bankruptcy Code.

1.09 Bankruptcy Court shall mean the United States Bankruptcy Court for the Northern District of Texas, Dallas Division.

1.10 Bankruptcy Rules shall mean the Rules of Bankruptcy Procedure, as amended, applicable to the Cases.

1.11 Bar Date shall mean February 7, 2011 for the Debtors.

1.12 Case shall mean, as applicable, Whittle Development, Inc., Case No 10-37084-HDH-11 and Mariah Bay Development, Inc., Case No. 10-37085-HDH-11, as ordered jointly administered under Case No. 10-37084-HDH-11.

1.13 City Bank 364 Loans shall mean those amounts proportionately lent to WDI and MBD, post petition, pursuant to interim and final borrowing orders entered in the Case, totaling \$475,000 through distributions due thereunder through July, 2011.

1.14 City Bank CSA Collateral – MBD shall mean: i) all of MBD's personal property which is secured by pre-petition security agreements with MBD and perfected by UCC-1 filings with the Secretary of State of Texas more than one year prior to the Petition Date, including any accounts which MBD is due from WDI or any other affiliate or insider of MBD, specifically but not limited to the accounts due to MBD from RHCG unless otherwise ordered by the Court; and ii) real property subject to pre-petition deeds of trust in favor of City Bank, which is not affected by the City Bank/HGYC CSA.

1.15 City Bank CSA Collateral – WDI shall mean: i) all of WDI's personal property which is secured by pre-petition security agreements with WDI and perfected by UCC-1 filings with the Secretary of State of Texas more than one year prior to the Petition Date, including any

accounts which WDI is due from MBD or any other affiliate or insider of WDI, specifically but not limited to the accounts due to WDI from RHCG, unless otherwise ordered by the Court; and ii) real property subject to pre-petition deeds of trust in favor of City Bank, which is not affected by the City Bank/HGYC CSA.

1.16 City Bank CSA Debt – MBD shall mean the Allowed Claim generated by adding the sum of the 2006 Hotel Guaranty¹, as described in City Bank's Proof of Claim # 8, filed on February 7, 2011, (\$24,672,229.96), to the balance remaining on the 2008 Hotel Note (just shy of \$300,000 after post petition sales prior to Confirmation). By virtue of the City Bank/HGYC CSA, MBD has no obligations to City Bank with regard to: a) the 2010 April Guaranty; b) the 2010 August Guaranty; c) any post petition advance made pursuant to the City Bank 364 Loans; or d) any amounts transferred to or for the benefit of MBD or WDI on account of the City Bank/HGYC CSA or the CULS CSA.

1.17 City Bank CSA Debt – WDI shall mean the Allowed Claim generated by adding the sum of the 2006 Hotel Guaranty², as described in City Bank's Proof of Claim # 47, filed on February 7, 2011, (\$24,672,229.96), to the balance remaining on the 2008 Hotel Note (just shy of \$300,000 after post petition sales prior to Confirmation). By virtue of the City Bank/HGYC CSA, WDI has no obligations to City Bank with regard to: a) the 2010 April Guaranty; b) the 2010 August Guaranty; c) any post petition advance made pursuant to the City Bank 364 Loans; or d) any amounts transferred to or for the benefit of MBD or WDI on account of the City Bank/HGYC CSA or the CULS CSA.

1.18 City Bank Facilitated Transfers shall mean those transactions from April, 2010 through just prior to the Petition Date, wherein, among other things, HGYC acquired multiple tracts of land from MBD and WDI for the purpose of proceeding with a multi-faceted real estate development in Heath, Texas, as well as transfers to City Bank, by either Debtor, within 90 days of the Petition Date.

1.19 City Bank/HGYC CSA shall mean the Compromise Settlement Agreement between the WDI, MBD, City Bank and HGYC described in Section 4.07 of the Plan.

1.20 City Bank Note Acquisition Option shall mean the option which this Plan creates in Plan Section 4.06(6).

1.21 Claim shall mean any right to payment or right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from a Debtor on or as of the Confirmation Date, whether or not such right is reduced to judgment, liquidated, fixed, contingent, disputed, legal, equitable, secured or unsecured. The debt generated thereby is the liability on the Claim.

¹ As such terms are defined in City Bank's proof of claim Exhibit A-1 and attachments described therein, as to each case.

² As such terms are defined in City Bank's proof of claim Exhibit A-1 and attachments described therein, as to each case.

1.22 Claims Objection Bar Date shall mean thirty (30) days after the Plan Closing Date.

1.23 Code or Bankruptcy Code shall mean Title 11 of the United States Code.

1.24 Confirmation shall mean entry by the Bankruptcy Court of the Confirmation Order.

1.25 Confirmation Date shall mean the date on which the Confirmation Order is entered by the Bankruptcy Court.

1.26 Confirmation Hearing shall mean the hearing in connection with Confirmation of the Plan as commenced or adjourned and continued by the Bankruptcy Court.

1.27 Confirmation Order shall mean the order confirming the Plan.

1.28 Consummation of the Plan shall mean when all of the requirements of the Plan are met as to each of the Debtors. Consummation of the Plan for each Debtor is defined to have occurred after substantial consummation, as that term is defined in section 1101(2) of the Bankruptcy Code, of the Plan and only upon the occurrence of the Consummation of the Plan Date as to each Debtor.

1.29 Consummation of the Plan Date shall mean the date on which Debtor: a) acquires additional lots, parcels, acreage or tracts; b) secures developmental financing to develop any of that Debtor's raw land holdings; and c) continues to function as an operating entity sufficient to secure a discharge per Section 1141(d)(3) of the Code. However, each Debtor has a discrete date by which it must either continue business operations or have its discharge under Section 1141 of the Code denied. WDI must acquire additional lots, parcels, acreage or tracts and continue to function as an operating entity on or before thirty six (36) months after the Effective Date, while MBD must acquire additional lots, parcels, acreage or tracts and continue to function as an operating entity on or before thirty (30) months after the Effective Date or the discharge set forth under section 1141 (d)(1) of the Bankruptcy Code shall not be granted as to such Debtor.

1.30 Credit Bid Rights shall mean the retention by holders of Allowed Secured Claims to credit bid afforded to them under section 363(k) of the Bankruptcy Code as to any specific sale of their collateral which may occur during operation of the Plan on account of the Global Single Lot /Tract Plan Treatment or the Global Multi-Lot /Tract Plan Treatment, as may be applicable to such sale. Any such holder electing to credit bid must, at a minimum, credit bid the amount that would be allocated from any particular sale to pay down their lien on the property in question, as well as any then due *ad valorem* taxes due, as well as the amount which may be due to the holders of contractual secured claims with a higher priority; such holders are not required to credit bid the amount from any particular sale that would be allocated to make-ready requirements of the proposed purchaser or to pay commissions on the proposed sale.

1.31 Creditor shall mean any Person that holds an Allowed Claim.

1.32 CULS/TF-Harbor Allowed Claim means the general unsecured claim of Credit Union Liquidity Services, LLC (“CULS”), held by TF-Harbor, LLC (“TF-Harbor”). The CULS/TF-Harbor Allowed Claim is allowed against WDI as a Class 14 General Unsecured Claim in the total amount of \$4,250,000.00, and division of any payment or transfer made pursuant to the Plan on account of the CULS/TF-Harbor Allowed Claim as between them shall be determined by TF-Harbor. The CULS/TF Harbor Allowed Claim replaces and supersedes CULS proofs of claim in the WDI case, numbers 40 and 41, and resolves: a) the Motion of TF-Harbor, LLC, As Assignee of Credit Union Liquidity Services, LLC f/k/a Texans Commercial Capital, LLC for Leave to Late File Proof of Claim [*Docket No. 210*] in the MBD case; and b) Credit Union Liquidity Services, LLC f/k/a Texans Commercial Capital, LLC v. Whittle Development and Robert S. Whittle (Adversary Proceeding 10-03370-hdh).

1.33 CULS MSA shall mean the applicable terms from that certain *Mediated Settlement Agreement* between TF-Harbor; CULS; WDI; MBD; Robert S. Whittle; Rockwall Hotel and Conference Group, Inc. (“RHCG”); HGYC; and City Bank, as a result of a mediation between the above parties that was conducted by the Honorable Marvin Isgur on June 8, 2011, in Houston, Texas, and which are detailed in Plan Section 4.06.

1.34 Disallowed Claim shall mean any Claim (or any portion thereof) against a specific Debtor which has been disallowed pursuant to the provisions of the Code, including, without limitation, any Claim disallowed pursuant to § 502(e) of the Code.

1.35 Disputed Claim shall mean (a) any Claim or portion of a Claim (other than an Allowed Claim) which is scheduled by a Debtor as disputed, contingent or unliquidated, or (b) a Claim, proof of which has been filed pursuant to § 501(a) of the Bankruptcy Code as unliquidated or contingent, or (c) a Claim, or any portion thereof, proof of which has been filed pursuant to § 501(a) of the Bankruptcy Code and as to which an objection to the allowance thereof, in whole or in part has been interposed within any time limitation fixed by an order of the Bankruptcy Court, or by this Plan, which objection has not been settled or determined, in whole or in part, by a Final Order or (d) which are noted in Section 8.05 of the Plan.

1.36 Effective Date shall mean the date which is the fifteenth (15th) day following the Confirmation Date, unless a stay of the Confirmation Order is obtained. In the event a stay is obtained, the Effective Date will be the fifteenth day after an order dissolving the stay is entered.

1.37 Estate shall mean all properties and interests of a Debtor, whether legal or equitable, which are subject to administration in the applicable Case pursuant to Code § 541, but shall exclude the property excluded from the Estate pursuant to Bankruptcy Code § 541.

1.38 Final Order shall mean an order or judgment of the Bankruptcy Court, which has not been stayed and as to which the time to appeal or seek review or rehearing or writ of certiorari has expired and as to which no appeal or petition for review or rehearing or certiorari has been taken or is pending.

1.39 Global Multi Lot/Tract Plan Treatment shall mean the baseline Plan treatment afforded to each Allowed Secured Creditor whose security consists of multiple lots or tracts of real property. The Global Multi Lot/Tract Plan Treatment, as applied to certain Allowed Secured Creditors may be modified as specifically set forth in their treatment provisions detailed in the applicable Article III recitation. The Global Multi Lot/Tract Plan Treatment is as follows:

- (a) If, as of the Confirmation Hearing, the applicable Debtor has entered into a Multi Lot Sales Contract, then from and after the initial closing of such Multi Lot Sales Contract, the specific secured claim associated with such lots/tracts to be sold, shall not require, nor be entitled to, any Retention Funding. However, interest at the Plan Rate – (Applicable Entity), will continue to accrue as to the whole of the specific secured claim involved and such interest accrued will be required to be paid from the proceeds of the each sub closing which occur on account of the Multi Lot Sales Contract, in addition to the Lot/Strike Price which is otherwise due from such closing;
- (b) If, after the Confirmation Hearing, the applicable Debtor enters into a Multi Lot Sales Contract, then from and after the initial closing of such Multi Lot Sales Contract, the specific secured claim associated with such lots/tracts to be sold thereafter per the Multi Lot Sales Contract, shall not require, nor be entitled to, any Retention Funding which would otherwise accrue after the execution of such Multi Lot Sales Contract. However, interest at the Plan Rate – (Applicable Entity), will continue to accrue as to the whole of the specific secured claim involved and such interest accrued will be required to be paid from the proceeds of the each sub closing which occur on account of the Multi Lot Sales Contract, in addition to the Lot/Strike Price which is otherwise due from such closing;
- (c) If, collateral which secures a specific secured claim is not, either per the pre-petition documentation securing the transaction, or by virtue of the tract or lot not being conducive to being sold in multiple lots/tracts per the Lot/Strike Price Formula, then the specific secured debt, plus any interest or fees not paid from Retention Funding, shall be paid from the proceeds of the sale of such tract or lot;
- (d) If neither (a) or (b) are applicable or if (c) is applicable as to a specific secured claim associated with specific lots/tracts on the Plan Closing Date, then the applicable allowed secured creditor shall be entitled to Retention Funding at the Plan Rate – (Applicable Entity), during the Initial Retention Funding Period;
- (e) Any Multi Lot Sales Contract or Single Tract Sales Contract which is entered into after the Confirmation Hearing, shall have the effect of: (i) lowering the Retention Funding otherwise due so that only lots/tracts which are not subject to a Multi Lot Sales Contract or Single Tract Sales Contract will be included in determining the subsequent amount of the Retention Funding obligation; and (ii) for every reduction of ten percent (10%) in the pre-petition amount of the applicable allowed secured claim as to the applicable Debtor which is generated by any

closings on account of the Multi Lot Sales Contract(s) or Single Tract Sales Contract(s), the Initial Retention Funding Period shall be extended by three (3) periods, on account of each such closing;

- (f) Only if the applicable allowed secured creditor is entitled to cross collateralization rights as to its secured claims herein, solely against one of the Debtors on account of its pre-petition deeds of trust(s) and has no right of cross collateralization as to secured claims which the applicable allowed secured creditor has as against the other Debtor, then such cross collateralization rights shall be suspended and will be of no force or effect so long as: (i) the applicable Debtor is in compliance with its Retention Funding obligations as to the applicable allowed secured creditor, as they may be modified or extended per these Plan provisions; and (ii) the Lot Strike Price Formula, as applied to all of the specific lots/tracts with which are not the subject of a then existing Multi Lot Sales Contract or a Single Tract Sales Contract, shows that the applicable allowed secured creditor is not Adequately Protected, then the Lot/Strike Price Formula as to those specific lots/tracts shall be adjusted so that any subsequent sale will leave those remaining lots/tracts in compliance with the Lot/Strike Price Formula;
- (g) Only if the applicable allowed secured creditor is entitled to cross collateralization rights as to its secured claims herein against one Debtor on account of its pre-petition deeds of trust(s) and rights regarding cross collateralization exists as to secured claims which the applicable allowed secured creditor has as against the other Debtor, then such cross entity cross collateralization rights shall be suspended and will be of no force or effect so long as: (i) WDI and MBD are both in compliance with their respective Retention Funding obligations as to the applicable allowed secured creditor, as they may be modified or extended per these Plan provisions; (ii) the Lot Strike Price Formula, as applied to all of the specific lots/tracts of both WDI and MBD combined, which are not the subject of a then existing Multi Lot Sales Contract or a Single Tract Sales Contract, shows that the applicable allowed secured creditor is not Adequately Protected, then the Lot/Strike Price Formula as to those specific lots/tracts shall be adjusted so that any subsequent sale will leave those remaining lots/tracts in compliance with the Lot/Strike Price Formula;
- (h) If the applicable Debtor fails to meet its payment requirements with regard to Retention Funding during its Initial Retention Funding Period, as it may be extended where applicable, as to a specific Allowed Secured Claim and the Debtor continues to fail to meet that payment requirement after 5 business days written/e-mail notice of such failure, then such holder of the applicable Allowed Secured Claim shall be entitled to exercise its otherwise applicable state law or contractual remedies, unimpeded by any of the terms of this Plan in order to realize the indubitable equivalent of their Allowed Secured Claim; and

- (i) If the applicable Debtor has not, as of the terminating date of the Initial Retention Funding Period, as it may be extended per the Plan, secured the execution of a Multi Lot/Tract Contract, then such holder of the applicable Allowed Secured Claim shall be entitled to exercise its otherwise applicable state law or contractual remedies, unimpeded by any of the terms of this Plan in order to realize the indubitable equivalent of their Allowed Secured Claim.

1.40 Global Single Lot /Tract Plan Treatment shall mean the baseline Plan treatment afforded to each Allowed Secured Creditor whose security consists of a single lot or tract of real property. The Global Single Lot/Tract Plan Treatment, as applied to certain Allowed Secured Creditors may be modified as specifically set forth in their treatment provisions detailed in the applicable Article III recitation. The Global Single Lot/Tract Plan Treatment is as follows:

- (a) If, as of the Confirmation Hearing, the applicable Debtor has entered into a Single Lot Sales Contract, then from and after the initial closing of such Single Lot Sales Contract, the specific secured claim associated with such lot/tract to be sold, shall not require, nor be entitled to, any Retention Funding. However, interest at the Plan Rate – (Applicable Entity), will continue to accrue as to the whole of the specific secured claim involved and such interest accrued will be required to be paid from the proceeds of the closing which occur on account of the Single Lot Sales Contract closing;
- (b) If, after the Confirmation Hearing, the applicable Debtor enters into a Single Lot Sales Contract, then on account of such Single Lot Sales Contract, the applicable Debtor shall not be required, nor shall the applicable secured creditor be entitled to, any Retention Funding which would otherwise accrue after the execution of such Single Lot Sales Contract. However, interest at the Plan Rate – (Applicable Entity), will continue to accrue as to the whole of the specific secured claim involved and such interest accrued will be required to be paid from the proceeds of the closing of the Single Lot Sales Contract;
- (c) If neither (a) or (b) are applicable as to a specific secured claim associated with a specific lot/tract on the Plan Closing Date, then the applicable allowed secured creditor shall be entitled to Retention Funding at the Plan Rate – (Applicable Entity), during the Initial Retention Funding Period;
- (d) If the Single Lot/Tract, by virtue of its size, is subject to being subdivided or sold in smaller units or parcels, without the need for securing any zoning or other specific governmental authority to sell such Single Lot/Tract in smaller units or parcels, then such Single Lot/Tract will be subject to application of the Lot Strike Price Formula and as a result, by virtue of the applicable Debtor's election, to be filed of record in the Case and specifically noticed to the holder of the applicable allowed secured claim, at least ten (10) business days prior to the Confirmation Hearing, treat such Single Lot/Tract in the same manner as if it were initially a Global Multi Lot/Tract;

- (e) If the applicable Debtor fails to meet its payment requirements with regard to Retention Funding during its Initial Retention Funding Period, as it may be extended where applicable, as to a specific Allowed Secured Claim and the Debtor continues to fail to meet that payment requirement after 5 business days written/e-mail notice of such failure, then such holder of the applicable Allowed Secured Claim shall be entitled to exercise its otherwise applicable state law or contractual remedies, unimpeded by any of the terms of this Plan in order to realize the indubitable equivalent of their Allowed Secured Claim; and
- (f) If the applicable Debtor has not, as of the terminating date of the Initial Retention Funding Period, as it may be extended per the Plan, secured the execution of a Single Lot/Tract Contract, then such holder of the applicable Allowed Secured Claim shall be entitled to exercise its otherwise applicable state law or contractual remedies, unimpeded by any of the terms of this Plan in order to realize the indubitable equivalent of their Allowed Secured Claim.

1.41 HGYC shall mean Heath Golf and Yacht Club, an insider and affiliate of the Debtors and transferee of specific tracts of real property from MBD and WDI in the year prior to MBD and WDI filing for relief under Title 11 of the U.S. Code.

1.42 Hotel Parking Tract shall mean that portion of the Parking Lot Property that does not comprise the Shopping Parking Tract.

1.43 Initial Retention Funding Period shall mean that period of time starting on the 35th day after the Plan Closing Date as to the allowed amount of a specific secured claim, which will thereafter be due on or before the next business day which is 30 days afterwards, for up to a period of twelve additional subsequent 30 day periods [for a total of thirteen (13) periods].

1.44 Lot/Tract Strike Price shall mean any per lot or per tract strike or release price provided for in the last filed deed of trust with regard to a specific first contractual priority Allowed Secured Claim. Any second contractual priority Allowed Secured Claim which states a per lot or per tract release price will have such provisions suspended until the applicable first contractual priority Allowed Secured Claim is paid in full and then, at such time, the second contractual priority Allowed Secured Claim strike or release price shall become applicable. At all times, any contractual Lot/Tract Strike Price shall be subject to revision per the Lot/Tract Strike Price Formula, if the application of the Lot/Tract Strike Price Formula would reduce the strike or release price provided in an applicable deed of trust or other applicable pre-petition document which an applicable Debtor would have been required to abide by pre-petition.

1.45 Lot/Tract Strike Price Formula shall mean the formula for determining a per lot or per tract release price, where feasible, with regard to the collateral held by any first contractual priority Allowed Secured Claim or any inferior contractual priority Allowed Secured Claim which, by virtue of the sale of such properties, becomes a first contractual priority Allowed Secured Claim. The Lot/Tract Strike Price Formula will be applied to each Allowed Secured Claim which is specifically stated in the Plan as being subject to the Global Multi Lot/Tract Plan

Treatment or which may become subject to the Global Multi Lot/Tract Plan Treatment per the terms of the Global Single Lot/Tract Plan Treatment. The Lot/Tract Strike Price Formula shall utilize the same specific ratio of the amount of the claim of the Allowed Secured Creditor to the specific Debtor's stated valuation of each specific tract(s)/lot(s) involved, without the averaging as would occur in determining the Plan Rate – (Applicable Entity). The specific application of the Lot/Tract Strike Price Formula as to each applicable tract(s)/lot(s) and the resulting per tract/lot release price is set forth in Plan Exhibit 1.45. The application of the Lot/Tract Strike Price Formula, in conjunction with the execution of a Multi Lot Sale Contract, may not be utilized to: a) land lock the remaining portions of the holder of an Allowed Secured Claim's collateral; b) enable the applicable Debtor to attach values to lots or tracts which are substantially dissimilar or subject to flood plain or other developmental restrictions; or c) to burden less valuable lots with an excessive remaining claim amount by virtue of serial sales. Variations in per lot amounts, within a Multi Lot Sales Contract maybe utilized to achieve the per lot price described in Plan Exhibit 1.45 as an average price.

1.46 Multi Lot Sales Contract shall mean a contract for sale of multiple tracts/lots (at least two [2]) between an applicable Debtor and a bona fide third party purchaser, which requires the purchase of or the "drawing down on lots/tracts" by the buyer from the applicable Debtor on a schedule or periodic basis, which contract for sale must have its first purchase or draw down on lots/tracts occur within 120 days of its execution.

1.47 Net Equity shall mean funds derived from the sale of one or more tracts or lots, in keeping with the applicable Lot/Tract Strike Price requirements, which flow to an applicable Debtor after the payment of all fees, costs and expenses of closing such sale through a title company, all ad valorem taxes then due, all applicable commissions and all make ready requirements in order to get such lots sold .

1.48 Parking Lot Property shall mean that certain real property located in Rockwall, Texas, comprised primarily of parking lots and depicted in red on Exhibit 1.48 of the Plan.

1.49 Petition Date shall mean October 4, 2010.

1.50 Plan Agent shall mean Andrew Lester, CPA The Plan Agent shall have the powers and duties assigned to him in section 4.03, below.

1.51 Plan Closing Date shall occur as soon as reasonably possible after the Effective Date, but in no event more than ten (10) business days after the Effective Date.

1.52 Plan Distribution Date shall mean the date for the initial distribution of funds provided for in the Plan to the holders of Allowed General Unsecured Claims in both cases. The Plan Distribution Date shall occur as reasonably possible after the Plan Closing Date, but in no event more than twenty (20) business days after the Plan Closing Date.

1.53 Plan Rate - (Applicable Entity) shall mean the rate of interest which an applicable Debtor is required to pay an applicable Allowed Secured Creditor per the terms of the Plan as applied to a specific Allowed Secured Creditor. The Plan Rate – (Applicable Entity)

shall be a function of the average of the sum of the ratio(s) of the amount of the claim of the Allowed Secured Creditor to the specific Debtor's stated valuation of each specific tract, where the Allowed Secured Creditor is secured by multiple tracts or lots. If the Allowed Secured Creditor has an Allowed Claim which is only secured by a specific tract, then, irrespective of any potential application of the Lot/Strike Price Formula per the terms of the Plan, then there will only be one ratio determination with regard to arriving at such Allowed Secured Creditor's Plan Rate. The Plan Rate – (Applicable Entity) for each of the Allowed or Asserted Secured Creditor, with the applicable calculations, is set forth on Plan Exhibit 1.52.

1.54 Pro Rata Share shall mean the proportion that the amount of an Allowed Claim in a particular Class of Claims bears to the aggregate amount of all Allowed Claims in such Class of Claims.

1.55 Pro Tanto Reduction shall mean where an Allowed Claim is entitled to look to both of the Debtors for payment of a specific claim (one Debtor as maker - the other Debtor as guarantor) payment by one Debtor, where appropriate, causes a reduction in the amount of the Allowed Claim with regard to subsequent distribution as to one or both Debtors, so that there is no prospect of overpayment of Allowed Claims which are contractually entitled to look to both entities to pay such Allowed Claim.

1.56 Push-Back Option shall mean the applicable Debtor's option to forfeit to the secured creditor that holds a senior secured lien on a specific piece of collateral, in full satisfaction, as the indubitable equivalence of that creditor's secured claim which is primarily³ secured by the forfeited collateral. The Debtors may exercise the Push-Back Option at any time between the Effective Date and September 25, 2011 by sending written notice to the affected secured creditor. If the Debtors do not exercise the Push-Back Option by September 25, 2011, it shall expire. Any collateral as to which a Debtor exercises the Push-Back Option shall be applied against the Allowed Claim held by the creditor at the amount the Debtor listed on its Schedule D. Any creditor that is the subject of an exercised Push-Back Option shall have the choice to: (a) record a deed in lieu of foreclosure (which the Debtor must execute and supply in a form acceptable to the secured creditor); or (b) post the subject property for foreclosure at the next available foreclosure sale following the date on which the Debtor gave notice to the creditor of its intent to exercise the Push-Back Option. If a creditor does not make a choice between the above options where the Debtor exercises the Push Back Option, the Debtor will deliver a deed in lieu of foreclosure to the creditor on or before October 5, 2011. The exercise of the Push-Back Option does not impair or affect the allowed secured claims of Ad Valorem Taxing Authorities and Tax Ease.

1.57 Retention Funding shall mean the payment, where applicable and per the terms of this Plan, of interest on the applicable amount of an Allowed Secured Claim at the Plan Rate

³ For creditors that have cross-collateralization and/or cross-entity cross-collateralization rights, the "claim that is primarily secured by the forfeited collateral" is the claim based on the loan which is secured on its face by the collateral in question, excluding any cross-collateralization and/or cross-entity cross-collateralization rights.

(Applicable Entity), which is not the subject of: a) an executed and pending Multi Lot Sales Contract; or b) an executed and pending Single Lot Sales Contract.

1.58 Secured Claim shall mean a Claim that is (a) secured by a lien on property of an applicable Debtor which lien is valid, perfected and enforceable under applicable law, but only to the extent of the value of the property securing any portion of a Claim or (b) deemed Allowed under the Plan as a Secured Claim.

1.59 Shopping Parking Tract shall mean that portion of the Parking Lot Property that is to the East and North of the principal entrance to the parking lots and that is comprised of approximately 60% of the parking spaces located on the Parking Lot Property and certain other non-parking common areas.

1.60 Single Lot Sales Contract shall mean a contract for sale of a single tract/lot between an applicable Debtor and a bona fide third party purchaser, which requires the purchase and closing of such lot by the buyer from the applicable Debtor on a scheduled basis which is normal and customary in relation to the size of and the state of development of the such single tract/lot which contract for sale must have its closing date occur within 120 days of its execution.

1.61 Take-Back Option shall mean the option of a creditor to take specific collateral in full satisfaction of its claim that is primarily⁴ secured by such collateral. Any creditor that exercises the Take-Back Option shall release the personal guarantee of Rob Whittle as to the loan that is primarily secured by the specific property that is the subject of the exercised Take-Back Option, and shall be barred from asserting or collecting on any claim of deficiency as to the collateral that is taken back. A creditor is only entitled to exercise the Take-Back Option if it votes in favor of the Plan. A creditor may exercise the Take-Back Option by either: (a) checking the box on its ballot stating that it is exercising the Take-Back Option; or (b) giving the affected Debtor notice in writing that it exercising the Take-Back Option. A creditor that desires to exercise the Take-Back Option must do so by September 25, 2011. If a creditor does not exercise the Take-Back Option by September 25, 2011, it shall expire; additionally, the Take-Back Option automatically and immediately expires when a property subject to the Tack-Back Option becomes subject to a multi-lot sales contract or other sales contract prior to such exercise. Any creditor that exercises the Take-Back Option shall have the choice to: (a) record a deed in lieu of foreclosure (which the Debtor must execute and supply in a form acceptable to the secured creditor); or (b) post the subject property for foreclosure at the next available foreclosure sale following the date on which the creditor gave notice to the Debtor of its intent to exercise the Take-Back Option. If a creditor that has exercised the Take-Back Option does not make a choice between the above choices, the Debtor will deliver a deed in lieu of foreclosure to the creditor on or before October 5, 2011. The exercise of the Take-Back Option does not impair or affect the allowed secured claims of Ad Valorem Taxing Authorities and Tax Ease.

⁴ For creditors that have cross-collateralization and/or cross-entity cross-collateralization rights, the "claim that is primarily secured by the forfeited collateral" is the claim based on the loan which is secured on its face by the collateral in question, excluding any cross-collateralization and/or cross-entity cross-collateralization rights.

1.62 Unsecured Claims Note means the promissory note issued by HGYC, for the benefit of the holders of Allowed General Unsecured Claims of WDI and MBD, on the Plan Closing Date in the principal amount of \$1,000,000.00, with 0% interest, that is payable in 4 years from the date of the note, and that is secured by all of the property of HGYC (which junior lien note is generated on account of the City Bank/HGYC CSA described in Plan Section 4.07). The Unsecured Claims Note shall be held by the Plan Agent. The proceeds of the Unsecured Claims Note shall be paid by HGYC to the Plan Agent, who is responsible for distributing such proceeds, pro rata, to the holders of Class 14 (WDI) and Class 12 (MBD) Allowed General Unsecured Claims, unless City Bank timely exercises the City Bank Note Acquisition Option. If City Bank timely exercises the City Bank Note Acquisition Option, then such option proceeds shall be disbursed by the Plan Agent as soon as possible after receipt. The Unsecured Claims Note is not a post petition obligation of either MBD or WDI, but rather is only an obligation of HGYC secured by a junior lien upon property of HGYC for the pro-rata benefit of the holders of Allowed General Unsecured Claims of both Debtor entities.

1.63 Unsecured Non Priority Claims shall mean all unsecured claims of an applicable Debtor, regardless of classification, which are not entitled to any specific priority under the Code.

1.64 Other Definitions. Unless otherwise specified, all section, article and exhibit references are to the respective section in, article of, or exhibit to, the document, as the same may be amended, waived or modified from time to time. The headings in the document are for convenience of reference only and shall not limit or otherwise affect the provisions thereof. Words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender.

ARTICLE II.

CLASSIFICATION OF ALLOWED CLAIMS AND ALLOWED INTERESTS

All Allowed Claims and Allowed Interests, other than Allowed Claims specified in Sections 507(a)(1), 507(a)(2) and 507(a)(8), which Allowed Claims are not classified in accordance with Section 1123(a)(1) of the Bankruptcy Code, are placed in the classes described in this Article II of the Plan.

WDI

2.01 Class 1: Allowed Secured Claims of Ad Valorem Taxing Authorities and Tax Ease, Inc. Class 1 shall consist of subclasses of holders of Secured Claims as to ad valorem property taxes, as well as Tax Ease, with regard to WDI's real property and/or business personal property. Claims listed as Disputed per Section 8.02 of the Plan are subject to proceedings under Section 505 of the Code.

2.02 Class 2: Allowed Secured Claim of 1st International Bank. Class 2 shall consist of the Allowed Secured Claim of 1st International Bank. As of the filing of the Plan, 1st International Bank is generally secured by: a) One (1) Estate Lot /Hills of Buffalo Creek

development, located in Heath, Texas; b) Twenty six (26) Golf Course lots in Buffalo Creek development (phases 10 and 11), located in Heath, Texas; c) One (1) Golf Course Lot [17 Falcon View] located in Heath, Texas; and d) One (1) Spec House [15 Falcon View] located in Heath, Texas⁵.

2.03 Class 3: Allowed Secured Claim of Alliance Bank. Class 3 shall consist of Allowed Secured Claim of Alliance Bank. As of the filing of the Plan, Alliance Bank is generally secured by ten (10) commercial lots, “Cobblestone Commercial, Phase 2” located in Heath, Texas and 83 Single Family Lots Hidden Creek Estates Phase 2, in Royse City TX.

2.04 Class 4: Asserted Secured Claim of BB&T. Class 4 shall consist of asserted Secured Claims of BB&T. As of the filing of the Plan, BBT’s asserted secured claim is generally secured by Seventy (70) Single Family Lots in Hidden Creek Estates, Phase 2, Royse City, Texas.

2.05 Class 5: Allowed Secured Claim of Community Bank. Class 5 shall consist of Allowed Secured Claims of Community Bank. As of the filing of the Plan, Community Bank is generally secured by Two (2) Patio Home lots in The Enclave of Buffalo Creek, Heath, Texas.

2.06 Class 6: Allowed Secured Claim of Jefferson Bank. Class 6 shall consist of Allowed Secured Claims of Jefferson Bank. As of the filing of the Plan, Jefferson Bank is generally secured by: a) the balance of ten (10)] single family lots at Buffalo Creek Tennis Village, Heath Texas, as well as certain rights which the Debtor has secured with regard to their sale by means of the order approving the sale of such lots, over time, to Altura Builders, LLC; and b) sixteen (16) golf course lots in Buffalo Creek Country Club Estates, Heath, Texas.

2.07 Class 7: Allowed Secured Claim of Lakeside National Bank. Class 7 shall consist of Allowed Secured Claims of Lakeside National Bank. As of the filing of the Plan, Lakeside National Bank is generally secured by: a) five (5) Single Family lots in Hidden Creek Estates, Royse City, Texas; and b) One (1) Single Family Lot – Tubbs Road – Rockwall, Texas.

2.08 Class 8: Allowed Secured Claim of Synergy Bank. Class 8 shall consist of Allowed Secured Claims of Synergy Bank. As of the filing of the Plan, Synergy Bank is generally secured by: a) one and one half (1.5) acres at the corner of Horizon and FM 549 in Rockwall, Texas; and b) One (1) Single Family House at 809 Hubbard Dr., Rockwall, Texas.

2.09 Class 9: Allowed Secured Claim of Tony Seely. Class 9 shall consist of Allowed Secured Claims of Tony Seely. As of the filing of the Plan, Tony Seely is generally secured by a second lien on One (1) Single Family House at 809 Hubbard Dr., Rockwall, Texas.

⁵ 1st International Bank’s secured claim on 1834 Moorish Drive, located in Heath, Texas, was approved by entry of an order prior the filing of the Plan and for purposes of the Plan, is presumed to have closed and funded and paid 1st International Bank per that order [Docket #154].

2.10 Class 10: Allowed Secured Claim of Glen Whaley. Class 10 shall consist of Allowed Secured Claims of Glen Whaley. As of the filing of the Plan, Glen Whaley is generally secured by Two Hundred (200) acres of undeveloped land in Heath, Texas.

2.11 Class 11: Allowed Secured Claim of Lee Groves. Class 11 shall consist of Allowed Secured Claims of Lee Groves. As of the filing of the Plan, Lee Groves is generally secured by thirteen (13) Single Family homes and lots in Royce City, Texas.

2.12 Class 12: Allowed Secured Claim of City Bank Texas. Class 12 shall consist of Allowed Secured Claims of City Bank Texas. As of the filing of the Plan, City Bank Texas, is generally secured by the City Bank CSA Collateral - WDI.

2.13 Class 13: Allowed Secured Claim of Lajoie Industries, LLC. Class 13 shall consist of Allowed Secured Claims of Lajoie Industries, LLC. As of the filing of the Plan, Lajoie Industries, LLC is generally secured by mechanics and materialmen's liens on 15 Falcon View, Heath, Texas.

2.14 Class 14: Asserted Secured Claim of JWS Rockwall. Class 14 shall consist of the asserted secured claim of JWS Rockwall. JWS Rockwall asserts that its claim against WDI is secured by a second lien on sixteen (16) Buffalo Creek Single Family Golf Course lots.

2.15 Class 15: Allowed General Unsecured Claims. Class 14 shall consist of the Allowed General Unsecured Claims which are not in Class 15.

2.16 Class 16: Allowed General Unsecured Claims of Insiders and Affiliates. Class 15 shall consist of the Allowed General Unsecured Claims of Insiders and Affiliates. Those claims generally are: a) Buffalo Creek Investments - \$4,160,830; b) MBD - \$3,122,557⁶; and c) Mariah Bay Leasing, Inc. - \$4,974,068.

2.17 Class 17: Allowed Equity Interests. Class 16 shall consist of Robert Whittle the holder of Allowed Equity Interests of WDI.

MBD

2.18 Class 1: Allowed Secured Claims of Ad Valorem Taxing Authorities. Class 1 shall consist of subclasses of holders of Secured Claims as to ad valorem property taxes with regard to MBD's real property and/or business personal property.

2.19 Class 2: Allowed Secured Claim of Alliance Bank. Class 2 shall consist of the Allowed Secured Claim of Alliance Bank. As of the filing of the Plan Alliance Bank is generally secured by Seven (7) Single Family Lots in Chisholm Crossing, Rockwall, Texas.

2.20 Class 3: Allowed Secured Claim of American National Bank. Class 3 shall consist of Allowed Secured Claim of American National Bank. As of the filing of the Plan

⁶ MBD's claim is subject to the MBD Class 10 Secured Claim of City Bank Texas.

American National Bank is generally secured by a commercial tract located at 295 and I-30 in Rockwall, Texas.

2.21 Class 4: Allowed Secured Claim of BBT. Class 4 shall consist of Allowed Secured Claims of the Allowed Secured Claim of BBT. As of the filing of the Plan, BBT is generally secured by Two hundred forty (240) acres of undeveloped land in Hidden Creek Estates, Royce City, Texas.

2.22 Class 5: Allowed Secured Claim of JWS Rockwall. Class 5 shall consist of Allowed Secured Claim of JWS Rockwall. As of the filing of the Plan, JWS Rockwall is generally secured by: a) One hundred seventy four (174) acre undeveloped tract in Chisholm Crossing Phase 4, Rockwall, Texas; b) and lease rights, unearned insurance premiums, equipment, personal property deposits, defined general intangible contracts, accounts receivable, rights associated but not limited to the described 174 acre tract (second contractual personal property lien priority based on [5/1/09 UCC-1]).

2.23 Class 6: Allowed Secured Claim of Lakeside National Bank. Class 6 shall consist of Allowed Secured Claim of Lakeside National Bank. As of the filing of the Plan, Lakeside National Bank is generally secured by: a) One (1) House and lot at 5702 Southern Cross, Rockwall, Texas; b) One (1) residential lot located at 1534 Hubbard, Heath, Texas; and c) One (1) Single Family lot, Chisholm Crossing, Rockwall, Texas.

2.24 Class 7: Allowed Secured Claim of Synergy Bank. Class 7 shall consist of Allowed Secured Claims of Synergy Bank. As of the filing of the Plan, Synergy Bank is generally secured by: a) Eighteen and 2/10th's acre of land, McClendon Chisholm, Texas; and b) Seven (7) Single Family lots in Hidden Creek Estates, Royce City, Texas.

2.25 Class 8: Allowed Secured Claim of Jefferson Bank. Class 8 shall consist of Allowed Secured Claims of Jefferson Bank. As of the filing of the Plan, Jefferson Bank is generally secured by a Thirteen and 9/10th's (13.9) acre commercial tract in McClendon Chisholm, Texas.

2.26 Class 9: Allowed Secured Claim of Lee Groves. Class 9 shall consist of Allowed Secured Claims of Lee Groves. As of the filing of the Plan, Lee Groves is generally secured by a Twenty (20) acre multi-family/commercial tract, Royce City, Texas.

2.27 Class 10: Allowed Secured Claim of City Bank Texas. Class 10 shall consist of Allowed Secured Claims of City Bank Texas. As of the filing of the Plan, City Bank Texas is generally secured by the City Bank CSA Collateral - MBD

2.28 Class 11: Allowed Secured Claim of United Texas Bank. Class 11 shall consist of Allowed Secured Claims of United Texas Bank, acquired by City Bank Texas post-petition. As of the filing of the Plan, United Texas Bank is generally secured by 8.57 acres which make up the Parking Lot Property at the Harbor in Rockwall, Texas, as well as specific pad site which is not within the boundaries of the Parking Lot Property.

2.29 Class 12: Allowed General Unsecured Claims. Class 12 shall consist of the Allowed General Unsecured Claims who are not Class 13 Unsecured Claims.

2.30 Class 13: Allowed General Unsecured Claims of Insiders and Affiliates. Class 13 shall consist of the Allowed General Unsecured Claims of Insiders and Affiliates. Those claims generally are: a) Fox Chase Development - \$262,733.95; b) Mariah Bay Leasing, Inc. - \$3,343,925; and c) Robert S. Whittle - \$8,223,713.85⁷.

2.31 Class 14: Allowed Equity Interests. Class 14 shall consist of the holder of Allowed Equity Interests of MBD.

ARTICLE III.

TREATMENT

Treatment of Unclassified Claims in Both Cases (unless noted otherwise)

3.01 Title 28 U.S.C. Section 1930 Fees. All fees required pursuant to 28 U.S.C. Section 1930 shall, if not previously paid in full, be paid in cash as and when those fees are normally due, by each of the Debtors from their post petition cash flow.

3.02 Allowed Administrative Expense Claims of Professionals. Each holder of an Allowed Administrative Expense Claim of Professionals, if not previously paid in full pursuant to a Final Order of the Bankruptcy Court, shall receive Cash equal to the unpaid amount of such Allowed Administrative Expense Claim from proceeds of sales of each of the Debtors real property holdings on the first business day after an Order is entered regarding such Allowed Administrative Expense Claim. All Administrative Expense Claims of Professionals for work performed through the Plan Closing Date shall be filed with the Court within thirty (30) days of the Plan Closing Date or be barred.

3.03 Allowed Administrative Expense Claims Incurred in a Debtor's Ordinary Course of Business. Each holder of an Allowed Administrative Expense Claim Incurred in a Debtor's Ordinary Course of Business shall be paid in accordance with the customary terms and conditions of said vendor in its dealings with the applicable Debtor, without any further Court order.

3.04 Allowed Unsecured Priority Claims of Taxing Authorities. Each holder of an Allowed Unsecured Priority Claim of Taxing Authorities shall be paid in full either on (1) the Plan Closing Date; or (2) in equal quarterly installments commencing on the Initial Plan Distribution Date with the final payment to be made on the third anniversary of the Initial Plan Distribution Date.

⁷ Fox Chase and Robert Whittle are otherwise independently contractually subject to liens securing various claims of City Bank Texas.

WDI

3.05 Class 1: Allowed Secured Claims of Ad Valorem Taxing Authorities and Tax Ease. The Allowed Secured Claims of Ad Valorem Taxing Authorities and Tax Ease will retain their lien and lien priority as provided under otherwise applicable state law or as modified by their contract, will be entitled to accrue interest per applicable state law or contractual provision and will be paid the balance of their Allowed Secured Claim which relates to each parcel of property upon the sale of each specific parcel, as each such parcel is sold by the applicable Debtor. Each county, city or governmental unit which is entitled to levy, assess and collect ad valorem taxes, as well as Tax Ease, Inc., will be treated as a separate subclass of Class 1. Each sub class is impaired.

- a. Rockwall County Taxing Authorities;
- b. Rockwall CAD;
- c. Collin County; and
- d. Tax Ease, Inc.

3.06 Class 2: Allowed Secured Claim of 1st International Bank. The Allowed Secured Claim of 1st International Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute 1st International Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures 1st International Bank's Allowed Secured Claim; provided, however, that WDI has the right to exercise the Push-Back Option, and 1st International Bank has the right to exercise the Take-Back Option with regard to the following properties: a) One (1) Estate Lot /Hills of Buffalo Creek development, located in Heath, Texas; b) One (1) Golf Course Lot [17 Falcon View] located in Heath, Texas; and c) One (1) Spec House [15 Falcon View] located in Heath, Texas. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, 1st International's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – 1st International in order for the Allowed Secured Claim of 1st International Bank to be resolved. This class is impaired.

3.07 Class 3: Allowed Secured Claim of Alliance Bank. The Allowed Secured Claim of Alliance Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Alliance Bank's collateral base,

in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Alliance Bank's Allowed Secured Claim; provided, however, that WDI has the right to exercise the Push-Back Option, and Alliance Bank has the right to exercise the Take-Back Option with regard to the following properties; a) ten (10) commercial lots, "Cobblestone Commercial, Phase 2" located in Heath, Texas; and b) 83 Single Family Lots Hidden Creek Estates Phase 2, in Royse City TX. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Alliance's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Alliance in order for the Allowed Secured Claim of Alliance Bank to be resolved. This class is impaired.

3.08 Class 4: Asserted Secured Claim of BBT. The Asserted Secured Claim of BBT is subject to an objection and an adversary proceeding regarding approximately fifteen (15) platted commercial lots in Rockwall, Texas known as the "Alliance Addition" asserting, among other things, that BBT is the recipient/beneficiary of an avoidable transfer under Sections 547 and 550 of the Bankruptcy Code with regard to the transfer of the Alliance Addition. If, however, the litigation against BBT is determined or otherwise resolved and BBT's resulting claim becomes allowed, then and only then will the following control: The subsequently determined Allowed Secured Claim of BBT will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute BBT's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures BBT's Allowed Secured Claim; provided, however, that WDI has the right to exercise the Push-Back Option, and BBT has the right to exercise the Take-Back Option with regard to the following property: Seventy (70) Single Family Lots in Hidden Creek Estates, Phase 2, Royse City, Texas. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, BBT's subsequently Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – BBT in order for the subsequently Allowed Secured Claim of BBT to be resolved. Any unsecured claim which results on account of the resolution of the litigation between the WDI and BBT shall be treated as a Class 14 Allowed General Unsecured Claim. This class is impaired.

3.09 Class 5: Allowed Secured Claim of Community Bank. The Allowed Secured Claim of Community Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Community Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Community Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike

Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Community's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Community in order for the Allowed Secured Claim of Community Bank to be resolved. This class is impaired.

3.10 Class 6: Allowed Secured Claim of Jefferson Bank. The Allowed Secured Claim of Jefferson Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Jefferson Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Jefferson Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Jefferson's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Jefferson in order for the Allowed Secured Claim of Jefferson Bank to be resolved. This class is impaired.

3.11 Class 7: Allowed Secured Claim of Lakeside National Bank. The Allowed Secured Claim of Lakeside National Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Lakeside National Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Lakeside National Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Lakeside National's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Lakeside National in order for the Allowed Secured Claim of Lakeside National Bank to be resolved. This class is impaired.

3.12 Class 8: Allowed Secured Claim of Synergy Bank. The Allowed Secured Claim of Synergy Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Synergy Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Synergy Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth

in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Synergy's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Synergy in order for the Allowed Secured Claim of Synergy Bank to be resolved. This class is impaired.

3.13 Class 9: Allowed Secured Claim of Tony Seely. The Allowed Secured Claim of Tony Seely will be paid pursuant to the Global Single Lot/Tract Plan Treatment and shall retain his lien and lien priority and Credit Bid Rights with regard to the collateral as of the Petition Date and will be paid from the sale of the tract which constitutes Tony Seely's collateral base. Tony Seely's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Tony Seely in order for the Allowed Secured Claim of Tony Seely to be resolved. This class is impaired.

3.14 Class 10: Allowed Secured Claim of Glen Whaley. The Allowed Secured Claim of Glen Whaley will be paid pursuant to the Global Single Lot/Tract Plan Treatment and shall retain his lien and lien priority and Credit Bid Rights with regard to the collateral as of the Petition Date and will be paid from the sale of the tract which constitutes Glen Whaley's collateral base. Glen Whaley's Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Glen Whaley in order for the Allowed Secured Claim of Glenn Whaley to be resolved. This class is impaired.

3.15 Class 11: Allowed Secured Claim of Lee Groves. The Allowed Secured Claim of Lee Groves will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain his lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Lee Groves' collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Lee Grove's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Lee Groves' Allowed Secured Claim against WDI must be paid in full, with interest at the Plan Rate – Lee Groves in order for the Allowed Secured Claim of Lee Groves to be resolved. This class is impaired.

3.16 Class 12: Allowed Secured Claim of City Bank Texas. The Allowed Secured Claim of City Bank Texas (which does not include any claims acquired by City Bank post petition) shall retain its lien and lien priority as against the City Bank CSA Collateral-WDI with regard to the City Bank CSA Debt –WDI.

The Hotel Guaranty Obligation

The Hotel Guaranty portion of the City Bank CSA Debt – WDI will be converted from a guaranty of payment to a guaranty of collection. The effect of the conversion of the Hotel Guaranty portion of the City Bank CSA Debt – WDI, to a guaranty of collection will be to postpone any right to foreclosure upon any of the accounts or other assets which constitute the City Bank CSA Collateral until after City Bank has failed to collect sufficient funds from the maker on the debt which generated the Hotel Guaranty portion of the City Bank CSA Debt – WDI. Nonetheless, City Bank shall be deemed to be, on the Plan Closing Date, in possession, per Texas Business and Commerce Code § 9-609, of the accounts which comprise a portion of the City Bank CSA Collateral-WDI. If the portion of the City Bank CSA Debt – WDI which is generated by the Hotel Guaranty, is otherwise paid, then the accounts and other collateral which constitutes the City Bank CSA Collateral-WDI (but not the *in rem* collateral) shall be released to WDI. Notwithstanding the above, City Bank Texas will allow the conversion by the holders of the Class 13 Allowed General Unsecured Claims of Insiders and Affiliates (MBD) and the conversion by the holders of the Class 15 Allowed General Unsecured Claims of Insiders and Affiliates (WDI) to the New Equity Securities of WDI and New Equity Securities of MBD, with City Bank's lien's attaching to what is being received on account of the accounts and other assets which constitute the City Bank CSA Collateral – WDI. City Bank, on account of the City Bank/HGYC CSA and CULS MSA, and in exchange for the various options and protections afforded therein, including, *inter alia*, the City Bank Note Acquisition Option, shall waive any right that it may have to a distribution on its claims in either Class 14 Allowed General Unsecured Creditors (WDI), or Class 12 Allowed General Unsecured Creditors (MBD) [though City Bank will retain the right to vote \$20,000,000.00 of its Allowed Claims herein as a Class 14 Allowed General Unsecured Claim (WDI) and as a Class 12 Allowed General Unsecured Claim (MBD)].

The 2008 Hotel Note

As to the *in rem* portion of the City Bank CSA Collateral - WDI, there will be no obligation of WDI to service any portion of that obligation. The *in rem* portion, securing first the City Bank's Hotel Note 2008 and thereafter the Hotel Guaranty Obligation, has no specific due date or deadline.

With regard to such collateral securing City Bank's Hotel Note 2008 and the Hotel Guaranty Obligation (generally those subordinated liens with regard to certain of the lots located in the Buffalo Creek Tennis Village and Buffalo Country Club Estates) WDI shall be entitled to sell any specific lot or lots which serve as collateral for City Bank's Hotel Note 2008 or the Hotel Guaranty Obligation, so long as WDI transfers \$10,000 from the proceeds of the sale of such lot(s). This class is impaired.

3.17 Class 13: Allowed Secured Claim of Lajoie Industries, LLC. The Allowed Secured Claim of Lajoie Industries, LLC shall either: a) receive whatever sum, if any, may be

paid from the sale of the collateral at issue to this Class; b) be entitled to credit bid per 11 U.S.C. §363(k) as incorporated under 11 U.S. C. §1129(b)(2)(A)(ii) and top or exceed the applicable Multi Lot/Tract Contract or Single Lot/Tract Contract which attempts to sell the underlying collateral; or c) elect to be treated as a Class 14 Allowed General Unsecured Creditor on its ballot.

3.18 Class 14: Asserted Secured Claim of JWS Rockwall. If allowed, the Asserted Secured Claim of JWS Rockwall will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute BBT's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures BBT's Allowed Secured Claim.

3.19 Class 15: Allowed General Unsecured Claims. Each holder of an Allowed General Unsecured Claim of WDI, except for the CULS/TF-Harbor Allowed Claim, shall be entitled to an initial cash distribution equal to 5.2941176% of such holder's Allowed General Unsecured Claims on the Plan Distribution Date, as an initial distribution. The CULS/TF-Harbor Allowed Claim, in lieu of such initial distribution on the Plan Distribution Date, shall receive the applicable benefits detailed in the CULS MSA (made possible by the City Bank/HGYC CSA). Thereafter, each holder of an Allowed General Unsecured Claim of WDI shall be entitled to a pro-rata distribution of the proceeds received from the Unsecured Claims Note. Such pro-rata distribution of the proceeds of the Unsecured Claims Note shall be split between the holders of Allowed General Unsecured Claims of WDI (including the CULS/TF-Harbor Allowed Claim) and those of the holders of Allowed General Unsecured Claims of MBD (whether such amount is what is paid on account of the Unsecured Claims Note or the \$250,000.00 from the potential sale of the Unsecured Claims Note described in section 4.06(6), below). The treatment provided herein shall be in full satisfaction of the allowed claims in this class.

3.20 Class 16: Allowed General Unsecured Claims of Insiders and Affiliates. Allowed Class 15 Allowed General Unsecured Claims of Insiders and Affiliates shall have their Allowed Claim converted into the New Equity Securities of WDI. Lien rights of any third party who, as of the Effective Date, has a perfected security interest in the electing Allowed Claim by and through its holder shall retain such liens on New Equity Securities of WDI, which are received in exchange for such claims.

3.21 Class 17: Allowed Interests. The holders of Allowed Interests of WDI shall have their Equity Securities cancelled as of the Plan Closing Date.

MBD

3.22 Class 1: Allowed Secured Claims of Ad Valorem Taxing Authorities. The Allowed Secured Claims of Ad Valorem Taxing Authorities will retain their lien and lien priority as provided under otherwise applicable state law or as modified by their contract, will be entitled

to accrue interest per applicable state law or contractual provision and will be paid the balance of their Allowed Secured Claim which relates to each parcel of property upon the sale of each specific parcel, as each such parcel is sold by the applicable Debtor. Each county, city or governmental unit which is entitled to levy, assess and collect ad valorem taxes will be treated as a separate subclass of Class 1. Each sub class is impaired.

- a. Rockwall County Taxing Authorities;
- b. Rockwall CAD;
- c. Collin County; and
- d. Community ISD.

3.23 Class 2: Allowed Secured Claim of Alliance Bank. The Allowed Secured Claim of Alliance Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute 1st International Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Alliance Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Alliance's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – Alliance in order for the Allowed Secured Claim of Alliance Bank to be resolved. This class is impaired.

3.24 Class 3: Allowed Secured Claim of American National Bank. The Allowed Secured Claim of American National Bank will be paid pursuant to the Global Single Lot/Tract Plan Treatment and shall retain its lien and lien priority and Credit Bid Rights with regard to the collateral as of the Petition Date and will be paid from the sale of the tract which constitutes American National Bank's collateral base. American National Bank's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – American National Bank in order for the Allowed Secured Claim of American National Bank to be resolved. This class is impaired.

3.25 Class 4: Allowed Secured Claim of BBT. The Asserted Secured Claim of BBT in the WDI case is subject to an objection and an adversary proceeding, asserting, among other things, that BBT is the recipient of transfer avoidable under Section 547 of the Bankruptcy Code. If, however, the litigation against BBT is determined or otherwise resolved and BBT's claim becomes allowed, then and only then will the following control: The Allowed Secured Claim of BBT will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of

the specific lots or tracts which constitute BBT's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures BBT's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Provided however, if: a) collateral securing the Allowed Secured Claim of BBT in the MBD stands as collateral for the Asserted Secured Claim of BBT in the WDI case; or b) if the Allowed Secured Claim in MBD is secured by collateral asserted to be securing the Asserted Secured Claim of BBT in the WDI case, then such provisions will be suspended until there is a determination as to the Allowed Secured Claim of BBT in the WDI case. Regardless of the applicability of payment streams and methodologies set forth herein, BBT's subsequently Allowed Secured Claim against BBT must be paid in full, with interest at the Plan Rate – BBT in order for the subsequently Allowed Secured Claim of BBT to be resolved. This class is impaired.

3.26 Class 5: Allowed Secured Claim of JWS Rockwall. The Allowed Secured Claim of JWS Rockwall will be paid pursuant to the Global Single Lot/Tract Plan Treatment and shall retain its lien and lien priority and Credit Bid Rights with regard to the collateral as of the Petition Date and will be paid from the sale of the tract which constitutes JWS Rockwall's collateral base.; provided, however, that MBD has the right to exercise the Push-Back Option, and JWS Rockwall has the right to exercise the Take-Back Option with regard to the following property: a) One hundred seventy four (174) acre undeveloped tract in Chisholm Crossing Phase 4, Rockwall, Texas. If JWS Rockwall exercises the Take-Back Option, its claim against MBD shall be satisfied in full, and JWS Rockwall's Class 14 Claim in WDI shall be allowed (compromising and resolving any and all Avoidance Actions which may exist) allowing such claims solely for the purpose of receiving \$10,000.00 per lot for each of the (16) Buffalo Creek Single Family Golf Course lots owned by WDI on which it asserts it has a second lien, upon payment of such amounts, JWS Rockwall's claim against WDI shall be satisfied in full. JWS Rockwall's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – JWS Rockwall in order for the Allowed Secured Claim of JWS Rockwall to be resolved. This class is impaired.

3.27 Class 6: Allowed Secured Claim of Lakeside National Bank. The Allowed Secured Claim of Lakeside National Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Lakeside National Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Lakeside National Bank's Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Lakeside National's Allowed Secured Claim against MBD must

be paid in full, with interest at the Plan Rate – Lakeside National in order for the Allowed Secured Claim of Lakeside National Bank to be resolved. This class is impaired.

3.28 Class 7: Allowed Secured Claim of Synergy Bank. The Allowed Secured Claim of Synergy Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Synergy Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Synergy Bank's Allowed Secured Claim; provided, however, that WDI has the right to exercise the Push-Back Option, and Synergy Bank has the right to exercise the Take-Back Option with regard to the following properties; a) Eighteen and 2/10th's acre of land, McClendon Chisholm, Texas; and b) Seven (7) Single Family lots in Hidden Creek Estates, Royce City, Texas. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Synergy's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – Synergy in order for the Allowed Secured Claim of Synergy Bank to be resolved. This class is impaired.

3.29 Class 8: Allowed Secured Claim of Jefferson Bank. The Allowed Secured Claim of Jefferson Bank will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain their lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Jefferson Bank's collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Jefferson Bank's Allowed Secured Claim; provided, however, that MBD has the right to exercise the Push-Back Option, and Jefferson Bank has the right to exercise the Take-Back Option with regard to the following property: a Thirteen and 9/10th's (13.9) acre commercial tract in McClendon Chisholm, Texas. If there is no applicable Lot/Tract Strike Price set forth in such pre-petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Jefferson's Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – Jefferson in order for the Allowed Secured Claim of Jefferson Bank to be resolved. This class is impaired.

3.30 Class 9: Allowed Secured Claim of Lee Groves. The Allowed Secured Claim of Lee Groves will be paid pursuant to the Global Multi Lot/Tract Plan Treatment and shall retain his lien and lien priority and Credit Bid Rights with regard to the collateral, including any cross collateralization to which it was entitled, as of the Petition Date and will be paid from the sale of the specific lots or tracts which constitute Lee Groves' collateral base, in accordance with the Lot/Tract Strike Price set forth in the applicable deed of trust which secures Lee Groves' Allowed Secured Claim. If there is no applicable Lot/Tract Strike Price set forth in such pre-

petition deed of trust or if the Lot/Tract Strike Price in an applicable deed of trust does not meet the criteria set forth in Plan Section 1.45, then Lot/Tract Strike Price Formula will establish such price on a per lot/tract basis as to the specific real property at issue. Regardless of the applicability of payment streams and methodologies set forth herein, Lee Groves' Allowed Secured Claim against MBD must be paid in full, with interest at the Plan Rate – Lee Groves in order for the Allowed Secured Claim of Lee Groves to be resolved. This class is impaired.

3.31 Class 10: Allowed Secured Claim of City Bank Texas. The Allowed Claim of City Bank Texas (which does not include any claims acquired by City Bank post petition) shall retain its lien and lien priority as against the City Bank CSA Collateral-MBD with regard to the City Bank CSA Debt –MBD.

The Hotel Guaranty Obligation

The Hotel Guaranty portion of the City Bank CSA Debt – MBD will be converted from a guaranty of payment to a guaranty of collection. The effect of the conversion of the Hotel Guaranty portion of the City Bank CSA Debt – MBD, to a guaranty of collection will be to postpone any right foreclosure upon any of the personal property collateral which constitute the City Bank CSA Collateral until after City Bank has failed to collect sufficient funds from the maker on the debt which generated the Hotel Guaranty portion of the City Bank CSA Debt – MBD. Nonetheless, City Bank shall be deemed to be, on the Plan Closing Date, in possession, per Texas Business and Commerce Code § 9-609, of the accounts which comprise a portion of the City Bank CSA Collateral-MBD. If, the portion of the City Bank CSA Debt – MBD which is generated by the Hotel Guaranty, is otherwise paid, then the accounts and other collateral which constitutes the City Bank CSA Collateral-MBD shall be released to MBD. Notwithstanding the above, City Bank Texas will allow the conversion by the holders of the Class 13 Allowed General Unsecured Claims of Insiders and Affiliates (MBD) and the conversion by the holders of the Class 15 Allowed General Unsecured Claims of Insiders and Affiliates (WDI) to the New Equity Securities of WDI and New Equity Securities of MBD, with City Bank's lien's attaching to what is being received on account of the accounts and other assets which constitute the City Bank CSA Collateral – MBD. City Bank Texas, on account of the City Bank CSA and CULS MSA, and in exchange for the various options and protections afforded to it in those agreements including, *inter alia*, the City Bank Note Acquisition Option, shall waive any right that it may have to a distribution on the unsecured portion of any of its claims in either Class 14 Allowed General Unsecured Creditors (WDI), or Class 12 Allowed General Unsecured Creditors (MBD) [though City Bank will retain the right to vote \$20,000,000.00 of its Allowed Claims herein as a Class 14 Allowed General Unsecured Claim (WDI) and as a Class 12 Allowed General Unsecured Claim (MBD)].

The 2008 Hotel Note

The 2008 Hotel Note, as to MBD, is wholly unsecured. Pursuant to the City Bank/HGYC CSA and the CULS MSA, City Bank is not entitled to any distribution on

this claim. However, City Bank retains the right to vote the amount of the claim (approximately \$300,000) as part of those agreements. , This class is impaired.

3.32 Class 11: Allowed Secured Claim of United Texas Bank. The Allowed Secured Claim of United Texas Bank has been acquired by City Bank. The treatment of the acquired Allowed Secured Claim shall be resolved as a part of the requirements of the City Bank/HGYC CSA, which resolution enables the Debtor to complete the requirements of the CULS MSA. MBD, on account of the implementation of the City Bank/HGYC CSA and the CULS MSA, shall not be obligated to make any payment to the holder of the Allowed Secured Claim of United Texas Bank on account of such claim insofar as the Parking Lot Property. The Shopping Parking Tract and Hotel Parking Tact are to be transferred as required by the CULS MSA as described in section 4.06, below. The Shopping Parking Tract is valued at \$225,000.00, and the Hotel Parking Tact is valued at \$150,000.00. With regard to the pad site not otherwise within the boundaries of the Parking Lot Property, the holder of the Secured Claim of United Texas Bank shall have a non recourse lien against the pad site in the amount of \$375,000.00 which shall accrue interest but not require interest payments. If MBD does not close a sale of the pad site, which is acceptable to the holder of the Allowed Secured Claim of United Texas Bank, by the one year anniversary of the Plan Closing Date, then such holder may, pursuant to otherwise applicable state law, foreclose upon the non recourse lien on the pad site. Any excess funds generated by the sale of the pad site shall be utilized for Joint Operations. This class is impaired.

3.33 Class 12: Allowed General Unsecured Claims. Each holder of an Allowed General Unsecured Claim of MBD shall be entitled to an initial cash distribution equal to 5.2941176% of such holder's Allowed General Unsecured Claims on the Plan Distribution Date, as an initial distribution. Thereafter, each holder of an Allowed General Unsecured Claim of MBD shall be entitled to a pro-rata distribution of the proceeds received from the Unsecured Claims Note. Such pro-rata distribution of the proceeds of the Unsecured Claims Note shall be split between the holders of Allowed General Unsecured Claims of WDI (including the CULS/TF-Harbor Allowed Claim) and those of the holders of Allowed General Unsecured Claims of MBD (whether such amount is what is paid on account of the Unsecured Claims Note or the \$250,000.00 from the potential sale of the Unsecured Claims Note described in section 4.06(6), below). The treatment provided herein shall be in full satisfaction of the allowed claims in this class. This class is impaired.

3.34 Class 13: Allowed General Unsecured Claims of Insiders and Affiliates. Allowed Class 13 Allowed General Unsecured Claims of Insiders and Affiliates shall have their Allowed Claim converted into the New Equity Securities of MBD. Lien rights of any third party who, as of the Effective Date, has a perfected security interest in the electing Allowed Claim by and through its holder shall retain such liens on New Equity Securities of MBD, which are received in exchange for such claims. This class is impaired.

3.35 Class 14: Allowed Interests. The holders of Allowed Interests of MBD shall have their Equity Securities cancelled as of the Plan Closing Date.

IMPAIRED CLASSES BY DEBTOR

The following classes of claims are impaired, as defined in Section 1124 of the Bankruptcy Code and are otherwise generally entitled to vote on the Plan.

WDI – Classes 1 through 15.

MBD - Classes 1 through 14.

Each of the classes of interests of WDI and MBD are impaired, will receive nothing on account of such interests, will be cancelled under the Plan and are deemed to reject the Plan.

ARTICLE IV.

MEANS FOR IMPLEMENTATION OF THE PLAN

Joint Operations

4.01 Post Confirmation – Joint Operations (*Rationale*). Historically, the operational requirements with regard to WDI and MBD's buying and selling of their respective portfolios of real property, some portions of which were undeveloped, while other portions had varying degrees of developmental infrastructure, were paid for from what ever source of cash flow that MBD or WDI, as well as the previously operated Mariah Bay Leasing, Inc., could generate. Intercompany accounts, while they were kept, were limited to significant transactions between entities. Loans between insider and affiliate entities were documented and accounted for on such a basis. But operational expenses, rent, electricity, salaries, outside vendor services, especially with regard to the maintenance and upkeep and preparation of the various properties for sale, salaries for staff and contract labor, were paid from which ever of the two Debtors or other affiliates or insiders entities had funds which could be safely used. No attribution or allocation of such costs have ever been kept or accounted for as between WDI or MBD. The initial funds which both Debtors utilized to operate initially, post petition, were solely from a loan to WDI, though MBD, received benefit of the expenditure of those sums. Only the post petition Court authorized borrowings from City Bank, were sought to be allocated amongst the two estates. But such attribution and allocation, while formally desirable, is, in this instance a practical nightmare, requiring a disproportionate amount of effort in performing such allocations relative to the amount of funds which are required to do all the tasks necessary to sell the various lots and tracts in the different developments and locations

The Plan, in light of this past history and the difficulty, relative to the cost and effort, of allocating such expenses between these entities seeks to, on the one hand assure that the unsecured creditors of WDI and MBD each receive the benefits of the income earned from the sale and development of their respective real property holdings, while on the other hand assuring that day to day operations of the relatively small staff, spends its time and efforts in getting the portfolios of real property sold, as well as keeping those portfolios in good condition vis a vis the regulations and requirements of the local authorities where the real estate holdings are located.

As such the Plan provides for specific significant assets and more particularly their resulting net income, to remain segregated. Generally, the “equity” which each of the Debtors fervently believes will be available from a controlled and rational sale of these portfolios can be easily attributed to a specific Debtor, because, other than in instances where cross entity, cross collateralization would have otherwise affected the flow of funds, the “equity” goes to the entity who owns it. The Plan approaches these issues of a need to assure the vitality of operations which will enable each of the Debtor’s portfolios to be more properly marketed, developed and sold and the need to assure that creditors of each Debtor get treated fairly relative to the estates to which they have an Allowed Claim by contributing portions of each sale of real property (which is not otherwise specifically dedicated exclusively to the payment of unsecured creditors) for joint operations.

4.02 Post Confirmation Net Equity Allocations. When any specific property which is not otherwise subject to a differing allocation, of either Debtor is sold, the Net Equity attributable to such sale, be it generated by a Single Lot Sales Contract or a Multi Lot Sales Contract, shall be split: a) until all Allowed Administrative Expense Claims of Professionals are paid in full: (i) 40% to fund joint operations of the Debtors; (ii) 30% to the payment of the unpaid Allowed Administrative Expense Claims of Professionals, if any; and (iii) 30% to Retention Funding Obligations (or held by each such Debtor for future Retention Funding Obligations) and b) upon full payment of all Allowed Administrative Expense Claims of Professionals, the ratios shall be permanently adjusted thereafter such that Net Equity will be applied (i) 45% to fund joint operations of the Debtors; and (ii) 55% to fund Retention Funding Obligations(or held by each such Debtor for future Retention Funding Obligations).

The Post Confirmation Net Equity Allocations described above are goals for the Debtors. If the Debtors are unable to pay *ad valorem* taxes on their property in full, or if they fall behind on other payments required by this Plan, the Debtors may make reasonable adjustments to the Post Confirmation Net Equity Allocations described above.

Powers, Duties and Compensation of the Plan Agent

4.03 Powers and Duties of Claims Distribution and Enforcement Agent. The Plan Agent is charged with the following tasks:

- (a) Set up distribution matrices for each of the Debtors so that the holders of Allowed General Unsecured Claims in each case, whether Allowed or Disputed, will have their distributions under the Plan properly allocated and dispersed or held at interest until disbursement is authorized in accordance with the provisions of the Plan;
- (b) Collect from HGYC the proceeds of the Unsecured Creditors Note or transfer the Unsecured Creditors Note if City Bank timely exercises and pays the \$250,000 consideration required per the City Bank Note Acquisition Option.
- (c) Make distributions to Allowed General Unsecured Creditors in accordance with the terms of this Plan and as required by sections 3.18 and 3.32, and to make adjustments in allocations of funds amongst holders of Claims, whether Allowed

or Disputed, as circumstances, such as allowance or resolution of disputed claims occurs or on account of a Pro Tanto Reduction, as contemplated by the Plan;

- (d) To open accounts in the name of each Debtor in order to invest in U.S. Government backed securities, the amounts held as to any Claims which the Plan Agent is to otherwise make distributions or which are Disputed, until the disputes are resolved in accordance with applicable provisions of the Plan;
- (e) To declare defaults under the Plan with regard to those specific aspects of the Plan which the Plan Agent is charged with monitoring and to enforce compliance of those obligations by the Debtors or HGYC on behalf of the respective Allowed General Unsecured Creditors.
- (f) To hire professionals and to incur expenses in order to enforce each of the Debtor's or HGYC's obligations to the holders of Allowed General Unsecured Claims and to pay such expenses without approval by the Bankruptcy Court from the accounts which are set up pursuant to subpart (d) above.
- (g) To ensure that all parties to the CULS MSA comply fully with their obligations thereunder, and to bring any action necessary to enforce compliance with the CULS MSA, including, but not limited to, the provisions of the CULS MSA that require re-platting of the Parking Lot Property.
- (h) To the full benefit of, and to exercise all powers incident to, the jurisdiction retained by the Bankruptcy Court pursuant to Section 10.05 of this Plan, consistent with the Plan Agent's charge hereunder.

4.04 Compensation. The Plan Agent will be entitled to receive compensation for services rendered, on a monthly basis if possible, on the basis of an hourly rate of \$200 per hour for work performed discharging his duties, from the respective accounts set up according to the provisions of Plan Section 5.03(c) for work performed for a specific Debtor, without further order of the Bankruptcy Court.

4.05 Selection of Successor. In the event the Plan Agent resigns, is removed or is otherwise unable to serve, a successor shall be selected by a majority vote of the holders of Allowed General Unsecured Claim of both Debtors, CULS, City Bank and the Debtors

Approval of the CULS MSA

4.06 Approval of the CULS MSA. The entry of the Confirmation Order constitutes an approval by the Court of the terms of the CULS MSA, as set forth below provided, however, that City Bank may terminate its participation in the CULS MSA for any reason or no reason by paying the sum of \$75,000.00 in good funds to TF-Harbor no later than 12:00 o'clock noon on August 4, 2011. Such funds must be received by 12 o'clock noon on August 4, 2011, or such termination will be ineffective. In the event that City Bank elects to terminate the CULS MSA, the Plan, as it incorporates the CULS MSA, shall be withdrawn. If City Bank does not elect to

terminate the CULS MSA, then, if the terms of the Plan and those of the CULS MSA conflict, the terms of the Plan shall take precedence over those of the CULS MSA.

The CULS MSA provides, and the Plan hereby incorporates, the following terms:

1. The parties to the CULS MSA, by virtue of the resolution of the Class 11 Allowed Secured Claims of United Texas Bank set forth in the City Bank/HGYC CSA shall take any and all actions and execute any and all documents necessary to cause the Shopping Parking Tract to be transferred free and clear of all liens and encumbrances to TF-Harbor (including the funding of all applicable then due *ad valorem* taxes⁸), subject to the restrictions in section 1(b), below).
 - a. In order to facilitate such transfer, MBD shall have the Parking Lot Property re-platted into two separate parcels, the Shopping Parking Tract and the Hotel Parking Tract. MBD, by virtue of the entry of the Confirmation Order, appoints City Bank as its agent for such re-platting, with City Bank bearing all costs and expenses of such re-platting.
 - b. City Bank, pursuant to the City Bank/HGYC CSA, shall, as soon as practicable after entry of the Confirmation Order, file releases of all liens and encumbrances it has against the Shopping Parking Tract so that MBD can transfer the Shopping Parking Tract to TF Harbor, as noted above. If City Bank is unable to complete re-platting as described in section (1) above, and pursuant to the terms of section (1)(c), below, then City Bank shall release any all other liens and encumbrances it has against the Hotel Parking Tract and provide any necessary funding to pay applicable *ad valorem* real property taxes to enable MBD to transfer the Hotel Parking Tract to TF-Harbor; provided, however, that RHCG, MBD, TF-Harbor and any other present beneficiary of an easement on the Parking Lot Property shall continue to receive the benefit of any mutual cross-easements and maintenance agreements relating to the Parking Lot Property.
 - c. If the replatting described in section (1), above, is not completed by June 8, 2012, then at City Bank's sole option:
 - i. the period for replatting shall be extended to September 8, 2012, in exchange for City Bank's payment to TF-Harbor of \$25,000.00; or

⁸ The Debtor is currently disputing, by means of Adversary Proceeding No, 11-03315 bearing the style Mariah Bay Development, Inc. V. Rockwall Central Appraisal District and Rockwall County, Texas, the value assessed against the Parking Lot Property. The amount required to be paid to discharge such *ad valorem* tax obligations prior to the effective date of the transfer(s) shall be determined by the Bankruptcy Court in that Adversary Proceeding, unless otherwise compromised and settled.

- ii. if the option described in section (1)(c)(i), above, is not exercised, and City Bank does not pay TF-Harbor \$25,000.00, then the Hotel Parking Tract shall be transferred to TF-Harbor free and clear of all liens and encumbrances, but subject to the easements and maintenance agreements set forth in section (2), below.
 - d. If City Bank elects to exercise the extension described in option (1)(c)(i), above, and the re-platting period is extended to September 8, 2012, but such re-platting is not completed by that date, then the Hotel Parking Tract shall be transferred by the applicable Debtor, to TF-Harbor free and clear of all liens and encumbrances which City Bank has acquired post petition, but subject to the easements and maintenance agreements set forth in section (2), below.
2. All parties to the CULS MSA shall execute and file documents in order to create, modify or clarify, as may be necessary, commercially reasonable mutual cross-easements and maintenance agreements affecting the Parking Lot Property, for the benefit RHCG, MBD, TF-Harbor and each of their successors, lien holders and assigns, as well as any other present beneficiary of easements on the Parking Lot Property.
- a. TF-Harbor shall draft all such easements and maintenance agreements required by section (2), above, with such easements and maintenance agreements subject to the approval of City Bank, MBD and RHCG; such approval shall not be unreasonably withheld.
3. Upon transfer to TF-Harbor of whatever portion(s) of the Parking Lot Property which may be required to be transferred to TF-Harbor pursuant to section (1), above, the remainder, if any, of the Parking Lot Property, shall be transferred by MBD to RHCG in like manner as the transfer to TF-Harbor.
4. On the Plan Closing Date, the parties to the CULS MSA shall cause the following releases and assignments:
- a. CULS and TF-Harbor shall assign to WDI, without representation or warranty, only the right to any proceeds from any claim either holds against the chapter 7 bankruptcy estate of Mariah Bay Leasing Corporation. Neither CULS, TF-Harbor nor WDI may take any action by or through such claim(s), with regard to the conduct of the chapter 7 bankruptcy estate of Mariah Bay Leasing.
 - b. CULS and TF-Harbor shall release every other party to the CULS MSA, along with each of their officers, directors and owners (Robert S. Whittle), from any and all liability from whenever such liability may have been generated, through the Plan Closing Date in any way relating to or arising

out of the transactions with either of the Debtors or any of their owners or affiliates; provided however, that the CULS/TF-Harbor Allowed Claim is not released.

- c. City Bank shall release every other party to the CULS MSA, along with each of their officers, directors and owners, from any and all liability from whenever such liability may have been generated, through the Plan Closing Date in any way relating to or arising out of the transactions with either of the Debtors or any of their owners or affiliates; provided, however that City Bank shall release the Debtors and any of their owners or affiliates only to the extent provided for by the City Bank/HGYC CSA. City Bank will not release its claims against RHCG, Caruth Lake Development Corporation, Robert S. Whittle, HGYC, or Fox Chase Development Corporation, nor shall City Bank release its claims against WDI or MBD to the extent such claims are not compromised by the CULS MSA or City Bank/HGYC CSA. City Bank may vote its claims to be released hereunder as set forth in the Plan.
 - d. WDI, MBD, Robert S. Whittle, RHCG, and HGYC, shall release every other party to the CULS MSA, along with each of their officers, directors and owners, from any and all liability, including claims against any property, from whenever such liability may have been generated, through the Plan Closing Date in any way relating to or arising out of the transactions with either of the Debtors or any of their owners or affiliates and shall, by the Plan Closing Date, remove any filed lis pendens which affects CULS or TF-Harbor's ownership interest in the property it has foreclosed upon, which was previously owned by Mariah Bay Leasing; provided, however, that such release does not extend to any of City Bank's obligations under the City Bank/HGYC CSA.
5. The terms of the CULS MSA shall be interpreted in accordance with Texas law, and the United States Bankruptcy Court of the Northern District of Texas shall retain jurisdiction to consider any dispute arising out of or relating to the terms of the CULS MSA.
 6. City Bank is granted an option to purchase the Unsecured Claims Note from the Plan Agent. The City Bank Note Acquisition Option shall have a term, which ends 18 months from the Confirmation Date. The exercise of the City Bank Note Acquisition Option obligates City Bank to pay \$250,000.00 to the Plan Agent, upon such timely exercise, to acquire the Unsecured Claims Note.

Approval of the City Bank/HGYC CSA

4.07 Approval of the City Bank/HGYC CSA. Entry of the Confirmation Order constitutes approval by the Court of the terms of the City Bank/HGYC CSA, as set forth below. The City Bank/HGYC CSA is enforceable from and after the Effective Date.

The City Bank/HGYC CSA provides, and the Plan hereby incorporates, the following terms:

1. City Bank shall transfer to the Debtors an aggregate amount of up to \$525,000.00 on or after the Plan Closing Date, as required, as follows:
 - a. Up to \$125,000 (over the amount advanced to the Debtors under the City Bank 364 Loans) to pay for the Allowed Administrative Expense Claim of Professionals
 - b. The fund necessary to make initial distributions of 5.2941176%, up to a maximum of \$200,000, to holders of Allowed General Unsecured Claims of MBD and WDI on the Plan Distribution Date;
 - c. The balance, to be drawn upon by the Debtors as necessary for operational costs, and interest carry needs beginning in September of 2011. In the event Debtors draw upon any portion of the \$525,000 which is not paid out per a. or b. above, then such advance(s) shall be evidenced by a note to be drawn by City and executed by the Debtors which shall mature 1 year from issuance date, but which may be extended by agreement of the parties. Such note(s) shall be secured by a lien on the Net Equity available from the sale of assets of the Debtors (other than Net Equity which arises from properties of the Debtors which are already subject to liens of City Bank pursuant to the Plan).
2. Each and every obligation of either of the Debtors to City Bank arising from any guarantees executed in connection with the City Bank Facilitated Transactions, shall be avoided, released and fully extinguished; provided, however, that the avoidances and releases provided hereunder shall not be deemed to modify, amend or affect in any way: (a) the underlying obligations assumed or incurred by the transferee entities in connection with the City Bank Facilitated Transactions; (b) any obligations of non-debtor guarantors; and (c) the in rem rights of City Bank with regard to an applicable Debtor, as set forth hereinafter.
3. HGYC shall issue the Unsecured Claims Note to the Plan Agent. which is due four (4) years from the Plan Closing Date, to the Plan Agent, for the benefit of the Allowed General Unsecured Claims of both Debtors, a second priority contractual lien position attaching to all of the properties which the Debtors transferred to HGYC until the payment of the Unsecured Claims Note.

4. City Bank shall retain all of its other liens, claims and rights. On the Plan Closing Date the Debtors and their respective bankruptcy estates or its respective successor(s), including without limitation a trustee appointed by the Bankruptcy Court or an agent appointed pursuant to a confirmed plan of reorganization, each hereby forever releases, acquits, and discharges City Bank and its predecessors, successors, assigns, legal representatives, agents, attorneys, officers, directors, managers, and employees from any and all claims or causes of action of any kind whatsoever, at common law, statutory or otherwise which any of the Debtors or their respective bankruptcy estates have or might have, or which may hereafter accrue in the future, whether known or unknown, asserted or not asserted, directly or indirectly attributable to, or arising out of or in any way related to the Debtors' properties, the properties transferred to HGYC and any property transferred to City Bank, including without limitation, any avoidance action or challenge to the validity, priority or amount of City Bank's liens in the Debtors' properties pursuant to chapter 5 of the Bankruptcy Code or applicable state law, *provided that*, the foregoing shall neither release nor excuse the Debtors, HGYC, City Bank or other referenced parties from their respective obligations under the City Bank/HGYC CSA.

ARTICLE V.

POST PETITION GOVERNANCE OF THE DEBTORS

5.01 Compensation, Powers and Duties of Directors and Officers of Each of the Debtors. Robert Whittle will continue to be compensated on a commission basis from the sale of each of the Debtors real property assets and will continue to be able to receive such a commission of up to 6% in accordance with regular commercial practice by virtue of the entry of the Confirmation Order which order shall be deemed to meet the requirements of and continue forward the exception with regard to such commissions be paid under V. A.T.S. § 1101.005 (5) (2011) but only with regard to real property of the Debtors which is addressed by the Plan. Robert Whittle will be the sole officer and sole director of each of the Debtors and shall be entitled to operate each of the Debtors in the same manner as any non debtor corporate entity, with the exception of the requirement to abide by, follow and in good faith, implement the terms of the Plan as to each Debtor.

5.02 Confirmation as Equivalent to Equity Security Holder Approval. The entry of the Confirmation Order will be deemed to meet all necessary Equity Security holder approval requirements, as to each Debtor, under any applicable provisions of Texas law necessary to take the actions set forth in the Plan, to conduct the transfers and payments called for under the Plan and to take the actions set forth in the Plan.

ARTICLE VI.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.01 Assumption of Executory Contracts and Unexpired Leases. The following Executory Contracts and Unexpired Leases will be assumed under the Plan by the applicable Debtor. The estimated amount of cure payment required is listed where applicable:

WDI

Residential Developer Agreement, as amended on August 21, 2009 between WDI and the City of Heath (no known monetary cure obligations).

6.02 Rejection of Certain Executory Contracts and Unexpired Leases. The Confirmation Order will operate as an order of rejection under section 365 of the Bankruptcy Code with respect to the following listed executory contracts and unexpired leases, to the extent that they are in fact executory contracts. If they are not in fact executory, then the listing herein shall not cause them to have such status. Any executory contract or unexpired lease which is subject to a separate motion to reject will be governed by the results of that motion.

WDI/MBD

Provisions of any pre-petition Loan Agreement between either of the Debtors and any specific lender which cannot be assumed per Section 365(c)(2) of the Bankruptcy Code and thus are deemed to be rejected.

6.03 Claims Based on Rejection of Executory Contracts and Unexpired Leases. All proofs of claim with respect to Claims arising from the rejection of an executory contract or unexpired leases, unless a prior order specifically directs otherwise, must be filed with the Bankruptcy Court within 21 days of the Effective Date (the "Rejection Claims Bar Date"). Any Claims arising from rejection an executory contract or unexpired leases which are not filed on or prior to the Rejection Claims Bar Date will be forever barred from participating as a Class 14 Allowed General Unsecured Claim or Class 12 Allowed General Unsecured Claim, as applicable. Each Debtor shall object to any timely filed proof of claim for rejection damages on or prior to the Claims Objection Bar Date.

ARTICLE VII.

PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

7.01 Distributions Pending Allowance. No Disputed Claim shall receive any distributions of any Cash or other property on account of such Disputed Claim unless and until such Claim becomes an Allowed Claim. Funds allocated for the payment of a Disputed Claim

may not be re-allocated to the payment of other Allowed Claims until the determination that the Disputed Claim has become a Disallowed Claim by Final Order or agreement in writing.

7.02 Disputed Claims as of the Confirmation Date. Those Claims in a Debtor's Schedules filed prior to the Bar Date, which are listed as contingent, unliquidated or disputed and which have not filed a proof of claim prior to the Bar Date, are deemed to be a Disallowed Claim. The entry of the Confirmation Order shall serve as the Final Judgment as to such Claims. The following Claims which are the subject of adversary proceedings or subject to proceedings under Section 505 of the Code, are deemed to be Disputed Claims in the applicable listed case:

WDI

- a. Adversary Proceeding # 11-03150: WDI vs. BBT and Eagle TX I SPE, LLC *d/b/a* Eagle Loan Star I SPE, LLC; and

MBD

- b. Adversary Proceeding #11-03315; MBD v. Rockwall Central Appraisal District and Rockwall County Texas

Additionally, WDI disputes that the Guarantee and Deed of Trust granted in April 2009, as to certain specific collateral in favor of JWS Rockwall with regard to a loan to MBD where all of the proceeds of such loan were distributed solely to or for the benefit of MBD can survive scrutiny under §548. If JWS Rockwall does not accept the proposed treatment option on its ballot, the Take Back Option as detailed in Plan §3.26), then WDI shall institute an Avoidance Action to avoid the described transaction prior to the Confirmation Date.

7.03 Deadline for Objections to Claims Post Confirmation. Each Debtor shall, by the Claims Objection Bar Date, file any objections to an appropriate claim. All objections shall be litigated to a Final Order unless the applicable Debtor wishes to withdraw the objection or elects to compromise, settle or otherwise resolve such objection. No Court authority shall be required to withdraw an objection or settle, compromise or otherwise resolve such objection.

7.04 Reserve Account for Disputed Claims. As to any Disputed Claim whether it is a Claim to be administered by the Plan Agent or is to be addressed by a specific Debtor, shall have established a separate interest bearing account as to the holders of Disputed Claim(s) wherein any distributions due to the holder of such Disputed Claim under Plan, will be deposited. No funds shall be distributed to any holder of a Disputed Claim, absent a Final Order allowing the claim or as appropriate, the applicable Debtor has withdrawn its objection or has filed notice that it has settled, compromised or otherwise resolved such objection.

7.05 Distribution of Excess Funds. As each Disputed Claim is resolved any distributions which such Allowed Claim is entitled to shall be appropriately disbursed to such holder within 15 days of any applicable order becoming a Final Order completely resolving the issue or the filing of any withdrawal of objection or of a filed settlement, compromise or other disposition of such claim, by the applicable Debtor or the Plan Agent as dictated by the Plan. Any funds remaining on account of the requirement to set aside funds until the resolution of the Disputed Claim, which are not to be paid to the holder of the Disputed Claim on account of a

Final Order resolving the issue, any withdrawal of objection or of a filed settlement, compromise or other disposition of such claim, shall be disbursed by the applicable Debtor or the Plan Agent to other members of the class in which the previously Disputed Claim was classified.

ARTICLE VIII.

VOTING

8.01 Impaired Classes to Vote. Each impaired class of Claims will be entitled to vote separately to accept or reject Plan as to their specific Debtor depending upon the statement of impairment set forth at the end of the treatment set forth in the Plan. A holder of a Disputed Claim that has not been temporarily allowed for purposes of voting on the Plan may vote the Disputed Claim in a amount equal to the portion, if any, of the Claim shown as fixed, liquidated and undisputed in the Debtor's Schedules, only after having sought to have their Claim allowed for voting purposes pursuant to the Rules. Votes may only be made with respect to the proper Debtor.

8.02 Acceptance by Class of Creditors. A class will have accepted the Plan if a class has accepted the Plan by at least two-thirds in amount and more than one-half in number of the Allowed Claims (or those allowed solely for voting purposes) of the class actually voting.

8.03 Cramdown. If any impaired class fails to accept the Plan as to a specific Debtor, then that Debtor requests that the Bankruptcy Court to confirm the Plan in accordance with the provision of section 1129(b) of the Bankruptcy Code.

8.04 Allowance Solely For Voting. Solely for purposes of voting to accept or reject the Plan, without prejudice to the rights of the Debtors in any other context, each Claim within a class of Claims is entitled to vote to accept or reject the Plan only as provided by section 1126 of the Code. The amount entitled to vote shall be equal to the allowed amount of such Claim as set forth in a timely filed proof of Claim, or, if no proof of Claim was filed, the allowed amount of such Claim as set forth in the Schedules, provided the Claim is not listed as disputed, unliquidated or contingent. Any creditor holding a Claim which is listed as disputed, unliquidated or contingent, which did not file a proof of claim, shall not be entitled to vote, absent a ruling from the Bankruptcy Court allowing said creditor to vote. A Debtor may object to the amount of any Claim for voting purposes, but absent an order of the Bankruptcy Court prior to the Ballot Deadline regarding the amount of claim, the rule of this paragraph shall apply.

8.05 Voting Procedures. Please consult Article VII of the Disclosure Statement regarding detailed Voting Procedures.

8.06 Effect of Not Voting. If you do not vote to accept or reject the Plan, you will be bound by the Plan if it is accepted by the requisite holders of impaired Allowed Claims and the Bankruptcy Court confirms the Plan. So it is in your best interest to vote so that your position as to the Plan is counted.

ARTICLE IX.

GENERAL PROVISIONS

9.01 Modification of Plan. The Debtor may, pursuant to Section 1127(a) of the Bankruptcy Code, modify the Plan at any time prior to the entry of the Confirmation Order. After entry of the Confirmation Order, the Proponents may, pursuant to Section 1127(b) and (c) of the Bankruptcy Code and with approval of the Bankruptcy Court, modify or amend the Plan in a manner that does not materially or adversely affect the interests of Persons affected by the Plan without having to solicit acceptance of such modification, and may take such steps as are necessary to carry out the purpose and effect of the Plan as modified.

9.02 Post-Confirmation Fees and Financial Reports. Each Debtor shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6).

9.03 Further Actions. Pursuant to Section 1142(b) of the Bankruptcy Code, the Confirmation Order shall operate as an order of the Court directing either of the Debtors and any other necessary parties to execute and deliver or join in the execution and delivery of any instrument required to perform any other act that is necessary for the consummation of this Plan.

9.04 Captions. Captions used in this Plan are for convenience only, and shall not affect the construction of the Plan.

9.05 Retention of Jurisdiction. Until the Case is closed, the Bankruptcy Court shall retain the fullest and most extensive jurisdiction that is permissible under applicable statutory law, including that necessary to insure that the purposes and intent of this Plan are carried out and to hear and determine the allow-ability of all Claims that could have been determined before the entry of the Confirmation Order. The Bankruptcy Court shall retain jurisdiction to hear and determine all Claims and enforce all avoidance and other Causes of Action of each Debtor which its jurisdictional grant will allow. The Bankruptcy Court shall retain and have exclusive jurisdiction over the Case for all the purposes set out below. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to this Case, this section shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter. The extent of jurisdiction, as limited, is intended to allow the Court:

- a) To determine any and all objections to and proceedings involving the allowance, estimation, classification, and subordination of Claims or Interests, specifically including, but not limited to, any proceedings arising under or pursuant to any adversary proceeding or Claims objection brought by the Reorganized Debtors concerning contested claims or any motions for the determination of liability for Tax Claims.
- b) To determine any and all applications for allowances of compensation and reimbursement of expenses and any other fees and expenses

authorized to be paid or reimbursed under the Code or the Plan including fee applications of professionals.

c) To determine any applications pending on the Effective Date for the rejection or assumption of executory contracts or unexpired leases or for the assumption and assignment, as the case may be, of executory contracts or unexpired leases to which the Debtor are a party or with respect to which the Debtor may be liable, and to hear and determine, and, if need be, to liquidate, any and all Claims arising therefrom.

d) To determine any and all applications, motions, adversary proceedings, and contested or litigated matters that may be pending on the Effective Date or which relate to a Contested Claim.

e) To consider any modifications of the Plan, remedy any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order, to the extent authorized by the Code.

f) To determine all controversies, suits, and disputes that may arise in connection with the interpretation, enforcement, or consummation of the Plan or any Person's obligations or rights under the Plan or any disputes related to the operations of the Reorganized Debtors' Assets.

g) To consider and act on the compromise and settlement of any Claim against or cause of action by or against either of the Debtors or the Estate as may be required.

h) To issue such orders in aid of execution of the Plan to the extent authorized by Section 1142 of the Code as the Bankruptcy Court may determine appropriate.

i) To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with the Plan, the Confirmation Order, the Effective Date, or substantial confirmation of the Plan.

j) To determine any and all adversary proceedings filed by the Debtor during the Case which are unresolved as of the Effective Date.

k) To assure the performance by a Debtor of its obligations under the Plan.

l) To enter an order concluding and terminating the Case.

m) To decide issues concerning federal, state or local tax reporting and withholding which arise in connection with the Confirmation or substantial consummation of the Plan.

n) To hear and determine any cause of action related to the Case.

o) To determine all questions and disputes regarding title to the Assets of a Debtor.

p) To determine any setoff asserted by any holder of a claim against any Debtor, as well as hear any objection to the assertion of a right of setoff, as detailed in the Plan.

q) To enforce compliance with Section 5 of the Plan.

9.06 Retention of Causes of Action. All causes of action, rights, claims and demands against any third parties, creditors, individuals, insiders or other entities which each Debtor or each Debtor in Possession owns or has an interest in or can assert in any fashion, in any forum, since their formation, or which could be asserted by any creditor or trustee under the Bankruptcy Code, whether pre-petition or post-petition, including, but not limited to, actions under §§ 542 through 553 inclusive of the Bankruptcy Code (sometimes referred to as “Avoidance Actions”) and § 510 of the Bankruptcy Code to recover assets for an applicable Debtor’s estate and to subordinate claims (collectively an applicable “Debtor’s Actions”), as well as all proceeds of and recoveries on Debtor’s Actions, are retained post confirmation by each applicable Debtor. Since this Plan proposes payment in full, in cash, although over time, of each holder of an Allowed Claim, each Debtors expressly covenant to not pursue any Avoidance Action under §§ 544 – 548 as against any creditor who is not an insider or affiliate of either Debtor, unless such Avoidance Action was initiated prior to the entry of the Confirmation Order. Notwithstanding this express covenant, if the City Bank/HGYC CSA has not been approved by Final Order of the Bankruptcy Court on or prior to the entry of the Confirmation Order, then any Avoidance Action described in the Motion to Approve the City Bank/HGYC CSA is expressly reserved.

9.07 Severability. Should the Bankruptcy Court determine, prior to the Confirmation Date, that any provision of this Plan is either illegal on its face or illegal as applied to any Claim or Interest, such provision shall be unenforceable either as to all parties holding Claims or Interests shall be deemed stricken from the Plan. Such a determination of unenforceability shall in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

9.08 No Interest. Except as expressly stated in the Plan, or otherwise allowed by the Bankruptcy Court, no interest, penalty or late charge on post-petition Claims arising after the Petition Date is to be allowed on any Claim.

9.09 No Attorneys' Fees. No attorneys' fees will be paid with respect to any Claim except as specified herein or as Allowed by a Final Order of the Bankruptcy Court.

ARTICLE X.

EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

10.01 Discharge of Claims. If, on or before the Consummation of the Plan Date as to each Debtor, such Debtor acquires additional lots, parcels, acreage or tracts and continues to function as an operating entity sufficient to secure a discharge per Section 1141(d)(3) of the Code, such Debtor be discharged from all claims or other debts that arose before the Confirmation Date as set forth in Section 1141 of the Code. Additionally, all Persons who have

claims against a specific Debtor which arose prior to the Confirmation Date shall also be prohibited from asserting such claims against that Debtor, except as provided in the Plan.

10.02 Injunctions. Except as provided in the Plan or the Confirmation Order, on the date in which the Confirmation Order becomes a Final Order, all entities that have held, currently hold, or may hold a Claim against a Debtor or an interest or other right of an equity security holder in a Debtor are permanently enjoined from taking any of the following actions on account of any such Claims or Interests: (1) commencing or continuing in any manner any action or other proceedings against a Debtor or that Debtor's property or the Plan Agent; (2) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against a Debtor or that Debtor's property or the Plan Agent; (3) creating, perfecting or enforcing any lien or encumbrance against a Debtor or that Debtor's property or the Plan Agent; (4) asserting against a Debtor or that Debtor's property a set off, right or claim of subordination or recoupment of any kind against any debt, liability or obligation due to the Debtor in any manner or form or by any means, be it non judicially, administratively, or otherwise; and (5) commencing or continuing any action, in any manner, in any place by any means whatsoever, that does not comply with or is inconsistent with the provisions of the Plan. Provided that if a Debtor, prior to its Consummation of the Plan Date, acquires additional lots, parcels, acreage or tracts and continues to function as an operating entity sufficient to secure a discharge per Section 1141(d)(3) of the Code, then the holders of Claims against such Debtor shall be forever barred from asserting such Claims against such Debtor by virtue of the discharge granted under the Plan.

10.03 Revesting and Vesting. Except as otherwise provided in the Plan, on and after the Effective Date, all Property of a Debtor's estate shall vest in that Debtor free and clear of all claims, liens, debts, liabilities, charges, interests and other encumbrances.

DATED: June 24 2011

Submitted by:

WHITTLE DEVELOPMENT, INC.

By: /s/ Robert Whittle
President

MARIAH BAY DEVELOPMENT, INC.

By: /s/ Robert Whittle
President

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ATTORNEYS FOR DEBTORS

Plan Exhibit 1.45

Lot/Tract Strike Price Formula Calculations

Exhibit 1.45

1st International Bank - WDI							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	
1 One (1) Estate Lot /Hills of Buffalo Creek development, located in Heath, Texas	\$ 122,244.00	\$ 160,000.00	76%	1	\$ 122,244.00	\$132,244.00 of which \$10,000.00 will be applied to #3	
2 Twenty six (26) Golf Course lots in Buffalo Creek development (phases 10 and 11), located in Heath, Texas	\$ 1,578,000.00	\$ 3,380,000.00	47%	26	\$ 60,692.31	\$68,692.31 of which \$5,000 will be applied to #3 and \$3,000 will be applied to #4	
3 One (1) Golf Course Lot [17 Falcon View] located in Heath, Texas	\$ 219,179.21	\$ 170,000.00	129%	1	\$ 219,179.21	\$ 89,179.21	
4 One (1) Spec House [15 Falcon View] located in Heath, Texas	\$ 399,261.11	\$ 440,000.00	91%	1	\$ 399,261.11	\$ 321,261.11	

Alliance Bank - WDI							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	
1 Ten (10) commercial lots, "Cobblestone Commercial, Phase 2" located in Heath, Texas	\$ 2,884,556.16	\$ 2,900,000.00	99%	10	\$ 288,455.62	First 3 Lots: \$385,000.00 Remaining Lots: \$247,079.45	
2 83 Single Family Lots in Hidden Creek Estates PH 2, Royse City	\$ 1,906,064.75	\$ 2,452,300.00	78%	83	\$ 22,964.64	Same	

Alliance Bank - MBD							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	
1 Seven (7) Single Family Lots in Chisholm Crossing, Rockwall, Texas	\$ 207,823.72	\$ 444,600.00	47%	7	\$ 29,689.10	Same	

Community Bank - WDI							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	

1	Two (2) Patio Home lots in The Enclave of Buffalo Creek, Heath, Texas	\$ 69,464.93	\$ 100,000.00	69%	2	\$ 34,732.47	Same
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BB&T - WDI							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	
Seventy (70) Single Family Lots in Hidden Creek Estates, Phase 2, Royce City, Texas	\$ 1,673,730.02	\$ 1,600,000.00	105%	70	\$ 23,910.43	Same	

BB&T - MBD							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	
Two hundred forty (240) acres of undeveloped land in Hidden Creek Estates, Royce City, Texas	\$ 297,268.07	\$ 1,200,000.00	25%	240	\$ 1,238.62	\$2,538.62 of which \$1,300.00 will be applied to WDI's debt	

Jefferson Bank - WDI*							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	
The balance of nineteen (19) [as of the filing of the Plan a total of ten (10)] single family lots at Buffalo Creek Tennis Village, Heath Texas, as well as certain rights which the Debtor has secured with regard to their sale by means of the order approving the sale of such lots, over time, to Altura Builders, LLC	\$701,657.44*	Schedules: \$786,600.00	Schedules: 89%	10	Not applicable because the claim amount is incorrect.	\$55,000.00***	
Sixteen (16) golf course lots in Buffalo Creek Country Club Estates, Heath, Texas.**	\$ 953,187.23	Schedules: \$1,700,000.00	Schedules: 67% (including JWS)	16	\$ 59,574.20		

* This claim has been reduced by sales since the petition date. As of the date of filing this exhibit, the remaining claim amount was unavailable due to computer problems at Jefferson Bank. The LTV is incorrect because the claim has been reduced.
 ** Has a second lien by JWS Rockwall - \$193,703.97
 *** Pursuant to a contract that was approved by the Court.

Jefferson Bank - MBD							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	

1	Thirteen and 9/10th's (13.9) acre commercial tract in McClendon Chisholm, Texas	\$ 792,673.34	Schedules: \$1,200,000.00*	Schedules: 66%	13.9	\$	57,026.86
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*This value represents the value of the tract after part of it was sold post-petition. The original tract was 15.9 acres. The original scheduled value of the entire tract was \$1,200,000.00.

JWS Rockwall - MBD							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	
1	a) One hundred seventy four (174) acre undeveloped tract in Chisholm Crossing Phase 4, Rockwall, Texas b) lease rights, unearned insurance premiums, equipment, personal property deposits, defined general intangible contracts, accounts receivable, rights associated but not limited to the described 174 acre tract (second contractual personal property lien priority based on [5/1/09 UCC-1])	\$2,000,000.00	\$ 2,400,000.00	83%	174	\$11,494.25	Same
2	Sixteen (16) golf course lots in Buffalo Creek Country Club Estates, Heath, Texas.*	\$ 193,703.97	\$1,700,000.00	Schedules: 67% (including Jefferson)	16	\$	12,106.50

*This is a second lien on #2 from Jefferson Bank - WDI -- Jefferson's claim is \$953,187.23

Lakeside National Bank - WDI**							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	
1	Five (5) Single Family lots in Hidden Creek Estates, Royce City, Texas*	\$ 84,360.34	\$ 125,000.00	67%	3	\$	28,120.11
2	One (1) Single Family Lot - Tubbs Road - Rockwall, Texas	\$ 68,648.11	\$ 85,000.00	81%	1	\$	68,648.11

* This is actually 3 lots. The numbers reflect this.

**There is a second lien in favor of Lakeside National Bank that is secured by all of these properties in the amount of \$20,102.65. It's release is included in numbers 1 and 2 of the MBD properties.

Lakeside National Bank - MBD**							
Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price	

1	One (1) House and lot at 5702 Southern Cross, Rockwall, Texas	\$ 7,247.26	\$ 80,000.00	9%	1	First Lien: \$7,247.26 Second Lien: \$10,051.33	Same
2	One (1) residential lot located at 1534 Hubbard, Heath, Texas	\$ 107,490.55	\$ 300,000.00	36%	1	First Lien: \$107,490.55 Second Lien: \$10,051.32	Same
3	One (1) Single Family lot, Chisholm Crossing, Rockwall, Texas	\$ 30,125.00	\$ 48,000.00	63%	1	\$ 30,125.00	Same

**There is a second lien in favor of Lakeside National Bank that is secured by all of these properties in the amount of \$20,102.65. Its release is included in numbers 1 and 2 of the MBD properties.

Synergy Bank - WDI							
	Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price
1	One and one half (1.5) acres at the corner of Horizon and FM 549 in Rockwall, Texas	\$ 365,240.52	\$ 598,000.00	61%	1.5	\$ 243,493.68	Same
2	One (1) Single Family House at 809 Hubbard Dr., Rockwall, Texas*	\$ 421,221.34	\$ 590,000.00	105%	1	First Lien: \$421,221.34 Second Lien: \$168,778.66**	Same

* There is a second lien in favor of the Seeley family that is secured by this property in the amount of \$197,600.00. LTV includes the second lien.
** The balance of the \$197,600.00 claim is unsecured -- \$28,821.34

Synergy Bank - MBD							
	Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price
1	Eighteen and 2/10th's acre of land, McClendon Chisholm, Texas	\$ 823,127.36	\$ 850,000.00	97%	18.2	\$ 45,226.78	Same
2	Seven (7) Single Family lots in Hidden Creek Estates, Royce City, Texas	\$ 255,267.27	\$ 350,000.00	73%	7	\$ 36,466.75	\$ 36,466.75

Lee Groves - WDI							
	Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price
1	Thirteen (13) Single Family homes and lots in Royce City, Texas	\$ 402,068.00	\$ 410,000.00	98%	13	\$ 30,928.31	Same

Lee Groves - MBD							
	Plan Description	Claim	Property Value	Loan to Value Ratio	Number of Lots or Acres	Base Release Price Per Lot or Acre	Plan Release Price
1	Twenty (20) acre multi-family/commercial tract, Royce City, Texas	\$ 270,079.00	\$ 500,000.00	54%	20	\$ 13,503.95	Same

Plan Exhibit 1.48

Depiction of the Parking Lot Property

Plan Exhibit 1.52

The Plan Rate Calculations (Allowed or Asserted Secured Creditor)

Exhibit 1.52

<i>Lender</i>	<i>Average Loan to Value Ratio</i>	<i>Interest Rate</i>
1st International Bank	56%	5.00
Alliance Bank	86%	6.25
Community Bank	69%	5.50
BB&T	70%	5.50
Jefferson Bank *	72%	5.50
Lakeside National Bank	47%	5.00
Synergy Bank	86%	6.25
Lee Groves	74%	5.75
JWS Rockwall	77%	5.75
Tony Seeley	100%	7.00
Glen Whaley	72%	5.50
Lajoie Industries	92%	6.50
American National Bank	57%	5.00

* Due to a computer error at Jefferson Bank, Jefferson's final claim numbers were unavailable at the time this exhibit was created. Jefferson's interest rate is subject to change.

Disclosure Statement

Exhibit “C-13”

CULS MSA Settlement Memorandum

Exhibit C-13 to the Disclosure Statement

Entry of an order confirming the Plan constitutes approval by Court of the CULS MSA which TF-Harbor, CULS, WDI, MBD, Robert S. Whittle, RHCG, HGYC and City Bank previously executed and incorporated into the Plan, regarding a guarantee by WDI of a debt incurred by Mariah Bay Leasing, Inc., among other matters.

The terms of the CULS MSA are fully set forth in section 4.06 of the Plan and section C-13 of the Disclosure Statement.

CULS filed two proofs of claim in WDI's bankruptcy case. The first proof of claim (Claim No. 40) is for \$2,200,686.44 and is based a guarantee by WDI of a debt incurred by Mariah Bay Leasing, Inc. ("MBL"). Claim No. 40 was addressed in the Lawsuit, defined below. The second proof of claim (Claim No. 41) is \$244,742.14 and is based on lease arrearage owed to TF-Harbor (a wholly owned insider of CULS) *vis-à-vis* CULS/TF-Harbor's foreclosure on the property in which WDI previously had an office.

CULS also objected to the City Bank/HGYC CSA, the proceeds of which are necessary to fund the Debtors pre and post-confirmation.

BACKGROUND FACTS¹

On or about December 27, 2006, MBL entered into a loan agreement with CULS. Pursuant to the loan agreement, MBL executed and delivered to CULS a promissory note (the "Note") in the principal amount of \$31,000,000.00, which WDI and Robert S. Whittle guaranteed. The proceeds of the loan were used in connection with certain commercial real property commonly known as "The Harbor" located at 2074 Summer Lee Drive, Rockwall, Texas, 75032 (the "Property"), which also secured the Note.

MBL defaulted on the Note when it failed to make regularly scheduled payments in September and October of 2009. On February 9, 2010, MBL filed for protection under Chapter 11 of the Bankruptcy Code. MBL filed a plan which was denied confirmation on June 28, 2010.

On October 5, 2010, CULS assigned all of its rights title and interest under the Note, as well as the documents related thereto, including the deed of trust securing the Note, to TF-Harbor, a wholly owned insider of CULS. TF-Harbor foreclosed on the Property on the same day, credit bidding \$25,067,724.00.

On February 22, 2010, CULS filed a Lawsuit to collect on their guarantees of the Note against WDI and Rob Whittle (who also guaranteed the Note) in the 191st District Court in Dallas, Texas. The Lawsuit was subsequently removed to the United States District Court on October 7, 2010, and was referred to the Bankruptcy Court presiding over WDI's bankruptcy case on November 15, 2011 (Adversary No. 10-03370) (the "Lawsuit").

¹ The following paragraphs represent factual allegations asserted by the Debtors. City Bank neither agrees nor stipulates to the following characterizations of events and further reserves all rights to defend and dispute the same.

By the Lawsuit, as amended, CULS seeks a judgment against WDI in the amount of \$4,242,950.10. Though the proofs of claim that CULS filed do not equal the amount sought by CULS in the Lawsuit, WDI concedes that CULS would likely be entitled to amend its proofs of claim to bring them in line with the amount it seeks through the Lawsuit (the difference primarily being attributable to pre-petition interest).

BASIS FOR RELIEF

Entry of an order confirming the Plan constitutes approval by Court of the CULS MSA; however, the CULS MSA must still meet the requirements of Rule 9019(a) and its related case law. Bankruptcy Rule 9019(a) empowers a bankruptcy court to approve compromises and settlements if they are “fair and equitable and in the best interest of the estate.” *In re Cajun Elec. Power Coop., Inc.*, 119 F.3d 349, 355 (5th Cir. 1997). In determining whether a proposed settlement agreement is fair and equitable, bankruptcy courts are to consider “all...factors relevant to a full and fair assessment of the wisdom of the proposed compromise.” *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 425 (1968).²

“Compromises are favored in bankruptcy” because they minimize the costs of litigation and further the parties’ interest in expediting administration of a bankruptcy estate. *See In re Martin*, 91 F.3d 389, 393 (3d Cir. 1996). Furthermore, a settlement is within the sound discretion of the Court and need not result in the best possible outcome for the debtor, but must not “fall below the lowest point in the range of reasonableness.” *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991); *See* 9 COLLIER ON BANKRUPTCY ¶ 9019.02 (15th ed. Rev. 2001).

CAUSE FOR GRANTING RELIEF

WDI has never disputed that its guarantee of the Note is a valid guarantee. However, WDI has asserted to CULS that it may be entitled to offset of CULS’s claim pursuant to Texas Property Code Section 51.005. CULS, however, contends that section 51.005 applies to post-judgment foreclosures, and that even if it did apply, it requires that any challenge be brought not later than the 90th day after the date of foreclosure, which CULS asserts WDI failed to do. Additionally, CULS asserts that throughout the various related documents (of which there are several, many of which were incorporated in each other) WDI otherwise waived or released all defenses and offsets, and has no right to challenge the fair market value of the Property on the date of the foreclosure and the amount of the deficiency. While WDI believes that it may be able to prevail on its assertion that it is entitled to offset, it considers the risk of litigation to be unreasonably high and concedes that CULS’s assertions regarding the application of section 51.005 may be valid.

As mentioned above, CULS objected to the City Bank/HGYC CSA. Pursuant to the

²

In particular, bankruptcy courts routinely consider the following factors: (a) the probability of success on the merits; (b) the complexity and likely duration of the litigation; (c) the cost of pursuing litigation; (d) the competency and experience of counsel who support the settlement; (e) the extent to which the settlement is the product of arm’s length negotiation; and (f) the paramount interest of unsecured creditors. *See, e.g. In re RFE Indus., Inc.*, 283 F.3d 159, 165 (3rd Cir. 2002); *In re Jackson Brewing Co.*, 624 F.2d 605 (5th Cir. 1980).

CULS MSA, CULS has agreed to withdraw its objections thereto if WDI and City Bank enter into the CULS MSA (which was agreed to at arms length and mediated by the Honorable Marvin J. Iskgur). While WDI and MBD are confident that they could prevail over CULS's objection to the City Bank/HGYC CSA, doing so would require extensive litigation which would likely be so time consuming and expensive that it would jeopardize the prospects of WDI and MBD to confirm their plan.

Though WDI believes that it may be able to prevail against CULS, the risk of litigation and expense of litigation could derail the possibility that the Debtors will successfully reorganize, especially considering that under the CULS MSA, CULS has agreed to withdraw its objections the City Bank CSA, an integral part of the Plan and to support the Plan's confirmation.

Disclosure Statement

Exhibit “C-14”

City Bank/HGYC CSA Settlement Memorandum

Exhibit C-14 to the Disclosure Statement

Entry of an order confirming the Plan constitutes approval by Court of the City Bank/HGYC CSA which the Debtors, HGYC and City Bank have executed¹, regarding a series of transfers and actions engaged in by the Debtors, City Bank, HGYC and certain insiders or affiliates of the Debtors in the roughly six (6) month period preceding the Debtors filing of voluntary petitions under Chapter 11 of the Bankruptcy Code.

The terms of the City Bank/HGYC CSA are fully set forth in section 4.07 of the Plan and section C-14 of the Disclosure Statement.

The nature of the issues which the Debtors, HGYC and City Bank seek to resolve if the CSA is approved, were first set forth in each of the Debtor's Statements of Financial Affairs ("*SOFA*"), and their amended SOFAs, specifically answers set forth as to questions 3.b and 10 (collectively the "*SOFA Disclosures*"). On or about November 19, 2010, CULS filed a motion to conduct an examination of City Bank pursuant to Bankruptcy Rule 2004. While reserving its rights, City Bank voluntarily produced volumes of documents to CULS and the Debtors pursuant to an agreed order and protective order entered by the Court. *See* Docket. Nos. 68, 82, 101 & 103. As a result of an extensive review and analysis of documents produced by City Bank, an assessment of what such documents and other circumstances attendant meant in the context of the Debtors Chapter 11 filings and subsequent detailed negotiation sessions, the Debtors, HGYC and City Bank have entered into the City Bank/HGYC CSA. The terms of the City Bank/HGYC CSA were subsequently amended by agreement of the parties thereto pursuant to the terms and requirements of the CULS MSA.

BACKGROUND FACTS²

Each of the Debtors has had an extensive lending relationship with City Bank, as have other affiliates and insiders of these Debtors. City Bank is listed in each of the Debtors' schedules with secured/unsecured debts, regarding direct loans secured by real property, as well as guarantees of indebtedness of the "sister" Debtor and of other insider entities of those Debtors. City Bank's listings in the Debtor MBD's Schedule D takes up two whole pages (pp.5 and 6) and most of one page (p. 5) of the listings in Schedule D for the Debtor WDI. As noted, the SOFA Disclosures detail a significant number of transactions by both MBD and WDI in the six (6) months prior to the Debtors filing for relief on October 4, 2011.

The transactions initially nominally described in the SOFA Disclosures will be detailed hereinafter by timing of the transfers at issue (April Transactions/August Transactions/Sept-Oct Transactions) as well as by Debtor entity with regard to: a) properties transferred to HGYC, an insider entity of the Debtor, and/or debts assumed or obligations of insiders which were guaranteed during this six (6) month period prior to the Petition Date.

¹ The CULS MSA required certain changes to the City Bank/HGYC CSA as it was originally proposed to the Court by the Debtors' *Motion Pursuant to Rule 9019 for Approval of Compromise Settlement Agreement with City Bank, Texas* [Docket No. 161]; such changes are incorporated into the Plan and have been agreed to by City Bank and HGYC. Because the terms of Plan, take precedence over the executed version of the City Bank/HGYC CSA, the parties thereto will not execute a revised document.

² The following paragraphs represent factual allegations asserted by the Debtors. City Bank neither agrees nor stipulates to the following characterizations of events and further reserves all rights to defend and dispute the same.

The April 12, 2010 Transactions:

WDI

Beginning in 2009 and continuing into the early part of 2010, the Debtors, their principal Rob Whittle, certain financial advisors and consultants and City Bank had several serious and detailed discussions regarding how to deal with multiple issues impacting upon its future, including what was occurring to WDI's insider and affiliate Mariah Bay Leasing, which was then in its own Chapter 11 proceeding. Such discussions and planning, however, focused predominately the development of a significant real estate and recreational development in the City of Heath. Based on consultation with their financial advisors, the Debtors and their principal perceived a real need to gather certain key tracts from WDI and MBD, into a single entity for the purpose of enabling that entity – HGYC – to secure necessary governmental and municipal development benefits, rights and public financing, which WDI and MBD could not secure on their own due to the various types of property held by the Debtors, as well as their respective financial condition.

On April 12, 2010, following the discussions and planning noted above, WDI entered into a transaction with the newly created entity HGYC, whereby WDI transferred the following properties to HGYC:

1. 511 acres- a/k/a Clements Ranch - Rockwall County, Texas; and
2. 3.3 Acres – a/k/a Townsend Tract – Rockwall County, Texas

WDI receives from HGYC, by way of the closing of the transaction, which is funded by City Bank, payment of (a) \$2,931,123 in debt held by City Bank on the 511 acre property; (b) \$2,509,325 in non-recourse lien debt which had been put on the 511 acre tract years prior, for the benefit of MBD; and (c) \$338,328.53 in debt held by City Bank on the 3.3 acre tract. City Bank's prior Deeds of Trusts securing the three debts noted above were not specifically released prior to the Petition Date. City Bank's prior deeds of trust generally have the following provisions:

1. Deed of Trust ("**DOT**") - 1/20/009 re: 511 acres - secures all indebtedness of any stripe or kind, including debts due to City Bank which WDI may guarantee. Additionally, the release provisions of that DOT require all obligations to have been discharged.
2. DOT - 3/31/04 re: 3.3 acres- secures all indebtedness of any stripe or kind, including debts due to City Bank which WDI may guarantee. Additionally, the release provisions of that DOT require all obligations to have been discharged.

The title commitment for these transactions shows the existence of the three debts of City Bank, as well as limited cross collateralization agreements. The title policy issued to City Bank shows none of City Bank's prior debts or DOT's to be excepted from the title policy and all are presumed to not exist after the transfer. The DOT's executed by HGYC as the transferee, to City Bank as its lender, state that HGYC has clean and indefeasible title to the tract at issue. City Bank's documentation and the closing statements indicate payment in full of specific loans of City Bank to WDI. City's internal documentation reflects that the specific prior loans described

would be satisfied as a part of the transaction.

As a part of these transactions WDI executed a guaranty of all of HGYC's obligations to City Bank, including those which are transferred from MBD to HGYC. This generates a guaranty of payment obligation in excess of \$10,000,000 on the same date as the property is transferred from WDI to HGYC.

MBD

Also on April 12, 2010, MBD entered into similar transactions with HGYC for the same reasons detailed above. As a part of this transaction MBD transfers the following property to HGYC:

1. 11 acres – a/k/a Harbor Phase II - Rockwall County, Texas; and
2. 16.89 acres – a/k/a Berkshire Heath -Rockwall County, Texas

MBD received from HGYC, by way of the closing of the transaction, which is funded by City Bank, satisfaction of (a) \$3,706,835 in debt held by City Bank on the 11 acre property; and (b) \$175,662 in debt held by City Bank on the 16.89 acre tract. City Bank's prior Deeds of Trusts securing the two debts noted above were not specifically released prior to the Petition Date. City Bank's prior deeds of trust generally have the following provisions:

1. DOT - 11/7/07 re: 11 acres - secures all indebtedness of any stripe or kind, including debts due to City Bank which MBD may guarantee. Additionally, the release provisions of the DOT required that all obligations must have been discharged for a release to have issued.
2. DOT -10/8/09 re: 16.89 acres- secures all indebtedness of any stripe or kind, including debts due to City Bank which MBD may guarantee. Additionally, the release provisions of the DOT required that all obligations must have been discharged for a release to have issued.

The title commitments for these transactions show the existence of the two debts of City Bank, as well as limited cross collateralization agreements. The title policy issued to City Bank shows none of City Bank's prior debts or DOT's to be excepted from the title policy and all are presumed to not exist after the transfer. The DOT's executed by HGYC as the transferee, to City Bank as its lender, state that HGYC has clean and indefeasible title to the tract at issue. City Bank's documentation and the closing statements indicate that specific loans of City Bank to MBD would be satisfied. City's internal documentation reflects that the specific prior loans described would be satisfied. Since the closing of the transaction, City Bank has granted a release of lien based on a subsequent sale of the 16.89 acre tract is given by and through the HGYC debt and DOT; no release is given as to the prior DOT described in (2) directly above.

As a part of these transactions MBD executed a guaranty of all of HGYC's obligations to City Bank, including those transferred from WDI to HGYC, which generated a guaranty of payment obligation in excess of \$10,000,000 on the same date.

The August 24, 2010 Transactions:

WDI

On or prior to August 24, 2010, City Bank acquired a series of notes made by WDI and MBD in favor of Compass Bank or its predecessors in interest. The acquisition was brought on by the threatened foreclosure by the prior holder of certain tracts of land which are adjunct to the HGYC concept and which were intended to become a part of the HGYC gathering of tracts begun in April, 2010. After the acquisition of these notes by City Bank, WDI agrees to transfer to HGYC the following properties:

1. 65.99 Acre Tract – a/k/a Miller Tract - Rockwall County, Texas; and
2. Lot 10, Block D of Rainbow Lake Estates (Rockwall, Rockwall County, Texas)

As consideration, WDI receives from HGYC by way of the closing of the transaction, which is funded by City Bank, the satisfaction of: (a) \$1,171,294 in secured debt on the 65.99 acre property; and (b) no monetary consideration as to Lot 10 Block D of Rainbow Lake Estates. The prior DOT's of Compass, securing the debt on the 65.99 acre tract noted above was not specifically released prior to the Petition Date. The title policy issued to City Bank shows no debts or DOTs to be excepted and all such debts are presumed to not exist after the transfers. The DOT's executed by HGYC to City Bank as lender, state that it has clean and indefeasible title to the tract at issue. City Bank's documentation and the closing statements appear to contemplate satisfaction of the specific loans of City Bank to WDI. As a part of this transaction WDI executed a guaranty of the two HGYC's obligations to City Bank, including those transferred from MBD and Fox Chase (an affiliate/insider) to HGYC, which generated a guaranty of payment obligation for WDI in excess of \$2,850,000 on the same date. Additionally, WDI executed a subordinated deed of trust ("*SDOT*"), granted second liens in favor of City Bank to certain lots within the Buffalo Creek Country Club Estates and Buffalo Creek Tennis Village subdivisions.³ City Bank also received an assignment of rents ("*AOR*") regarding same – Buffalo Creek Lots (originally 40 lots – some of which have been or are being sold by WDI).

MBD

As previously described, on or before August 24, 2010, City Bank acquired a series of notes made by WDI and MBD, secured by certain tracts critical to the HGYC assemblage. The acquisition brought on by the threatened foreclosure, by the prior holder of certain tracts of land which are adjunct to the HGYC concept and which were intended to become a part of the HGYC gathering of tracts in April, 2010. After the acquisition of these notes by City Bank, MBD agreed to transfer to HGYC the following properties:

1. 20 Acres – a/k/a Kipnes Tract - Rockwall County, Texas; and
2. Two (2) 20 Acre Tracts – a/k/a the Hambrick/Keig Tracts - Rockwall County, Texas

MDB receives from HGYC, by way of the closing of the transaction, which is funded by City Bank, satisfaction of: (a) \$625,356.24 in debt acquired by City Bank on the single 20 acre

³ As noted in City Bank's Claim No. 47, filed in WDI's bankruptcy case, the SDOT was duly recorded in the property records for Rockwall County as instrument number 2010-00438386.

property; and (b) \$1,179,545 in debt acquired by City Bank on the two (2) 20 acre tracts. The prior DOTs of Compass, securing the debt on the three 20 acre tracts were not specifically released prior to the Petition Date. The title policy issued to City Bank shows no such debts or DOTs to be excepted and all such debts are presumed to not exist. The DOT's executed by HGYC in favor of City Bank state that HGYC has clean and indefeasible title to the tracts at issue. City Bank's documentation and the closing statements indicate satisfaction of specific loans of City Bank to MBD. As a part of the transaction MBD executes a guaranty of the two HGYC's obligations to City Bank, including those transferred from WDI and Fox Chase to HGYC, which generates a guaranty of payment obligation in excess of \$2,850,000 on the same date.

The October 1, 2010 Transactions:

WDI

Two (2) loans were made to WDI on or about September 29, 2010 in the amounts of \$200,000 and \$101,000 respectively. The \$200,000 was to have been for operating capital for WDI/MBD, while the \$101,000 loan would have been for fees for Debtor's counsel to address the Chapter 11 filing of WDI and MBD which was required because of multiple properties of each entity being listed for foreclosure sales on the first Tuesday in October, 2010.

As a part of the \$200,000 loan, the following were executed and filed: (a) DOT regarding multiple lots in Buffalo Creek Tennis Village (11/17/19/23/24/26/27/36/37 – Block 1) and (10/12/13/22/23/26/30/31/32 – Block 2); (b) security agreement granted in WDI's interest in contract of sale of 19 lots in Buffalo Creek Tennis Village, in both instances the transfers of security interests regarding the Debtors' properties were to cover the specific amount funded, as well as all to secure all prior debts of WDI and HGYC to City Bank.

As a part of the 101,000 loan, the following were executed and filed: (a) DOT regarding Lot 3 Block C and Lot 10 Block D Rainbow Lake Estates; and (b) a security interest was granted in WDI's interest in contract of sale of lots it had with MIL/Way Investors.

It is unclear to WDI as to whether or not these specific funds were ever transferred to WDI. Irrespective, on or about October 4, 2010 sums were transferred to City Bank, with a nominal extra amount, to pay off the indebtedness created by the two loans. The collateral taken for the loans was not released.

The October 4, 2010 Transactions

WDI

On October 4, 2010, two days before the Petition Date, WDI closed on the sale of certain property to an unrelated third party buyer ("**Mr. Rains**") for a sale price of nearly \$2,000,000. As a part of that transaction, after paying closing costs and retiring all liens asserted on the property, the proceeds of \$1,005,247.78 were to be conveyed to WDI (the "**Rains Excess Funds**"). The Rains Excess Funds were eventually transferred as follows:

1. \$674,873.49 was transferred to pay down notes and pay off exit fees on three specific

properties owned by Caruth Lake Development (“*Caruth*”): i) 3200 Oak Drive; ii) 1725 Weiskopf; and iii) 11 Wimbledon; and

2. \$330,223.79 was transferred to pay down on the HGYC \$12,500,000 plus note [City Loan # 6400865] (\$270,000 of which was subsequently reversed and used to transfer back to WDI to pay counsel (\$101,000) and to fund post petition operations (\$170,390.33 – the amount listed on the WDI’s Amended Schedule B).

With regard to the \$674,873.49 transfer, there is presumed to be a guaranty by WDI of Caruth’s debts which were paid down. With regard to the \$330,223.79 amount paid down on the HGYC \$12,500,000 plus note [City Loan # 6400865], there are various guarantees which to generate the debt against which this transfer would be credited. While no objection was raised by WDI at the time of the transfers, WDI, now as a debtor in possession, has since raised disputes concerning City Bank’s right to debit WDI’s account and apply the Rains Excess Funds as detailed above.

Avoidance Analysis Regarding the Listed Transactions – Debtors’ Perspective⁴

The April 12, 2010 Transactions

WDI – 511 Acre Clements Ranch Tract

As to the 511 acres Clements Ranch transaction, WDI received from HGYC, by way of the closing of the transaction satisfaction of \$5,440,448 of debt held by City Bank. The value of property, per the Debtor’s valuations, was \$11,100,000. This is the value of the property utilized by City Bank in its internal analysis on or about the date of the transfer. It is WDI’s contention that this transfer is avoidable on less than reasonably equivalent value basis, especially when coupled with the simultaneous execution of a guaranty of payment of the full amount of the debts of HGYC with regard to the properties transferred to it from WDI and from MBD, in excess of \$10,000,000.

On a balance sheet basis, WDI went from having an asset with an asserted fair value of \$11,100,000 and a liability of \$5,440,000 specifically encumbering that property (there were significant other guaranteed debts of WDI to cover the insolvent at the time or made insolvent because of the transfer aspect regarding §548) to a state of having no asset and liabilities which are \$4,560,000 higher than what specifically existed prior to the transfer. The net effect of such transfers was that no value flowed to WDI and WDI should be able to avoid this transfer of property and the incurrence of the guarantee obligations under §548. WDI’s ability to avoid the lien which HGYC granted to City Bank, per §550(b)(1), while at the same time securing the benefit of the release of the prior City Bank lien when WDI owned the property, would violate §550(d)’s limitation of a single satisfaction.

⁴ As with the foregoing facts, the following paragraphs represent the Debtors’ own legal theories. City Bank does not stipulate to the Debtors’ characterization of events or legal conclusions and expressly reserves all rights to dispute such factual allegations and assert any and all defenses available under applicable law with respect to any claims or causes of action that may be asserted. For an overview of City Bank’s position, see the section titled **Avoidance Analysis Regarding the Listed Transactions – City Bank’s Perspective**, beginning on below.

WDI - 3.3 Acre Townsend Tract

As to the 3.3 Acre –Townsend Tract, WDI received from HGYC, by way of the closing of the transaction, payment of \$338,328.53 of debt held by City Bank on the 3.3 acre tract. Value of property is \$575,000 as stated by the Debtor and by City Bank in its internal analysis on the date of transfer. The exchange on its face is for 59% of its value. However, when coupled with the simultaneous execution of a guaranty of payment of the full amount of the debts of HGYC, in excess of \$10,000,000, then on a balance sheet basis, WDI went from having an asset of \$575,000 and a liability of \$338,000 specifically encumbering that property (as noted there were significant other guaranteed debts of WDI to cover the insolvency requirements of §548 prior to the transfer as well as afterwards) to a state of having no asset and liabilities which are \$9,660,000 higher than what existed prior to the transfer.

Even when coupled together with the 511 Acre Clements Ranch Tract, the transfer of \$11,675,000 of assets in exchange for \$5,578,000 in payments, while adding \$10,000,000 in liabilities, the transactions still would not pass muster under §548, as no net value flows to WDI. As with prior transaction, City Bank points out that WDI's ability to avoid the new lien granted to City Bank, by HGYC, while also recovering the transferred property free and clear of City Bank's pre-existing liens would violate §550(d)'s single satisfaction rule.

MBD - 11 acre Harbor Phase II

As to the 11 acres known as Harbor Phase II, MBD received from HGYC, by way of the closing of the transaction, satisfaction of \$3,706,835 in debt held by City Bank on the 11 acre property. Value of property is just over \$4,000,000 per the Debtor's assessments and \$7,000,000 as stated by City Bank in its internal analysis on the date of transfer. The exchange on its face is between 92.5% (which on its own would pass muster) to 53% if City Bank's values prevailed. However, when coupled with the simultaneous execution of a guaranty of payment of the full amount of the debts of HGYC, in excess of \$10,000,000, then on a balance sheet basis, MBD went from having an asset of \$4,000,000 to \$7,000,000 and a liability of \$3,700,000 specifically encumbering that property (as with WDI, there were significant other guaranteed debts of MBD to cover the insolvency requirements of §548 both prior to the transfer as well as afterwards) to a state of having no asset and liabilities which are \$6,300,000 higher than what existed prior to the transfer.

The net effect of this transaction was that no value flowed to MBD, and MBD should be able to avoid this transfer of property and the incurrence of the guarantee obligations under §548. City Bank points out that, as with WDI, MBD's ability to avoid the new lien granted to City Bank by HGYC, while also recovering the transferred property free and clear of City Bank's pre-existing liens, would violate §550(d)'s single satisfaction rule.

MBD – 16.89 Acres – Berkshire Heath

As to the 16.89 acres – Berkshire Heath, MBD receives from HGYC, by way of the closing of the transaction, satisfaction of \$175,662 in debt held by City Bank. Value of property is \$300,000 as stated by the Debtor and 338,000 by City Bank in its internal analysis on the date of transfer. Exchange on its face is 51% of value, however, when coupled with the simultaneous

execution of a guaranty of payment of the full amount of the debts of HGYC, in excess of \$10,000,000, then on a balance sheet basis, MBD went from having an asset of \$338,000 and a liability of \$175,500 specifically encumbering that property (as stated before there are significant other guaranteed debts of WDI and others to cover the insolvent aspect of the Debtor prior to as well as after the transfer).

This caused MBD to go to a state of having no asset and liabilities which are \$9,825,000 higher than what existed prior to the transfer. Even when coupled together – the transfer of \$4,338,000 of assets in exchange for \$3,875,000 in payments, but adding \$10,000,000 in liability assures that the transactions would not pass muster under §548, as no net value flows to the Debtor. Once again, MBD's ability to avoid the lien which HGYC granted to City Bank, per §550(b)(1), and also to recover the transferred property free and clear of City Bank's pre-existing liens would violate the single satisfaction rule under § 550(d).

The August 24, 2010 Transactions

WDI – 65.99 Acre Miller Tract

As to the 65.99 Acre Miller Tract, WDI receives from HGYC, by way of the closing of the transaction payment of \$1,171,294 in debt acquired by City Bank on the 65.99 acre property. Value of property per Debtor is \$1,625,000 on the date of transfer. Exchange on its face is 72%, however, when coupled with the simultaneous execution of a guaranty of payment of the full amount of the debts of HGYC, now in excess of \$12,850,000, then on a balance sheet basis, WDI went from having an asset of \$1,625,000 and a liability of \$1,171,000 specifically encumbering that property (again, there are significant other guaranteed debts cover the insolvent aspect of the Debtor prior to the transfer as well as afterwards) to a state of having no asset and liabilities which are \$11,680,000 higher than what existed prior to the transfer.

The net effect of this transaction was that no value flowed to WDI, and WDI should be able to avoid this transfer of property and the incurrence of the guarantee obligations under §548. WDI's relief remains subjected to the single satisfaction rule, however, which prevents WDI from avoiding the new guaranty, the transfer from WDI to HGYC *and* City Bank's liens which existed at the time of the transfer and which to this date have not been released.

WDI – Rainbow Lake Estates – Lot 10

As to lot 10, Block D of Rainbow Lake Estates, the Debtors contend that WDI received nothing from HGYC and no debt reduction *vis-à-vis* City Bank. Exchange on its face is avoidable. Even more so when coupled with the simultaneous execution of a guaranty of payment of the full amount of the debts of HGYC, in excess of \$12,850,000.

The net effect of this transaction, per the Debtors, was that no value flowed to WDI, and WDI should be able to avoid this transfer of property and the incurrence of the guarantee obligations under §548. The Debtors further contend that the single satisfaction rule does not limit their avoidance powers with respect to this transfer because City Bank had no preexisting lien on the Rainbow Lake Estates – Lot 10 when it was transferred.

Even when coupled together – the transfer of \$1,675,000 (assuming Rainbow Lake Estates lot has a value of even \$50,000) of assets in exchange for \$1,171,000 in payments might pass muster, but adding over \$12,000,000 in liability as an integral part of the transaction makes the transaction avoidable. WDI still did not receive reasonably equivalent value for the transfers

out or the debts incurred.

Additionally, as to the DOT which WDI gave to City Bank as additional security as a part of the transfers of property from WDI to HGYC in late August, there is no supporting consideration for the transfer of the security interest or any other aspect of the taking of this security within 90 days of the Bankruptcy which will meet the requirements of §547(c)(3). The transfer of an interest of WDI to City Bank within 90 days, where there is already significant existing debt between them means the transfer is avoidable under §547 as well.

MBD -20 Acre Kipnes Tract

As to the 20 Acres –Kipnes Tract, MBD receives from HGYC, by way of the closing of the transaction, payment of \$625,356.24 in debt acquired by City Bank on the single 20 acre property. However, when coupled with the simultaneous execution of a guaranty of payment of the full amount of the debts of HGYC, in excess of \$12,850,000, then on a balance sheet basis, MBD went from having an asset of \$600,000 and a liability of \$625,000 specifically encumbering that property to a state of having no asset and liabilities which are \$12,225,000 higher than what existed prior to the transfer.

The net effect of this transaction was that no value flowed to MBD, and MBD should be able to avoid this transfer of property and the incurrence of the guarantee obligations under §548. City Bank points out that MBD's ability to avoid the new guarantee obligation, the new lien granted to City Bank by HGYC *and* recover the property free and clear of liens that existed at the time of the transfer would violate the single satisfaction rule.

MBD- The Hambrick/Keig Tracts (20 Acres each)

As to the Hambrig/Keig Tracts MBD receives from HGYC, by way of the closing of the transaction satisfaction of \$1,179,545 in debt acquired by City Bank on the two (2) 20 acre tracts. When coupled with the simultaneous execution of a guaranty of payment of the full amount of the debts of HGYC, in excess of \$12,850,000, then on a balance sheet basis, MBD went from having an asset of \$1,200,000 and a liability of \$1,179,545 specifically encumbering that property to a state of having no asset and liabilities which are \$11,650,000 higher than what existed prior to the transfer.

The net effect of this transaction was that no value flowed to MBD, and MBD should be able to avoid this transfer of property and the incurrence of the guarantee obligations under §548. City Bank points out that MBD's ability to avoid the new guarantee obligation, the new lien granted to City Bank by HGYC *and* recover the property free and clear of liens that existed at the time of the transfer would violate the single satisfaction rule.

Even when the MBD transactions are coupled together, the transfer of \$1,800,000 of assets in exchange for \$1,810,000 in payments would seem to make sense and pass muster, but the adding over \$12,000,000 in liability as an integral part of the transaction makes the transaction as a whole potentially avoidable under §548. The limitation of the single satisfaction rule, however, does not change.

The October 1, 2010 Transactions

WDI

The two (2) loans made by City Bank to WDI, on or about September 29, 2010 in the amounts of \$200,000 and \$101,000 were paid back on October 4, 2010. There are two fact patterns which could have occurred, but there is not sufficient evidence to make crystal clear what actually occurred: (a) WDI had dominion and control over the funds lent on September 29, 2010 and thus paid a debt on October 4, 2010; or b) WDI never had dominion or control over the funds as of September 29, 2010 (thus no true loan ever occurred) and thus never received the funds in the first place. Irrespective, there was the transfer of the collateral listed below, which was not released once the funds were paid back or determined to have not needed to have been advanced.

The following collateral was transferred to City Bank regarding the \$200,000 loan: (a) DOT regarding multiple lots in Buffalo Creek Tennis Village (11/17/19/23/24/26/27/36/37 – Block 1) and (10/12/13/22/23/26/30/31/32 – Block 2); and (b) a security interest granted in WDI's interest in contract of sale of 19 lots in Buffalo Creek Tennis Village. As a part of the 101,000 loan, the following collateral was transferred: (a) DOT regarding Lot 3 Block C and Lot 10 Block D Rainbow Lake Estates; and (b) a security interest granted in WDI's interest in contract of sale of lots it has with MIL/Way Investors.

While there was no new guaranty executed for these transactions, in both instances, documents indicate that the transfers of interests in the Debtor's property to City Bank were to cover the specific debt repaid, as well as all prior debts of WDI and HGYC to City Bank. Both transactions are avoidable either under: a) 547 (if there an actual debt) – which would avoid: (i) the payment of the debt w/in 90 days [547(c)(1) will not shield the transfer as the documents do not indicate that there was any intent for the funds to be paid back so quickly]; and (ii) the transfer of the security interest in the collateral given, as the requirements of 547(c)(3) can not be met in defense of the transfer; or b) 548 (if there is no actual debt) because there was no value given for the transfer of the security interests in the property of the debtor. All other requirements for constructive fraudulent transfer which existed as to other transfers persist as to these transfers as well. The payment to City Bank is subject to subsequent unpaid new value defense under 547(c)(4) as to recovery of the funds paid in excess of \$31,000 subsequently advanced.

The October 4, 2010 Transactions

WDI

The sum of \$1,005,247.78, the Rains Excess Funds, which were due to WDI from the title company which closed the sale of land to Mr. Rains was not subject to any existing lien rights of City Bank at that instant in time. Subsequently, those sums were transferred to WDI's demand deposit account at City Bank, where, pursuant to prior security agreements and account agreements, the deposit became subject to City Bank's liens securing its undersecured indebtedness with WDI, both where WDI was a maker and where WDI was a guarantor of payment under guarantee agreement pre-dating the April/August Transactions. Then, from the demand deposit account, City Bank directed that the \$1,005,247.78 be applied as follows:

1. \$674,873.49 was transferred to pay down notes and pay off exit fees on three specific properties held by Caruth: (i) 3200 Oak Drive; (ii) 1725 Weiskopf; and (iii) 11 Wimbledon; and
2. \$330,223.79 was transferred to pay down on the HGYC \$10,000,000 plus note [City Loan # 6400865] (\$270,000 of which was subsequently reversed and used to transfer back to WDI to pay counsel (101,000) and to fund post petition operations (\$170,390.33 - the amount listed on the WDI's Amended Schedule B).

With regard to the \$674,873.49 transfer, it is presumed that a guaranty exists from WDI in favor of Caruth's debts which were paid down. The Debtors contend that the payment to City Bank meets all of the requirements of §547. There are no subsequent advances to the Debtor to save this transfer (the advance of \$270,000 on 10/4 will be addressed solely as to the next transfer).

With regard to the \$330,223.79 amount paid down on the HGYC \$10,000,000 plus note [City Loan # 6400865], there are various guarantees which generate the debt against which this transfer would be credited. This payment meets all of the requirements of §547. There are subsequent advances to the Debtor to partially save this transfer, but only if the loan referenced in the 10/1/2010 transaction does not actually occur. The subsequent advance can only be used once. The 10/1/2010 transaction is presumptively an actual loan and the subsequent new value defense is used to insulate that transaction. So there is nothing to insulate the transfer of \$330,000.

Avoidance Analysis Regarding the Listed Transactions – City Bank's Perspective

Rather than traversing through each transaction as the Debtors have done above, City Bank has stated generally that it may assert a variety of defenses and affirmative defenses which, if successful, could severely undercut the Debtors ability to reorganize successfully. In fact, the cost of litigation, alone, could severely hamper the Debtors' ability to propose a feasible plan. Below are some of the challenges that City Bank has represented that the Debtors would have to overcome were they to pursue litigation on the claims detailed above.

City Bank first reiterates that, if litigated, it will be the Debtors' burden to prove the avoidability of the foregoing transactions. Specifically, with respect to the transactions which the Debtors contend may be avoidable as fraudulent transfers under § 548, there will be significant factual debates concerning the value given by HGYC to the Debtors in connection with the transfer of each property. The appraisals used in many cases may be subject to debate, and the properties' actual value at the time of the transfers may not have been the same as the Debtors now contend. Thus, there remain open issues concerning whether the Debtors received reasonably equivalent value in exchange for each transfer to HGYC.

Additionally, were litigation to ensue, there would be highly contested factual debates concerning whether the Debtors were insolvent at the time of the transfers and whether the transfers rendered the Debtors insolvent or incapable of servicing their debts. On a balance sheet basis, City Bank contends that the Debtors *were* solvent at the time of the transfers, and neither the property transfers nor the new guarantees rendered them insolvent in light of the collateral and additional guarantors available to satisfy the obligations. Further, if City Bank looked to the Debtors for satisfaction of HGYC's assumed obligations, the Debtors would have indemnity and contribution claims available to offset any new liabilities.

City Bank also contends that it could assert a number of meritorious affirmative defenses to liability. As noted above, the prevailing case law on the single satisfaction rule demands that, if the transfers from WDI and MBD to HGYC are avoided, City Bank may maintain the liens it held against the Debtors' properties at the time of the transfers.⁵ Further, City Bank contends that, if the transfers are avoided, it may be entitled to equitable liens on the properties. As noted above, the underlying purpose for the transactions was not to defraud the Debtors' other creditors, but instead to find a mechanism to ensure certain governmental and municipal benefits that WDI and MBD could not receive based on their differing businesses.

With respect to the transfers which the Debtors contend to be avoidable as preferences under § 547, City Bank contends that it did not receive more by way of such transfers than it would have received in a chapter 7 liquidation had the transfers not occurred. Such a determination is highly factual, and the Debtors will be required to carry their burden on this necessary element of § 547(b). Further, as the Debtors point out above, City Bank could, and would, assert several affirmative defenses to any preference actions including, without limitation, contemporaneous new value and other defenses under § 547(c).

BASIS FOR RELIEF

Entry of an order confirming the Plan constitutes approval by Court of the City Bank/HGYC CSA; however, the City Bank/HGYC CSA must still meet the requirements of Rule 9019(a) and its related case law. Bankruptcy Rule 9019(a) empowers a bankruptcy court to approve compromises and settlements if they are "fair and equitable and in the best interest of the estate." *In re Cajun Elec. Power Coop., Inc.*, 119 F.3d 349, 355 (5th Cir. 1997). In determining whether a proposed settlement agreement is fair and equitable, bankruptcy courts are to consider "all...factors relevant to a full and fair assessment of the wisdom of the proposed compromise." *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 425 (1968).⁶

"Compromises are favored in bankruptcy" because they minimize the costs of litigation and further the parties' interest in expediting administration of a bankruptcy estate. *See In re Martin*, 91 F.3d 389, 393 (3d Cir. 1996). Furthermore, a settlement is within the sound discretion of the Court and need not result in the best possible outcome for the debtor, but must not "fall below the lowest point in the range of reasonableness." *In re Drexel Burnham Lambert Group, Inc.*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991); *See* 9 COLLIER ON BANKRUPTCY ¶ 9019.02 (15th ed. Rev. 2001).

⁵ This factor is perhaps the most crucial as weighing in favor of the settlement proposed herein. Even if the Debtors were meritorious in avoiding the property transfers to HGYC, such relief would not solve the Debtors' inability to service the debts still owed to City Bank and the Debtors' other secured creditors. For this reason, the CSA presents a vehicle for the Debtors to realize equity in the transferred properties without having the debt service burdens that comes with such equity.

⁶ In particular, bankruptcy courts routinely consider the following factors: (a) the probability of success on the merits; (b) the complexity and likely duration of the litigation; (c) the cost of pursuing litigation; (d) the competency and experience of counsel who support the settlement; (e) the extent to which the settlement is the product of arm's length negotiation; and (f) the paramount interest of unsecured creditors. *See, e.g. In re RFE Indus., Inc.*, 283 F.3d 159, 165 (3rd Cir. 2002); *In re Jackson Brewing Co.*, 624 F.2d 605 (5th Cir. 1980).

CAUSE FOR GRANTING RELIEF

The Debtors have spent a substantial amount of time and money reviewing almost four thousand (4,000) pages of documents in order to assess the Debtors' respective rights with regard to the transfers of property they each made to HGYC and City Bank, as well as the obligations incurred for the benefit of City Bank. The Debtors' counsel has spent significant time analyzing and assessing the relative strengths and weaknesses of each of the Debtors' positions and what, if litigation were to ensue, the Debtors could likely recover. The Debtors have been provided and have discussed and assessed each of City Bank's asserted defenses.

The Debtors have assessed and reviewed the impact of returning property to the respective Debtors would have on the value of those tracts if held in disparate bankruptcy estates and how such a return of those tracts would impact their marketability and value, as opposed to their current state in a singular project, as well as what effect such transfers back would have on the governmental agencies whose cooperation regarding the development of HGYC is so crucial.

It is the confluence of all of these factors, in addition to the routine factors which must be considered in securing approval of any compromise by means of Rule 9019, that compels the Debtors to find a means for the constituents of these cases to get the maximum value out of the properties transferred, without the huge expense of time, funds and the concomitant effect such an ensuing war of attrition would have on the ability of these estates to secure value over and above what it would cost in administrative fees and expenses to get to a somewhat similar end.

However, that litigated, time consuming "similar" end would likely come at the expense of the Debtors' ability to secure the value from each of their other land holdings whose secured creditors would rightfully clamor for modifications of the automatic stay to get to their collateral or at least to secure some modicum of adequate protection which would enable them to try and get a more market based sale resolution. Such a result would not benefit the estates and their respective stake holders.

Although the Debtors disagree with many of City Bank's defensive positions as to their ability to defeat or undercut what the Debtors could secure through litigation, City Bank has raised issues which will require an exorbitant expenditure of time and money with no absolute guarantee of favorable results for the Debtors. Accordingly, the Compromise and Settlement Agreement benefits the Debtors, their estates, City Bank and HGYC by avoiding protracted discovery and litigation relating to the avoidance litigation which would thereafter ensue and in addition to all of the benefits which the structure of the CSA provides, as detailed, above, the CSA provides access to funds which the Debtors will use to enable them to realize the equity in their other property holdings, all for the functional benefit of the constituents of these cases.

The Debtors, City Bank and HGYC have engaged in extensive negotiations to reach the settlement embodied in the Plan and the City Bank/HGYC CSA, and assert that, in light of the foregoing, the relinquishment of significant debts, the releases and/or subordination of several liens, the infusion of at least \$500,000, and the \$1,000,000 second lien on the land which constitutes the HGYC project are, collectively, an eminently fair and equitable result and represents a good faith compromise of the matters involved.

Disclosure Statement

Exhibit “VIII.A-1.”

Monthly Operating Reports (WDI)

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084
JUDGE: HONORABLE HARLIN D. HALE

CASH BASIS

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

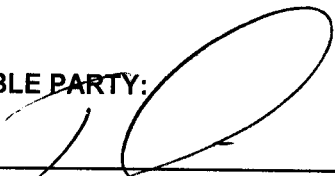
DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: December 31, 2010

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE, DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:



ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

President

TITLE

Robert Whittle

PRINTED NAME OF RESPONSIBLE PARTY

January 19, 2011

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

TITLE

PRINTED NAME OF PREPARER

DATE

CASE NAME: Whittle Development, Inc.		CASH BASIS - 1			
CASE NUMBER: 10-37084-HDH					
CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER	
	Oct-10	10-Nov	10-Dec	TOTAL	
1. CASH - BEGINNING OF MONTH	\$170,390.93	\$118,275.30	\$70,075.16	\$170,390.93	
RECEIPTS					
2. CASH SALES	\$0.00	\$0.00	\$0.00	\$0.00	
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
4. LOANS & ADVANCES	\$0.00	\$0.00	\$45,000.00	\$45,000.00	
5. SALE OF ASSETS	\$0.00	\$0.00	\$0.00	\$0.00	
6. LEASE & RENTAL INCOME	\$0.00	\$1,000.00	\$2,000.00	\$3,000.00	
7. WAGES	\$0.00	\$0.00	\$0.00	\$0.00	
8. OTHER INCOME - (ATTACH LIST)	\$1,923.00	\$4,570.02	\$1,646.85	\$8,139.87	
9. TOTAL RECEIPTS	\$1,923.00	\$5,570.02	\$48,646.85	\$56,139.87	
DISBURSEMENTS					
10. NET PAYROLL	\$22,186.42	\$21,771.46	\$22,760.87	\$66,718.75	
11. PAYROLL TAXES PAID	\$5,784.40	\$5,609.64	\$5,782.82	\$17,176.86	
12. SALES, USE & OTHER TAXES PAID	\$0.00	\$0.00	\$0.00	\$0.00	
13. INVENTORY PURCHASES	\$0.00	\$0.00	\$0.00	\$0.00	
14. MORTGAGE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
15. OTHER SECURED NOTE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
16. RENTAL & LEASE PAYMENTS	\$8,294.48	\$9,216.47	\$5,664.00	\$23,174.95	
17. UTILITIES	\$2,923.39	\$2,001.39	\$2,237.64	\$7,162.42	
18. INSURANCE	\$4,142.26	\$4,210.93	\$2,161.29	\$10,514.48	
19. VEHICLE EXPENSES	\$887.39	\$1,755.00	\$1,755.00	\$4,397.39	
20. TRAVEL	\$0.00	\$0.00	\$0.00	\$0.00	
21. ENTERTAINMENT	\$0.00	\$0.00	\$0.00	\$0.00	
22. REPAIRS & MAINTENANCE	\$8,315.47	\$7,598.75	\$6,816.57	\$22,730.79	
23. SUPPLIES	\$674.58	\$1,141.65	\$170.31	\$1,986.54	
24. ADVERTISING	\$830.24	\$464.87	\$546.64	\$1,841.75	
25. HOUSEHOLD EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
26. CHARITABLE CONTRIBUTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
27. GIFTS	\$0.00	\$0.00	\$0.00	\$0.00	
28. OTHER - (ATTACH LIST)	\$0.00	\$0.00	\$250.00	\$250.00	
29. TOTAL ORDINARY DISBURSEMENTS	\$54,038.63	\$53,770.16	\$48,145.14	\$155,953.93	
REORGANIZATION EXPENSES					
30. PROFESSIONAL FEES	\$0.00	\$0.00	\$0.00	\$0.00	
31. U.S. TRUSTEE FEES	\$0.00	\$0.00	\$0.00	\$0.00	
32. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	
33. TOTAL REORGANIZATION EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
34. TOTAL DISBURSEMENTS	\$54,038.63	\$53,770.16	\$48,145.14	\$155,953.93	
35. NET CASH FLOW	(\$52,115.63)	(\$48,200.14)	\$501.71	(\$99,814.06)	
36. CASH - END OF MONTH *	\$118,275.30	\$70,075.16	\$70,576.87	\$70,576.87	

* Excludes \$7,765.83 that is subject to right of set off held in other banks. See Cash Basis-2 for Details

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

**CASH BASIS - 1
OTHER**

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER
	Oct-10	Nov-10	Dec-10	TOTAL
RECEIPTS				
8. OTHER				
Miscellaneous - Jim Dodd	\$200.00	\$0.00	\$0.00	\$200.00
Reimbursement from HCE HOA	\$861.50	\$861.50	\$775.35	\$2,498.35
Reimbursement from HCE HOA	\$861.50	\$689.20	\$861.50	\$2,412.20
Closing of other bank accounts	\$0.00	\$3,002.82	\$0.00	\$3,002.82
Rebate - office supplies	\$0.00	\$16.50	\$10.00	\$26.50
TOTAL OTHER RECEIPTS	\$1,923.00	\$4,570.02	\$1,646.85	\$8,139.87
DISBURSEMENTS				
28. OTHER	\$0.00	\$0.00	\$250.00	\$0.00
TOTAL OTHER DISBURSEMENTS				\$0.00
REORGANIZATION EXPENSES				
32. OTHER	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL OTHER REORGANIZATION EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 1A

CASH DIBURSEMENTS DETAIL
(ATTACH ADDITIONAL SHEETS IF NECESSARY)

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
TOTAL CASH DISBURSEMENTS				\$0.00

BANK ACCOUNT DISBURSEMENTS				
CHECK NUMBER	DATE	PAYEE	PURPOSE	AMOUNT
SEE ATTACHED DETAIL				
TOTAL BANK ACCOUNT DISBURSEMENTS				\$48,145.14

TOTAL DISBURSEMENTS FOR THE MONTH **\$48,145.14**

CASH BASIS - 1A
BANK ACCOUNT DISBURSEMENT DETAIL

CHECK NO.	DATE	PAYEE	PURPOSE	AMOUNT
1003	12/23/10	Jesus Garcia	Contract Labor / Repairs & Maintenance	499.67
1004	12/23/10	Nicolas Granados	Contract Labor / Repairs & Maintenance	490.25
1005	12/20/10	Cesar Garcia	Contract Labor / Repairs & Maintenance	122.50
1006	12/20/10	Jorge Rodriguez	Contract Labor / Repairs & Maintenance	122.50
5136	12/1/10	Hoarty's Home & Commercial Services	Contract Labor / Repairs & Maintenance	606.20
5137	12/1/10	Heath Horizon Owners LLC	Rent & Triple Nets	2,832.00
5138	12/1/10	Heath Horizon Owners LLC	New Office Deposit	2,832.00
5140	12/3/10	Jesus Garcia	Contract Labor / Repairs & Maintenance	471.75
5141	12/3/10	Nicolas Granados	Contract Labor / Repairs & Maintenance	490.25
5142	12/3/10	Cesar Garcia	Contract Labor / Repairs & Maintenance	371.00
5143	12/3/10	Jorge Rodriguez	Contract Labor / Repairs & Maintenance	245.00
5144	12/3/10	Sprint	Mobile Phones / Radio	321.72
5145	12/3/10	City of Rockwall	Water / Models	20.00
5146	12/3/10	The Vault	Advertising / Marketing / Signage	75.00
5147	12/3/10	FedEx	Postage & Fed Ex / Main Office	17.79
5148	12/3/10	Jinksie Patton	Mobile Phones / Radio	238.71
5149	12/3/10	City of Heath	Water / Models	92.60
5150	12/3/10	Jinksie Patton	Office Supplies / Main Office	60.00
5151	12/6/10	Mike Whittle	Vehicle Expenses	700.00
5152	12/6/10	Cindy Howle	Vehicle Expenses	80.00
5153	12/6/10	Julie Hysenaj	Vehicle Expenses	65.00
5154	12/6/10	Petr Komarek	Vehicle Expenses	60.00
5157	12/8/10	Lowe's	General Maintenance / Models	493.78
5158	12/8/10	Atmos Energy	Electric & Gas / Models	12.45
5159	12/8/10	1st International Bank	Interest / Adequate Protection Payments	250.00
5160	12/10/10	Jesus Garcia	Contract Labor / Repairs & Maintenance	411.63
5161	12/10/10	Nicolas Granados	Contract Labor / Repairs & Maintenance	411.63
5162	12/10/10	Cesar Garcia	Contract Labor / Repairs & Maintenance	311.50
5163	12/10/10	Jorge Rodriguez	Contract Labor / Repairs & Maintenance	311.50
5164	12/10/10	Sandra Hebron	Bi-Weekly Payroll	517.90
5165	12/10/10	Cynthia Howle	Bi-Weekly Payroll	1,043.78
5166	12/10/10	Jaroslava Hysenaj	Bi-Weekly Payroll	1,031.59
5167	12/10/10	Petr Komarek	Bi-Weekly Payroll	645.92
5168	12/10/10	Louretta Moukhtar	Bi-Weekly Payroll	1,031.57
5169	12/10/10	Virginia Patton	Bi-Weekly Payroll	820.08
5170	12/10/10	Christina Reeves	Bi-Weekly Payroll	922.02
5171	12/10/10	Mike Whittle	Bi-Weekly Payroll	2,924.73
5172	12/10/10	Sara Whittle	Bi-Weekly Payroll	1,948.16
5173	12/10/10	Rockwall Rotary Club	Office Supplies / Main Office	65.00
5176	12/10/10	Jinksie Patton	Advertising / Marketing / Signage	98.56
5177	12/13/10	Texas Mutual	Insurance (Prop / GL, Builders Risk, Work Comp)	284.00
5178	12/13/10	The Vault	Advertising / Marketing / Signage	89.00
5179	12/13/10	Mobile Mini	Advertising / Marketing / Signage	119.08
5180	12/15/10	Rob Whittle	Vehicle Expenses	850.00
5183	12/16/10	TXU Energy	Electric & Gas / Models	47.81
5184	12/17/10	Jesus Garcia	Contract Labor / Repairs & Maintenance	411.63
5185	12/17/10	Nicolas Granados	Contract Labor / Repairs & Maintenance	411.63
5186	12/17/10	Cesar Garcia	Contract Labor / Repairs & Maintenance	311.50
5187	12/17/10	Jorge Rodriguez	Contract Labor / Repairs & Maintenance	311.50
5188	12/23/10	Sandra Hebron	Bi-Weekly Payroll	517.90
5189	12/23/10	Cynthia Howle	Bi-Weekly Payroll	1,043.79
5190	12/23/10	Jaroslava Hysenaj	Bi-Weekly Payroll	1,031.58

CASH BASIS - 1A
 BANK ACCOUNT DISBURSEMENT DETAIL

CHECK NO.	DATE	PAYEE	PURPOSE	AMOUNT
5191	12/23/10	Petr Komarek	Bi-Weekly Payroll	711.80
5192	12/23/10	Louretta Moukhtar	Bi-Weekly Payroll	1,031.57
5193	12/23/10	Virginia Patton	Bi-Weekly Payroll	820.08
5194	12/23/10	Christina Reeves	Bi-Weekly Payroll	922.01
5195	12/23/10	Mike Whittle	Bi-Weekly Payroll	2,924.74
5196	12/23/10	Sara Whittle	Bi-Weekly Payroll	1,948.15
5197	12/23/10	Louretta Moukhtar	Bi-Weekly Payroll	461.75
5198	12/23/10	Christina Reeves	Bi-Weekly Payroll	461.75
5199	12/20/10	AT&T	Telephone / Main Office	600.25
5200	12/20/10	AT&T Mobility	Mobile Phones / Radio	386.80
5201	12/20/10	First Choice Power	Electric & Gas / Models	1.29
5202	12/20/10	Forney Lake Water	Water / Models	25.62
5203	12/20/10	Forney Lake Water	Water / Models	12.81
5204	12/20/10	Forney Lake Water	Water / Models	25.62
5205	12/20/10	Broadway Premium Funding	Insurance (Prop / GL, Builders Risk, Work Comp)	1,745.03
5206	12/20/10	Rockwall Office Supplies	Office Supplies / Main Office	27.52
5207	12/21/10	TXU Energy	Electric & Gas / Models	84.36
5208	12/23/10	AT&T	Telephone / Hidden Creek Sales	367.60
5209	12/28/10	Prime Rate Premium Finance	Insurance (Prop / GL, Builders Risk, Work Comp)	132.26
5210	12/28/10	Jinksie Patton	General Maintenance / Models	11.15
5237	12/31/10	Buffalo Ridge Storage	Advertising / Marketing / Signage	165.00
EFT	12/10/10	IRS	Payroll Tax	2,804.78
EFT	12/23/10	IRS	Payroll Tax	2,825.04
EFT	12/23/10	IRS	Payroll Tax	153.00
TOTAL BANK DISBURSEMENTS				<u><u>48,145.14</u></u>

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 2

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc.

BANK RECONCILIATIONS	Account #1(*)	Account #2	Account #3	Account #4
A. BANK	Lakeside National	Lakeside National	City Bank	Jefferson Bank
B. ACCOUNT NUMBER:	xxx4885	xxx0252	xxx6992	xxx0786
C. PURPOSE (TYPE):	Checking	Petty Cash	DIP Acct	Checking
1. BALANCE PER BANK STATEMENT	\$3,754.10	\$150.16	\$76,048.83	\$0.00
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0.00	\$840.32	\$871.50	\$0.00
3. SUBTRACT: OUTSTANDING CHECKS	\$0.00	\$191.49	\$6,283.46	\$0.00
4. OTHER RECONCILING ITEMS	\$0.00	\$0.00	\$0.00	\$0.00
5. MONTH END BALANCE PER BOOKS	\$3,754.10	\$798.99	\$70,636.87	\$0.00

BANK RECONCILIATIONS	Account #5	Account #6	Account #7(*)	Account #8(*)
A. BANK	BB&T	Community	1st International	American Nat'l.
B. ACCOUNT NUMBER:	xxx6978	xxx6787	xxx4956	xxx0923
C. PURPOSE (TYPE):	Checking	Checking	Checking	Checking
1. BALANCE PER BANK STATEMENT	\$0.00	\$0.00	\$2,651.62	\$501.08
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0.00	\$0.00	\$0.00	\$0.00
3. SUBTRACT: OUTSTANDING CHECKS	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER RECONCILING ITEMS	\$0.00	\$0.00	\$0.00	\$0.04
5. MONTH END BALANCE PER BOOKS	\$0.00	\$0.00	\$2,651.62	\$501.12

(*) Accounts subject to proposed exercise of setoff rights.

	TOTAL
BALANCE PER BANK STATEMENT	\$83,105.79
ADD: TOTAL DEPOSITS NOT CREDITED	\$1,711.82
SUBTRACT: OUTSTANDING CHECKS	\$6,474.95
OTHER RECONCILING ITEMS	\$0.04
MONTH END BALANCE PER BOOKS	\$78,342.70

INVESTMENT ACCOUNTS	DATE OF PURCHASE	TYPE OF INSTRUMENT	CURRENT VALUE
7.			
8.			
9.			
11. TOTAL INVESTMENTS			\$0.00

CASH	
12. CURRENCY ON HAND	\$0.00
13. TOTAL CASH - END OF MONTH	\$78,342.70

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-370848-HDH

CASH BASIS - 3

ASSETS OF THE ESTATE

SCHEDULE A / REAL PROPERTY	SCHEDULE AMOUNT*	MONTH	MONTH	MONTH
		Oct 2010	Nov 2010	Dec 2010
1. SEE ATTACHED LIST	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00
2.				
3.				
4.				
5. TOTAL REAL PROPERTY ASSETS	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00
SCHEDULE B / PERSONAL PROPERTY				
1. CASH ON HAND	\$0.00	\$0.00	\$0.00	\$0.00
2. CHECKING, SAVINGS, ETC. **	\$176,737.14	\$92,296.44	\$77,712.58	\$78,342.70
3. SECURITY DEPOSITS	\$0.00	\$0.00	\$0.00	\$0.00
4. HOUSEHOLD GOODS	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00
5. BOOKS, PICTURES, ART	\$0.00	\$0.00	\$0.00	\$0.00
6. WEARING APPAREL	\$0.00	\$0.00	\$0.00	\$0.00
7. FURS & JEWELRY	\$0.00	\$0.00	\$0.00	\$0.00
8. FIREARMS & SPORTS EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
9. INSURANCE POLICIES	\$0.00	\$0.00	\$0.00	\$0.00
10. ANNUITIES	\$0.00	\$0.00	\$0.00	\$0.00
11. RETIREMENT & PROFIT SHARING	\$0.00	\$0.00	\$0.00	\$0.00
12. STOCKS	\$0.00	\$0.00	\$0.00	\$0.00
13. PARTNERSHIPS & JOINT VENTURES	\$0.00	\$0.00	\$0.00	\$0.00
14. GOVERNMENT & CORPORATE BONDS	\$0.00	\$0.00	\$0.00	\$0.00
15. ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	\$0.00
16. ALIMONY	\$0.00	\$0.00	\$0.00	\$0.00
17. OTHER LIQUIDATED DEBTS	\$0.00	\$0.00	\$0.00	\$0.00
18. EQUITABLE INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
19. CONTINGENT INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
20. OTHER CLAIMS	\$0.00	\$0.00	\$0.00	\$0.00
21. PATENTS & COPYRIGHTS	\$0.00	\$0.00	\$0.00	\$0.00
22. LICENSES & FRANCHISES	\$0.00	\$0.00	\$0.00	\$0.00
23. AUTOS, TRUCKS & OTHER VEHICLES	\$0.00	\$0.00	\$0.00	\$0.00
24. BOATS & MOTORS	\$0.00	\$0.00	\$0.00	\$0.00
25. AIRCRAFT	\$0.00	\$0.00	\$0.00	\$0.00
26. OFFICE EQUIPMENT	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00
27. MACHINERY, FIXTURES & EQUIPMENT	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
28. INVENTORY	\$0.00	\$0.00	\$0.00	\$0.00
29. ANIMALS	\$0.00	\$0.00	\$0.00	\$0.00
30. CROPS	\$0.00	\$0.00	\$0.00	\$0.00
31. FARMING EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
32. FARM SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00
33. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
34. TOTAL PERSONAL PROPERTY ASSETS	\$263,737.14	\$179,296.44	\$164,712.58	\$165,342.70
35. TOTAL ASSETS	\$22,406,039.00	\$22,328,196.44	\$22,313,612.58	\$22,313,612.58

(**) A portion of this amount, \$7,765.83, is subject to exercise of proposed setoff rights by various banks.

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-370848-hdh

CASH BASIS - 3 EXHIBIT

ASSETS OF THE ESTATE	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
SCHEDULE A / REAL PROPERTY		Oct 2010	Nov 2010	Dec 2010
1 Estate Lot, Hills of Buffalo Creek / Heath TX	\$160,000.00	\$160,000.00	\$160,000.00	\$160,000.00
26 Golf Course Lots, Ph 10+11, Buffalo Creek / Heath TX	\$3,380,000.00	\$3,380,000.00	\$3,380,000.00	\$3,380,000.00
Golf Course Lot & Pad Prep, 17 Falcon View / Heath TX	\$170,000.00	\$170,000.00	\$170,000.00	\$170,000.00
Spec House 90% Complete. 15 Falcon View / Heath TX	\$440,000.00	\$440,000.00	\$440,000.00	\$440,000.00
Spec House Completed / 1834 Morrish Lane Heath TX	\$302,000.00	\$302,000.00	\$302,000.00	\$302,000.00
83 Single Family Lots, Hidden Creek Estates, PH 2 / Royse City TX	\$2,452,300.00	\$2,452,300.00	\$2,452,300.00	\$2,452,300.00
10 Commercial Lots Cobblestone Phase 2 / Heath TX	\$2,900,000.00	\$2,900,000.00	\$2,900,000.00	\$2,900,000.00
70 Single Family Lots, Hidden Creek Estates Ph2 / Royse City TX	\$1,600,000.00	\$1,600,000.00	\$1,600,000.00	\$1,600,000.00
2 Patio Homes Lots, The Enclave of Buffalo Creek / Heath TX	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
200 Areas of Undeveloped Land / Heath TX	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00
1 Single Family Lot, Rainbow Lake Estates Rockwall TX	\$50,600.00	\$50,600.00	\$50,600.00	\$50,600.00
16 Single Family Lots, Buffalo Creek	\$1,700,000.00	\$1,700,000.00	\$1,700,000.00	\$1,700,000.00
19 Single Family Lots Tennis, Village / Heath TX	\$786,000.00	\$786,000.00	\$786,000.00	\$786,000.00
5 Single Family Lots, Hidden Creek Estates / Royse City TX	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00
1 Single Family Lot, Tubbs Rd / Rockwall TX	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00
1.5 Acres Corner of Horizon & FM549 Rockwall TX	\$598,000.00	\$598,000.00	\$598,000.00	\$598,000.00
Single Family House – 809 Hubbard Dr Heath TX	\$590,000.00	\$590,000.00	\$590,000.00	\$590,000.00
13 Single Family Homes and Lots / Royse City TX	\$410,000.00	\$410,000.00	\$410,000.00	\$410,000.00
15 Commercial Lots, Alliance Addition / Rockwall TX	\$3,300,000.00	\$3,300,000.00	\$3,300,000.00	\$3,300,000.00
TOTAL REAL PROPERTY ASSETS	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00

CASE NAME: Whittle Development, Inc.

CASE NUMBER: 10-37084-HDH

CASH BASIS - 4

LIABILITIES OF THE ESTATE

PRE-PETITION LIABILITIES	SCHEDULED AMOUNT	PAYMENTS
1. SECURED	\$57,130,310.74	\$0.00
2. PRIORITY	\$0.00	\$0.00
3. UNSECURED	\$13,676,673.60	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00
5. TOTAL PRE-PETITION LIABILITIES	\$70,806,984.34	\$0.00

POST-PETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES		\$0.00		\$0.00
2. FICA/MEDICARE		\$0.00		\$0.00
3. STATE TAXES		\$0.00		\$0.00
4. REAL ESTATE TAXES		\$0.00		\$0.00
5. OTHER TAXES (ATTACH LIST)		\$0.00		\$0.00
6. TOTAL TAXES		\$0.00		\$0.00

OTHER POST-PETITION LIABILITIES:

7. NONE				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL, ATTACH LIST)				
30. TOTAL OF LINES 7-29		\$0.00		\$0.00
31. TOTAL POST-PETITION LIABILITIES		\$0.00		\$0.00

CASE NAME: Whittle Development, Inc.

CASH BASIS - 4A

CASE NUMBER: 10-37084-HDH

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		OCT 2010	NOV 2010	DEC 2010
1. 0-30	\$0.00	\$0.00	\$2,720.00	\$560.00
2. 31-60	\$0.00	\$0.00	\$0.00	\$2,720.00
3. 61-90	\$0.00	\$0.00	\$0.00	\$0.00
4. 91+	\$0.00	\$0.00	\$0.00	\$0.00
5. TOTAL ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$2,720.00	\$3,280.00
6. AMOUNT CONSIDERED UNCOLLECTIBLE	\$0.00	\$0.00	\$0.00	\$0.00
7. ACCOUNTS RECEIVABLE (NET)	\$0.00	\$0.00	\$2,720.00	\$3,280.00

AGING OF POST-PETITION TAXES AND PAYABLES

TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. STATE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. LOCAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. TOTAL TAXES PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. ACCOUNTS PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

STATUS OF POSTPETITION TAXES

	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD & OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING**	\$0.00	\$1,726.00	\$1,726.00	\$0.00
2. FICA / EMPLOYEE**	\$0.00	\$2,028.41	\$2,028.41	\$0.00
3. FICA / EMPLOYER**	\$0.00	\$2,028.41	\$2,028.41	\$0.00
4. UNEMPLOYMENT	\$77.85	\$0.00	\$0.00	\$77.85
5. INCOME	\$0.00	\$0.00	\$0.00	\$0.00
6. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
7. TOTAL FEDERAL TAXES	\$77.85	\$5,782.82	\$5,782.82	\$77.85
STATE AND LOCAL				
8. WITHHOLDING	\$0.00	\$0.00	\$0.00	\$0.00
9. SALES	\$0.00	\$0.00	\$0.00	\$0.00
10. EXCISE	\$0.00	\$0.00	\$0.00	\$0.00
11. UNEMPLOYMENT	\$167.52	\$0.00	\$0.00	\$167.52
12. REAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
13. PERSONAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
14. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
15. TOTAL STATE & LOCAL	\$167.52	\$0.00	\$0.00	\$167.52
16. TOTAL TAXES	\$245.37	\$5,782.82	\$5,782.82	\$245.37

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 5

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101(31)(A)-(F) OF THE US BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Rob Whittle	Vehicle Allowance	\$850.00	\$2,550.00
2. Mike Whittle	Compensation	\$5,849.47	\$17,548.41
3. Sara Whittle	Compensation	\$3,896.31	\$11,688.93
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		\$10,595.78	\$31,787.34

PROFESSIONALS					
NAME	DATE OF PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
1. WRIGHT GINSBURG BRUSILOW	11/29/2010	\$53,861.09	\$53,861.09	\$53,861.09	\$18,258.31
2.					
3.					
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS		\$53,861.09	\$53,861.09	\$27,131.98	\$18,258.31

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE, AND ADEQUATE PROTECTION PAYMENTS			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1. Heath Horizon / Rent	\$2,832.00	\$5,664.00 / includes deposit	\$0.00
2. The Vault / Rental	\$254.00	\$254.00	\$0.00
3. Buffalo Ridge Storage / Rental	\$165.00	\$165.00	\$0.00
4. 1st International Bank / AP Payment	\$250.00	\$250.00	\$0.00
5.			
6. TOTAL	\$3,501.00	\$6,333.00	\$0.00

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 6

QUESTIONNAIRE

		YES	NO
1.	HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2.	HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3.	ARE ANY POST-PETITION RECEIVABLES DUE FROM RELATED PARTIES?		X
4.	HAVE ANY PAYMENTS BEEN MADE ON PRE-PETITION LIABILITIES THIS REPORTING PERIOD?		X
5.	HAVE ANY POST-PETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6.	ARE ANY POST-PETITION PAYROLL TAXES PAST DUE?		X
7.	ARE ANY POST-PETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8.	ARE ANY POST-PETITION REAL ESTATE TAXES PAST DUE?		X
9.	ARE ANY OTHER POST-PETITION TAXES PAST DUE?		X
10.	ARE ANY AMOUNTS OWED TO POST-PETITION CREDITORS DELINQUENT?		X
11.	HAVE ANY PRE-PETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12.	ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY

ONLY THE FUNDS TRANSFERRED FROM PRE-PETITION ACCOUNTS TO ESTABLISH THE DIP ACCOUNTS

INSURANCE

		YES	NO
1.	ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2.	ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3.	PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Property & GL	Sirius International Ins Corp	Nov 2010 thru Nov 2011	\$1,745.03 / month
Workers Comp	Texas Mutual Insurance	May 2010 thr May 2011	450.00 / month
Builders Risk	Great American Ins. Group	June 2010 thru June 2011	\$2,500.00 / year



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TAXPAYER NAME: WHITTLE DEVELOPMENT INC

TIN: xxxxx4808

Deposit Confirmation

Your payment has been accepted.

Payment Successful

An EFT Acknowledgement Number has been provided for this payment. Please keep this number for your records.

REMINDER: REMEMBER TO FILE ALL RETURNS WHEN DUE!

EFT ACKNOWLEDGEMENT NUMBER:

270074700299953

PLEASE NOTE

Any amounts represented in the subcategories of Social Security, Medicare, and Income Tax Withholding are for informational purposes only.

Payment Information	Entered Data
Taxpayer EIN	xxxxx4808
Tax Form	941 Employers Federal Tax
Tax Type	Federal Tax Deposit
Tax Period	December/2010
Payment Amount	\$2,804.78
Settlement Date	12/13/2010
Subcategories:	
1 Social Security	\$1,576.98
2 Medicare	\$368.80
3 Tax Withholding	\$859.00

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TAXPAYER NAME: WHITTLE DEVELOPMENT INC

TIN: xxxxx4808

Deposit Confirmation

Your payment has been accepted.

Payment Successful

An EFT Acknowledgement Number has been provided for this payment. Please keep this number for your records.

REMINDER: REMEMBER TO FILE ALL RETURNS WHEN DUE!

EFT ACKNOWLEDGEMENT NUMBER: 270075800354336

PLEASE NOTE

Any amounts represented in the subcategories of Social Security, Medicare, and Income Tax Withholding are for informational purposes only.

Payment Information	Entered Data
Taxpayer EIN	xxxxx4808
Tax Form	941 Employers Federal Tax
Tax Type	Federal Tax Deposit
Tax Period	December/2010
Payment Amount	\$2,825.04
Settlement Date	12/24/2010
Subcategories:	
1 Social Security	\$1,586.90
2 Medicare	\$371.14
3 Tax Withholding	\$867.00



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TAXPAYER NAME: WHITTLE DEVELOPMENT INC

TIN: xxxxx4808

Deposit Confirmation

Your payment has been accepted.

Payment Successful

An EFT Acknowledgement Number has been provided for this payment. Please keep this number for your records.

REMINDER: REMEMBER TO FILE ALL RETURNS WHEN DUE!

EFT ACKNOWLEDGEMENT NUMBER:

270075800574164

PLEASE NOTE

Any amounts represented in the subcategories of Social Security, Medicare, and Income Tax Withholding are for informational purposes only.

Payment Information	Entered Data
Taxpayer EIN	xxxxx4808
Tax Form	941 Employers Federal Tax
Tax Type	Federal Tax Deposit
Tax Period	December/2010
Payment Amount	\$153.00
Settlement Date	12/24/2010
Subcategories:	
1 Social Security	\$124.00
2 Medicare	\$29.00

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CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084
JUDGE: HONORABLE HARLIN D. HALE

CASH BASIS

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS


DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: March 31, 2011

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE, DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:



ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

President

TITLE

Robert S. Whittle

PRINTED NAME OF RESPONSIBLE PARTY

4/21/2011

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

TITLE

PRINTED NAME OF PREPARER

DATE

CASE NAME: Whittle Development, Inc.		CASH BASIS - 1			
CASE NUMBER: 10-37084-HDH		Amended	Amended	Amended	
CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER	
	Oct-10	10-Nov	10-Dec	TOTAL	
1. CASH - BEGINNING OF MONTH	\$177,941.98	\$125,826.35	\$77,626.21	\$177,941.98	
RECEIPTS					
2. CASH SALES	\$0.00	\$0.00	\$0.00	\$0.00	
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
4. LOANS & ADVANCES	\$0.00	\$0.00	\$45,000.00	\$45,000.00	
5. SALE OF ASSETS	\$0.00	\$0.00	\$0.00	\$0.00	
6. LEASE & RENTAL INCOME	\$0.00	\$1,000.00	\$2,000.00	\$3,000.00	
7. WAGES	\$0.00	\$0.00	\$0.00	\$0.00	
8. OTHER INCOME - (ATTACH LIST)	\$1,923.00	\$4,570.02	\$1,646.85	\$8,139.87	
9. TOTAL RECEIPTS	\$1,923.00	\$5,570.02	\$48,646.85	\$56,139.87	
DISBURSEMENTS					
10. NET PAYROLL	\$22,186.42	\$21,771.46	\$22,760.87	\$66,718.75	
11. PAYROLL TAXES PAID	\$5,784.40	\$5,609.64	\$5,782.82	\$17,176.86	
12. SALES, USE & OTHER TAXES PAID	\$0.00	\$0.00	\$0.00	\$0.00	
13. INVENTORY PURCHASES	\$0.00	\$0.00	\$0.00	\$0.00	
14. MORTGAGE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
15. OTHER SECURED NOTE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
16. RENTAL & LEASE PAYMENTS	\$8,294.48	\$9,216.47	\$5,664.00	\$23,174.95	
17. UTILITIES	\$2,923.39	\$2,001.39	\$2,237.64	\$7,162.42	
18. INSURANCE	\$4,142.26	\$4,210.93	\$2,161.29	\$10,514.48	
19. VEHICLE EXPENSES	\$887.39	\$1,755.00	\$1,755.00	\$4,397.39	
20. TRAVEL	\$0.00	\$0.00	\$0.00	\$0.00	
21. ENTERTAINMENT	\$0.00	\$0.00	\$0.00	\$0.00	
22. REPAIRS & MAINTENANCE	\$8,315.47	\$7,598.75	\$6,816.57	\$22,730.79	
23. SUPPLIES	\$674.58	\$1,141.65	\$170.31	\$1,986.54	
24. ADVERTISING	\$830.24	\$464.87	\$546.64	\$1,841.75	
25. HOUSEHOLD EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
26. CHARITABLE CONTRIBUTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
27. GIFTS	\$0.00	\$0.00	\$0.00	\$0.00	
28. OTHER - (ATTACH LIST)	\$0.00	\$0.00	\$250.00	\$250.00	
29. TOTAL ORDINARY DISBURSEMENTS	\$54,038.63	\$53,770.16	\$48,145.14	\$155,953.93	
REORGANIZATION EXPENSES					
30. PROFESSIONAL FEES	\$0.00	\$0.00	\$0.00	\$0.00	
31. U.S. TRUSTEE FEES	\$0.00	\$0.00	\$0.00	\$0.00	
32. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	
33. TOTAL REORGANIZATION EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
34. TOTAL DISBURSEMENTS	\$54,038.63	\$53,770.16	\$48,145.14	\$155,953.93	
35. NET CASH FLOW	(\$52,115.63)	(\$48,200.14)	\$501.71	(\$99,814.06)	
36. CASH - END OF MONTH *	\$125,826.35	\$77,626.21	\$78,127.92	\$78,127.92	

* Excludes \$7,765.83 that is subject to right of set off held in other banks. See Cash Basis-2 for Details

CASE NAME: Whittle Development, Inc.		CASH BASIS - 1			
CASE NUMBER: 10-37084-HDH		<i>Amended</i>			
CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER	
	JAN	FEB	MARCH	TOTAL	
1. CASH - BEGINNING OF MONTH	\$78,127.92	\$63,078.28	\$57,599.54	\$78,127.92	
RECEIPTS					
2. CASH SALES	\$0.00	\$0.00	\$0.00	\$0.00	
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
4. LOANS & ADVANCES	\$30,000.00	\$0.00	\$70,000.00	\$100,000.00	
5. SALE OF ASSETS	\$0.00	\$7,248.06	\$0.00	\$7,248.06	
6. LEASE & RENTAL INCOME	\$1,000.00	\$1,000.00	\$1,000.00	\$3,000.00	
7. WAGES	\$0.00	\$0.00	\$0.00	\$0.00	
8. OTHER INCOME - (ATTACH LIST)	\$3,240.30	\$30,599.58	\$9,155.47	\$42,995.35	
9. TOTAL RECEIPTS	\$34,240.30	\$38,847.64	\$80,155.47	\$153,243.41	
DISBURSEMENTS					
10. NET PAYROLL	\$22,021.41	\$21,935.49	\$24,469.91	\$68,426.81	
11. PAYROLL TAXES PAID	\$5,734.21	\$5,514.40	\$5,864.44	\$17,113.05	
12. SALES, USE & OTHER TAXES PAID	\$0.00	\$0.00	\$0.00	\$0.00	
13. INVENTORY PURCHASES	\$0.00	\$0.00	\$0.00	\$0.00	
14. MORTGAGE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
15. OTHER SECURED NOTE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
16. RENTAL & LEASE PAYMENTS	\$2,832.00	\$2,832.00	\$2,832.00	\$8,496.00	
17. UTILITIES	\$3,094.40	\$3,506.97	\$3,086.14	\$9,687.51	
18. INSURANCE	\$5,105.29	\$2,028.29	\$2,023.29	\$9,156.87	
19. VEHICLE EXPENSES	\$1,755.00	\$1,755.00	\$1,755.00	\$5,265.00	
20. TRAVEL	\$0.00	\$0.00	\$0.00	\$0.00	
21. ENTERTAINMENT	\$0.00	\$0.00	\$0.00	\$0.00	
22. REPAIRS & MAINTENANCE	\$2,682.12	\$2,949.85	\$9,263.40	\$14,895.37	
23. SUPPLIES	\$891.69	\$838.30	\$1,405.70	\$3,135.69	
24. ADVERTISING	\$3,298.82	\$2,716.08	\$2,716.08	\$8,730.98	
25. HOUSEHOLD EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
26. CHARITABLE CONTRIBUTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
27. GIFTS	\$0.00	\$0.00	\$0.00	\$0.00	
28. OTHER - (ATTACH LIST)	\$0.00	\$0.00	\$7,770.75	\$7,770.75	
29. TOTAL ORDINARY DISBURSEMENTS	\$47,414.94	\$44,076.38	\$61,186.71	\$152,678.03	
REORGANIZATION EXPENSES					
30. PROFESSIONAL FEES	\$0.00	\$0.00	\$0.00	\$0.00	
31. U.S. TRUSTEE FEES	\$1,625.00	\$0.00	\$0.00	\$1,625.00	
32. OTHER (ATTACH LIST)	\$250.00	\$250.00	\$250.00	\$750.00	
33. TOTAL REORGANIZATION EXPENSES	\$1,875.00	\$250.00	\$250.00	\$2,375.00	
34. TOTAL DISBURSEMENTS	\$49,289.94	\$44,326.38	\$61,436.71	\$155,053.03	
35. NET CASH FLOW	(\$15,049.64)	(\$5,478.74)	\$18,718.76	(\$1,809.62)	
36. CASH - END OF MONTH *	\$63,078.28	\$57,599.54	\$76,318.30	\$76,318.30	

* Excludes \$7,765.83 that is subject to right of set off held in other banks. See Cash Basis-2 for Details.

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

**CASH BASIS - 1
OTHER**

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER
	JAN	FEB	MARCH	TOTAL
RECEIPTS				
8. OTHER				
Earnest Money	\$0.00	\$28,800.00	\$0.00	\$28,800.00
Miscellaneous - Jim Dodd Note	\$200.00	\$0.00	\$0.00	\$200.00
Reimbursement from HCE HOA / Maintenance	\$876.72	\$922.86	\$461.43	\$2,261.01
Reimbursement from HCE HOA / Maintenance	\$922.86	\$876.72	\$853.65	\$2,653.23
Miscellaneous - Farrar Note	\$1,240.72	\$0.00	\$0.00	\$1,240.72
Expense Reimbursed from employee	\$0.00	\$0.00	\$19.64	\$19.64
Partial Release of Escrow for Tennis Village Fence	\$0.00	\$0.00	\$7,820.75	\$7,820.75
TOTAL OTHER RECEIPTS	\$3,240.30	\$30,599.58	\$9,155.47	\$42,995.35
DISBURSEMENTS				
28. OTHER / TENNIS VILLAGE FENCE	\$0.00	\$0.00	\$7,770.75	\$7,770.75
TOTAL OTHER DISBURSEMENTS	\$0.00	\$0.00	\$7,770.75	\$7,770.75
REORGANIZATION EXPENSES				
32. OTHER				
Interest / Adequate Protection Payment	\$250.00	\$250.00	\$250.00	\$750.00
TOTAL OTHER REORGANIZATION EXPENSES	\$250.00	\$250.00	\$250.00	\$750.00

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 1A

CASH DIBURSEMENTS DETAIL
(ATTACH ADDITIONAL SHEETS IF NECESSARY)

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
TOTAL CASH DISBURSEMENTS				\$0.00

BANK ACCOUNT DISBURSEMENTS				
CHECK NUMBER	DATE	PAYEE	PURPOSE	AMOUNT
SEE ATTACHED DETAIL				
TOTAL BANK ACCOUNT DISBURSEMENTS				\$61,436.71

TOTAL DISBURSEMENTS FOR THE MONTH	\$61,436.71
--	--------------------

CASH BASIS - 1A
BANK ACCOUNT DISBURSEMENT DETAIL

CHECK NO.	DATE	PAYEE	PURPOSE	AMOUNT
5361	3/1/11	Dellene Burgamy	General Maintenance / Models	350.00
5362	3/1/11	Dobson Floors	General Maintenance / Models	1,960.29
5363	3/1/11	Jinksie Patton	General Maintenance / Models	35.72
5364	3/1/11	Jinksie Patton	General Maintenance / Models	14.40
5365	3/1/11	City of Rockwall	Water / Models	20.00
5366	3/2/11	The Vault	Advertising / Marketing / Signage	75.00
5367	3/2/11	Mobile Mini	Advertising / Marketing / Signage	119.08
5368	3/2/11	City of Rockwall	Water / Models	38.03
5369	3/2/11	City of Heath	Water / Models	206.66
5370	3/2/11	Atmos Energy	Electric & Gas / Models	404.47
5371	3/2/11	TXU Energy	Electric & Gas / Models	46.61
5372	3/2/11	Petty Cash	Office Supplies / Main Office	611.66
5373	3/3/11	Virginia Patton	Bi-Weekly Payroll	651.39
5374	3/3/11	The Vault	Advertising / Marketing / Signage	89.00
5375	3/3/11	Sprint	Mobile Phones / Radio	322.25
5376	3/4/11	Sandra Hebron	Bi-Weekly Payroll	518.12
5377	3/4/11	Cynthia Howle	Bi-Weekly Payroll	1,054.66
5378	3/4/11	Jaroslava Hysenaj	Bi-Weekly Payroll	1,031.66
5379	3/4/11	Petr Komarek	Bi-Weekly Payroll	367.40
5380	3/4/11	Louretta Moukhtar	Bi-Weekly Payroll	1,031.65
5381	3/4/11	Virginia Patton	Bi-Weekly Payroll	818.63
5382	3/4/11	Christina Reeves	Bi-Weekly Payroll	920.78
5383	3/4/11	Mike Whittle	Bi-Weekly Payroll	2,973.97
5384	3/4/11	Sara Whittle	Bi-Weekly Payroll	1,973.31
5385	3/4/11	Nicolas Granados	Contract Labor / Repairs & Maintenance	454.81
5386	3/4/11	Carlos M. Hernandez	General Maintenance / Models	250.00
5387	3/4/11	Benito's Roofing	General Maintenance / Models	150.00
5388	3/4/11	Mike Whittle	General Maintenance / Models	18.95
5389	3/4/11	Classic Rock	General Maintenance / Models	100.00
5390	3/4/11	Texas Mutual	Insurance (Prop / GL, Builders Risk, Work Comp)	146.00
5391	3/4/11	Jinksie Patton	Mobile Phones / Radio	242.36
5392	3/7/11	Mike Whittle	Vehicle Expenses	700.00
5393	3/7/11	Cindy Howle	Vehicle Expenses	80.00
5394	3/7/11	Julie Hysenaj	Vehicle Expenses	65.00
5395	3/7/11	Petr Komarek	Vehicle Expenses	60.00
5396	3/7/11	Julie Hysenaj	Office Supplies / Main Office	11.59
5397	3/7/11	Rob Whittle	Vehicle Expenses	850.00
5398	3/8/11	Eaton Hardwood Floors	General Maintenance / Models	2,691.00
5399	3/8/11	Postmaster	Postage & Fed Ex / Main Office	88.00
5400	3/8/11	Heath Horizon Owners LLC	Rent & Triple Nets	2,832.00
5401	3/8/11	Rockwall County News	Advertising / Marketing / Signage	2,268.00
5402	3/9/11	1st International Bank	Interest / Adequate Protection Payments	250.00
5403	3/9/11	City of Royse City	Water / Models	47.30
5404	3/10/11	City of Heath	General Maintenance / Models	50.00
5405	3/10/11	Lowe's	General Maintenance / Models	30.59
5406	3/10/11	Julie Hysenaj	Office Supplies / Main Office	7.14
5407	3/10/11	AT&T Mobility	Office Supplies / Hidden Creek Sales	427.51
5408	3/11/11	Jesus Garcia	Contract Labor / Repairs & Maintenance	296.00
5409	3/11/11	VOID	VOID	0.00
5410	3/11/11	Nicolas Granados	Contract Labor / Repairs & Maintenance	370.00
5411	3/11/11	Rockwall Rotary Club	Office Supplies / Main Office	65.00
5412	3/11/11	Julie Hysenaj	Bi-Weekly Payroll	750.00

CASH BASIS - 1A
BANK ACCOUNT DISBURSEMENT DETAIL

CHECK NO.	DATE	PAYEE	PURPOSE	AMOUNT
5413	3/11/11	Cynthia Howle	Bi-Weekly Payroll	750.00
5414	3/18/11	Sandra Hebron	Bi-Weekly Payroll	518.10
5415	3/18/11	Cynthia Howle	Bi-Weekly Payroll	1,054.66
5416	3/18/11	Jaroslava Hysenaj	Bi-Weekly Payroll	1,031.66
5417	3/18/11	VOID	VOID	0.00
5418	3/18/11	Louretta Moukhtar	Bi-Weekly Payroll	1,031.65
5419	3/18/11	Virginia Patton	Bi-Weekly Payroll	818.64
5420	3/18/11	Christina Reeves	Bi-Weekly Payroll	920.79
5421	3/18/11	Mike Whittle	Bi-Weekly Payroll	2,973.96
5422	3/18/11	Sara Whittle	Bi-Weekly Payroll	1,973.30
5423	3/17/11	Discount Tire	General Maintenance / Models	142.64
5424	3/18/11	Petr Komarek	Bi-Weekly Payroll	654.19
5425	3/18/11	Jesus Garcia	Contract Labor / Repairs & Maintenance	385.00
5426	3/18/11	Nicolas Granados	Contract Labor / Repairs & Maintenance	370.00
5427	3/18/11	Virginia Patton	Bi-Weekly Payroll	651.39
5428	3/21/11	First Choice Power	Electric & Gas / Models	18.98
5429	3/22/11	Hoarty's Home & Commercial	Office Supplies / Main Office	129.90
5430	3/23/11	Angel Ramirez Foundation Co.	Building Tennis Village Fence per Altura Contract	2,990.00
5431	3/23/11	Boral Brick, Inc.	Building Tennis Village Fence per Altura Contract	4,030.75
5432	3/23/11	Maddox Surveying & Mapping	Building Tennis Village Fence per Altura Contract	250.00
5433	3/23/11	Randolph S. King, Jr.	Building Tennis Village Fence per Altura Contract	500.00
5434	3/24/11	Gary Whittemore	General Maintenance / Models	100.00
5435	3/25/11	Buffalo Ridge Storage	Advertising / Marketing / Signage	165.00
5436	3/25/11	Jesus Garcia	Contract Labor / Repairs & Maintenance	296.00
5437	3/25/11	Nicolas Granados	Contract Labor / Repairs & Maintenance	370.00
5438	3/25/11	Broadway Premium Funding	Insurance (Prop / GL, Builders Risk, Work Comp)	1,745.03
5439	3/25/11	Forney Lake Water	Water / Models	28.24
5440	3/25/11	Forney Lake Water	Water / Models	14.12
5441	3/25/11	Forney Lake Water	Water / Models	28.24
5442	3/25/11	AT&T Mobility	Mobile Phones / Radio	400.85
5443	3/25/11	AT&T	Telephone / Main Office	527.11
5444	3/25/11	FedEx	Postage & Fed Ex / Main Office	64.90
5445	3/25/11	TXU Energy	Electric & Gas / Models	22.00
5446	3/25/11	AT&T	Telephone / Hidden Creek Sales	369.46
5447	3/25/11	Eaton Hardwood Floors	General Maintenance / Models	828.00
5448	3/28/11	Prime Rate Premium Finance	Insurance (Prop / GL, Builders Risk, Work Comp)	132.26
eft	3/2/11	US Treasury / IRS	Payroll Tax	236.72
eft	3/4/11	US Treasury / IRS	Payroll Tax	2,655.88
eft	3/18/11	US Treasury / IRS	Payroll Tax	2,735.12
eft	3/18/11	US Treasury / IRS	Payroll Tax	236.72
phone	3/1/11	Atmos Energy	Electric & Gas / Models	349.46
TOTAL BANK DISBURSEMENTS				<u>61,436.71</u>

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 2

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc.

BANK RECONCILIATIONS	Account #1(*)	Account #2	Account #3	Account #4
A. BANK	Lakeside National	Lakeside National	City Bank	Jefferson Bank
B. ACCOUNT NUMBER:	xxx4885	xxx0252	xxx6992	xxx0786
C. PURPOSE (TYPE):	Checking	Petty Cash	DIP Acct	Checking
1. BALANCE PER BANK STATEMENT	\$3,754.10	\$233.17	\$71,104.86	\$0.00
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0.00	\$773.72	\$0.00	\$0.00
3. SUBTRACT: OUTSTANDING CHECKS	\$0.00	\$221.93	\$2,438.66	\$0.00
4. OTHER RECONCILING ITEMS	\$0.00	\$0.00	\$0.00	\$0.00
5. MONTH END BALANCE PER BOOKS	\$3,754.10	\$784.96	\$68,666.20	\$0.00

BANK RECONCILIATIONS	Account #5	Account #6	Account #7(*)	Account #8(*)
A. BANK	BB&T	Community	1st International	American Nat'l.
B. ACCOUNT NUMBER:	xxx6978	xxx6787	xxx4956	xxx0923
C. PURPOSE (TYPE):	Checking	Checking	Checking	Checking
1. BALANCE PER BANK STATEMENT	\$0.00	\$0.00	\$2,611.80	\$501.24
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0.00	\$0.00	\$0.00	\$0.00
3. SUBTRACT: OUTSTANDING CHECKS	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER RECONCILING ITEMS	\$0.00	\$0.00	\$0.00	\$0.00
5. MONTH END BALANCE PER BOOKS	\$0.00	\$0.00	\$2,611.80	\$501.24

(*) Accounts subject to proposed exercise of setoff rights.

	TOTAL
BALANCE PER BANK STATEMENT	\$78,205.17
ADD: TOTAL DEPOSITS NOT CREDITED	\$773.72
SUBTRACT: OUTSTANDING CHECKS	\$2,660.59
OTHER RECONCILING ITEMS	\$0.00
MONTH END BALANCE PER BOOKS	\$76,318.30

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT		CURRENT VALUE
7.				
8.				
9.				
11. TOTAL INVESTMENTS				\$0.00

CASH	
12. CURRENCY ON HAND	\$0.00
13. TOTAL CASH - END OF MONTH	\$76,318.30

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-370848-HDH

CASH BASIS - 3

ASSETS OF THE ESTATE		<i>Amended</i>	<i>Amended</i>	<i>Amended</i>
SCHEDULE A / REAL PROPERTY	SCHEDULE AMOUNT*	MONTH	MONTH	MONTH
		Oct 2010	Nov 2010	Dec 2010
1. SEE ATTACHED LIST	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00
2.				
3.				
4.				
5. TOTAL REAL PROPERTY ASSETS	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00
SCHEDULE B / PERSONAL PROPERTY				
1. CASH ON HAND	\$0.00	\$0.00	\$0.00	\$0.00
2. CHECKING, SAVINGS, ETC. **	\$176,737.14	\$125,826.35	\$77,626.21	\$78,127.92
3. SECURITY DEPOSITS	\$0.00	\$0.00	\$0.00	\$0.00
4. HOUSEHOLD GOODS	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00
5. BOOKS, PICTURES, ART	\$0.00	\$0.00	\$0.00	\$0.00
6. WEARING APPAREL	\$0.00	\$0.00	\$0.00	\$0.00
7. FURS & JEWELRY	\$0.00	\$0.00	\$0.00	\$0.00
8. FIREARMS & SPORTS EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
9. INSURANCE POLICIES	\$0.00	\$0.00	\$0.00	\$0.00
10. ANNUITIES	\$0.00	\$0.00	\$0.00	\$0.00
11. RETIREMENT & PROFIT SHARING	\$0.00	\$0.00	\$0.00	\$0.00
12. STOCKS	\$0.00	\$0.00	\$0.00	\$0.00
13. PARTNERSHIPS & JOINT VENTURES	\$0.00	\$0.00	\$0.00	\$0.00
14. GOVERNMENT & CORPORATE BONDS	\$0.00	\$0.00	\$0.00	\$0.00
15. ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	\$0.00
16. ALIMONY	\$0.00	\$0.00	\$0.00	\$0.00
17. OTHER LIQUIDATED DEBTS	\$0.00	\$0.00	\$0.00	\$0.00
18. EQUITABLE INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
19. CONTINGENT INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
20. OTHER CLAIMS	\$0.00	\$0.00	\$0.00	\$0.00
21. PATENTS & COPYRIGHTS	\$0.00	\$0.00	\$0.00	\$0.00
22. LICENSES & FRANCHISES	\$0.00	\$0.00	\$0.00	\$0.00
23. AUTOS, TRUCKS & OTHER VEHICLES	\$0.00	\$0.00	\$0.00	\$0.00
24. BOATS & MOTORS	\$0.00	\$0.00	\$0.00	\$0.00
25. AIRCRAFT	\$0.00	\$0.00	\$0.00	\$0.00
26. OFFICE EQUIPMENT	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00
27. MACHINERY, FIXTURES & EQUIPMENT	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
28. INVENTORY	\$0.00	\$0.00	\$0.00	\$0.00
29. ANIMALS	\$0.00	\$0.00	\$0.00	\$0.00
30. CROPS	\$0.00	\$0.00	\$0.00	\$0.00
31. FARMING EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
32. FARM SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00
33. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
34. TOTAL PERSONAL PROPERTY ASSETS	\$263,737.14	\$212,826.35	\$164,626.21	\$165,127.92
35. TOTAL ASSETS	\$22,406,039.00	\$22,328,196.44	\$22,313,612.58	\$22,313,612.58

(**) A portion of this amount, \$7,765.83, is subject to exercise of proposed setoff rights by various banks.

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-370848-HDH

CASH BASIS - 3

ASSETS OF THE ESTATE	SCHEDULE AMOUNT*	Amended		Amended
		MONTH	MONTH	MONTH
SCHEDULE A / REAL PROPERTY		Jan 2011	Feb 2011	March 2011
1. SEE ATTACHED LIST	\$22,148,900.00	\$22,148,900.00	\$21,857,900.00	\$21,857,900.00
2.				
3.				
4.				
5. TOTAL REAL PROPERTY ASSETS	\$22,148,900.00	\$22,148,900.00	\$21,857,900.00	\$21,857,900.00
SCHEDULE B / PERSONAL PROPERTY				
1. CASH ON HAND	\$0.00	\$0.00	\$0.00	\$0.00
2. CHECKING, SAVINGS, ETC. **	\$176,737.14	\$63,078.28	\$57,599.54	\$76,318.30
3. SECURITY DEPOSITS	\$0.00	\$0.00	\$0.00	\$0.00
4. HOUSEHOLD GOODS	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00
5. BOOKS, PICTURES, ART	\$0.00	\$0.00	\$0.00	\$0.00
6. WEARING APPAREL	\$0.00	\$0.00	\$0.00	\$0.00
7. FURS & JEWELRY	\$0.00	\$0.00	\$0.00	\$0.00
8. FIREARMS & SPORTS EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
9. INSURANCE POLICIES	\$0.00	\$0.00	\$0.00	\$0.00
10. ANNUITIES	\$0.00	\$0.00	\$0.00	\$0.00
11. RETIREMENT & PROFIT SHARING	\$0.00	\$0.00	\$0.00	\$0.00
12. STOCKS	\$0.00	\$0.00	\$0.00	\$0.00
13. PARTNERSHIPS & JOINT VENTURES	\$0.00	\$0.00	\$0.00	\$0.00
14. GOVERNMENT & CORPORATE BONDS	\$0.00	\$0.00	\$0.00	\$0.00
15. ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	\$0.00
16. ALIMONY	\$0.00	\$0.00	\$0.00	\$0.00
17. OTHER LIQUIDATED DEBTS	\$0.00	\$0.00	\$0.00	\$0.00
18. EQUITABLE INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
19. CONTINGENT INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
20. OTHER CLAIMS	\$0.00	\$0.00	\$0.00	\$0.00
21. PATENTS & COPYRIGHTS	\$0.00	\$0.00	\$0.00	\$0.00
22. LICENSES & FRANCHISES	\$0.00	\$0.00	\$0.00	\$0.00
23. AUTOS, TRUCKS & OTHER VEHICLES	\$0.00	\$0.00	\$0.00	\$0.00
24. BOATS & MOTORS	\$0.00	\$0.00	\$0.00	\$0.00
25. AIRCRAFT	\$0.00	\$0.00	\$0.00	\$0.00
26. OFFICE EQUIPMENT	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00
27. MACHINERY, FIXTURES & EQUIPMENT	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
28. INVENTORY	\$0.00	\$0.00	\$0.00	\$0.00
29. ANIMALS	\$0.00	\$0.00	\$0.00	\$0.00
30. CROPS	\$0.00	\$0.00	\$0.00	\$0.00
31. FARMING EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
32. FARM SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00
33. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
34. TOTAL PERSONAL PROPERTY ASSETS	\$263,737.14	\$150,078.28	\$144,599.54	\$163,318.30
35. TOTAL ASSETS	\$22,412,637.14	\$22,298,978.28	\$22,002,499.54	\$22,021,218.30

(**) A portion of this amount, \$7,765.83, is subject to exercise of proposed setoff rights by various banks.

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-370848-hdh

**CASH BASIS - 3
Exhibit**

ASSETS OF THE ESTATE	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
SCHEDULE A / REAL PROPERTY		Jan 2010	Feb 2011	March 2011
1 Estate Lot, Hills of Buffalo Creek / Heath TX	\$160,000.00	\$160,000.00	\$160,000.00	\$160,000.00
26 Golf Course Lots, Ph 10+11, Buffalo Creek / Heath TX	\$3,380,000.00	\$3,380,000.00	\$3,380,000.00	\$3,380,000.00
Golf Course Lot & Pad Prep, 17 Falcon View / Heath TX	\$170,000.00	\$170,000.00	\$170,000.00	\$170,000.00
Spec House 90% Complete. 15 Falcon View / Heath TX	\$440,000.00	\$440,000.00	\$440,000.00	\$440,000.00
Spec House Completed / 1834 Morrish Lane Heath TX (*)	\$302,000.00	\$302,000.00	\$302,000.00	\$302,000.00
83 Single Family Lots, Hidden Creek Estates, PH 2 / Royse City TX	\$2,452,300.00	\$2,452,300.00	\$2,452,300.00	\$2,452,300.00
10 Commercial Lots Cobblestone Phase 2 / Heath TX	\$2,900,000.00	\$2,900,000.00	\$2,900,000.00	\$2,900,000.00
70 Single Family Lots, Hidden Creek Estates Ph2 / Royce City TX	\$1,600,000.00	\$1,600,000.00	\$1,600,000.00	\$1,600,000.00
2 Patio Homes Lots, The Enclave of Buffalo Creek / Heath TX	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
200 Areas of Undeveloped Land / Heath TX	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00
1 Single Family Lot, Rainbow Lake Estates Rockwall TX	\$50,600.00	\$50,600.00	\$50,600.00	\$50,600.00
16 Single Family Lots, Buffalo Creek	\$1,700,000.00	\$1,700,000.00	\$1,700,000.00	\$1,700,000.00
19 Single Family Lots Tennis, Village / Heath TX (**)	\$786,000.00	\$786,000.00	\$495,000.00	\$495,000.00
5 Single Family Lots, Hidden Creek Estates / Royse City TX	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00
1 Single Family Lot, Tubbs Rd / Rockwall TX	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00
1.5 Acres Corner of Horizon & FM549 Rockwall TX	\$598,000.00	\$598,000.00	\$598,000.00	\$598,000.00
Single Family House – 809 Hubbard Dr Heath TX	\$590,000.00	\$590,000.00	\$590,000.00	\$590,000.00
13 Single Family Homes and Lots / Royse City TX	\$410,000.00	\$410,000.00	\$410,000.00	\$410,000.00
15 Commercial Lots, Alliance Addition / Rockwall TX	\$3,300,000.00	\$3,300,000.00	\$3,300,000.00	\$3,300,000.00
TOTAL REAL PROPERTY ASSETS	\$22,148,900.00	\$22,148,900.00	\$21,857,900.00	\$21,857,900.00

(*) Property sold March 28, 2011

(**) 9 lots sold February 2011

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 4

LIABILITIES OF THE ESTATE		
PRE-PETITION LIABILITIES	SCHEDULED AMOUNT	PAYMENTS
1. SECURED	\$57,130,310.74	\$0.00
2. PRIORITY	\$0.00	\$0.00
3. UNSECURED	\$13,676,673.60	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00
5. TOTAL PRE-PETITION LIABILITIES	\$70,806,984.34	\$0.00

POST-PETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES		\$0.00		\$0.00
2. FICA/MEDICARE		\$0.00		\$0.00
3. STATE TAXES		\$0.00		\$0.00
4. REAL ESTATE TAXES		\$0.00		\$0.00
5. OTHER TAXES (ATTACH LIST)		\$0.00		\$0.00
6. TOTAL TAXES		\$0.00		\$0.00

OTHER POST-PETITION LIABILITIES:				
7. NONE				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL, ATTACH LIST)				
30. TOTAL OF LINES 7-29		\$0.00		\$0.00
31. TOTAL POST-PETITION LIABILITIES		\$0.00		\$0.00

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 4A

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		JAN	FEB	MARCH
1. 0-30	\$0.00	\$0.00	\$0.00	\$0.00
2. 31-60	\$0.00	\$560.00	\$0.00	\$0.00
3. 61-90	\$0.00	\$2,720.00	\$560.00	\$0.00
4. 91+	\$0.00	\$0.00	\$2,720.00	\$3,280.00
5. TOTAL ACCOUNTS RECEIVABLE	\$0.00	\$3,280.00	\$3,280.00	\$3,280.00
6. AMOUNT CONSIDERED UNCOLLECTIBLE	\$0.00	\$0.00	\$0.00	\$0.00
7. ACCOUNTS RECEIVABLE (NET)	\$0.00	\$3,280.00	\$3,280.00	\$3,280.00

AGING OF POST-PETITION TAXES AND PAYABLES					
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. STATE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. LOCAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. TOTAL TAXES PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. ACCOUNTS PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

STATUS OF POSTPETITION TAXES				
	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD & OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING**	\$0.00	\$2,302.00	\$2,302.00	\$0.00
2. FICA / EMPLOYEE**	\$0.00	\$1,513.37	\$1,513.37	\$0.00
3. FICA / EMPLOYER**	\$0.00	\$2,049.07	\$2,049.07	\$0.00
4. UNEMPLOYMENT	\$335.82	\$109.34	\$0.00	\$445.16
5. INCOME	\$0.00	\$0.00	\$0.00	\$0.00
6. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
7. TOTAL FEDERAL TAXES	\$335.82	\$5,973.78	\$5,864.44	\$445.16
STATE AND LOCAL				
8. WITHHOLDING	\$0.00	\$0.00	\$0.00	\$0.00
9. SALES	\$0.00	\$0.00	\$0.00	\$0.00
10. EXCISE	\$0.00	\$0.00	\$0.00	\$0.00
11. UNEMPLOYMENT	\$3,158.67	\$1,047.44	\$0.00	\$4,206.11
12. REAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
13. PERSONAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
14. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
15. TOTAL STATE & LOCAL	\$3,158.67	\$1,047.44	\$0.00	\$4,206.11
16. TOTAL TAXES	\$3,494.49	\$7,021.22	\$5,864.44	\$4,651.27

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.
 ** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 5

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101(31)(A)-(F) OF THE US BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Rob Whittle	Vehicle Allowance	\$850.00	\$5,100.00
2. Mike Whittle	Compensation	\$5,947.92	\$35,392.18
3. Sara Whittle	Compensation	\$3,946.61	\$23,528.74
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		\$10,744.53	\$64,020.92

PROFESSIONALS					
NAME	DATE OF PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
1. WRIGHT GINSBURG BRUSILOW	11/10	\$27,131.98	\$27,131.98	\$27,131.98	--
2. WRIGHT GINSBURG BRUSILOW	1/11	\$44,987.42	\$44,987.42	\$72,119.40	--
3. WRIGHT GINSBURG BRUSILOW	2/11	\$23,756.26	\$23,756.28	\$95,875.68	\$28,628.56
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS		\$95,875.66	\$95,875.68	\$195,127.06	\$28,628.56

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE, AND ADEQUATE PROTECTION PAYMENTS			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1. Heath Horizon / Rent	\$2,832.00	\$2,832.00	\$0.00
2. The Vault / Rental	\$254.00	\$254.00	\$0.00
3. Buffalo Ridge Storage / Rental	\$165.00	\$165.00	\$0.00
4. 1st International Bank / AP Payment	\$250.00	\$250.00	\$0.00
5.			
6. TOTAL	\$3,501.00	\$3,411.00	\$0.00

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 6

QUESTIONNAIRE

		YES	NO
1.	HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2.	HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3.	ARE ANY POST-PETITION RECEIVABLES DUE FROM RELATED PARTIES?		X
4.	HAVE ANY PAYMENTS BEEN MADE ON PRE-PETITION LIABILITIES THIS REPORTING PERIOD?		X
5.	HAVE ANY POST-PETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6.	ARE ANY POST-PETITION PAYROLL TAXES PAST DUE?		X
7.	ARE ANY POST-PETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8.	ARE ANY POST-PETITION REAL ESTATE TAXES PAST DUE?		X
9.	ARE ANY OTHER POST-PETITION TAXES PAST DUE?		X
10.	ARE ANY AMOUNTS OWED TO POST-PETITION CREDITORS DELINQUENT?		X
11.	HAVE ANY PRE-PETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12.	ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY

ONLY THE FUNDS TRANSFERRED FROM PRE-PETITION ACCOUNTS TO ESTABLISH THE DIP ACCOUNTS

INSURANCE

		YES	NO
1.	ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2.	ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3.	PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Property & GL	Sirius International Ins Corp	Nov 2010 thru Nov 2011	\$1,745.03 / month
Workers Comp	Texas Mutual Insurance	May 2010 thr May 2011	450.00 / month
Builders Risk	Great American Ins. Group	June 2010 thru June 2011	\$2,500.00 / year

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084
JUDGE: HONORABLE HARLIN D. HALE

CASH BASIS

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: May 31, 2011

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE, DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Robert S. Whittle

PRINTED NAME OF RESPONSIBLE PARTY

President

TITLE

6/21/2011

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

PRINTED NAME OF PREPARER

TITLE

DATE

CASE NAME: Whittle Development, Inc.		CASH BASIS - 1		
CASE NUMBER: 10-37084-HDH				
CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER
	April	May		TOTAL
1. CASH - BEGINNING OF MONTH	\$76,318.30	\$169,598.50		\$76,318.30
RECEIPTS				
2. CASH SALES	\$0.00	\$0.00		\$0.00
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$0.00	\$0.00		\$0.00
4. LOANS & ADVANCES	\$90,000.00	\$80,000.00		\$170,000.00
5. SALE OF ASSETS	\$721.91	\$0.00		\$721.91
6. LEASE & RENTAL INCOME	\$1,000.00	\$1,000.00		\$2,000.00
7. WAGES	\$0.00	\$0.00		\$0.00
8. OTHER INCOME - (ATTACH LIST)	\$136,016.87	\$2,892.83		\$138,909.70
9. TOTAL RECEIPTS	\$227,738.78	\$83,892.83		\$311,631.61
DISBURSEMENTS				
10. NET PAYROLL	\$36,226.26	\$22,604.57		\$58,830.83
11. PAYROLL TAXES PAID	\$13,063.18	\$6,286.48		\$19,349.66
12. SALES, USE & OTHER TAXES PAID	\$0.00	\$0.00		\$0.00
13. INVENTORY PURCHASES	\$0.00	\$0.00		\$0.00
14. MORTGAGE PAYMENTS	\$0.00	\$0.00		\$0.00
15. OTHER SECURED NOTE PAYMENTS	\$0.00	\$0.00		\$0.00
16. RENTAL & LEASE PAYMENTS	\$2,832.00	\$2,832.00		\$5,664.00
17. UTILITIES	\$3,256.24	\$2,545.87		\$5,802.11
18. INSURANCE	\$2,544.03	\$3,024.03		\$5,568.06
19. VEHICLE EXPENSES	\$1,755.00	\$1,755.00		\$3,510.00
20. TRAVEL	\$0.00	\$0.00		\$0.00
21. ENTERTAINMENT	\$0.00	\$0.00		\$0.00
22. REPAIRS & MAINTENANCE	\$8,411.87	\$9,453.78		\$17,865.65
23. SUPPLIES	\$1,342.30	\$1,017.45		\$2,359.75
24. ADVERTISING	\$718.08	\$977.79		\$1,695.87
25. HOUSEHOLD EXPENSES	\$0.00	\$0.00		\$0.00
26. CHARITABLE CONTRIBUTIONS	\$0.00	\$0.00		\$0.00
27. GIFTS	\$0.00	\$0.00		\$0.00
28. OTHER - (ATTACH LIST)	\$50,584.62	\$110,700.00		\$161,284.62
29. TOTAL ORDINARY DISBURSEMENTS	\$120,733.58	\$161,196.97		\$281,930.55
REORGANIZATION EXPENSES				
30. PROFESSIONAL FEES	\$12,500.00	\$17,500.00		\$30,000.00
31. U.S. TRUSTEE FEES	\$975.00	\$650.09		\$1,625.09
32. OTHER (ATTACH LIST)	\$250.00	\$250.00		\$500.00
33. TOTAL REORGANIZATION EXPENSES	\$13,725.00	\$18,400.09		\$32,125.09
34. TOTAL DISBURSEMENTS	\$134,458.58	\$179,597.06		\$314,055.64
35. NET CASH FLOW	\$93,280.20	(\$95,704.23)		(\$2,424.03)
36. CASH - END OF MONTH *	\$169,598.50	\$73,894.27		\$73,894.27

* Excludes \$7,765.83 that is subject to right of set off held in other banks. See Cash Basis-2 for Details.

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

**CASH BASIS - 1
OTHER**

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER
	April	May		TOTAL
RECEIPTS				
8. OTHER				
Earnest Money	\$110,700.00	\$0.00		\$110,700.00
Miscellaneous - Jim Dodd Note	\$200.00	\$0.00		\$200.00
Reimbursement from HCE HOA / Maintenance	\$2,999.30	\$2,507.32		\$5,506.62
Reimbursement from HCE HOA / Utilities	\$332.95	\$385.51		\$718.46
Miscellaneous - Farrar Note	\$0.00	\$0.00		\$0.00
Expense Reimbursed from employee	\$0.00	\$0.00		\$0.00
Partial Release of Escrow for Tennis Village Fence	\$21,784.62	\$0.00		\$21,784.62
TOTAL OTHER RECEIPTS	\$136,016.87	\$2,892.83		\$138,909.70
DISBURSEMENTS				
28. OTHER /				
Tennis Village Fence	\$21,784.62	\$0.00		\$21,784.62
RCAT / Earnest Money Refund	\$28,800.00	\$110,700.00		\$139,500.00
TOTAL OTHER DISBURSEMENTS	\$50,584.62	\$110,700.00		\$50,584.62
REORGANIZATION EXPENSES				
32. OTHER				
Interest / Adequate Protection Payment	\$250.00	\$250.00		\$500.00
TOTAL OTHER REORGANIZATION EXPENSES	\$250.00	\$250.00		\$500.00

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 1A

CASH DIBURSEMENTS DETAIL
 (ATTACH ADDITIONAL SHEETS IF NECESSARY)

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
TOTAL CASH DISBURSEMENTS				\$0.00

BANK ACCOUNT DISBURSEMENTS

CHECK NUMBER	DATE	PAYEE	PURPOSE	AMOUNT
SEE ATTACHED DETAIL				
TOTAL BANK ACCOUNT DISBURSEMENTS				\$179,597.06

TOTAL DISBURSEMENTS FOR THE MONTH	\$179,597.06
--	---------------------

CHECK NO.	DATE	PAYEE	PURPOSE	AMOUNT
5551	5/2/11	American Dream Rain Gutters	General Maintenance / Models	738.20
5552	5/2/11	City of Rockwall	Water / Models	20.00
5553	5/2/11	TXU Energy	Electric & Gas / Models	77.44
5554	5/2/11	City of Heath	Water / Models	204.91
5555	5/2/11	TXU Energy	Electric & Gas / Models	28.61
5556	5/2/11	Branbritt Copier Service	Office Supplies / Main Office	166.70
5557	5/2/11	AT&T Mobility	Mobile Phones / Radio	281.34
5558	5/2/11	Mobile Mini	Advertising / Marketing / Signage	128.81
5559	5/2/11	Keystone Southwest	Insurance (Prop / GL, Builders Risk, Work Con	432.00
5560	5/2/11	City of Rockwall	Water / Models	11.42
5561	5/2/11	Mike Whittle	Vehicle Expenses	700.00
5562	5/2/11	Cindy Howle	Vehicle Expenses	80.00
5563	5/2/11	Julie Hysenaj	Vehicle Expenses	65.00
5564	5/2/11	Petr Komarek	Vehicle Expenses	60.00
5565	5/2/11	Rob Whittle	Vehicle Expenses	850.00
5566	5/2/11	Heath Horizon Owners LLC	Rent & Triple Nets	2,832.00
5567	5/3/11	Intuit	Office Supplies / Main Office	194.83
5567	5/3/11	Office Max	Office Supplies / Main Office	55.72
5567	5/3/11	Intuit	Office Supplies / Main Office	26.60
5567	5/3/11	Costco	Office Supplies / Main Office	205.04
5567	5/3/11	Rockwall County Clerk	Office Supplies / Main Office	71.00
5567	5/3/11	Costco	Office Supplies / Hidden Creek Sales	46.70
5567	5/3/11	Lowe's	General Maintenance / Repairs	41.81
5567	5/3/11	Scotties	General Maintenance / Mowing	112.98
5567	5/3/11	Home Depot	General Maintenance / Repairs	82.05
5568	5/3/11	Jinksie Patton	Mobile Phones / Radio	247.13
5569	5/3/11	Texas Mutual	Insurance (Prop / GL, Builders Risk, Work Con	297.00
5570	5/4/11	VOID	VOID	0.00
5571	5/4/11	Pristine Cast Stone	General Maintenance / Models	50.00
5572	5/4/11	R.M. Electric	General Maintenance / Models	254.39
5573	5/5/11	City of Roysie City	Water / Models	47.30
5574	5/5/11	The Vault	Advertising / Marketing / Signage	104.00
5575	5/6/11	Jesus Garcia	Contract Labor / Repairs & Maintenance	457.88
5576	5/6/11	Nicolas Granados	Contract Labor / Repairs & Maintenance	457.88
5577	5/5/11	Costco	Advertising / Marketing / Signage	100.00
5578	5/9/11	Gordon McCosh	Vacant Lot Mowing	82.00
5579	5/9/11	Atmos Energy	Electric & Gas / Models	63.69
5580	5/11/11	1st International Bank	Interest / Adequate Protection Payments	250.00
5581	5/12/11	Byrd Roofing	General Maintenance / Models	855.00
5582	5/12/11	Jinksie Patton	Office Supplies / Hidden Creek Sales	86.57
5583	5/13/11	Jesus Garcia	Contract Labor / Repairs & Maintenance	457.88
5584	5/13/11	Nicolas Granados	Contract Labor / Repairs & Maintenance	483.98
5585	5/13/11	Pamela Cooper	Bi-Weekly Payroll	188.70
5586	5/13/11	Sandra Hebron	Bi-Weekly Payroll	518.12
5587	5/13/11	Cynthia Howle	Bi-Weekly Payroll	1,054.66
5588	5/13/11	Jaroslava Hysenaj	Bi-Weekly Payroll	1,031.66
5589	5/13/11	Petr Komarek	Bi-Weekly Payroll	704.80
5590	5/13/11	Louretta Moukhtar	Bi-Weekly Payroll	1,031.65
5591	5/13/11	Virginia Patton	Bi-Weekly Payroll	818.64
5592	5/13/11	Christina Reeves	Bi-Weekly Payroll	920.79
5593	5/13/11	Mike Whittle	Bi-Weekly Payroll	2,973.96
5594	5/13/11	Sara Whittle	Bi-Weekly Payroll	1,973.30
5595	5/13/11	Internet America Inc.	Computer / Website Hosting	179.98
5596	5/13/11	Rockwall Rotary Club	Office Supplies / Main Office	65.00
5597	5/13/11	Classic Rock	General Maintenance / Models	100.00
5598	5/16/11	F & S Painting	General Maintenance / Models	100.00

CHECK NO.	DATE	PAYEE	PURPOSE	AMOUNT
5599	5/17/11	Broadway Premium Funding	Insurance (Prop / GL, Builders Risk, Work Con	1,745.03
5600	5/17/11	TXU Energy	Electric & Gas / Models	172.67
5601	5/17/11	U.S. Trustee Payment Center	U.S. Trustee Payment	650.09
5602	5/18/11	First Choice Power	Electric & Gas / Models	18.98
5603	5/18/11	Royse City Chamber of Commerce	Advertising / Marketing / Signage	150.00
5604	5/19/11	AT&T Mobility	Mobile Phones / Radio	390.05
5605	5/19/11	Forney Lake Water	Water / Models	28.24
5606	5/19/11	Forney Lake Water	Water / Models	14.12
5607	5/19/11	Forney Lake Water	Water / Models	28.24
5608	5/20/11	Jesus Garcia	Contract Labor / Repairs & Maintenance	457.88
5609	5/20/11	Nicolas Granados	Contract Labor / Repairs & Maintenance	457.88
5610	5/20/11	Texas Mutual - down payment	Insurance (Prop / GL, Builders Risk, Work Con	550.00
5611	5/23/11	AT&T	Telephone / Main Office	544.86
5612	5/23/11	TXU Energy	Electric & Gas / Models	13.32
5613	5/23/11	Dream Team Financial	Advertising / Marketing / Signage	150.00
5614	5/24/11	Fedex	Postage & Fed Ex / Main Office	84.29
5615	5/25/11	Buffalo Ridge Storage	Advertising / Marketing / Signage	165.00
5616	5/26/11	Wright, Ginsberg, Brusilow P.C.	Attorney Fees	17,500.00
5617	5/26/11	AT&T	Telephone / Hidden Creek Sales	353.55
5618	5/27/11	Pamela Cooper	Bi-Weekly Payroll	188.70
5619	5/27/11	Victoria Finley	Bi-Weekly Payroll	19.11
5620	5/27/11	Kyle Geyman	Bi-Weekly Payroll	19.11
5621	5/27/11	Tyler Harper	Bi-Weekly Payroll	19.11
5622	5/27/11	Jake Horbacz	Bi-Weekly Payroll	19.11
5623	5/27/11	Angelica Monsour	Bi-Weekly Payroll	19.11
5624	5/27/11	Jennifer Null	Bi-Weekly Payroll	19.11
5625	5/27/11	Cameran Taylor	Bi-Weekly Payroll	19.11
5626	5/27/11	Seth Thompson	Bi-Weekly Payroll	19.11
5627	5/27/11	Seth Tucker	Bi-Weekly Payroll	19.11
5628	5/27/11	Sandra Hebron	Bi-Weekly Payroll	518.12
5629	5/27/11	Cynthia Howle	Bi-Weekly Payroll	1,054.67
5630	5/27/11	Jaroslava Hysenaj	Bi-Weekly Payroll	1,031.66
5631	5/27/11	Petr Komarek	Bi-Weekly Payroll	704.80
5632	5/27/11	Louretta Moukhtar	Bi-Weekly Payroll	1,031.65
5633	5/27/11	Virginia Patton	Bi-Weekly Payroll	818.64
5634	5/27/11	Christina Reeves	Bi-Weekly Payroll	920.79
5635	5/27/11	Mike Whittle	Bi-Weekly Payroll	2,973.96
5636	5/27/11	Sara Whittle	Bi-Weekly Payroll	1,973.31
5637	5/27/11	Jinksie Patton	Contract Labor / Repairs & Maintenance	217.61
5638	5/27/11	Jesus Garcia	Contract Labor / Repairs & Maintenance	457.88
5639	5/27/11	Nicolas Granados	Contract Labor / Repairs & Maintenance	457.88
5640	5/31/11	Town & Country Fence	Vacant Lot Mowing	1,752.00
5641	5/31/11	D & D Mowing	Vacant Lot Mowing	400.20
5642	5/31/11	D & D Mowing	Vacant Lot Mowing	722.03
5643	5/31/11	D & D Mowing	Vacant Lot Mowing	256.37
eft	5/13/11	United States Treasury	Payroll Tax	2,775.69
eft	5/17/11	United States Treasury	Payroll Tax	710.94
eft	5/27/11	United States Treasury	Payroll Tax	2,799.85
eft	5/25/11	Bank Charge - Drees transfer fee of 5/25/11	Office Supplies / Main Office	15.00
eft	5/25/11	Drees Custom Homes	Refunded Earnest Money	110,700.00
TOTAL BANK DISPURSEMENTS				179,597.06

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 2

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc.

BANK RECONCILIATIONS	Account #1(*)	Account #2	Account #3	Account #4
A. BANK	Lakeside National	Lakeside National	City Bank	Jefferson Bank
B. ACCOUNT NUMBER:	xxx4885	xxx0252	xxx6992	xxx0786
C. PURPOSE (TYPE):	Checking	Petty Cash	DIP Acct	Checking
1. BALANCE PER BANK STATEMENT	\$3,754.10	\$341.66	\$101,199.38	\$0.00
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0.00	\$758.74	\$3,507.32	\$0.00
3. SUBTRACT: OUTSTANDING CHECKS	\$0.00	\$162.00	\$38,491.53	\$0.00
4. OTHER RECONCILING ITEMS	\$0.00	\$0.00	\$0.00	\$0.00
5. MONTH END BALANCE PER BOOKS	\$3,754.10	\$938.40	\$66,215.17	\$0.00

BANK RECONCILIATIONS	Account #5	Account #6	Account #7(*)	Account #8(*)
A. BANK	BB&T	Community	1st International	American Nat'l.
B. ACCOUNT NUMBER:	xxx6978	xxx6787	xxx4956	xxx0923
C. PURPOSE (TYPE):	Checking	Checking	Checking	Checking
1. BALANCE PER BANK STATEMENT	\$0.00	\$0.00	\$2,571.92	\$501.33
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0.00	\$0.00	\$0.00	\$0.00
3. SUBTRACT: OUTSTANDING CHECKS	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER RECONCILING ITEMS	\$0.00	\$0.00	\$0.00	\$0.00
5. MONTH END BALANCE PER BOOKS	\$0.00	\$0.00	\$2,571.92	\$501.33

(*) Accounts subject to proposed exercise of setoff rights.

				TOTAL
BALANCE PER BANK STATEMENT				\$108,368.39
ADD: TOTAL DEPOSITS NOT CREDITED				\$4,266.06
SUBTRACT: OUTSTANDING CHECKS				\$38,653.53
OTHER RECONCILING ITEMS				\$0.00
MONTH END BALANCE PER BOOKS				\$73,980.92

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT		CURRENT VALUE
7.				
8.				
9.				
11. TOTAL INVESTMENTS				\$0.00

CASH	
12. CURRENCY ON HAND	\$0.00
13. TOTAL CASH - END OF MONTH	\$73,980.92

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-370848-HDH

CASH BASIS - 3

ASSETS OF THE ESTATE

SCHEDULE A / REAL PROPERTY	SCHEDULE AMOUNT*	MONTH	MONTH	MONTH
		Apr 2011	May 2011	
1. SEE ATTACHED LIST	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00	
2.				
3.				
4.				
5. TOTAL REAL PROPERTY ASSETS	\$22,148,900.00	\$22,148,900.00	\$22,148,900.00	
SCHEDULE B / PERSONAL PROPERTY				
1. CASH ON HAND	\$0.00	\$0.00	\$0.00	
2. CHECKING, SAVINGS, ETC. **	\$176,737.14	\$73,980.92	\$73,980.92	
3. SECURITY DEPOSITS	\$0.00	\$0.00	\$0.00	
4. HOUSEHOLD GOODS	\$7,000.00	\$7,000.00	\$7,000.00	
5. BOOKS, PICTURES, ART	\$0.00	\$0.00	\$0.00	
6. WEARING APPAREL	\$0.00	\$0.00	\$0.00	
7. FURS & JEWELRY	\$0.00	\$0.00	\$0.00	
8. FIREARMS & SPORTS EQUIPMENT	\$0.00	\$0.00	\$0.00	
9. INSURANCE POLICIES	\$0.00	\$0.00	\$0.00	
10. ANNUITIES	\$0.00	\$0.00	\$0.00	
11. RETIREMENT & PROFIT SHARING	\$0.00	\$0.00	\$0.00	
12. STOCKS	\$0.00	\$0.00	\$0.00	
13. PARTNERSHIPS & JOINT VENTURES	\$0.00	\$0.00	\$0.00	
14. GOVERNMENT & CORPORATE BONDS	\$0.00	\$0.00	\$0.00	
15. ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	
16. ALIMONY	\$0.00	\$0.00	\$0.00	
17. OTHER LIQUIDATED DEBTS	\$0.00	\$0.00	\$0.00	
18. EQUITABLE INTERESTS	\$0.00	\$0.00	\$0.00	
19. CONTINGENT INTERESTS	\$0.00	\$0.00	\$0.00	
20. OTHER CLAIMS	\$0.00	\$0.00	\$0.00	
21. PATENTS & COPYRIGHTS	\$0.00	\$0.00	\$0.00	
22. LICENSES & FRANCHISES	\$0.00	\$0.00	\$0.00	
23. AUTOS, TRUCKS & OTHER VEHICLES	\$0.00	\$0.00	\$0.00	
24. BOATS & MOTORS	\$0.00	\$0.00	\$0.00	
25. AIRCRAFT	\$0.00	\$0.00	\$0.00	
26. OFFICE EQUIPMENT	\$60,000.00	\$60,000.00	\$60,000.00	
27. MACHINERY, FIXTURES & EQUIPMENT	\$20,000.00	\$20,000.00	\$20,000.00	
28. INVENTORY	\$0.00	\$0.00	\$0.00	
29. ANIMALS	\$0.00	\$0.00	\$0.00	
30. CROPS	\$0.00	\$0.00	\$0.00	
31. FARMING EQUIPMENT	\$0.00	\$0.00	\$0.00	
32. FARM SUPPLIES	\$0.00	\$0.00	\$0.00	
33. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	
34. TOTAL PERSONAL PROPERTY ASSETS	\$263,737.14	\$160,980.92	\$160,980.92	
35. TOTAL ASSETS	\$22,412,637.14	\$22,309,880.92	\$22,309,880.92	

(**) A portion of this amount, \$7,765.83, is subject to exercise of proposed setoff rights by various banks.

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-370848-hdh

**CASH BASIS - 3
Exhibit**

ASSETS OF THE ESTATE	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
SCHEDULE A / REAL PROPERTY		Apr 2011	May 2011	
1 Estate Lot, Hills of Buffalo Creek / Heath TX	\$160,000.00	\$160,000.00	\$160,000.00	
26 Golf Course Lots, Ph 10+11, Buffalo Creek / Heath TX	\$3,380,000.00	\$3,380,000.00	\$3,380,000.00	
Golf Course Lot & Pad Prep, 17 Falcon View / Heath TX	\$170,000.00	\$170,000.00	\$170,000.00	
Spec House 90% Complete. 15 Falcon View / Heath TX	\$440,000.00	\$440,000.00	\$440,000.00	
Spec House Completed / 1834 Morrish Lane Heath TX (*)	\$302,000.00	\$0.00	\$0.00	
83 Single Family Lots, Hidden Creek Estates, PH 2 / Royse City TX	\$2,452,300.00	\$2,452,300.00	\$2,452,300.00	
10 Commercial Lots Cobblestone Phase 2 / Heath TX	\$2,900,000.00	\$2,900,000.00	\$2,900,000.00	
70 Single Family Lots, Hidden Creek Estates Ph2 / Royce City TX	\$1,600,000.00	\$1,600,000.00	\$1,600,000.00	
2 Patio Homes Lots, The Enclave of Buffalo Creek / Heath TX	\$100,000.00	\$100,000.00	\$100,000.00	
200 Areas of Undeveloped Land / Heath TX	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	
1 Single Family Lot, Rainbow Lake Estates Rockwall TX	\$50,600.00	\$50,600.00	\$50,600.00	
16 Single Family Lots, Buffalo Creek	\$1,700,000.00	\$1,700,000.00	\$1,700,000.00	
19 Single Family Lots Tennis, Village / Heath TX (**)	\$786,000.00	\$495,000.00	\$495,000.00	
5 Single Family Lots, Hidden Creek Estates / Royse City TX	\$125,000.00	\$125,000.00	\$125,000.00	
1 Single Family Lot, Tubbs Rd / Rockwall TX	\$85,000.00	\$85,000.00	\$85,000.00	
1.5 Acres Corner of Horizon & FM549 Rockwall TX	\$598,000.00	\$598,000.00	\$598,000.00	
Single Family House – 809 Hubbard Dr Heath TX	\$590,000.00	\$590,000.00	\$590,000.00	
13 Single Family Homes and Lots / Royse City TX	\$410,000.00	\$410,000.00	\$410,000.00	
15 Commercial Lots, Alliance Addition / Rockwall TX	\$3,300,000.00	\$3,300,000.00	\$3,300,000.00	
TOTAL REAL PROPERTY ASSETS	\$22,148,900.00	\$21,555,900.00	\$21,555,900.00	

(*) Property sold March 28, 2011

(**) 9 lots sold February 2011

CASE NAME: Whittle Development, Inc.

CASE NUMBER: 10-37084-HDH

CASH BASIS - 4

LIABILITIES OF THE ESTATE

PRE-PETITION LIABILITIES	SCHEDULED AMOUNT	PAYMENTS
1. SECURED	\$57,130,310.74	\$0.00
2. PRIORITY	\$0.00	\$0.00
3. UNSECURED	\$13,676,673.60	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00
5. TOTAL PRE-PETITION LIABILITIES	\$70,806,984.34	\$0.00

POST-PETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES		\$0.00		\$0.00
2. FICA / MEDICARE		\$0.00		\$0.00
3. STATE TAXES		\$0.00		\$0.00
4. REAL ESTATE TAXES		\$0.00		\$0.00
5. OTHER TAXES (ATTACH LIST)		\$0.00		\$0.00
6. TOTAL TAXES		\$0.00		\$0.00

OTHER POST-PETITION LIABILITIES:

7. NONE				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL, ATTACH LIST)				
30. TOTAL OF LINES 7-29			\$0.00	\$0.00
31. TOTAL POST-PETITION LIABILITIES			\$0.00	\$0.00

CASE NAME: Whittle Development, Inc.

CASH BASIS - 4A

CASE NUMBER: 10-37084-HDH

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		APR	MAY	
1. 0-30	\$0.00	\$0.00	\$0.00	
2. 31-60	\$0.00	\$0.00	\$0.00	
3. 61-90	\$0.00	\$0.00	\$0.00	
4. 91+	\$0.00	\$3,280.00	\$3,280.00	
5. TOTAL ACCOUNTS RECEIVABLE	\$0.00	\$3,280.00	\$3,280.00	
6. AMOUNT CONSIDERED UNCOLLECTIBLE	\$0.00	\$0.00	\$0.00	
7. ACCOUNTS RECEIVABLE (NET)	\$0.00	\$3,280.00	\$3,280.00	

AGING OF POST-PETITION TAXES AND PAYABLES					
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. STATE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. LOCAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. TOTAL TAXES PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. ACCOUNTS PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

STATUS OF POSTPETITION TAXES				
	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD & OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING**	\$0.00	\$2,094.00	\$2,094.00	\$0.00
2. FICA / EMPLOYEE**	\$0.00	\$1,478.96	\$1,478.96	\$0.00
3. FICA / EMPLOYER**	\$0.00	\$2,002.58	\$2,002.58	\$0.00
4. UNEMPLOYMENT	\$41.65	\$16.33	\$0.00	\$57.98
5. INCOME	\$0.00	\$0.00	\$0.00	\$0.00
6. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
7. TOTAL FEDERAL TAXES	\$41.65	\$5,591.87	\$5,575.54	\$57.98
STATE AND LOCAL				
8. WITHHOLDING	\$0.00	\$0.00	\$0.00	\$0.00
9. SALES	\$0.00	\$0.00	\$0.00	\$0.00
10. EXCISE	\$0.00	\$0.00	\$0.00	\$0.00
11. UNEMPLOYMENT	\$936.16	\$226.96	\$0.00	\$1,163.12
12. REAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
13. PERSONAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
14. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
15. TOTAL STATE & LOCAL	\$936.16	\$226.96	\$0.00	\$1,163.12
16. TOTAL TAXES	\$977.81	\$5,818.83	\$5,575.54	\$1,221.10

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.
 ** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 5

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101(31)(A)-(F) OF THE US BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Rob Whittle	Vehicle Allowance	\$850.00	\$6,800.00
2. Mike Whittle	Compensation	\$5,947.92	\$50,261.99
3. Sara Whittle	Compensation	\$3,946.61	\$33,395.27
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		\$10,744.53	\$90,457.26

PROFESSIONALS					
NAME	DATE OF PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
1. WRIGHT GINSBURG BRUSILOV	Nov. 2010	\$27,131.98	\$27,131.98	\$27,131.98	--
2. WRIGHT GINSBURG BRUSILOV	Jan. 2011	\$44,987.42	\$44,987.42	\$72,119.40	--
3. WRIGHT GINSBURG BRUSILOV	Feb. 2011	\$23,756.26	\$23,756.28	\$95,875.68	--
4. WRIGHT GINSBURG BRUSILOV	Apr. 2011	\$12,500.00	\$12,500.00	\$108,375.68	--
5. WRIGHT GINSBURG BRUSILOV	May 2011	\$17,500.00	\$17,500.00	\$125,875.68	\$101,477.18
6. TOTAL PAYMENTS TO PROFESSIONALS				\$125,875.68	

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE, AND ADEQUATE PROTECTION PAYMENTS			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1. Heath Horizon / Rent	\$2,832.00	\$2,832.00	\$0.00
2. The Vault / Rental	\$254.00	\$303.08	\$0.00
3. Buffalo Ridge Storage / Rental	\$165.00	\$165.00	\$0.00
4. 1st International Bank / AP Payment	\$250.00	\$250.00	\$0.00
5.			
6. TOTAL	\$3,501.00	\$3,411.00	\$0.00

CASE NAME: Whittle Development, Inc.
CASE NUMBER: 10-37084-HDH

CASH BASIS - 6

QUESTIONNAIRE

		YES	NO
1.	HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2.	HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3.	ARE ANY POST-PETITION RECEIVABLES DUE FROM RELATED PARTIES?		X
4.	HAVE ANY PAYMENTS BEEN MADE ON PRE-PETITION LIABILITIES THIS REPORTING PERIOD?		X
5.	HAVE ANY POST-PETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6.	ARE ANY POST-PETITION PAYROLL TAXES PAST DUE?		X
7.	ARE ANY POST-PETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8.	ARE ANY POST-PETITION REAL ESTATE TAXES PAST DUE?		X
9.	ARE ANY OTHER POST-PETITION TAXES PAST DUE?		X
10.	ARE ANY AMOUNTS OWED TO POST-PETITION CREDITORS DELINQUENT?		X
11.	HAVE ANY PRE-PETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12.	ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY

ONLY THE FUNDS TRANSFERRED FROM PRE-PETITION ACCOUNTS TO ESTABLISH THE DIP ACCOUNTS

INSURANCE

		YES	NO
1.	ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2.	ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3.	PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Property & GL	Sirius International Ins Corp	Nov 2010 thru Nov 2011	\$1,745.03 / month
Workers Comp	Texas Mutual Insurance	May 2010 thr May 2011	450.00 / month
Builders Risk	Great American Ins. Group	June 2010 thru June 2011	\$2,500.00 / year

Disclosure Statement

Exhibit “VIII.A-2.”

Monthly Operating Reports (MBD)

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085
JUDGE: HONORABLE HARLIN D. HALE

CASH BASIS

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: December 31, 2010

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE, DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:



ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

President
TITLE

Robert Whittle

PRINTED NAME OF RESPONSIBLE PARTY

January 19, 2011
DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

TITLE

PRINTED NAME OF PREPARER

DATE

CASE NAME: Mariah Bay Development, Inc.		CASH BASIS - 1			
CASE NUMBER: 10-37085					
CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER	
	Oct-10	Nov-10	Dec-11	TOTAL	
1. CASH - BEGINNING OF MONTH	\$22,211.90	\$8,649.32	\$4,259.11	\$22,211.90	
RECEIPTS					
2. CASH SALES	\$0.00	\$0.00	\$0.00	\$0.00	
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
4. LOANS & ADVANCES	\$0.00	\$0.00	\$500.00	\$500.00	
5. SALE OF ASSETS	\$0.00	\$0.00	\$0.00	\$0.00	
6. LEASE & RENTAL INCOME	\$500.00	\$0.00	\$0.00	\$500.00	
7. WAGES	\$0.00	\$0.00	\$0.00	\$0.00	
8. OTHER INCOME	\$0.00	\$0.00	\$0.00	\$0.00	
9. TOTAL RECEIPTS	\$500.00	\$0.00	\$500.00	\$1,000.00	
DISBURSEMENTS					
10. NET PAYROLL	\$0.00	\$0.00	\$0.00	\$0.00	
11. PAYROLL TAXES PAID	\$0.00	\$0.00	\$0.00	\$0.00	
12. SALES, USE & OTHER TAXES PAID	\$0.00	\$0.00	\$0.00	\$0.00	
13. INVENTORY PURCHASES	\$0.00	\$0.00	\$0.00	\$0.00	
14. MORTGAGE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
15. OTHER SECURED NOTE PAYMENTS (*)	\$12,274.12	\$4,390.21	\$0.00	\$16,664.33	
16. RENTAL & LEASE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
17. UTILITIES	\$1,788.46	\$0.00	\$0.00	\$1,788.46	
18. INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	
19. VEHICLE EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
20. TRAVEL	\$0.00	\$0.00	\$0.00	\$0.00	
21. ENTERTAINMENT	\$0.00	\$0.00	\$0.00	\$0.00	
22. REPAIRS & MAINTENANCE	\$0.00	\$0.00	\$0.00	\$0.00	
23. SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	
24. ADVERTISING	\$0.00	\$0.00	\$0.00	\$0.00	
25. HOUSEHOLD EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
26. CHARITABLE CONTRIBUTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
27. GIFTS	\$0.00	\$0.00	\$0.00	\$0.00	
28. OTHER - (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	
29. TOTAL ORDINARY DISBURSEMENTS	\$14,062.58	\$4,390.21	\$0.00	\$18,452.79	
REORGANIZATION EXPENSES					
30. PROFESSIONAL FEES	\$0.00	\$0.00	\$0.00	\$0.00	
31. U.S. TRUSTEE FEES	\$0.00	\$0.00	\$0.00	\$0.00	
32. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	
33. TOTAL REORGANIZATION EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
34. TOTAL DISBURSEMENTS	\$14,062.58	\$4,390.21	\$0.00	\$18,452.79	
35. NET CASH FLOW	(\$13,562.58)	(\$4,390.21)	\$500.00	(\$17,452.79)	
36. CASH - END OF MONTH	\$8,649.32	\$4,259.11	\$4,759.11	\$4,759.11	

(*) Exercise of setoff rights.

CASE NAME: Mariah Bay Development, Inc.

CASH BASIS - 1A

CASE NUMBER: 10-37085

CASH DIBURSEMENTS DETAIL

(ATTACH ADDITIONAL SHEETS IF NECESSARY)

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
TOTAL CASH DISBURSEMENTS				\$0.00

BANK ACCOUNT DISBURSEMENTS				
CHECK NUMBER	DATE	PAYEE	PURPOSE	AMOUNT
TOTAL BANK ACCOUNT DISBURSEMENTS				\$0.00

TOTAL DISBURSEMENTS FOR THE MONTH				\$0.00
--	--	--	--	---------------

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 2

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc.

BANK RECONCILIATIONS	Account #1(*)	Account #2(*)	Account #3	
A. BANK	Lakeside National	American National	City Bank	
B. ACCOUNT NUMBER:	xxx2190	xxx5589	xxx8308	
C. PURPOSE (TYPE):	Checking	Reserve	DIP	
1. BALANCE PER BANK STATEMENT	\$593.13	\$3,665.98	\$500.00	
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0.00	\$0.00	\$0.00	
3. SUBTRACT: OUTSTANDING CHECKS	\$0.00	\$0.00	\$0.00	
4. OTHER RECONCILING ITEMS	\$0.00	\$0.00	\$0.00	
5. MONTH END BALANCE PER BOOKS	\$593.13	\$3,665.98	\$500.00	

BANK RECONCILIATIONS				
A. BANK				
B. ACCOUNT NUMBER:				
C. PURPOSE (TYPE):				
1. BALANCE PER BANK STATEMENT				
2. ADD: TOTAL DEPOSITS NOT CREDITED				
3. SUBTRACT: OUTSTANDING CHECKS				
4. OTHER RECONCILING ITEMS				
5. MONTH END BALANCE PER BOOKS				

(*) Accounts subject to proposed exercise of setoff rights.

				TOTAL
BALANCE PER BANK STATEMENT				\$4,759.11
ADD: TOTAL DEPOSITS NOT CREDITED				\$0.00
SUBTRACT: OUTSTANDING CHECKS				\$0.00
OTHER RECONCILING ITEMS				\$0.00
MONTH END BALANCE PER BOOKS				\$4,759.11

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT		CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS				\$0.00

CASH	
12. CURRENCY ON HAND	\$0.00
13. TOTAL CASH - END OF MONTH	\$4,759.11

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 3

ASSETS OF THE ESTATE

SCHEDULE A / REAL PROPERTY	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		Oct 2010	Nov 2010	Dec 2010
1. SEE ATTACHED LIST	\$10,272,600.00	\$10,272,600.00	\$10,272,600.00	\$10,272,600.00
2.				
3.				
4. TOTAL REAL PROPERTY ASSETS	\$10,272,600.00	\$10,272,600.00	\$10,272,600.00	\$10,272,600.00
5.				
SCHEDULE B / PERSONAL PROPERTY				
1. CASH ON HAND	\$0.00	\$0.00	\$0.00	\$0.00
2. CHECKING, SAVINGS, ETC. (*)	\$20,451.31	\$8,434.30	\$4,259.11	\$4,759.11
3. SECURITY DEPOSITS	\$650.00	\$650.00	\$650.00	\$650.00
4. HOUSEHOLD GOODS	\$0.00	\$0.00	\$0.00	\$0.00
5. BOOKS, PICTURES, ART	\$0.00	\$0.00	\$0.00	\$0.00
6. WEARING APPAREL	\$0.00	\$0.00	\$0.00	\$0.00
7. FURS & JEWELRY	\$0.00	\$0.00	\$0.00	\$0.00
8. FIREARMS & SPORTS EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
9. INSURANCE POLICIES	\$0.00	\$0.00	\$0.00	\$0.00
10. ANNUITIES	\$0.00	\$0.00	\$0.00	\$0.00
11. RETIREMENT & PROFIT SHARING	\$0.00	\$0.00	\$0.00	\$0.00
12. STOCKS	\$0.00	\$0.00	\$0.00	\$0.00
13. PARTNERSHIPS & JOINT VENTURES	\$0.00	\$0.00	\$0.00	\$0.00
14. GOVERNMENT & CORPORATE BONDS	\$0.00	\$0.00	\$0.00	\$0.00
15. ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	\$0.00
16. ALIMONY	\$0.00	\$0.00	\$0.00	\$0.00
17. OTHER LIQUIDATED DEBTS	\$0.00	\$0.00	\$0.00	\$0.00
18. EQUITABLE INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
19. CONTINGENT INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
20. OTHER CLAIMS	\$0.00	\$0.00	\$0.00	\$0.00
21. PATENTS & COPYRIGHTS	\$0.00	\$0.00	\$0.00	\$0.00
22. LICENSES & FRANCHISES	\$0.00	\$0.00	\$0.00	\$0.00
23. AUTOS, TRUCKS & OTHER VEHICLES	\$0.00	\$0.00	\$0.00	\$0.00
24. BOATS & MOTORS	\$0.00	\$0.00	\$0.00	\$0.00
25. AIRCRAFT	\$0.00	\$0.00	\$0.00	\$0.00
26. OFFICE EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
27. MACHINERY, FIXTURES & EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
28. INVENTORY	\$0.00	\$0.00	\$0.00	\$0.00
29. ANIMALS	\$0.00	\$0.00	\$0.00	\$0.00
30. CROPS	\$0.00	\$0.00	\$0.00	\$0.00
31. FARMING EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
32. FARM SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00
33. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
34. TOTAL PERSONAL PROPERTY ASSETS	\$21,101.31	\$9,084.30	\$4,909.11	\$5,409.11
35. TOTAL ASSETS	\$10,293,701.31	\$10,281,684.30	\$10,277,509.11	\$10,278,009.11

(*) This amount, is subject to exercise of proposed setoff rights by various banks.

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 3 Exhibit

ASSETS OF THE ESTATE	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
SCHEDULE A / REAL PROPERTY		Oct 2010	Nov 2010	Dec 2010
7 Single Family Lots, Chisholm Crossing / Rockwall, TX	\$ 444,600.00	\$ 444,600.00	\$ 444,600.00	\$ 444,600.00
295 I-30 / Rockwall, TX	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00
240 Acres Uundeveloped, Hidden Creek Estates, Royce City, TX	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00
174 Acres Undeveloped, Chisolm Crossing PH 4 / Rockwall, TX	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00
15.9 Acres Commercial, McClendon / Chisholm, TX	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00
5702 Southern Cross, Rental House / Rockwall, TX	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Single Family Lot / Heath, TX	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Single Family Lot, Chisholm Crossing / Rockwall, TX	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00
7 Single Family Lots, Hiden Creek Estates/ Royce, TX	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00
18.2 Acres, McClendon / Chisholm, TX	\$ 850,000.00	\$ 850,000.00	\$ 850,000.00	\$ 850,000.00
Parking Lot and Pad, Harbor / Rockwall, TX	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00
20 Acres Multi-Family or Commercial / Royce City, TX	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
24 Acres, 549 Industrial / Rockwall County, TX	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00
TOTAL REAL PROPERTY ASSETS	\$ 10,272,600.00	\$ 10,272,600.00	\$ 10,272,600.00	\$ 10,272,600.00

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 4

LIABILITIES OF THE ESTATE

PRE-PETITION LIABILITIES	SCHEDULED AMOUNT	PAYMENTS
1. SECURED	\$46,281,975.58	\$0.00
2. PRIORITY	\$0.00	\$0.00
3. UNSECURED	\$11,839,159.73	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00
5. TOTAL PRE-PETITION LIABILITIES	\$58,121,135.31	\$0.00

POST-PETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES		\$0.00		\$0.00
2. FICA/MEDICARE		\$0.00		\$0.00
3. STATE TAXES		\$0.00		\$0.00
4. REAL ESTATE TAXES		\$0.00		\$0.00
5. OTHER TAXES (ATTACH LIST)		\$0.00		\$0.00
6. TOTAL TAXES		\$0.00		\$0.00

OTHER POST-PETITION LIABILITIES:				
7. NONE				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL, ATTACH LIST)				
30. TOTAL OF LINES 7-29				
31. TOTAL POST-PETITION LIABILITIES			\$0.00	\$0.00

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 4A

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		OCT 2010	NOV 2010	DEC 2010
1. 0-30	\$0.00	\$0.00	\$0.00	\$0.00
2. 31-60	\$0.00	\$0.00	\$0.00	\$0.00
3. 61-90	\$0.00	\$0.00	\$0.00	\$0.00
4. 91+	\$0.00	\$0.00	\$0.00	\$0.00
5. TOTAL ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	\$0.00
6. AMOUNT CONSIDERED UNCOLLECTIBLE				
7. ACCOUNTS RECEIVABLE (NET)	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF POST-PETITION TAXES AND PAYABLES					
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. STATE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. LOCAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. TOTAL TAXES PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. ACCOUNTS PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

STATUS OF POSTPETITION TAXES				
	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD & OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING**	\$0.00	\$0.00	\$0.00	\$0.00
2. FICA / EMPLOYEE**	\$0.00	\$0.00	\$0.00	\$0.00
3. FICA / EMPLOYER**	\$0.00	\$0.00	\$0.00	\$0.00
4. UNEMPLOYMENT	\$0.00	\$0.00	\$0.00	\$0.00
5. INCOME	\$0.00	\$0.00	\$0.00	\$0.00
6. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
7. TOTAL FEDERAL TAXES	\$0.00	\$0.00	\$0.00	\$0.00
STATE AND LOCAL				
8. WITHHOLDING	\$0.00	\$0.00	\$0.00	\$0.00
9. SALES	\$0.00	\$0.00	\$0.00	\$0.00
10. EXCISE	\$0.00	\$0.00	\$0.00	\$0.00
11. UNEMPLOYMENT	\$0.00	\$0.00	\$0.00	\$0.00
12. REAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
13. PERSONAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
14. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
15. TOTAL STATE & LOCAL	\$0.00	\$0.00	\$0.00	\$0.00
16. TOTAL TAXES	\$0.00	\$0.00	\$0.00	\$0.00

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.
 ** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 5

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101(31)(A)-(F) OF THE US BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.			
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		\$0.00	\$0.00

PROFESSIONALS					
NAME	DATE OF PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1. WRIGHT GINSBURG BRUSILOW	See MOR 10-37084 / Whittle Development, Inc.				
2.					
3.					
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS		\$0.00	\$0.00	\$0.00	\$0.00

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE, AND ADEQUATE PROTECTION PAYMENTS			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1.			
2.			
3.			
4.			
5.			
6. TOTAL			

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 6

QUESTIONNAIRE

		YES	NO
1.	HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2.	HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3.	ARE ANY POST-PETITION RECEIVABLES DUE FROM RELATED PARTIES?		X
4.	HAVE ANY PAYMENTS BEEN MADE ON PRE-PETITION LIABILITIES THIS REPORTING PERIOD?		X
5.	HAVE ANY POST-PETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6.	ARE ANY POST-PETITION PAYROLL TAXES PAST DUE?		X
7.	ARE ANY POST-PETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8.	ARE ANY POST-PETITION REAL ESTATE TAXES PAST DUE?		X
9.	ARE ANY OTHER POST-PETITION TAXES PAST DUE?		X
10.	ARE ANY AMOUNTS OWED TO POST-PETITION CREDITORS DELINQUENT?		X
11.	HAVE ANY PRE-PETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12.	ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY

INSURANCE

		YES	NO
1.	ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2.	ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3.	PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Property & GL	Sirius International Ins Corp	Nov 2010 thru Nov 2011	\$1,745.03 / month
** POLICY INSURES PROPERTY OF WHITTLE DEVELOPMENT ALSO / SEE CASE NO. 10-37084 **			

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085
JUDGE: HONORABLE HARLIN D. HALE

CASH BASIS

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

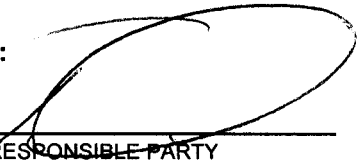
DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: March 31, 2011

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE, DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:


ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

President
TITLE

Robert S. Whittle
PRINTED NAME OF RESPONSIBLE PARTY

4/21/2011
DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

TITLE

PRINTED NAME OF PREPARER

DATE

CASE NAME: Mariah Bay Development, Inc.		CASH BASIS - 1			
CASE NUMBER: 10-37085					
CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER	
	Jan-11	Feb-11	Mar-11	TOTAL	
1. CASH - BEGINNING OF MONTH	\$4,759.11	\$5,028.13	\$5,482.65	\$4,759.11	
RECEIPTS					
2. CASH SALES	\$0.00	\$0.00	\$0.00	\$0.00	
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
4. LOANS & ADVANCES	\$0.00	\$0.00	\$0.00	\$0.00	
5. SALE OF ASSETS	\$0.00	\$0.00	\$0.00	\$0.00	
6. LEASE & RENTAL INCOME	\$1,000.00	\$500.00	\$500.00	\$2,000.00	
7. WAGES	\$0.00	\$0.00	\$0.00	\$0.00	
8. OTHER INCOME	\$0.00	\$0.00	\$0.00	\$0.00	
9. TOTAL RECEIPTS	\$1,000.00	\$500.00	\$500.00	\$2,000.00	
DISBURSEMENTS					
10. NET PAYROLL	\$0.00	\$0.00	\$0.00	\$0.00	
11. PAYROLL TAXES PAID	\$0.00	\$0.00	\$0.00	\$0.00	
12. SALES, USE & OTHER TAXES PAID	\$0.00	\$0.00	\$0.00	\$0.00	
13. INVENTORY PURCHASES	\$0.00	\$0.00	\$0.00	\$0.00	
14. MORTGAGE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
15. OTHER SECURED NOTE PAYMENTS (*)	\$0.00	\$0.00	\$0.00	\$0.00	
16. RENTAL & LEASE PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	
17. UTILITIES	\$0.00	\$0.00	\$0.00	\$0.00	
18. INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	
19. VEHICLE EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
20. TRAVEL	\$0.00	\$0.00	\$0.00	\$0.00	
21. ENTERTAINMENT	\$0.00	\$0.00	\$0.00	\$0.00	
22. REPAIRS & MAINTENANCE	\$0.00	\$0.00	\$61.41	\$61.41	
23. SUPPLIES	\$80.98	\$45.48	\$0.00	\$126.46	
24. ADVERTISING	\$0.00	\$0.00	\$0.00	\$0.00	
25. HOUSEHOLD EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
26. CHARITABLE CONTRIBUTIONS	\$0.00	\$0.00	\$0.00	\$0.00	
27. GIFTS	\$0.00	\$0.00	\$0.00	\$0.00	
28. OTHER - (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	
29. TOTAL ORDINARY DISBURSEMENTS	\$80.98	\$45.48	\$61.41	\$187.87	
REORGANIZATION EXPENSES					
30. PROFESSIONAL FEES	\$0.00	\$0.00	\$0.00	\$0.00	
31. U.S. TRUSTEE FEES	\$650.00	\$0.00	\$0.00	\$650.00	
32. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	
33. TOTAL REORGANIZATION EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	
34. TOTAL DISBURSEMENTS	\$730.98	\$45.48	\$61.41	\$837.87	
35. NET CASH FLOW	\$269.02	\$454.52	\$438.59	\$1,162.13	
36. CASH - END OF MONTH	\$5,028.13	\$5,482.65	\$5,921.24	\$5,921.24	

(*) Exercise of setoff rights.

CASE NAME: Mariah Bay Development, Inc.

CASE NUMBER: 10-37085

CASH BASIS - 1A

CASH DIBURSEMENTS DETAIL
(ATTACH ADDITIONAL SHEETS IF NECESSARY)

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
TOTAL CASH DISBURSEMENTS				\$0.00

BANK ACCOUNT DISBURSEMENTS				
CHECK NUMBER	DATE	PAYEE	PURPOSE	AMOUNT
NONE				
TOTAL BANK ACCOUNT DISBURSEMENTS				\$0.00

TOTAL DISBURSEMENTS FOR THE MONTH **\$0.00**

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 2

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc.

BANK RECONCILIATIONS	Account #1(*)	Account #2(*)	Account #3	
A. BANK	Lakeside National	American National	City Bank	
B. ACCOUNT NUMBER:	xxx2190	xxx5589	xxx8308	
C. PURPOSE (TYPE):	Checking	Reserve	DIP	TOTAL
1. BALANCE PER BANK STATEMENT	\$593.13	\$3,665.98	\$1,723.54	\$5,982.65
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0.00	\$0.00	\$0.00	\$0.00
3. SUBTRACT: OUTSTANDING CHECKS	\$0.00	\$0.00	\$61.41	\$61.41
4. OTHER RECONCILING ITEMS	\$0.00	\$0.00	\$0.00	\$0.00
5. MONTH END BALANCE PER BOOKS	\$593.13	\$3,665.98	\$1,662.13	\$5,921.24

(*) Accounts subject to proposed exercise of setoff rights.

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT		CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS				\$0.00

CASH	
12. CURRENCY ON HAND	\$0.00
13. TOTAL CASH - END OF MONTH	\$5,921.24

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 3

ASSETS OF THE ESTATE

SCHEDULE A / REAL PROPERTY	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		Jan 2011	Feb 2011	March 2011
1. SEE ATTACHED LIST	\$10,272,600.00	\$10,272,600.00	\$10,272,600.00	\$10,272,600.00
2.				
3.				
4. TOTAL REAL PROPERTY ASSETS	\$10,272,600.00	\$10,272,600.00	\$10,272,600.00	\$10,272,600.00
5.				
SCHEDULE B / PERSONAL PROPERTY				
1. CASH ON HAND	\$0.00	\$0.00	\$0.00	\$0.00
2. CHECKING, SAVINGS, ETC.(*)	\$20,451.31	\$5,028.13	\$5,482.65	\$5,921.24
3. SECURITY DEPOSITS	\$650.00	\$650.00	\$650.00	\$650.00
4. HOUSEHOLD GOODS	\$0.00	\$0.00	\$0.00	\$0.00
5. BOOKS, PICTURES, ART	\$0.00	\$0.00	\$0.00	\$0.00
6. WEARING APPAREL	\$0.00	\$0.00	\$0.00	\$0.00
7. FURS & JEWELRY	\$0.00	\$0.00	\$0.00	\$0.00
8. FIREARMS & SPORTS EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
9. INSURANCE POLICIES	\$0.00	\$0.00	\$0.00	\$0.00
10. ANNUITIES	\$0.00	\$0.00	\$0.00	\$0.00
11. RETIREMENT & PROFIT SHARING	\$0.00	\$0.00	\$0.00	\$0.00
12. STOCKS	\$0.00	\$0.00	\$0.00	\$0.00
13. PARTNERSHIPS & JOINT VENTURES	\$0.00	\$0.00	\$0.00	\$0.00
14. GOVERNMENT & CORPORATE BONDS	\$0.00	\$0.00	\$0.00	\$0.00
15. ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	\$0.00
16. ALIMONY	\$0.00	\$0.00	\$0.00	\$0.00
17. OTHER LIQUIDATED DEBTS	\$0.00	\$0.00	\$0.00	\$0.00
18. EQUITABLE INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
19. CONTINGENT INTERESTS	\$0.00	\$0.00	\$0.00	\$0.00
20. OTHER CLAIMS	\$0.00	\$0.00	\$0.00	\$0.00
21. PATENTS & COPYRIGHTS	\$0.00	\$0.00	\$0.00	\$0.00
22. LICENSES & FRANCHISES	\$0.00	\$0.00	\$0.00	\$0.00
23. AUTOS, TRUCKS & OTHER VEHICLES	\$0.00	\$0.00	\$0.00	\$0.00
24. BOATS & MOTORS	\$0.00	\$0.00	\$0.00	\$0.00
25. AIRCRAFT	\$0.00	\$0.00	\$0.00	\$0.00
26. OFFICE EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
27. MACHINERY, FIXTURES & EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
28. INVENTORY	\$0.00	\$0.00	\$0.00	\$0.00
29. ANIMALS	\$0.00	\$0.00	\$0.00	\$0.00
30. CROPS	\$0.00	\$0.00	\$0.00	\$0.00
31. FARMING EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00
32. FARM SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00
33. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
34. TOTAL PERSONAL PROPERTY ASSETS	\$21,101.31	\$5,678.13	\$6,132.65	\$6,571.24
35. TOTAL ASSETS	\$10,293,701.31	\$10,278,278.13	\$10,278,732.65	\$10,279,171.24

(*) This amount, is subject to exercise of proposed setoff rights by various banks.

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 3 Exhibit

ASSETS OF THE ESTATE	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
SCHEDULE A / REAL PROPERTY		Jan 2011	Feb 2011	March 2011
7 Single Family Lots, Chisholm Crossing / Rockwall, TX	\$ 444,600.00	\$ 444,600.00	\$ 444,600.00	\$ 444,600.00
295 I-30 / Rockwall, TX	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00
240 Acres Uundeveloped, Hidden Creek Estates, Royce City, TX	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00
174 Acres Undeveloped, Chisolm Crossing PH 4 / Rockwall, TX	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00
15.9 Acres Commercial, McClendon / Chisholm, TX (*)	\$ 1,200,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
5702 Southern Cross, Rental House / Rockwall, TX	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Single Family Lot / Heath, TX	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Single Family Lot, Chisholm Crossing / Rockwall, TX	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00
7 Single Family Lots, Hiden Creek Estates/ Royce, TX	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00
18.2 Acres, McClendon / Chisholm, TX	\$ 850,000.00	\$ 850,000.00	\$ 850,000.00	\$ 850,000.00
Parking Lot and Pad, Harbor / Rockwall, TX	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00
20 Acres Multi-Family or Commercial / Royce City, TX	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
24 Acres, 549 Industrial / Rockwall County, TX (**)	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ -
TOTAL REAL PROPERTY ASSETS	\$ 10,272,600.00	\$ 10,072,600.00	\$ 10,072,600.00	\$ 8,972,600.00

(*) 2 acres sold Nov 2010

(**) Property sold March 2011

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 4

LIABILITIES OF THE ESTATE

PRE-PETITION LIABILITIES	SCHEDULED AMOUNT	PAYMENTS
1. SECURED	\$46,281,975.58	\$0.00
2. PRIORITY	\$0.00	\$0.00
3. UNSECURED	\$11,839,159.73	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00
5. TOTAL PRE-PETITION LIABILITIES	\$58,121,135.31	\$0.00

POST-PETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES		\$0.00		\$0.00
2. FICA/MEDICARE		\$0.00		\$0.00
3. STATE TAXES		\$0.00		\$0.00
4. REAL ESTATE TAXES		\$0.00		\$0.00
5. OTHER TAXES (ATTACH LIST)		\$0.00		\$0.00
6. TOTAL TAXES		\$0.00		\$0.00

OTHER POST-PETITION LIABILITIES:				
7. NONE				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL, ATTACH LIST)				
30. TOTAL OF LINES 7-29				
31. TOTAL POST-PETITION LIABILITIES			\$0.00	\$0.00

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 4A

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		JAN 2011	FEB 2011	MAR 2011
1. 0-30	\$0.00	\$0.00	\$0.00	\$0.00
2. 31-60	\$0.00	\$0.00	\$0.00	\$0.00
3. 61-90	\$0.00	\$0.00	\$0.00	\$0.00
4. 91+	\$0.00	\$0.00	\$0.00	\$0.00
5. TOTAL ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	\$0.00
6. AMOUNT CONSIDERED UNCOLLECTIBLE	\$0.00	\$0.00	\$0.00	\$0.00
7. ACCOUNTS RECEIVABLE (NET)	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF POST-PETITION TAXES AND PAYABLES					
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. STATE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. LOCAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. TOTAL TAXES PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. ACCOUNTS PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

STATUS OF POSTPETITION TAXES				
	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD & OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING**	\$0.00	\$0.00	\$0.00	\$0.00
2. FICA / EMPLOYEE**	\$0.00	\$0.00	\$0.00	\$0.00
3. FICA / EMPLOYER**	\$0.00	\$0.00	\$0.00	\$0.00
4. UNEMPLOYMENT	\$0.00	\$0.00	\$0.00	\$0.00
5. INCOME	\$0.00	\$0.00	\$0.00	\$0.00
6. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
7. TOTAL FEDERAL TAXES	\$0.00	\$0.00	\$0.00	\$0.00
STATE AND LOCAL				
8. WITHHOLDING	\$0.00	\$0.00	\$0.00	\$0.00
9. SALES	\$0.00	\$0.00	\$0.00	\$0.00
10. EXCISE	\$0.00	\$0.00	\$0.00	\$0.00
11. UNEMPLOYMENT	\$0.00	\$0.00	\$0.00	\$0.00
12. REAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
13. PERSONAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
14. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
15. TOTAL STATE & LOCAL	\$0.00	\$0.00	\$0.00	\$0.00
16. TOTAL TAXES	\$0.00	\$0.00	\$0.00	\$0.00

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.
 ** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 5

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101(31)(A)-(F) OF THE US BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.			
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		\$0.00	\$0.00

PROFESSIONALS					
NAME	DATE OF PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1. WRIGHT GINSBURG BRUSILOW	See MOR 10-37084 / Whittle Development, Inc.				
2.					
3.					
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS		\$0.00	\$0.00	\$0.00	\$0.00

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE, AND ADEQUATE PROTECTION PAYMENTS			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1.			
2.			
3.			
4.			
5.			
6. TOTAL			

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 6

QUESTIONNAIRE

		YES	NO
1.	HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2.	HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3.	ARE ANY POST-PETITION RECEIVABLES DUE FROM RELATED PARTIES?		X
4.	HAVE ANY PAYMENTS BEEN MADE ON PRE-PETITION LIABILITIES THIS REPORTING PERIOD?		X
5.	HAVE ANY POST-PETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6.	ARE ANY POST-PETITION PAYROLL TAXES PAST DUE?		X
7.	ARE ANY POST-PETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8.	ARE ANY POST-PETITION REAL ESTATE TAXES PAST DUE?		X
9.	ARE ANY OTHER POST-PETITION TAXES PAST DUE?		X
10.	ARE ANY AMOUNTS OWED TO POST-PETITION CREDITORS DELINQUENT?		X
11.	HAVE ANY PRE-PETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12.	ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY

INSURANCE

		YES	NO
1.	ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2.	ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3.	PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Property & GL	Sirius International Ins Corp	Nov 2010 thru Nov 2011	\$1,745.03 / month
** POLICY INSURES PROPERTY OF WHITTLE DEVELOPMENT ALSO / SEE CASE NO. 10-37084 **			

CASE NAME: Mariah Bay Development, Inc.

CASH BASIS

CASE NUMBER: 10-37085

JUDGE: HONORABLE HARLIN D. HALE

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: May 31, 2011

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE, DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:


ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

President

TITLE

Robert S. Whittle

PRINTED NAME OF RESPONSIBLE PARTY

6/21/2011

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

TITLE

PRINTED NAME OF PREPARER

DATE

CASE NAME: Mariah Bay Development, Inc.		CASH BASIS - 1			
CASE NUMBER: 10-37085					
CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER	
	Apr-11	May-11		TOTAL	
1. CASH - BEGINNING OF MONTH	\$5,921.24	\$5,696.24		\$5,921.24	
RECEIPTS					
2. CASH SALES	\$0.00	\$0.00		\$0.00	
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$0.00	\$0.00		\$0.00	
4. LOANS & ADVANCES	\$0.00	\$0.00		\$0.00	
5. SALE OF ASSETS	\$0.00	\$0.00		\$0.00	
6. LEASE & RENTAL INCOME	\$0.00	\$1,000.00		\$1,000.00	
7. WAGES	\$0.00	\$0.00		\$0.00	
8. OTHER INCOME / EARNEST MONEY	\$100.00	\$0.00		\$100.00	
9. TOTAL RECEIPTS	\$100.00	\$1,000.00		\$1,100.00	
DISBURSEMENTS					
10. NET PAYROLL	\$0.00	\$0.00		\$0.00	
11. PAYROLL TAXES PAID	\$0.00	\$0.00		\$0.00	
12. SALES, USE & OTHER TAXES PAID	\$0.00	\$0.00		\$0.00	
13. INVENTORY PURCHASES	\$0.00	\$0.00		\$0.00	
14. MORTGAGE PAYMENTS	\$0.00	\$0.00		\$0.00	
15. OTHER SECURED NOTE PAYMENTS (*)	\$0.00	\$0.00		\$0.00	
16. RENTAL & LEASE PAYMENTS	\$0.00	\$0.00		\$0.00	
17. UTILITIES	\$0.00	\$0.00		\$0.00	
18. INSURANCE	\$0.00	\$0.00		\$0.00	
19. VEHICLE EXPENSES	\$0.00	\$0.00		\$0.00	
20. TRAVEL	\$0.00	\$0.00		\$0.00	
21. ENTERTAINMENT	\$0.00	\$0.00		\$0.00	
22. REPAIRS & MAINTENANCE	\$0.00	\$0.00		\$0.00	
23. SUPPLIES	\$0.00	\$0.00		\$0.00	
24. ADVERTISING	\$0.00	\$0.00		\$0.00	
25. HOUSEHOLD EXPENSES	\$0.00	\$0.00		\$0.00	
26. CHARITABLE CONTRIBUTIONS	\$0.00	\$0.00		\$0.00	
27. GIFTS	\$0.00	\$0.00		\$0.00	
28. OTHER - (ATTACH LIST)	\$0.00	\$0.00		\$0.00	
29. TOTAL ORDINARY DISBURSEMENTS	\$0.00	\$0.00		\$0.00	
REORGANIZATION EXPENSES					
30. PROFESSIONAL FEES	\$0.00	\$0.00		\$0.00	
31. U.S. TRUSTEE FEES	\$325.00	\$0.00		\$325.00	
32. OTHER (ATTACH LIST)	\$0.00	\$0.00		\$0.00	
33. TOTAL REORGANIZATION EXPENSES	\$0.00	\$0.00		\$0.00	
34. TOTAL DISBURSEMENTS	\$325.00	\$0.00		\$325.00	
35. NET CASH FLOW	(\$225.00)	\$1,000.00		\$775.00	
36. CASH - END OF MONTH	\$5,696.24	\$6,696.24		\$6,696.24	

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 1A

CASH DISBURSEMENTS DETAIL
(ATTACH ADDITIONAL SHEETS IF NECESSARY)

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
TOTAL CASH DISBURSEMENTS				\$0.00

BANK ACCOUNT DISBURSEMENTS				
CHECK NUMBER	DATE	PAYEE	PURPOSE	AMOUNT
NONE				
TOTAL BANK ACCOUNT DISBURSEMENTS				\$0.00
TOTAL DISBURSEMENTS FOR THE MONTH				\$0.00

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 2

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc.

BANK RECONCILIATIONS	Account #1(*)	Account #2(*)	Account #3	
A. BANK	Lakeside National	American National	City Bank	
B. ACCOUNT NUMBER:	xxx2190	xxx5589	xxx8308	
C. PURPOSE (TYPE):	Checking	Reserve	DIP	TOTAL
1. BALANCE PER BANK STATEMENT	\$593.13	\$3,665.98	\$1,437.13	\$5,696.24
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0.00	\$0.00	\$1,000.00	\$1,000.00
3. SUBTRACT: OUTSTANDING CHECKS	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER RECONCILING ITEMS	\$0.00	\$0.00	\$0.00	\$0.00
5. MONTH END BALANCE PER BOOKS	\$593.13	\$3,665.98	\$2,437.13	\$6,696.24

(*) Accounts subject to proposed exercise of setoff rights.

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT		CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS				\$0.00

CASH	
12. CURRENCY ON HAND	\$0.00
13. TOTAL CASH - END OF MONTH	\$6,696.24

CASE NAME: Mariah Bay Development, Inc.

CASH BASIS - 3

CASE NUMBER: 10-37085

ASSETS OF THE ESTATE

SCHEDULE A / REAL PROPERTY	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		Apr 2011	May 2011	
1. SEE ATTACHED LIST	\$10,272,600.00	\$8,972,600.00	\$8,972,600.00	
2.				
3.				
4. TOTAL REAL PROPERTY ASSETS	\$10,272,600.00	\$8,972,600.00	\$8,972,600.00	
5.				
SCHEDULE B / PERSONAL PROPERTY				
1. CASH ON HAND	\$0.00	\$0.00	\$0.00	
2. CHECKING, SAVINGS, ETC.(*)	\$20,451.31	\$6,021.24	\$6,696.24	
3. SECURITY DEPOSITS	\$650.00	\$650.00	\$650.00	
4. HOUSEHOLD GOODS	\$0.00	\$0.00	\$0.00	
5. BOOKS, PICTURES, ART	\$0.00	\$0.00	\$0.00	
6. WEARING APPAREL	\$0.00	\$0.00	\$0.00	
7. FURS & JEWELRY	\$0.00	\$0.00	\$0.00	
8. FIREARMS & SPORTS EQUIPMENT	\$0.00	\$0.00	\$0.00	
9. INSURANCE POLICIES	\$0.00	\$0.00	\$0.00	
10. ANNUITIES	\$0.00	\$0.00	\$0.00	
11. RETIREMENT & PROFIT SHARING	\$0.00	\$0.00	\$0.00	
12. STOCKS	\$0.00	\$0.00	\$0.00	
13. PARTNERSHIPS & JOINT VENTURES	\$0.00	\$0.00	\$0.00	
14. GOVERNMENT & CORPORATE BONDS	\$0.00	\$0.00	\$0.00	
15. ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	
16. ALIMONY	\$0.00	\$0.00	\$0.00	
17. OTHER LIQUIDATED DEBTS	\$0.00	\$0.00	\$0.00	
18. EQUITABLE INTERESTS	\$0.00	\$0.00	\$0.00	
19. CONTINGENT INTERESTS	\$0.00	\$0.00	\$0.00	
20. OTHER CLAIMS	\$0.00	\$0.00	\$0.00	
21. PATENTS & COPYRIGHTS	\$0.00	\$0.00	\$0.00	
22. LICENSES & FRANCHISES	\$0.00	\$0.00	\$0.00	
23. AUTOS, TRUCKS & OTHER VEHICLES	\$0.00	\$0.00	\$0.00	
24. BOATS & MOTORS	\$0.00	\$0.00	\$0.00	
25. AIRCRAFT	\$0.00	\$0.00	\$0.00	
26. OFFICE EQUIPMENT	\$0.00	\$0.00	\$0.00	
27. MACHINERY, FIXTURES & EQUIPMENT	\$0.00	\$0.00	\$0.00	
28. INVENTORY	\$0.00	\$0.00	\$0.00	
29. ANIMALS	\$0.00	\$0.00	\$0.00	
30. CROPS	\$0.00	\$0.00	\$0.00	
31. FARMING EQUIPMENT	\$0.00	\$0.00	\$0.00	
32. FARM SUPPLIES	\$0.00	\$0.00	\$0.00	
33. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	
34. TOTAL PERSONAL PROPERTY ASSETS	\$21,101.31	\$6,671.24	\$7,346.24	
35. TOTAL ASSETS	\$10,293,701.31	\$8,979,271.24	\$8,979,946.24	

(*) This amount, is subject to exercise of proposed setoff rights by various banks.

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 3 Exhibit

ASSETS OF THE ESTATE	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
SCHEDULE A / REAL PROPERTY		April 2011	May 2011	
7 Single Family Lots, Chisholm Crossing / Rockwall, TX	\$ 444,600.00	\$ 444,600.00	\$ 444,600.00	
295 I-30 / Rockwall, TX	\$ 700,000.00	\$ 700,000.00	\$ 700,000.00	
240 Acres Undeveloped, Hidden Creek Estates, Royce City, TX	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00	
174 Acres Undeveloped, Chisolm Crossing PH 4 / Rockwall, TX	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	
15.9 Acres Commercial, McClendon / Chisholm, TX (*)	\$ 1,200,000.00	\$ 1,000,000.00	\$ 1,000,000.00	
5702 Southern Cross, Rental House / Rockwall, TX	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	
Single Family Lot / Heath, TX	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	
Single Family Lot, Chisholm Crossing / Rockwall, TX	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00	
7 Single Family Lots, Hiden Creek Estates/ Royce, TX	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	
18.2 Acres, McClendon / Chisholm, TX	\$ 850,000.00	\$ 850,000.00	\$ 850,000.00	
Parking Lot and Pad, Harbor / Rockwall, TX	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	
20 Acres Multi-Family or Commercial / Royce City, TX	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	
24 Acres, 549 Industrial / Rockwall County, TX (**)	\$ 1,100,000.00	\$ -	\$ -	
TOTAL REAL PROPERTY ASSETS	\$ 10,272,600.00	\$ 8,972,600.00	\$ 8,972,600.00	

(*) 2 acres sold Nov 2010

(**) Property sold March 2011

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 4

LIABILITIES OF THE ESTATE		
PRE-PETITION LIABILITIES	SCHEDULED AMOUNT	PAYMENTS
1. SECURED	\$46,281,975.58	\$0.00
2. PRIORITY	\$0.00	\$0.00
3. UNSECURED	\$11,839,159.73	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00
5. TOTAL PRE-PETITION LIABILITIES	\$58,121,135.31	\$0.00

POST-PETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES		\$0.00		\$0.00
2. FICA/MEDICARE		\$0.00		\$0.00
3. STATE TAXES		\$0.00		\$0.00
4. REAL ESTATE TAXES		\$0.00		\$0.00
5. OTHER TAXES (ATTACH LIST)		\$0.00		\$0.00
6. TOTAL TAXES		\$0.00		\$0.00

OTHER POST-PETITION LIABILITIES:				
7. NONE				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL, ATTACH LIST)				
30. TOTAL OF LINES 7-29				
31. TOTAL POST-PETITION LIABILITIES			\$0.00	\$0.00

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 4A

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		APR 2011	May 2011	
1. 0-30	\$0.00	\$0.00	\$0.00	
2. 31-60	\$0.00	\$0.00	\$0.00	
3. 61-90	\$0.00	\$0.00	\$0.00	
4. 91+	\$0.00	\$0.00	\$0.00	
5. TOTAL ACCOUNTS RECEIVABLE	\$0.00	\$0.00	\$0.00	
6. AMOUNT CONSIDERED UNCOLLECTIBLE	\$0.00	\$0.00	\$0.00	
7. ACCOUNTS RECEIVABLE (NET)	\$0.00	\$0.00	\$0.00	

AGING OF POST-PETITION TAXES AND PAYABLES					
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. STATE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. LOCAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. TOTAL TAXES PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. ACCOUNTS PAYABLE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

STATUS OF POSTPETITION TAXES				
	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD & OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING**	\$0.00	\$0.00	\$0.00	\$0.00
2. FICA / EMPLOYEE**	\$0.00	\$0.00	\$0.00	\$0.00
3. FICA / EMPLOYER**	\$0.00	\$0.00	\$0.00	\$0.00
4. UNEMPLOYMENT	\$0.00	\$0.00	\$0.00	\$0.00
5. INCOME	\$0.00	\$0.00	\$0.00	\$0.00
6. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
7. TOTAL FEDERAL TAXES	\$0.00	\$0.00	\$0.00	\$0.00
STATE AND LOCAL				
8. WITHHOLDING	\$0.00	\$0.00	\$0.00	\$0.00
9. SALES	\$0.00	\$0.00	\$0.00	\$0.00
10. EXCISE	\$0.00	\$0.00	\$0.00	\$0.00
11. UNEMPLOYMENT	\$0.00	\$0.00	\$0.00	\$0.00
12. REAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
13. PERSONAL PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
14. OTHER (ATTACH LIST)	\$0.00	\$0.00	\$0.00	\$0.00
15. TOTAL STATE & LOCAL	\$0.00	\$0.00	\$0.00	\$0.00
16. TOTAL TAXES	\$0.00	\$0.00	\$0.00	\$0.00

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.
 ** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 5

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101(31)(A)-(F) OF THE US BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.			
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		\$0.00	\$0.00

PROFESSIONALS					
NAME	DATE OF PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1. WRIGHT GINSBURG BRUSILOW	See MOR 10-37084 / Whittle Development, Inc.				
2.					
3.					
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS		\$0.00	\$0.00	\$0.00	\$0.00

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE, AND ADEQUATE PROTECTION PAYMENTS			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1.			
2.			
3.			
4.			
5.			
6. TOTAL			

CASE NAME: Mariah Bay Development, Inc.
CASE NUMBER: 10-37085

CASH BASIS - 6

QUESTIONNAIRE

		YES	NO
1.	HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2.	HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3.	ARE ANY POST-PETITION RECEIVABLES DUE FROM RELATED PARTIES?		X
4.	HAVE ANY PAYMENTS BEEN MADE ON PRE-PETITION LIABILITIES THIS REPORTING PERIOD?		X
5.	HAVE ANY POST-PETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6.	ARE ANY POST-PETITION PAYROLL TAXES PAST DUE?		X
7.	ARE ANY POST-PETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8.	ARE ANY POST-PETITION REAL ESTATE TAXES PAST DUE?		X
9.	ARE ANY OTHER POST-PETITION TAXES PAST DUE?		X
10.	ARE ANY AMOUNTS OWED TO POST-PETITION CREDITORS DELINQUENT?		X
11.	HAVE ANY PRE-PETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12.	ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY

INSURANCE

		YES	NO
1.	ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2.	ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3.	PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Property & GL	Sirius International Ins Corp	Nov 2010 thru Nov 2011	\$1,745.03 / month
** POLICY INSURES PROPERTY OF WHITTLE DEVELOPMENT ALSO / SEE CASE NO. 10-37084 **			

Disclosure Statement

Exhibit “IX”

Section 1129 Requirements

SECTION 1129 REQUIREMENTS FOR CONFIRMATION

At the Confirmation hearing, the Court will determine whether the provisions of section 1129 of the Code have been satisfied. If all of the provisions of section 1129 are met, the Court may enter an order confirming the Plan.

Section 1129, as applicable here, provides as follows:

1. The Plan must comply with the applicable provisions of the Code, including section 1123 which specifies the mandatory contents of a Plan and section 1122 which requires that Claims and Interests be placed in Classes with “substantially similar” Claims and Interests (section 1129(a)(1)).

2. The proponents of the Plan must comply with the applicable provisions of the Code (section 1129(a)(2)).

3. The Plan must have been proposed in good faith and not by any means forbidden by law (section 1129(a)(3)).

4. Any payment made or to be made by the proponents, by the Debtor, 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, must be disclosed to the Court and approved or be subject to the approval of the Court as reasonable (section 1129(a)(4)).

5. The proponents must disclose the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, of an affiliate of the Debtor participating in a joint Plan with the Debtor, or of a successor to the Debtor under the Plan. The appointment to, or continuance in, such office of such individual must be consistent with the interests of the Debtor's creditors, equity holders, and with public policy. The proponents must also disclose the identity of any insider that will be employed or retained by the reorganized Debtor and the nature of any compensation for such insider (section 1129(a)(5)).

6. The Plan must meet the “best interest of creditors” test which requires that each holder of a Claim or Interest of a Class of Claims or Interests that is impaired under the Plan either accept the Plan or receive or retain under the Plan on account of such Claim or Interest property of a value as of the Effective Date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtor were liquidated on such date under Chapter 7 of the Code. If the holders of a Class of Secured Claims make an election under section 1111(b) of the Code, each

holder of a Claim in such electing Class must receive or retain under the Plan on account of its Claim property of a value, as of the Effective Date of the Plan, that is not less than the value of its interest in the Debtor's interest in the property that secures its Claim (section 1129(a)(7)). To calculate what non-accepting holders would receive, if the Debtor were liquidated, under Chapter 7, the Court must determine the dollar amount that would be generated upon disposition of the Debtor's assets and reduce such amount by the costs of liquidation. Such costs would include the fees of a Trustee (as well as those of counsel and other professionals) and all expenses of sale.

7. Each Class of Claims or Interests must either accept the Plan or not be impaired under the Plan (section 1129(a)(8)). Alternatively, as discussed hereafter, a Plan may be confirmed over the dissent of a Class of Claims or Interests if the "cramdown" requirements of section 1129(b) of the Code are met.

8. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan must provide that holders of Administrative Claims and Priority Claims (other than tax claims) will be paid in full in cash on the Effective Date of the Plan, and that holders of priority tax Claims will receive on account of such Claims deferred cash payments, over a period not exceeding six (6) years after the date of assessment of such tax, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim (section 1129(a)(9)).

9. At least one impaired Class must accept the Plan, determined without including the acceptance of the Plan by any insider holding a Claim of such Class (section 1129(a)(10)).

10. The Plan must be "feasible". In other words, it can not be likely that confirmation of the Plan will be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan (section 1129(a)(11)).

11. All fees required to be paid under the Code have been paid or the Plan provides for such payment on its Effective Date (section 1129(a)(12)).

12. The Plan must provide for the continuation after the Effective Date of the payment of all Retiree Benefits at the level established prior to Confirmation, pursuant to the provisions of §1114 of the Code (section 1129(a)(13)).

The Court may confirm a Plan, even if it is not accepted by all impaired Classes, if the Plan has been accepted by at least one impaired Class of Claims and the Plan meets the "cramdown"

provisions set forth in section 1129(b) of the Code. The “cramdown” provisions require that the Court find that a Plan “does not discriminate unfairly” and is “fair and equitable” with respect to each non-accepting impaired Class.

The Court may find that the Plan is “fair and equitable” with respect to a Class of non-accepting impaired Interests only if (a) the holder of an Interest will receive or retain under the Plan property of a value as of the Plan's Effective Date equal to the greatest of any fixed liquidation preference or redemption price or the value of such Interest or (b) the holder of any Interest that is junior to such Interest will not receive or retain any property under the Plan.

The Court may find that the Plan is “fair and equitable” with respect to a Class of non-accepting impaired Unsecured Claims only if (a) each impaired unsecured Creditor receives or retains under the Plan property of a value as of the Effective Date of such Plan equal to the amount of its Allowed Claim, or (b) the holder of any Claim or Interest that is junior to the Claims of the dissenting Class will not receive or retain any property under the Plan.

The Court may find that the Plan is “fair and equitable” with respect to a Class of non-accepting Secured Claims, only if, under the Plan, (a) the holder of each Secured Claim in such Class retains such holders lien and receives deferred cash payments totaling at least the Allowed amount of such Secured Claim and having a value, as of the Effective Date of the Plan, equal to or in excess of the value of such holder's interest in the estate's interest in the collateral for the Secured Claim, (b) the collateral for such Secured Claim is sold, the lien securing such Claims attached to the proceeds, and such liens on proceeds are afforded the treatment described under clause (a) or (c) of this sentence, or (c) the holders of such Secured Claims realize the “indubitable equivalent” of their claims.