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**UNITED STATES BANKRUPTCY COURT
DISTRICT ARIZONA**

In re

CORNBREAD VENTURES, LP, a
Texas limited partnership,

EIN 47-4482094

Debtor

Chapter 11

Case No. 2:17-bk-12877 BKM

**DISCLOSURE STATEMENT
IN SUPPORT OF
PLAN OF REORGANIZATION**

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1. INTRODUCTION AND SUMMARY

1(a) Overview

Cornbread Ventures, LP, doing business as Z'Tejas Southwestern Grill and Taco Guild (the "*Debtor*"), filed its voluntary Chapter 11 bankruptcy petition under Title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the District of Arizona (the "*Bankruptcy Court*") on October 30, 2017 (the "*Petition Date*").

The Bankruptcy Court has approved this disclosure statement (the "*Disclosure Statement*") under Bankruptcy Code §1125 in connection with confirmation of the plan of reorganization (the "*Plan*") proposed by the Debtor in this case (the "*Chapter 11 Case*") and filed with the Bankruptcy Court on May 25, 2018. The Plan addresses all the Debtor's assets and liabilities.

The following introduction and summary is a general overview only and is qualified by, and should be read in conjunction with, the more detailed discussions, information, and financial statements appearing elsewhere in this Disclosure Statement and the Plan. All capitalized terms not defined in this Disclosure Statement have the meanings given to them in the Plan. A copy of the Plan, separately filed in the Chapter 11 Case, is **Appendix 1** to this Disclosure Statement.

This Disclosure Statement sets forth certain information regarding the Debtor's prepetition operating and financial history, the circumstances giving rise to this Chapter 11 Case, and the proposed reorganization of the Debtor's debt obligations under the Plan. This Disclosure Statement also describes the Plan's provisions, certain alternatives to the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and how voting on the Plan will occur. Certain provisions of the Plan, and the descriptions and summaries contained in this Disclosure Statement, may be the subject of continuing negotiations among the Debtor and various parties, may not have been finally agreed on, and may be modified. Those modifications, however, will not materially affect the distributions contemplated by the Plan.

The Debtor is the proponent of the Plan within the meaning of Bankruptcy Code §1129. The Plan contains separate Classes and proposes recoveries for holders of Claims against the Debtor. After careful review of the Debtor's current and projected future financial condition and the needs associated with the continued operation of the Debtor's business, the Debtor has concluded that the recovery to Creditors will be maximized by the reorganization proposed in the Plan.

1(b) Notice to Holders of Claims and Equity Interests

This Disclosure Statement is being used to solicit votes on the Plan only from holders of impaired Claims. It is being transmitted to Creditors with unimpaired Claims, Equity Holders, and other parties in interest for informational purposes. The principal purpose of this Disclosure Statement is to provide adequate information to enable holders of impaired Claims to make a reasonably informed decision with respect to the Plan before voting to accept or reject the Plan.

On June , 2018, the Bankruptcy Court entered an order, attached as **Appendix 2** to this Disclosure Statement, approving this Disclosure Statement as containing information of a kind and in sufficient and adequate detail to enable Creditors to vote on the Plan as required by Bankruptcy Code §1125. **The Bankruptcy Court's approval of this Disclosure Statement does not constitute either a guaranty of the accuracy or completeness of the information contained in this Disclosure Statement or the Bankruptcy Court's endorsement of the Plan.**

Holders of Claims are encouraged to read this Disclosure Statement and its appendices carefully and completely before deciding to accept or reject the Plan. If a description in this Disclosure Statement and a term of the Plan conflict, the Plan governs.

This Disclosure Statement and the other materials included in the solicitation package are the only documents authorized by the Bankruptcy Court to be used in connection with the solicitation of votes on the Plan. No solicitation of votes may be made except after distribution of this Disclosure Statement, and no person has been authorized to distribute any information concerning the Debtor or the Plan other than the information contained in this Disclosure Statement.

Certain of the information contained in this Disclosure Statement is inherently forward-looking and contains estimates, assumptions, and projections that may prove materially different from actual future results. Except as otherwise specifically stated, this Disclosure Statement does not reflect any events that may occur after the date of this Disclosure Statement and that may materially affect the information contained in this Disclosure Statement. The Debtor does not intend to update the information contained in this Disclosure Statement.

The financial information contained in this Disclosure Statement has not been audited by a certified public accountant and may not have been prepared in accordance with generally accepted accounting principles.

This Disclosure Statement has been prepared in accordance with Bankruptcy Code §1125 and Bankruptcy Rule 3016(b) and not necessarily in

accordance with federal or state securities laws or other non-bankruptcy law. This Disclosure Statement has been neither approved nor disapproved by the Securities and Exchange Commission (the “SEC”), nor has the SEC passed on the accuracy or adequacy of the statements contained in this Disclosure Statement.

This Disclosure Statement may not be construed to be conclusive advice on the tax, securities, or other legal effects of the Plan on holders of Claims against, or Equity Interests in, the Debtor.

1(c) Summary Of Treatment Of Claims And Equity Interests Under The Plan

The Plan contains definitions and rules of interpretation and provides the treatment of separate classes for holders of Claims against, and Equity Interests in, the Debtor. Under Bankruptcy Code §1123(a)(1), Administrative Claims and Priority Tax Claims are not classified.

The table below summarizes the classification and treatment of the prepetition Claims and Equity Interests under the Plan. The classification and treatment for all Classes are described in more detail in Section 4 of this Disclosure Statement and Article 3 of the Plan.

Class	Description	Treatment
1	Red Fox Claim (Impaired; entitled to vote)	In full and final satisfaction of the Red Fox Claim, Red Fox receives 95% of the New Equity Interests, constituting 100% of the limited partnership interests in Reorganized Cornbread, with 5% of the New Equity Interests issued to a newly-formed corporation the shareholders of which will include Michael Stone, constituting 100% of the general partnership interests in Reorganized Cornbread. As of the Effective Date, Red Fox releases all Liens on property of the Estate granted under the DIP Financing Order or otherwise.
2	JPMC Secured Claim (Impaired; entitled to vote)	In full and final satisfaction of the JPMC Secured Claim, Reorganized Cornbread provides the following to JPMC: (i) <i>Payment and Termination of Credit Card Facility.</i> On or before the Effective Date: (a) the Debtor will have paid or Reorganized Cornbread will pay to JPMC all principal, accrued and unpaid interest, and other amounts owing under the Credit Card Facility in full; (b) the Debtor will have provided or Reorganized Cornbread will provide to JPMC any documents and information JPMC requests to terminate the Credit Card Facility; and (c) the Credit Card Facility will have been or will be terminated.

Class	Description	Treatment
		<p>(ii) <i>Payment of Accrued Interest Under Facility A and Facility B.</i> On or before the Effective Date, the Debtor will have paid or Reorganized Cornbread will pay to JPMC all accrued but unpaid interest owing under Facility A and Facility B through the Effective Date.</p>
		<p>(iii) <i>Payment of Attorneys' Fees and Costs.</i> On or before the Effective Date, the Debtor will have paid or Reorganized Cornbread will pay to JPMC all attorneys' fees and other costs incurred by JPMC in connection with the Credit Card Facility, Facility A, Facility B, the Chapter 11 Case, or otherwise relating in any manner to the Debtor or Reorganized Cornbread through the Effective Date.</p>
		<p>(iv) <i>Principal Paydown.</i> On the Effective Date, Reorganized Cornbread pays to JPMC \$500,000 in Cash for application first to retire all principal owing under the Facility A Note (i.e. \$461,000) and then to reduce the principal owing under the Facility B Note.</p>
		<p>(v) <i>New JPMC Note.</i> Reorganized Cornbread will make payable to JPMC the New JPMC Note in the principal amount of \$1,328,999.95 (i.e., the Allowed JPMC Secured Claim less the amounts paid under Sections 3.02.c(i) through (iv) of the Plan). The JPMC Note bears interest at an adjustable per annum interest rate of 1.0% plus JPMC's prime rate in effect from time to time, for a term of 1 year. Reorganized Cornbread pays principal based on a 15-year amortization period plus accrued unpaid interest monthly, due on the first Business Day of each month, beginning with the first complete month following the Effective Date.</p>
		<p>(vi) <i>Permitted Principal Pre-Payment.</i> Reorganized Cornbread may pay any amount toward the principal balance of the New JPMC Note in addition to the principal and interest owed in any month during the note's term without penalty and without creating any obligation to pay principal at any other time in a manner inconsistent with the note's terms.</p>
		<p>(vii) <i>Retention of Lien.</i> As security for the repayment of the New JPMC Note, JPMC retains all Liens JPMC held in the Debtor's property on the Petition Date and, further, is granted a Lien in all property of the Debtor or Reorganized Cornbread existing as of the Effective Date and not existing on the Petition Date.</p>
		<p>(viii) <i>Covenants.</i> The covenants in the Existing JPMC Loan Documents will be amended to update</p>

Class	Description	Treatment
		<p>the financial reporting covenants and to update or add, as applicable, a fixed charge coverage ratio covenant, a funded-debt-to-EBITDA covenant, and a minimum liquidity covenant, all as more specifically set forth in the JPMC Loan Modification Agreement.</p> <p>(ix) <i>Documentation.</i> The JPMC Secured Claim will be governed by the Modified JPMC Loan Documents. Reorganized Cornbread must execute and deliver to JPMC the JPMC Loan Modification Agreement, the New JPMC Note, and any other loan modification and security documents reasonably necessary and reasonably required by JPMC to implement the Plan's terms relating to JPMC. The Modified JPMC Loan Documents control if there is any inconsistency between them and the Plan.</p>
3	<p>Priority Claims</p> <p>(Unimpaired; deemed to accept)</p>	<p>Each holder of an Allowed Priority Claim other than a Priority Tax Claim receives Cash in an amount equal to its Allowed Priority Claim on the later of: (i) the Effective Date, or as soon after that date as feasible; and (ii) 30 days after the Priority Claim is Allowed; unless, before the later of those two dates, the holder of the Claim and Reorganized Cornbread agree in writing to a different date.</p>
4	<p>Miscellaneous Secured Claims</p> <p>(Unimpaired; deemed to accept)</p>	<p>Each holder of a Allowed Miscellaneous Secured Claim is considered its own separate subclass within Class 4, and each such subclass is considered a separate Class for purposes of the Plan.</p> <p>Each holder of an Allowed Miscellaneous Secured Claim receives Cash in an amount equal to its Allowed Miscellaneous Secured Claim on the later of: (i) the Effective Date, or as soon after that date as feasible; and (ii) the closing date of the sale of the collateral to which the Claim pertains; unless, before the later of those two dates, the holder of the Claim and Reorganized Cornbread agree in writing to a different date. Each holder of an Allowed Miscellaneous Secured Claim retains all Liens on applicable property of the Estate arising under applicable law until that holder's Allowed Miscellaneous Secured Claim is paid in full under the Plan.</p>

Class	Description	Treatment
5	General Unsecured Claims (Impaired; entitled to vote)	Each holder of an Allowed General Unsecured Claim receives, in full and final satisfaction of its Allowed General Unsecured Claim, twelve equal monthly Cash payments of the holder's Pro Rata share of \$200,000 without interest, beginning on the first Business Day of each full calendar month after the Effective Date. Re-organized Cornbread may prepay in full or in part any remaining balance of any Allowed General Unsecured Claim's Pro Rata share of \$200,000 at any time on or after the Effective Date without affecting the timing of payments on account of any other Allowed General Unsecured Claim.
6	Equity Interests and Equity Related Claims (Impaired; deemed to reject)	Under Bankruptcy Code § 510(b), each Equity Related Claim is subordinated to all Claims or Equity Interests senior or equal to the Claim or Equity Interest represented by the Equity Related Claims. As of the Effective Date, all Equity Interests and Equity Related Claims are extinguished. The holders of Equity Interests and Equity Related Claims do not receive or retain any rights, property, or distributions on account of their Equity Interests or Equity Related Claims.

1(d) Voting Procedures, Ballots, and Voting Deadline

Accompanying this Disclosure Statement are, among other things, copies of: (1) the Plan (**Appendix 1** and separately filed in this Chapter 11 Case); (2) the notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time, and place of the hearing to consider confirmation of the Plan, and the time for filing objections to the confirmation of the Plan (the "*Confirmation Hearing Notice*"); and (3) if you are entitled to vote, a Ballot (and return envelope along with detailed instructions accompanying the Ballot) to be used in voting to accept or reject the Plan.

After carefully reviewing the Plan, this Disclosure Statement, and (if you are entitled to vote) the detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Plan by completing the Ballot. You must provide all the information requested on the Ballot; failure to do so may result in your vote being disqualified. For your vote to be counted, your Ballot must be properly completed and **actually received** no later than **July [redacted], at 5:00 p.m. Arizona Time** (the "*Voting Deadline*") by the Debtor's balloting agent, JND Corporate Restructuring, whose address and contact information is on the Ballot.

Ballots should not be sent to the Debtor, counsel for the Debtor, the Bankruptcy Court, the U.S. Trustee, or any other party other than the Debtor's balloting agent JND Corporate Restructuring ("Balloting

Agent”). Ballots not actually received by the Voting Deadline by the Debtor’s Balloting Agent will not be counted.

If you have any questions about the procedure for voting or the packet of materials that you have received or you wish to obtain a copy of the Plan, this Disclosure Statement, or any exhibits to either of those documents, please contact Kim Hutchison at (602) 351-8230 or khutchison@perkinscoie.com.

1(e) Confirmation Procedures

Under Bankruptcy Code § 1126(f), if a class of claims or interests is unimpaired under a plan, that class (and each member of that class) is conclusively presumed to have voted in favor of the plan and is not solicited to vote on the plan. In this Chapter 11 Case, the Plan contains five Classes of Creditors and one Class of Equity Interests. All Unclassified Claims and all Claims in Classes 3 and 4 are unimpaired by the Plan, so holders of those Claims are presumed to have voted in favor of the Plan and will not be solicited to vote on the Plan. All Claims in Classes 1, 2, and 5 are impaired, so holders of those Claims are entitled to vote to accept or reject the Plan. Class 6 under the Plan (Equity Interests and Equity Related Claims) is also impaired but receives no recovery under the Plan and is, therefore, deemed to reject the Plan without voting.

The Bankruptcy Court has scheduled the Confirmation Hearing to begin on [REDACTED], 2018 at [REDACTED] .m. (Arizona time) before the Honorable Brenda K. Martin, United States Bankruptcy Judge, at the United States Bankruptcy Court, 203 North 1st Avenue, Phoenix, Arizona 85003. The Bankruptcy Court may adjourn the Confirmation Hearing from time to time without further notice except for an announcement of the adjournment date made at the Confirmation Hearing. The Bankruptcy Court has ordered that any objections to confirmation of the Plan be filed with the Clerk of the Bankruptcy Court (via the Bankruptcy Court’s ECF system) and served so that they are actually received on or before [REDACTED], 2018, at 5:00 p.m. (Arizona time) by Counsel to the Debtor and the Office of the United States Trustee.

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR THE HOLDERS OF CLAIMS. THE DEBTOR STRONGLY RECOMMENDS THAT YOU VOTE TO ACCEPT THE PLAN.

2. BACKGROUND REGARDING THE DEBTOR

2(a) Overview and History

The Debtor was formed as a Texas limited partnership in July 2015 to pursue and complete an acquisition of nine restaurants and associated assets then owned by a group of debtor entities (collectively, “*Old Z’Tejas*”) whose Chapter 11 cases were jointly administered in the Bankruptcy Court under *In re Z’Tejas Scottsdale, LLC, et al.* (Case No. 2:15-bk-09178-PS, the “*Prior Case*”). The Debtor engaged in a series of lending transactions before and at the beginning stages of the Prior Case, which ultimately culminated in this Court’s approval of a sale to the Debtor of substantially all Old Z’Tejas’s operating assets, consisting of nine restaurants located in the metro areas of Phoenix, Arizona and Austin, Texas, under an order entered on September 29, 2015. The sale closed during the first week of October 2015.

Before filing this Chapter 11 Case,¹ the Debtor owned and operated the nine restaurants in leased premises acquired from Old Z’Tejas, comprising:

- i. Z’Tejas Southwestern Grill, 10625 N. Tatum Blvd., Phoenix, AZ 85028 (“*Gateway*”);
- ii. Z’Tejas Southwestern Grill, 7014 E. Camelback Road, Scottsdale, AZ 85251 (“*Scottsdale*”);
- iii. Z’Tejas Southwestern Grill, 20 W. 6th Street, Tempe, AZ 85281 (“*Tempe*”);
- iv. Z’Tejas Southwestern Grill, 7221 W. Ray Road, Chandler, AZ 85226 (“*Chandler*”);
- v. Z’Tejas Southwestern Grill, 1525 E. Bethany Home Road, Phoenix, AZ 85014 (“*Bethany*”);
- vi. Z’Tejas Southwestern Grill, 10525 W. Parmer Lane, Austin, TX 78717 (“*Avery Ranch*”);
- vii. Z’Tejas Southwestern Grill, 9400 Arboretum Blvd., Austin, TX 78759 (“*Arboretum*”);
- viii. Z’Tejas Southwestern Grill, 1110 W. 6th Street, Austin, TX 78703 (“*6th Street*”); and

¹ As discussed in detail in Section 3(b) below, the Scottsdale, Tempe, Bethany, and Avery Ranch locations were closed and the respective leases rejected as part of this Chapter 11 Case.

- ix. Taco Guild Gastropub, 546 E. Osborn Road, Phoenix, AZ 85012 (“*Taco Guild*”).

All Z’Tejas locations are full-service, casual dining establishments offering authentic but innovative Southwestern fare in a casual, contemporary atmosphere. The Z’Tejas menu, which differs slightly among the Z’Tejas locations, focuses on dishes inspired by the classic cuisines of Arizona, California, Louisiana, New Mexico, and Texas. Historically, the Z’Tejas restaurants have appealed to a broad clientele but are particularly popular among middle- and upper-income families, young professionals, and empty-nesters. Each Z’Tejas location has a distinct look and feel and distinct décor ensuring that the eight Z’Tejas restaurants look less like “chain” restaurants than many other casual dining chains.

Taco Guild offers creative, Mexican-inspired cuisine and artisanal cocktails in a truly distinctive setting—a converted stone-and-wood church originally constructed on the site in mid-town Phoenix in 1893 and operated as the Bethel Methodist Church until 2012. Stained glass windows, vaulted ceilings, masonry arches, and an eclectic mix of upcycled plateware complement cutting-edge interpretations of Mexican street tacos and flavors of Baja California and the Mexican interior that has garnered countless rewards, accolades, and rave reviews, including being named the second-best Mexican restaurant in the country by the Travel Channel’s “Food Paradise” show.

2(b) Events Precipitating the Chapter 11 Filing

Following the Debtor’s acquisition of its restaurants in October 2015, the Debtor’s consolidated operations over its nine locations failed to generate sufficient cash flow to cover all operating expenses, to meet long-term lease obligations to some of its landlords, and to service the Debtor’s obligations to JPMorgan Chase Bank, N.A. (“*JPMC*”). The Debtor’s consolidated losses were caused primarily by disappointing sales and negative margins at four of the Debtor’s Z’Tejas restaurants—Scottsdale, Tempe, Bethany, and Avery Ranch. The Debtor attributes this lack of profitability, particularly in these four locations, to steadily increasing costs for commodities and labor, coupled with the overall downturn in demand in the casual dining sector, in which some customers have shifted to cheaper, faster dining alternatives and others, especially younger customers, have begun to prefer non-chain, locally-focused restaurants (like Taco Guild) despite comparatively higher prices.

Over the course of several months leading up to the Petition Date, the Debtor actively sought new infusions of capital which, if obtained, would have enabled the company to avoid or at least postpone more drastic operational decisions that necessitated this Chapter 11 filing. To address the Debtor’s financial future and the four underperforming locations that have imperiled the value and the continuity of the five much stronger locations (6th Street, Arboretum, Gateway, Chandler, and Taco Guild), the Debtor engaged

an advisory firm to explore sources of new equity or debt financing to improve the Debtor's balance sheet and support cash flow needs and engaged in candid discussions with the landlords at Avery Ranch, Bethany, Scottsdale, and Tempe regarding possible renegotiation or early buyouts of the leases.

The pursuit of new capital took many forms and considerable effort was exerted. The Debtor targeted multiple operational and cash-flow strategies to address the Debtor's financial condition, including outsourcing its accounting functions, implementing a new inventory system, and making personnel adjustments. In connection with the Debtor's pursuit of new capital, the Debtor hired Horne LLP as its new accounting firm and requested a re-evaluation of the Debtor's financial condition and cash flows. Having been given significant additional clarity and more reliable data in that regard, the Debtor determined that results at the Scottsdale, Tempe, Bethany, and Avery Ranch locations had been having a more profoundly detrimental effect on the Debtor's financial condition as a whole than the Debtor had previously thought.

Additionally, within just three weeks before the Petition Date, advanced discussions with a UK-based restaurant group, which had been ongoing for some two months, regarding capital investment or acquisition strategies collapsed. The abrupt and unanticipated loss of that opportunity, coupled with the failure during the last week before the Petition Date in getting adequate agreements from the Scottsdale, Tempe, Bethany, and Avery Ranch landlords, left the Debtor with no choice but to terminate operations at those four troubled locations to reduce or eliminate ongoing cash-flow losses and pursue a restructuring of the Debtor's debts based on a retention and growth of the Debtor's five stronger-performing locations.

The Debtor made several final attempts to negotiate lease buy-outs with the landlords at the four poorly-performing locations. Had the Debtor been able to reach agreement with all four landlords, it may have been able to stave off this Chapter 11 case. The Debtor made what it believed to be attractive cash offers to each of the landlords. Although at least one of the affected landlords initially indicated an interest in accepting the Debtor's offer, the Debtor did not receive sufficient traction with three others to obviate a Chapter 11 filing. As a result of the failure of the Debtor's last-ditch effort to resolve the claims of these four landlords out of court, the Debtor faced imminent litigation costs associated with landlord enforcement actions, which included the Bethany landlord locking the Debtor out of the Bethany location on Friday, October 20, 2017. The Debtor permanently closed that location that same day and permanently closed the Scottsdale, Tempe, and Avery Ranch locations on Sunday, October 22, 2017. Immediately after, the Debtor prepared the filing of this Chapter 11 Case to avail itself of the tools Chapter 11 offers to assist the Debtor in protecting and enhancing the value and ongoing operations of the five remaining locations for the maximum benefit of the Debtor's creditors.

2(c) Operational Funding

From its inception, the Debtor received equity financing from its general partner and from its several limited partners. The Debtor replaced certain of its initial equity financing with a senior secured debt facility from JPMC.

The Debtor as borrower, and JPMC as lender, originally entered into a *Credit Agreement* dated as of October 19, 2015, later amended by the *First Amendment of Credit Agreement* dated as of October 19, 2016, the *Second Amendment of Credit Agreement* dated as of October 19, 2016, and the *Third Amendment of Credit Agreement* dated as of August 19, 2017 (collectively, the “*Credit Agreement*”). Under the *Credit Agreement*, the Debtor executed, among other promissory notes, a *Term Note* dated October 19, 2015 (the “*Term Note*”) in the original principal amount of \$2,000,000, maturing on April 19, 2020. The Debtor and JPMC executed a *Modification Agreement* as of August 19, 2017, under which monthly payments on the *Term Note* were amended to be interest-only for the months of August, September, and October of each year, to include principal of \$62,500 per month plus accrued interest for the months of November, December, January, February, March, and April of each year, and to include principal of \$41,666.67 plus accrued interest for the months of May, June, and July of each year.

The Debtor’s obligations under the *Term Note* are secured by, among other things:

- i. The *Ground Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement* (the “*Deed of Trust*”) dated as of October 19, 2015, in JPMC’s favor and recorded on or about that date on the Official Records of Maricopa County Recorder, Arizona, perfecting a security interest in the Debtor’s leasehold interest under a ground lease for the Chandler location; and
- ii. A *UCC Financing Statement* filed with the Texas Secretary of State on December 4, 2015, perfecting JPMC’s security interest in “All assets of Debtor, whether now owned or hereafter acquired or arising.” This UCC filing is supported by and relates to the *Continuing Security Agreement* dated on or about September 21, 2015 (the “*Security Agreement*”), granting JPMC a security interest in all “Collateral” defined in that agreement, which is essentially all the Debtor’s assets without exception.

As of the Petition Date, the Debtor owed principal under the *Term Note* of \$1,374,999.95. Accrued interest owing under the *Term Note* as of October 19, 2017, was \$11,830.73.

The Debtor also executed a *Line of Credit Note* dated on or about September 21, 2015 (the “**LOC Note**”), in JPMC’s favor establishing a secured line of credit of up to \$500,000.00. Under the Security Agreement, the Debtor’s obligations under the LOC Note are secured by the same security interests in JPMC’s favor that secure the Debtor’s obligations under the Term Note. As of the Petition Date, the Debtor owed principal under the LOC Note of \$461,000.00. Accrued interest owing under the LOC Note as of October 19, 2017, was \$925.20.

The Debtor also has a credit card issued by JPMC with a current balance, as of the Petition Date, of \$69,506.00. Under the Security Agreement, the Debtor’s credit card obligations to JPMC are secured by the same security interest in JPMC’s favor that secured the Debtor’s other obligations to JPMC.

3. SIGNIFICANT EVENTS IN CHAPTER 11 CASE

3(a) Automatic Stay; Administrative Status

The Chapter 11 Case is assigned to the Honorable Brenda K. Martin, United States Bankruptcy Judge for the District of Arizona. Since the Petition Date, the Debtor has operated as debtor-in-possession under Bankruptcy Code §§ 1107 and 1108. The Debtor hired Perkins Coie LLP as its general bankruptcy counsel.

An immediate effect of the commencement of the Chapter 11 Case was the imposition of the automatic stay under Bankruptcy Code §362 that, with limited exceptions, enjoined the commencement or continuation of all collection efforts by creditors, the enforcement of liens against the Debtor’s property, and the commencement or continuation of litigation against the Debtor. This relief provided the Debtor with the “breathing room” necessary to pursue its business objectives in the Chapter 11 Case without undue pressure or litigation by Creditors. The automatic stay remains in effect, unless modified by the Bankruptcy Court, until consummation of the Plan.

3(b) Rejection of Closed Locations

On the Petition Date, the Debtor filed its *Emergency Motion to Reject Unexpired Leases and Abandon Personal Property* (the “*Rejection Motion*”) seeking to reject the leases associated with the Debtor’s Scottsdale, Tempe, Bethany, and Avery Ranch locations. On November 2, 2017, the Bankruptcy Court granted the Rejection Motion such that the Debtor’s leases for Scottsdale, Tempe, Bethany, and Avery Ranch were rejected as of October 30, 2017.

3(c) DIP Financing from Red Fox

As the Debtor continued to operate its five restaurants post-petition in the ordinary course of business, the Debtor anticipated the need for additional

working capital beyond the use of cash collateral at times in its business cycle to address short-term operating needs and to ensure that the Chapter 11 Case did not incur administrative expenses that cannot be paid from available funds.

To assure the Debtor's vendors, customers, employees, and other constituents of the Debtor's operational viability and ongoing ability to meet its post-petition obligations, and to facilitate the Debtor's reorganization efforts by stabilizing the Debtor's cash flows, the Debtor negotiated postpetition financing from Red Fox Lending, LLC (the "*DIP Lender*").² On November 21, 2017, the Debtor filed the *Emergency Motion for Interim and Final Orders Authorizing Debtor to Obtain Post-Petition Financing and Granting Security Interests and Liens* ("*DIP Financing Motion*") seeking up to \$500,000 of debtor-in-possession financing from the DIP Lender.

On December 20, 2017, the Bankruptcy Court entered a final order approving the DIP Financing Motion. Terms of the approved DIP financing provided the DIP Lender with (a) a first-priority security interest and lien on all property of the Debtor not otherwise subject to a lien under § 364(c)(2); and (b) a security interest ranking junior in priority on all property of the Debtor (subject to certain agreed-on exceptions) subject to the lien in favor of JPMC under § 364(c)(3).

As of May 25, 2018, the Debtor's outstanding balance under the DIP loan was approximately \$200,000.

4. DESCRIPTION OF THE PLAN

4(a) Introduction

This section provides a summary of the Plan's structure, classification, treatment, and implementation. Although the statements contained in this Disclosure Statement include summaries of the Plan's provisions the documents referred to in the Plan, this Disclosure Statement is not a precise or complete statement of all the terms and provisions of the Plan or documents referred to in the Plan. Refer to the Plan and its exhibits for a complete statement of all the Plan's terms.

The Plan itself and the documents it refers to will control the treatment of holders of Claims against, and Equity Interests in, the Debtor under the Plan and will, on the Effective Date, bind all parties-in-interest, including holders of Claims against, and Equity Interests in, the Debtor. The Plan is designed to effect a reorganization of the Debtor's business operations and a restructuring of the Debtor's obligations to its Creditors.

² Some of the DIP Lender's principals are also existing equity holders in the Debtor.

4(b) Summary of Claims Process, Bar Date, and Professional Fees

The Bankruptcy Court entered an order (the “*Bar Date Order*”) setting March 2, 2018, as the deadline for filing proofs of claim against the Debtor (the “*Bar Date*”). The Bar Date does not apply to certain types of Claims, including Administrative Claims, Professional Fee Claims, and Rejection Claims arising after the Bar Date, as to which the bar date is controlled by provisions of the Plan and orders of the Bankruptcy Court authorizing the rejection of contracts or leases. Notice of the Bar Date was mailed to each person listed in the Schedules along with a copy of the Bar Date Order and a proof of claim form.

All Administrative Claims, Professional Fee Claims, and Rejection Claims must be filed on or before the date that is the first Business Day that is 30 days after the Confirmation Date.

4(c) Classification of Claims and Equity Interests

Bankruptcy Code §1122 requires that a plan classify the claims of a debtor’s creditors and the interests of its equity holders. The Bankruptcy Code also provides that, except for certain claims classified for administrative convenience, a plan may place a claim of a creditor or an interest of an equity holder in a particular class only if the claim or interest is substantially similar to the other claims or interests of that class. The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the holder of a particular claim or interest agrees to a less favorable treatment of its claim or interest.

The Debtor believes that it has classified all Claims and Equity Interests in compliance with the requirements of the Bankruptcy Code. If a holder of a Claim or Equity Interest challenges the Plan’s classification of Claims or Equity Interests and the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtor, to the extent permitted by the Bankruptcy Court, intends to modify the classifications of Claims or Equity Interests under the Plan to provide for whatever classification might be required by the Bankruptcy Court for confirmation. Except if a modification of classification adversely affects the treatment of a holder of a Claim or Equity Interest, acceptance of the Plan by any holder of a Claim or Equity Interest will be deemed to be a consent to the Plan’s treatment of the holder of a Claim or Equity Interest regardless of the class as to which that holder ultimately is deemed to be a member.

4(d) Treatment of Unclassified Claims

As provided in Bankruptcy Code §1123(a)(1), Administrative Claims and Priority Tax Claims are not classified for purposes of voting on, or receiving distributions under, the Plan. Holders of Administrative Claims and Prior-

ity Tax Claims are not entitled to vote on the Plan but, rather, are treated separately in accordance with Sections 2.02 through 2.05 of the Plan and under Bankruptcy Code §1129(a)(9)(A).

4(d)(1) Allowed Administrative Claims

An Administrative Claim is a Claim for any cost or expense of administration of the Chapter 11 Case Allowed under Bankruptcy Code §§503(b), 507(b) or 546(c)(2) and entitled to priority under Bankruptcy Code §507(a)(2), including: (a) fees payable under 28 U.S.C. §1930; (b) actual and necessary costs and expenses incurred in the ordinary course of the Debtors' businesses; (c) actual and necessary costs and expenses of preserving the Estates or administering the Chapter 11 Case; and (d) all Professional Fee Claims to the extent Allowed by Final Order under Bankruptcy Code §§330, 331, or 503.

The Debtor estimates that, assuming an Effective Date of August 15, 2018, unpaid Administrative Claims other than Professional Fee Claims and Preserved Ordinary Course Administrative Claims will be minimal or zero.

4(d)(2) Priority Tax Claims

These are Claims of a Governmental Unit for taxes entitled to priority under Bankruptcy Code §507(a)(8). The Debtor estimates that, assuming an Effective Date of August 15, 2018, unpaid Priority Tax Claims will total approximately \$25,000.

4(d)(3) Professional Fees

Claims for Professional Fees are Claims of Professionals, including an entity (a) employed in the Chapter 11 Case in accordance with an order of the Bankruptcy Court under Bankruptcy Code §§327, 328, 363, or 1103 and to be compensated for services under Bankruptcy Code §§327, 328, 329, 330, and 331 or order of the Bankruptcy Court; or (b) for whom compensation and reimbursement has been Allowed by a Final Order under Bankruptcy Code §503(b).

The Debtor anticipates filing an interim fee application on behalf of Perkins Coie and, on subsequent approval from the Bankruptcy Court, paying a significant portion of the Professional Fee Claims on an interim basis during the Chapter 11 Case. The Debtor estimates that, assuming an Effective Date of August 15, 2018, unpaid Professional Fee Claims will total approximately \$50,000.

4(d)(4) *Treatment.*

(A) *Allowed Administrative Claims.*

Generally. Each Allowed Administrative Claim (other than a Professional Fee Claim but including a Claim under Bankruptcy Code § 503(b)(9) asserted by a creditor other than Sysco USA I, Inc.) is paid in full in Cash (or otherwise satisfied in accordance with its terms) on the latest of: (a) the Effective Date, or as soon after that date as feasible; (b) any date the Bankruptcy Court may fix, or as soon after that date as feasible; (c) 30 days after the Claim is Allowed; and (d) any date on which the holder of the Claim and the Debtor or Reorganized Cornbread agree.

Sysco 503(b)(9) Claims. All Claims asserted by a division of Sysco USA I, Inc. under Bankruptcy Code § 503(b)(9) have been Allowed and will be paid in accordance with the Bankruptcy Court's Order Authorizing Debtor to Pay Prepetition § 503(b)(9) and PACA Claims of Sysco Arizona and Sysco Central Texas, entered in the Bankruptcy Case on December 20, 2017.

(B) *Preserved Ordinary Course Administrative Claims.* Each Allowed Preserved Ordinary Course Administrative Claim is paid in full in Cash at Reorganized Cornbread's election either: (a) in accordance with the terms and conditions under which the Claim arose; or (b) in the ordinary course of Reorganized Cornbread's business. Payments are made without further action by the holder of the Preserved Ordinary Course Administrative Claim.

(C) *Allowed Priority Tax Claims.* Except as provided immediately below, all Allowed Priority Tax Claims are paid in full in Cash on the latest of: (a) the Effective Date (or as soon after that date as feasible); and (b) 30 days after the Claim is Allowed. Reorganized Cornbread may elect to pay any Allowed Priority Tax Claim through regular installment payments in Cash of a total value, as of the Effective Date, equal to the Allowed amount of the Claim, over a period ending not later than five years after the Petition Date, and in a manner not less favorable than the most favored General Unsecured Claim provided for by the Plan. Accordingly, if Reorganized Cornbread so elects, the installment payments are made in the same manner as the installment payments made on account of the Allowed General Unsecured Claims in Class 5, beginning on the latest of: (a) the Effective Date, or as soon after that date as feasible; (b) 30 days after the Claim is Allowed, or as soon after that date as feasible; and (c) another date on which the holder of the Claim and the Debtor or Reorganized Cornbread agree. Reorganized Cornbread retains the right to prepay any Allowed Priority Tax Claim, or any remaining balance of such a Claim, in full or in part, at any time on or after the Effective Date without premium or penalty

(D) *Professional Fee Claims.* Each Allowed Professional Fee Claim, to the extent not previously paid, is paid in Cash in full on the latest of: (a) the Effective Date, or as soon after that date as feasible; (b) 30 days after the Claim is Allowed, or as soon after that date as feasible; and (c) another date on which the holder of the Claim and the Debtor or Reorganized Cornbread agree. All final applications for allowance of all Professional Fee Claims must be served on Reorganized Cornbread and filed with the Bankruptcy Court no later than the Professional Fee Bar Date.

All claims of Professionals for services rendered or expenses incurred after the Effective Date in connection with the Chapter 11 Case and the Plan, including those relating to consummation of the Plan, any appeal of the Confirmation Order, the preparation, filing, and review of Professional Fee Claims, the prosecution of Avoidance Actions and Litigation Claims, and the resolution of Disputed Claims, must be paid by Reorganized Cornbread on its receipt of an invoice, or on other terms Reorganized Cornbread and the Professional agree on, without the need for further Bankruptcy Court authorization or entry of a Final Order. Reorganized Cornbread may dispute and not pay any Professional fees incurred after the Effective Date. The Bankruptcy Court retains jurisdiction to resolve any such disputes.

4(e) Treatment of Classified Claims and Interests

In accordance with Bankruptcy Code §1123(a)(1), set forth below is a designation of classes of Claims against, and Equity Interests in, the Debtor (except the unclassified Claims receiving the treatment described in Section 4(d) above). A Claim or Equity Interest is placed in a particular Class for the purpose of receiving distributions in accordance with the Plan only if that Claim or Equity Interest has not been paid, released, or otherwise settled before the Effective Date. The treatment of classified Claims and Equity Interests and the provisions governing distributions on account of Allowed Claims and Allowed Equity Interests is set forth in Articles 3 and 4 of the Plan. You should refer to the Plan itself for the complete provisions governing the treatment of your particular Claim or Equity Interest.

4(e)(1) Class 1 (Red Fox)

Class 1 consists of the Red Fox Claim. Class 1 is impaired by the Plan, and Red Fox is entitled to Vote. The Debtor estimates that as of the assumed Effective Date of August 15, 2018, the Red Fox Claim will total approximately \$225,000.

In full and final satisfaction of the Red Fox Claim, Red Fox receives 95% of the New Equity Interests, constituting 100% of the limited partnership interests in Reorganized Cornbread, with 5% of the New Equity Interests issued to a newly-formed corporation the shareholders of which will include Michael Stone, constituting 100% of the general partnership interests in Reor-

ganized Cornbread. As of the Effective Date, Red Fox releases all Liens on property of the Estate granted under the DIP Financing Order or otherwise.

4(e)(2) *Class 2 (JPMC Secured Claim)*

Class 2 consists of the JPMC Secured Claim. Class 2 is impaired by the Plan. JPMC is entitled to Vote. The JPMC Secured Claim is an Allowed Secured Claim in the amount of \$1,828,999.95, plus all unpaid accrued interest, fees, and costs as of the Effective Date. In full and final satisfaction of the JPMC Secured Claim, Reorganized Cornbread provides the following to JPMC:

(A) *Payment and Termination of Credit Card Facility.* On or before the Effective Date: (a) the Debtor will have paid or Reorganized Cornbread will pay to JPMC all principal, accrued and unpaid interest, and other amounts owing under the Credit Card Facility in full; (b) the Debtor will have provided or Reorganized Cornbread will provide to JPMC any documents and information JPMC requests to terminate the Credit Card Facility; and (c) the Credit Card Facility will have been or will be terminated.

(B) *Payment of Accrued Interest Under Facility A and Facility B.* On or before the Effective Date, the Debtor will have paid or Reorganized Cornbread will pay to JPMC all accrued but unpaid interest owing under Facility A and Facility B through the Effective Date.

(C) *Payment of Attorneys' Fees and Costs.* On or before the Effective Date, the Debtor will have paid or Reorganized Cornbread will pay to JPMC all attorneys' fees and other costs incurred by JPMC in connection with the Credit Card Facility, Facility A, Facility B, the Chapter 11 Case, or otherwise relating in any manner to the Debtor or Reorganized Cornbread through the Effective Date.

(D) *Principal Paydown.* On the Effective Date, Reorganized Cornbread pays to JPMC \$500,000 in Cash for application first to retire all principal owing under the Facility A Note (i.e. \$461,000) and then to reduce the principal owing under the Facility B Note.

(E) *New JPMC Note.* Reorganized Cornbread will make payable to JPMC the New JPMC Note in the principal amount of \$1,328,999.95 (i.e., the Allowed JPMC Secured Claim less the amounts paid under Sections 3.02.c(i) through (iv) of the Plan). The JPMC Note bears interest at an adjustable per annum interest rate of 1.0% plus JPMC's prime rate in effect from time to time, for a term of 1 year. Reorganized Cornbread pays principal based on a 15-year amortization period plus accrued unpaid interest monthly, due on the first Business Day of each month, beginning with the first complete month following the Effective Date.

(F) *Permitted Principal Pre-Payment.* Reorganized Cornbread may pay any amount toward the principal balance of the New JPMC Note in addition to the principal and interest owed in any month during the note's term without penalty and without creating any obligation to pay principal at any other time in a manner inconsistent with the note's terms.

(G) *Retention of Lien.* As security for the repayment of the New JPMC Note, JPMC retains all Liens JPMC held in the Debtor's property on the Petition Date and, further, is granted a Lien in all property of the Debtor or Reorganized Cornbread existing as of the Effective Date and not existing on the Petition Date.

(H) *Covenants.* The covenants in the Existing JPMC Loan Documents will be amended to update the financial reporting covenants and to update or add, as applicable, a fixed charge coverage ratio covenant, a funded-debt-to-EBITDA covenant, and a minimum liquidity covenant, all as more specifically set forth in the JPMC Loan Modification Agreement.

(I) *Documentation.* The JPMC Secured Claim will be governed by the Modified JPMC Loan Documents. Reorganized Cornbread must execute and deliver to JPMC the JPMC Loan Modification Agreement, the New JPMC Note, and any other loan modification and security documents reasonably necessary and reasonably required by JPMC to implement the Plan's terms relating to JPMC. The Modified JPMC Loan Documents control if there is any inconsistency between them and the Plan.

4(e)(3) *Class 3 (Priority Claims)*

Class 3 consists of all Priority Claims other than Priority Tax Claims. Class 3 is unimpaired. All holders of Allowed Priority Claims are deemed to accept the Plan and do not Vote. The Debtor believes that, as of the assumed Effective Date of August 15, 2018, there will be no significant Allowed Priority Claims.

Each holder of an Allowed Priority Claim other than a Priority Tax Claim receives Cash in an amount equal to its Allowed Priority Claim on the later of: (i) the Effective Date, or as soon after that date as feasible; and (ii) 30 days after the Priority Claim is Allowed; unless, before the later of those two dates, the holder of the Claim and Reorganized Cornbread agree in writing to a different date.

4(e)(4) *Class 4 (Miscellaneous Secured Claims)*

Class 4 consists of all Miscellaneous Secured Claims. Each holder of a Allowed Miscellaneous Secured Claim is considered its own separate subclass within Class 4, and each such subclass is considered a separate Class for purposes of the Plan. Class 4 is unimpaired by the Plan. All holders of Allowed

Miscellaneous Secured Claims in Class 4 are deemed to accept the Plan and do not Vote. The Debtor is not aware of any Miscellaneous Secured Claims.

Each holder of an Allowed Miscellaneous Secured Claim receives Cash in an amount equal to its Allowed Miscellaneous Secured Claim on the later of: (i) the Effective Date, or as soon after that date as feasible; and (ii) the closing date of the sale of the collateral to which the Claim pertains; unless, before the later of those two dates, the holder of the Claim and Reorganized Cornbread agree in writing to a different date. Each holder of an Allowed Miscellaneous Secured Claim retains all Liens on applicable property of the Estate arising under applicable law until that holder's Allowed Miscellaneous Secured Claim is paid in full under the Plan.

4(e)(5) Class 5 (General Unsecured Claims)

Class 5 consists of all Allowed General Unsecured Claims, including Rejection Claims. Class 5 is impaired. All holders of Allowed Class 5 Claims may Vote. The Debtor believes that, as of the assumed Effective Date of August 15, 2018, Allowed General Unsecured Claims will total approximately \$2,200,000.

Each holder of an Allowed General Unsecured Claim receives, in full and final satisfaction of its Allowed General Unsecured Claim, twelve equal monthly Cash payments of the holder's Pro Rata share of \$200,000 without interest, beginning on the first Business Day of each full calendar month after the Effective Date. Reorganized Cornbread may prepay in full or in part any remaining balance of any Allowed General Unsecured Claim's Pro Rata share of \$200,000 at any time on or after the Effective Date without affecting the timing of payments on account of any other Allowed General Unsecured Claim.

4(e)(6) Class 6 (Equity Interests and Equity Related Claims)

Class 6 consists of all of all Equity Interests and Equity Related Claims (which include Claim No. 27-1 filed by Steven Ellis Sharp). Class 4 is impaired. All holders of Equity Interests and Equity Related Claims are deemed to reject the Plan and do not Vote.

Under Bankruptcy Code § 510(b), each Equity Related Claim is subordinated to all Claims or Equity Interests senior or equal to the Claim or Equity Interest represented by the Equity Related Claims. As of the Effective Date, all Equity Interests and Equity Related Claims are extinguished. The holders of Equity Interests and Equity Related Claims do not receive or retain any rights, property, or distributions on account of their Equity Interests or Equity Related Claims.

5. PLAN IMPLEMENTATION

5(a) Effective Date Funding

Cash payments on and after the Effective Date on account of Allowed Administrative Claims, Allowed Priority Tax Claims, and Allowed Priority Claims, the payments required under Sections 3.02.c(i) through (iv) of the Plan, Allowed Miscellaneous Secured Claims, any Cure required under Section 5.03 of the Plan, and payments on account of Allowed General Unsecured Claims will be made from Reorganized Cornbread's Cash, which includes the New Equity Contribution paid to Reorganized Cornbread no later than the Effective Date.

5(b) Disputed Claims

Reorganized Cornbread must manage Cash distributions to holders of Allowed General Unsecured Claims so as to reserve sufficient Cash to make appropriate distribution on account of any Disputed General Unsecured Claim as if that Disputed General Unsecured Claim were an Allowed General Unsecured Claim on the Effective Date in the Maximum Amount. If and when any Disputed General Unsecured Claim becomes an Allowed General Unsecured Claim, Cash sufficient to make appropriate distribution to the holder that Claim must be made from such reserves. If a Disputed General Unsecured Claim becomes a Disallowed General Unsecured Claim, all reserved distributions attributable to the holder of that Disputed General Unsecured Claim become available for Pro Rata distribution to all holders of Allowed General Unsecured Claims.

5(c) Restated Partnership Agreement

As of the Effective Date and without any further action by the Debtor or Reorganized Cornbread, the Debtor's partnership agreement is amended and restated substantially in the form of the Restated Partnership Agreement, which, among other things, authorizes the issuance of the New Equity Interests and prohibit (to the extent required by Bankruptcy Code § 1123(a) and (b)) the issuance of non-voting equity securities. After the Effective Date, Reorganized Cornbread may amend its governance documents as permitted by applicable law.

5(d) Section 1145 Exemption.

In accordance with Bankruptcy Code § 1145, the issuance of the New Equity Interests under the Plan is exempt from all federal, state, or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in a security.

5(e) Post-Effective Date Management.

The general partner of Reorganized Cornbread from and after the Effective Date, vested with all managerial and operational authority for Reorganized Cornbread, is a corporation to be formed on or before the Effective Date, the shareholders of which include Michael Stone, who will act as that corporation's president. Michael Stone is the Debtor's current president and the principal shareholder of the Debtor's general partner as of the Petition Date. Reorganized Cornbread will assume any pre-Petition Date indemnification obligations to any Person serving as a director or officer of the Debtor immediately before the Effective Date.

6. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6(a) Assumption and Rejection of Contracts and Leases

All executory contracts and unexpired leases designated on Exhibit B to the Plan as "Assumed" are assumed as of the Effective Date, except for any executory contract or unexpired lease (a) that has been rejected in accordance with a Final Order entered before the Confirmation Date, or (b) as to which a motion to reject has been filed with the Bankruptcy Court before the Confirmation Date.

Each unexpired lease of nonresidential real property designated on Exhibit B to the Plan as "Assumed and Assigned" is, as of the Effective Date, assumed and assigned to its own Tenant SPE.

All executory contracts and unexpired leases either (a) designated on Exhibit B to the Plan as "Rejected" or (b) existing but not listed on Exhibit B to the Plan are rejected as of the Effective Date, except for any executory contract or unexpired lease that has been assumed or rejected in accordance with a Final Order entered on or before the Confirmation Date.

Entry of the Confirmation Order constitutes: (a) the approval under Bankruptcy Code § 365 of the assumption of the executory contracts and unexpired leases assumed under the Plan; (b) approval under Bankruptcy Code § 365 of the assumption and assignment of the unexpired leases of nonresidential real property assumed and assigned under the Plan; and (c) the approval under Bankruptcy Code § 365 of the rejection of the executory contracts and unexpired leases rejected under the Plan. Notwithstanding anything contained in Section 5.04 of the Plan to the contrary, the Debtor may add or change the treatment (assumed, assumed and assigned, or rejected) of any executory contract or unexpired lease on Exhibit B to the Plan, thus changing the treatment of the contract or lease under the Plan, at any time before the Effective Date.

6(b) Cure of Defaults

On the Effective Date or as soon after as is feasible, the Debtor must Cure any monetary defaults under any executory contract or unexpired lease assumed or assumed and assigned under the Plan. Any monetary Cure required for the assumption or assumption and assignment of a particular contract or lease is indicated on Exhibit B to the Plan. Any non-Debtor party to any such contract or lease that disputes the amount of Cure indicated on Exhibit B to the Plan must file a written objection with the Bankruptcy Court no later than the deadline for objecting to confirmation of the Plan. Any such objections not thus asserted are waived. The Debtor will not, and need not as a condition to assuming or assuming and assigning any executory contract or unexpired lease under the Plan, Cure any default that need not be cured under Bankruptcy Code § 365(b).

6(c) Rejection Claims Bar Date

All Rejection Claims must be filed by the Rejection Claims Bar Date. Any Rejection Claim not filed by the Rejection Claims Bar Date is forever barred. All Rejection Claims are General Unsecured Claims under the Plan. With respect to any executory contract or unexpired lease rejected by the Debtor before the Confirmation Date, the deadline for filing a Rejection Claim remains the deadline set forth in the order of the Bankruptcy Court authorizing that rejection.

6(d) Indemnification Obligations

Any obligation of the Debtor to indemnify any Person serving as a fiduciary of any employee benefit plan of the Debtor under charter, by-laws, contract, or applicable state law is an executory contract and is assumed as of the Effective Date. Except as otherwise provided in the Plan, any obligation of the Debtor to indemnify, reimburse, or limit the liability of any Person, including any officer or director of the Debtor, or any agent, professional, financial advisor, or underwriter of any securities issued by the Debtor related to any acts or omissions occurring before the Petition Date is rejected under the Plan as of the Confirmation Date if the Effective Date occurs. Any Claim resulting from these rejections in favor of any Person must be filed by the Rejection Claims Bar Date and constitutes a General Unsecured Claim. Notwithstanding any of the foregoing, nothing contained in the Plan affects the rights of any Person covered by any applicable D&O Policy with respect to any such policy.

6(e) Benefit Plans

All Benefit Plans not already assumed before the Confirmation Date are assumed as of the Confirmation Date if the Effective Date occurs. No Cure is required and no Cure will be made with respect to the assumption un-

der the Plan of any Benefit Plan. Any non-Debtor beneficiary or participant in a Benefit Plan that disputes that no Cure is required for the assumption of the Benefit Plan must file an objection with the Bankruptcy Court no later than the deadline for objecting to confirmation of the Plan. Any such objections not raised in that manner are waived.

7. DESCRIPTION OF OTHER PROVISIONS OF THE PLAN

7(a) Vesting of Assets

Except as provided in the Plan or the Confirmation Order, all property of the Estate vests in Reorganized Cornbread on the Effective Date free and clear of all Liens and Claims existing before the Effective Date. From and after the Effective Date, Reorganized Cornbread may use and dispose of its property free of any restrictions of the Bankruptcy Code, including the employment of, and payment to, Professionals except as otherwise provided in the Plan or the Confirmation Order.

7(b) Discharge

Except as provided in the Plan or the Confirmation Order: (a) the rights granted under this Plan and the treatment of Claims and Equity Interests under this Plan are in exchange for and in complete satisfaction, discharge, and release of, all Claims including any interest accrued on any Claim from the Petition Date; and (b) confirmation of this Plan discharges the Debtor and Reorganized Cornbread from all Claims or other debts that arose before the Confirmation Date to the fullest extent allowed under Bankruptcy Code § 1141(a), (b), (c), and (d)(1).

7(c) Injunction

Except as provided in the Plan or the Confirmation Order, as of the Confirmation Date, all entities that have held, currently hold, or may hold any Claim or Equity Interest are permanently enjoined from taking any of the following actions on account of any such Claim or Equity Interest: (i) commencing or continuing in any manner any action or other proceeding against any property dealt with by the Plan; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against any property dealt with by the Plan; (iii) creating, perfecting, or enforcing any Lien or encumbrance against any property dealt with by the Plan; and (iv) commencing or continuing any action that does not comply with or is inconsistent with the provisions of the Plan or the Bankruptcy Code.

Nothing in the Plan: (i) extinguishes, prohibits, or otherwise limits the right of any holder of a Claim to assert a right to setoff or recoupment arising in connection with that Claim as part of the resolution and treatment of that Claim under the Plan; (ii) extinguishes, prohibits, or otherwise limits the right

of the Estate or Reorganized Cornbread to assert and prevail on any Avoidance Action or Litigation Claim; (iii) enjoins or otherwise precludes any party-in-interest from enforcing the terms of the Plan and the Confirmation Order.

7(d) Exculpation

None of the Debtor, Reorganized Cornbread, JPMC, Red Fox, the New Equity Holder, or any of their respective members, partners, officers, directors, employees, advisors, professionals, or agents has any liability to any holder of a Claim or Equity Interest for any act or omission in connection with, related to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property dealt with under the Plan, except for willful misconduct, a breach of fiduciary duty arising from something more wrongful than mere negligence, gross negligence, or fraud. In all respects, the Debtor, Reorganized Cornbread, JPMC, Red Fox, the New Equity Holder, and each of their respective members, partners, officers, directors, employees, advisors, professionals, and agents are entitled to rely on the advice of counsel with respect to their duties and responsibilities under the Plan.

7(e) Avoidance Actions and Litigation Claims

All Avoidance Actions and Litigation Claims are retained and reserved for Reorganized Cornbread, which is designated as the Estate's representative under Bankruptcy Code § 1123(b)(3)(B) for purposes of the Avoidance Actions and Litigation Claims. Reorganized Cornbread has the sole authority and discretion to prosecute, defend, compromise, settle, and otherwise deal with any Avoidance Actions and Litigation Claims, and does so in its capacity as a representative of the Estate in accordance with Bankruptcy Code § 1123(b)(3)(B). Reorganized Cornbread pays the fees and costs associated with litigating the Avoidance Actions and the Litigation Claims. Reorganized Cornbread has sole discretion to determine in its business judgment which Avoidance Actions and Litigation Claims to pursue, which to settle, and the terms of those settlements.

7(f) Retention of Jurisdiction After the Effective Date

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain as much jurisdiction over the Chapter 11 Case after the Effective Date as legally permissible, including jurisdiction to:

- Allow, disallow, determine, liquidate, classify, estimate, or establish the amount, priority, or secured or unsecured status of any Claim, and resolve any request for payment of any Admin-

istrative Claim and any objection to the Allowance or priority of any Claim;

- Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized under the Bankruptcy Code or the Plan;
- Resolve any matters related to the assumption or rejection of any executory contract or unexpired lease to which the Debtor is a party and to hear, determine and, if necessary, liquidate any Claims arising from such rejection;
- Ensure that distributions required under the Plan are accomplished in accordance with the Plan;
- Decide or resolve any motions, adversary proceedings, contested matters, and any other matters and grant or deny any applications or motions involving the Debtor that may be pending on the Effective Date;
- Enter any necessary or appropriate orders to implement or consummate the Plan's provisions and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Disclosure Statement;
- Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan, or any Person's obligations incurred in connection with the Plan;
- Hear and determine any motion or application to modify the Plan before or after the Effective Date under Bankruptcy Code § 1127 or modify the Disclosure Statement or any contract, instrument, release, or other agreement or document issued, entered into, filed, or delivered in connection with the Plan or the Disclosure Statement; or hear or determine any motion or application to remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document issued, entered into, filed or delivered in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

- Issue injunctions, enter and implement other orders, or take any other necessary or appropriate actions to restrain any entity's interference with consummation or enforcement of the Plan;
- Enter and implement any necessary or appropriate orders if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
- Determine any other matters that may arise in connection with or related to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document issued, entered into, filed, or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;
- Issue a final decree and enter an order closing the Chapter 11 Case; and
- Adjudicate the Disputed Claims, the Avoidance Actions, and the Litigation Claims and any other cause of action or claims of the Estate.

8. ACCEPTANCE AND CONFIRMATION OF THE PLAN

8(a) Acceptance of the Plan

As a condition to confirmation, the Bankruptcy Code requires that each class of impaired Claims and Equity Interests accept the Plan, except under certain circumstances. Bankruptcy Code §1126(c) defines acceptance of a plan by a class of impaired Claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of Claims in that Class, but for that purpose counts only those who actually vote to accept or to reject the Plan. Under Bankruptcy Code §1126(d), a Class of Equity Interests has accepted the Plan if holders of such Equity Interests holding at least two-thirds in amount actually voting have voted to accept the Plan. Bankruptcy Code §1126(f) deems a Class of Claims or Equity Interests to have accepted the Plan without voting if that Class is unimpaired under the definition in Bankruptcy Code §1124. Bankruptcy Code § 1126(g) deems a Class of Claims or Equity Interests to have rejected the Plan without voting if the members of that Class do not receive or retain any property under the Plan. Classes 1, 2, and 5 under the Plan are impaired and will be solicited to vote on the Plan. Classes 3 and 4 under the Plan are unimpaired and, therefore, are deemed to accept the Plan. Class 6 receives no distribution under the Plan and is deemed to reject the Plan without voting and, therefore, will not be solicited to vote on the Plan.

8(b) Feasibility of the Plan

To confirm the Plan, the Bankruptcy Court must find that confirmation of the Plan is not likely to be followed by the need for further financial reorganization of the Debtor. This requirement is imposed by Bankruptcy Code §1129(a)(11) and is popularly referred to as the “feasibility” requirement. The Debtor believes that the Debtor and Reorganized Cornbread will be able to perform timely all obligations described in the Plan and, therefore, that the Plan is feasible.

To demonstrate the feasibility of the Plan, the Debtor refers to the Effective Date Balance Sheet and the Operating Projections included in **Appendix 3**. These documents demonstrate that the Debtor anticipates that it will have sufficient Cash on hand as of the Effective Date to make, on the Effective Date, all payments on account of all Administrative Claims and Priority Claims and that, after the Effective Date, Reorganized Cornbread will have sufficient Cash to make all payments to all other holders of Claims required under the Plan when due.

Accordingly, the Debtor believes that the Plan satisfies the feasibility requirement of Bankruptcy Code §1129(a)(11). The Debtor cautions that no representations can be made as to the accuracy of the Effective Date Balance Sheet or the Operating Projections or as to Reorganized Cornbread’s ability to achieve the projected results. Certain of the assumptions on which the Effective Date Balance Sheet and the Operating Projections are based are subject to uncertainties outside the Debtor’s or Reorganized Cornbread’s control. Some assumptions inevitably will not materialize. Events and circumstances occurring after the date on which the Effective Date Balance Sheet and Operating Projections were prepared may be different from those assumed or may be unanticipated and may adversely affect the Debtor’s or Reorganized Cornbread’s financial results. Therefore, actual results can be expected to vary from projected results. Those variations may prove material and adverse. *See* “Risk Factors” below.

Neither the Effective Date Balance Sheet nor the Operating Projections was prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants, the practices recognized to be in accordance with generally accepted accounting principles, or the rules and regulations of the Securities and Exchange Commission regarding projections. Neither the Effective Date Balance Sheet nor the Operating Projections has been audited by independent accountants. Although presented with numerical specificity, the Effective Date Balance Sheet and the Operating Projections are based on a variety of assumptions, some of which in the past have not been achieved and which may not be realized in the future, and remain subject to significant business, economic, regulatory, and competitive uncertainties and contingencies, and many of which are beyond any party’s control. Consequently, neither the Effective Date Balance Sheet

nor the Operating Projections should be regarded as a representation or warranty by any Person that projections will be realized. Actual results may vary materially and adversely from those presented.

8(c) Best Interests Test

8(c)(1) Explanation

Even if a plan is accepted by each class of claim holders, the Bankruptcy Code requires a bankruptcy court to determine that the plan is in the “best interests” of all holders of claims and interests that are impaired by the plan and that have not accepted the plan. The “best interests” test, as set forth in Bankruptcy Code §1129(a)(7), requires a bankruptcy court to find either that: (i) all members of an impaired class of claims or interests have accepted the plan; or (ii) the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor was liquidated under Chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to members of each impaired class of holders of claims and interests if the debtor were liquidated under Chapter 7, a bankruptcy court must first determine the aggregate dollar amount that would be generated from the debtor’s assets if its Chapter 11 case were converted to a Chapter 7 case under the Bankruptcy Code. This “liquidation value” would consist primarily of the proceeds from a forced sale of the debtor’s assets by a Chapter 7 trustee.

The amount of liquidation value available to unsecured creditors would be reduced by: (1) the claims of any secured creditors to the extent of the value of their collateral; and (2) the costs and expenses of liquidation, as well as by other administrative expenses and costs of both the Chapter 7 case and the Chapter 11 case. Costs of liquidation under Chapter 7 of the Bankruptcy Code would include the compensation of a Chapter 7 trustee, as well as of counsel and other professionals retained by the Chapter 7 trustee, asset disposition expenses, all unpaid expenses incurred by the Debtor or the Chapter 11 Trustee in the bankruptcy case (such as compensation of attorneys, financial advisors, and restructuring consultants) that are allowed in the Chapter 7 case, litigation costs, and claims arising from the operations of the Debtor during the pendency of the bankruptcy case.

Once the court ascertains the recoveries in liquidation of secured creditors and priority claimants, it must determine the probable distribution to general unsecured creditors from the remaining available proceeds in liquidation. If the probable distribution has a value greater than the distributions to be received by such creditors under the plan, then the plan is not in the best interests of creditors and equity security holders.

8(c)(2) *Application of the Liquidation Analysis*

A liquidation analysis prepared with respect to the Debtor is attached as **Appendix 4** to this Disclosure Statement. The Debtor believes that any liquidation analysis is speculative. For example, the liquidation analysis necessarily contains an estimate of the amount of Claims that will ultimately become Allowed Claims. In preparing the liquidation analysis, the Debtor has projected the amount of Allowed Claims based on a review of the Schedules, the Debtor's books and records, and filed proofs of claim. No order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of Claims at the projected amounts of Allowed Claims set forth in the liquidation analysis. The estimate of the amount of Allowed Claims set forth in the liquidation analysis should not be relied on for any other purpose, including, without limitation, any determination of the value of any distribution to be made on account of Allowed Claims under the Plan.

Notwithstanding the difficulties in quantifying recoveries to creditors with precision, the Debtor believes that, taking into account the liquidation analysis, the Plan meets the "best interests" test of Bankruptcy Code §1129(a)(7). The Debtor believes that each member of each Class will receive at least as much under the Plan as it would in a hypothetical Chapter 7 liquidation. Creditors will receive a better recovery through the distributions contemplated by the Plan because ceasing the Debtor's operations and liquidating the Debtor's limited tangible assets will yield proceeds far from sufficient to satisfy JMPC's and Red Fox's liens, eliminating any possibility for recovery for any other Claims and any holder of Claims other than JPMC and Red Fox.

9. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

9(a) Introduction

A summary description of certain United States federal income tax consequences ("*Tax Consequences*") of the Plan follows. This description is for informational purposes only and, owing to a lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various Tax Consequences of the Plan discussed below. This disclosure describes only the principal Tax Consequences of the Plan to the Debtor and to holders of Claims. No opinion of counsel has been sought or obtained with respect to any Tax Consequences of the Plan. No rulings or determinations of the IRS or any other tax authorities have been sought or obtained with respect to any Tax Consequences of the Plan, and the discussion below is not binding on the IRS or other authorities. No representations are being made to the Debtor or any holder of a Claim regarding the particular Tax Consequences of the confirmation and consummation of the Plan. No assur-

ance can be given that the IRS would not assert, or that a court would not sustain, a different position from any discussed here.

The following discussion of the Tax Consequences is based on the Internal Revenue Code of 1986, as amended, (the “Code”) Treasury Regulations, judicial authorities, published positions of the IRS and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations (possibly with retroactive effect).

The following discussion does not address foreign, state, or local tax consequences of the Plan, nor does it purport to address the Tax Consequences of the Plan to special classes of taxpayers (*e.g.*, banks and certain other financial institutions, insurance companies, tax-exempt organizations, governmental entities, persons that are, or hold their Claims through, pass-through entities, persons whose functional currency is not the United States dollar, foreign persons, dealers in securities or foreign currency, employees of the Debtor, persons who received their Claims by exercising an employee stock option or otherwise as compensation, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction). Furthermore, the following discussion does not address United States federal taxes other than income taxes.

Holders of Claims are strongly urged to consult their own tax advisor regarding the United States federal, state, local, and foreign tax consequences of the transactions described in this Disclosure Statement and in the Plan.

9(b) United States Federal Income Tax Consequences to the Debtor

The Debtor is a limited partnership subject to its controlling taxing authorities. The fact that the Debtor is subject to a Chapter 11 proceeding will not change this result. Thus, the Chapter 11 bankruptcy proceeding has no impact on the Tax Consequences of the transactions contemplated by the Plan. The Debtor does not believe that it will incur the attribution to it of any cancellation of indebtedness income in connection with the transactions contemplated by the Plan.

9(c) Federal Income Tax Consequences to Creditors

9(c)(1) Generally

The following discusses certain Tax Consequences of the transactions contemplated by the Plan to Creditors that are “United States holders,” as defined below. The Tax Consequences of the transactions contemplated by the Plan to Creditors (including the character, timing and amount of income, gain or loss recognized) will depend on, among other things: (1) whether the Claim and the consideration received in respect of it are “securities” for Tax Purpos-

es; (2) the manner in which a Creditor acquired a Claim; (3) the length of time the Claim has been held; (4) whether the Claim was acquired at a discount; (5) whether the Creditor has taken a bad debt deduction with respect to the Claim (or any portion of it) in the current tax year or any prior tax year; (6) whether the Creditor has previously included in its taxable income accrued but unpaid interest with respect to the Claim; (7) the holder's method of tax accounting; and (8) whether the Claim is an installment obligation for Tax Purposes. Creditors, therefore, should consult their own tax advisors regarding the particular Tax Consequences to them of the transactions contemplated by the Plan.

For purposes of the following discussion, a "United States holder" is a Creditor that is: (1) a citizen or individual resident of the United States; (2) a partnership, limited liability company, or corporation created or organized in the United States or under the laws of the United States, a political subdivision of the United States, or a State of the United States; (3) an estate whose income is subject to United States federal income taxation regardless of its source; or (4) a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust, or (ii) the trust was in existence on August 20, 1996, and properly elected to be treated as a United States person.

Each holder of a Claim in Class 1, 2, and 5 may be permitted to recognize a loss or may be required to recognize gain on its distributions under the Plan. The loss or gain to be recognized by the holder of a Class 1, 2, or 5 Allowed Claim will equal the positive difference in the case of a loss (and negative difference in the case of a gain) between (1) the adjusted tax basis such holder has in its Claim (excluding any adjusted tax basis attributable to accrued but unpaid interest), and (2) the fair market value of the beneficial interest distributed (or deemed distributed) to the holder of the Claim (excluding any cash or property received or deemed received attributable to accrued interest). Depending on the manner in which the Claim arose, applicability of the market discount rules and other factors, such loss or gain may be capital or ordinary in nature. Due to limitations in the Code, a holder of a Class 1, 2, or 5 Allowed Claim that recognizes a capital loss relating to its Claim may not be able to use such capital loss in the taxable year it arises or ever.

Although many holders of Claims will not be required to recognize gain or income as a result of the property distributions (including cash distributions) made or deemed to be made to them under the terms of the Plan, certain situations may exist that will require a holder of a Claim to do so. For example, if a Claim relates to a transaction under which the holder is required to recognize gain on payment (for example, an installment sale), the holder may be required to recognize gain as a result of the actual or deemed distributions made to it under the Plan. Moreover, if (1) a holder of a Claim previously took a deduction or loss relating to the partial or entire worthlessness of its

Claim, and (2) the fair market value of the property (including cash) it receives or is deemed to receive for its Claim under the Plan exceeds the remaining adjusted tax basis, if any, it has in its Claim, such holder will be required to recognize gain or income. Similarly, a holder of a Claim that purchased its Claim at a discount may be required to recognize gain if the amount received in satisfaction of the Claim exceeds such holder's adjusted tax basis in the Claim. There are several other reasons why a holder of a Claim may be required to recognize gain or income as a result of the actual or deemed distributions made to it under the Plan. Therefore, each holder of a Claim should consult its own tax advisor to determine the tax consequences of the receipt of or deemed receipt of property (including cash) under the Plan.

To the extent that the property (including cash) received or deemed to be received by a holder of a Claim is attributable to accrued interest on the Claim, the cash or property will be deemed made in payment of such interest. While the federal income tax laws are unclear regarding how much consideration may be deemed attributable to accrued interest when partial payments are made on a debt on which both principal and interest are owed, the Debtor intends to treat amounts distributed or deemed distributed under the Plan as attributable first to principal and then to any accrued but unpaid interest. To the extent that the holder of the Claim has not yet included the accrued interest in gross income, the fair market value of the cash or property deemed received in payment of such interest will generally be included in the holder's gross income for federal income tax purposes. To the extent the holder has previously included accrued interest on the Claim in gross income, the fair market value of the cash or property deemed received in payment of such interest generally will not be included in gross income. The holder of the Claim may be able to claim a deductible loss if the fair market value of the cash or property deemed received for the accrued interest is less than the amount the holder had previously included in gross income. Holders of Claims should consult with their tax advisors regarding the allocation of distributions between principal and interest.

Distributions deemed issued to a holder of a Claim on consummation of the Plan will not include any distribution held in reserve for holders of Disputed Claims. As a result, in determining the amount of loss or gain recognized by a holder of a Claim on consummation of the Plan, the holder will not be treated as receiving any property attributable to the assets that are held by or for the benefit of holders of Disputed Claims. As discussed below, when a Disputed Claim becomes Disallowed in whole or in part, the holders of a Claim will be treated as receiving additional consideration in respect of their Claim at that time. It is possible, however, that the IRS or a court may conclude that the amount of consideration deemed received for tax purposes by a holder of an Claim on consummation of the Plan should be determined by disregarding the Disputed Claims and treating any distribution held in reserve for holders of Disputed Claims as proportionately distributed to the holders of Claims. In such case, appropriate downward adjustments would be made on

the allowance of a Disputed Claim in whole or in part. Holders of Claims should consult with their tax advisors as to the proper amount of consideration deemed received on consummation of the Plan.

Holders of Disputed Claims will not be treated as receiving any consideration in respect of their Claims on consummation of the Plan. On the allowance of a Disputed Claim, the holder of the Disputed Claim will be treated as realizing in satisfaction of its Claim the amount of cash distributed to the holder at such time plus the fair market value of the distribution distributed to such holder. On the disallowance of a Disputed Claim, the distribution attributable to such Disputed Claim will be cancelled and the cash attributable to the Disallowed Disputed Claim and held in reserve will be released from the reserve. While not entirely clear, at such time, such holders will likely be treated as having received additional consideration in satisfaction of their Claims equal to their proportional shares of (i) the fair market value of the cancelled distributions and (ii) the cash released from the reserve. If the Disputed Claim becomes Disallowed in the year in which the Plan is consummated, then such additional consideration would either reduce the loss or increase the gain that was recognized with respect to their Claim on consummation of the Plan and would possess the same character (*i.e.*, capital or ordinary) as the gain or loss recognized on consummation of the Plan. If the Disputed Claim becomes disallowed after the year in which the Plan is consummated, then the additional amount deemed received on disallowance of the Disputed Claim will be treated as gain with the same character (*i.e.*, capital or ordinary) as the gain or loss recognized on consummation of the Plan. Holders of a Class 1, 2, or 5 Allowed Claim would increase the tax bases in their distribution by the additional amounts deemed received on the disallowance of a Disputed Claim.

9(c)(2) Accrued Interest

Holders of Claims for accrued interest that previously have not included such accrued interest in taxable income will be required to recognize ordinary income equal to the amount of Cash received under the Plan with respect to such Claims for accrued interest. Holders of Claims for accrued interest that have included such accrued interest in taxable income generally may take an ordinary deduction to the extent that such Claim is not fully satisfied under the Plan (after allocating the distribution between principal and accrued interest), even if the underlying Claim is held as a capital asset. The adjusted tax basis of any Cash received in exchange for a Claim for accrued interest will equal the amount of Cash on the Effective Date, and the holding period for the property will begin on the day after the Effective Date. It is not clear the extent to which consideration that may be distributed under the Plan will be allocable to interest. Creditors are advised to consult their own tax advisors to determine the amount, if any, of consideration received under the Plan that is allocable to interest.

9(c)(3) *Market Discount*

In general, a debt obligation, other than one with a fixed maturity of one year or less, that is acquired by a holder in the secondary market (or, in certain circumstances, on original issuance) is a “market discount bond” as to that holder if the obligation’s stated redemption price at maturity (or, in the case of a debt obligation having original issue discount, the revised issue price) exceeds the holder’s adjusted tax basis in the debt obligation immediately after its acquisition. A debt obligation will not, however, be a “market discount bond” if such excess is less than a statutory *de minimis* amount. To the extent that a Creditor has not previously included market discount in its taxable income, gain recognized by a Creditor on the disposition of a “market discount bond” will generally be treated as ordinary interest income to the extent of the market discount accrued on such bond during the Creditor’s period of ownership. A holder of a market discount bond that is required to defer deduction of all or a portion of the interest on indebtedness incurred or maintained to acquire or carry the bond may be allowed to deduct such interest, in whole or in part, on the disposition of such bond. In addition, any partial principal payment received by a Creditor that is attributable to a market discount bond will generally be treated as ordinary interest income to the extent such payment does not exceed the market discount accrued on such bond during the Creditor’s period of ownership.

9(c)(4) *Original Issue Discount*

The original issue discount (“OID”) rules provide an extremely detailed and complex method for determining and taxing the interest components of debt instruments. A holder of a debt instrument containing OID must include a portion of the OID in gross income in each taxable year in which the holder holds the debt instrument, regardless of whether any cash payments are received. OID is defined as the difference between the issue price and the stated redemption price at maturity of a debt instrument. As the OID rules are extremely complex, it is not certain how they will apply to the transactions contemplated by the Plan. Accordingly, each Creditor must consult its own tax advisor.

9(c)(5) *Other Claimholders*

If a Creditor or Equity Interest holder reaches an agreement with the Debtor or Reorganized Cornbread to have its Claim or Equity Interest satisfied, settled, released, exchanged, or otherwise discharged in a manner other than as described in the Plan, that Creditor or Equity Interest holder should consult with its own tax advisors regarding the Tax Consequences of that satisfaction, settlement, release, exchange, or discharge.

9(c)(6) Information Reporting and Backup Withholding

Certain payments, including payments in respect of accrued interest or market discount, are generally subject to information reporting by the payor to the IRS. These reportable payments do not include those that give rise to gain or loss on the exchange of a Claim. Moreover, such reportable payments are subject to backup withholding under certain circumstances. A United States holder may be subject to backup withholding at rate of 28 percent with respect to certain distributions or payments of accrued interest, market discount, or similar items under the Plan, unless the holder (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact or (b) provides a correct United States taxpayer identification number and certifies under penalty of perjury that the holder is a United States person, the taxpayer identification number is correct, and that the holder is not subject to backup withholding because of a failure to report all dividend and interest income. Payments that give rise to gain or loss on the exchange of a Claim are not subject to backup withholding. Backup withholding is not an additional tax. Amounts subject to backup withholding are credited against a holder's United States federal income tax liability, and a holder may obtain a refund of any excess backup withholding by filing an appropriate claim for refund with the IRS.

9(d) Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of certain United States 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 informational purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a Creditor's particular circumstances. Accordingly, Creditors are strongly urged to consult their tax advisors about the United States federal, state and local and applicable foreign income and other tax consequences of the Plan, including with respect to tax reporting and record keeping requirements.

IRS Circular 230 Notice: To comply with U.S. treasury regulations, be advised that any U.S. federal tax advice included in this communication (and it is not intended that any such advice be given in this Disclosure Statement) is not intended or written to be used, and cannot be used, to avoid any U.S. federal tax penalties or to promote, market, or recommend to another party any transaction or matter.

10. RISK FACTORS

10(a) Generally

There is some risk associated with the transactions contemplated under the Plan. This Disclosure Statement and certain of its Appendices contain forward-looking statements that involve risks and uncertainty. Reorganized Cornbread's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those set forth in the following risk factors and elsewhere in this Disclosure Statement. **Holders of Claims should consider carefully the following factors in addition to the other information contained in this Disclosure Statement.**

Management. Reorganized Cornbread's post-Effective Date performance depends to a great extent on the efforts of its general partner and its president, Michael Stone. Michael Stone is the Debtor's current president and the principal shareholder of the Debtor's general partner. There can be no assurance that Reorganized Cornbread will be successful in retaining Michael Stone and its other talented management personnel or will be able to replace that personnel with commensurately-qualified management personnel in the future. Owing to management's performance, Reorganized Cornbread may not perform as well as hoped or expected. Underperformance could materially and negatively affect the recoveries of Creditors.

Competitive Environment. The Debtor operates in a competitive restaurant industry and in competitive geographic locations. Like most other restaurants, the Debtor must address steadily increasing costs for commodities and labor, coupled with the overall downturn in demand in the casual dining sector. Reorganized Cornbread may not perform as well as hoped or expected. Underperformance could materially and negatively affect the recoveries of Creditors.

Effective Date Cash. The Debtor believes it will have sufficient cash on hand on the assumed Effective Date of August 15, 2018 to meet all its Effective Date payment obligations under the Plan. There is a small risk, however, that unforeseen circumstances and unanticipated operating expenses could deplete the Debtor's cash in a way that makes the Debtor unable to meet all Effective Date payments obligations by what the Debtor expects to be its Effective Date. Although the Debtor could delay the Effective Date until sufficient cash exists, it is possible, however unlikely, that the Debtor may fail to accumulate sufficient cash to bring about the Effective Date.

10(b) Risk of Non-Confirmation of the Plan

Although the Debtor believes that the Plan satisfies all legal and factual requirements necessary for Confirmation by the Bankruptcy Court, there

can be no assurance that the Bankruptcy Court will agree. There can also be no assurance that modifications of the Plan will not be required for Confirmation, that modifications would not adversely affect holders of Allowed Claims and Equity Interests, or that modifications would not necessitate resolicitation of votes.

11. ALTERNATIVES TO THE PLAN

The Debtor believes that the Plan affords holders of Claims the greatest possible recovery under the circumstances and, therefore, is in their best interests. But if the Plan is not confirmed, the theoretical alternatives include: (a) continuation of the pending Chapter 11 Case without any immediately-available financing; (b) an alternative plan; (c) a sale of substantially all the Debtor's assets; or (c) liquidation of the Debtor under Chapter 7 of the Bankruptcy Code.

11(a) Continuation of the Chapter 11 Case

The Plan is designed to maximize distributions to Creditors while allowing the Debtor to continue its business operations into the future. That business objective is unlikely to change in any material way, so continuing the Chapter 11 Case would serve only to increase the Administrative Expense Claims (especially those associated with legal fees) and delay and reducing recoveries to holders of Claims. Remaining under Chapter 11 protection may also continue to reduce the Debtor's ability to compete in its market and maintain healthy relationships with critical vendors and suppliers.

11(b) Alternative Plans of Reorganization

If the Plan is not confirmed, the Debtor or any other party-in-interest could propose a different plan or plans. Those plans might involve either a reorganization and continuation of the Debtor's business or the orderly liquidation of the Debtor's assets. The Debtor has proposed what they believe to be the optimal reorganization plan that maximizes recoveries to all Creditors without jeopardizing Reorganized Cornbread's ability to meet the very obligations it proposes in the Plan to assume. For this reason, the Debtor does not believe that any alternative plan would serve Creditors' needs as well as the currently-proposed Plan.

11(c) Section 363 Sale

It remains possible for the Debtor to market substantially all its tangible assets for sale to the highest bidder under Bankruptcy Code §363. Because most of those assets are subject to JPMC's and Red Fox's liens, nearly all the proceeds of such a sale would be used to satisfy as much of the JPMC Secured Claim and Red Fox Claim as possible without leaving much or any proceeds available for the payment of any other Claims. The Debtor does not

believe that an arm's-length sale of assets would bring anywhere near the amount required to satisfy the JPMC Secured Claim and Red Fox Claim. Further, the Estate would have to incur significant expense associated with marketing the assets for sale, including the hiring of an investment banker or business broker and the various expenses (bankruptcy and non-bankruptcy) associated with the significant delay in completing this Chapter 11 Case.

11(d) Liquidation Under Chapter 7

If no plan is confirmed, the Debtor's Chapter 11 Case may be converted to a case under Chapter 7 of the Bankruptcy Code. In a Chapter 7 case, a trustee would be appointed to liquidate the Debtor's assets. Although it is theoretically possible for a Chapter 7 trustee to maintain the Debtor's operations and sell assets as a going concern (that is, at a higher value than if the Debtor's operations were shut down), the Debtor believes that no Chapter 7 trustee would endeavor to maintain operations. The Estate would lose the value associated with maintaining operations as a going concern. Worse, the vast bulk of the Debtor's tangible assets—used restaurant equipment—are of highly questionable value. Thus, the Debtor believes that holders of Claims would lose most of the intrinsic value of the Debtor's currently operational assets with the effect that JPMC and Red Fox would receive mere cents on the dollar for their senior secured Claims and the rest of the Estate's Creditors would receive nothing.

12. CONCLUSION

12(a) Hearing on and Objections to Confirmation

12(a)(1) Confirmation Hearing

The hearing on confirmation of the Plan has been scheduled for July [REDACTED], 2018 at [REDACTED] [REDACTED].m. (Arizona time). The hearing may be adjourned from time to time by announcing the adjournment in open court, all without further notice to parties-in-interest, and the Plan may be modified under Bankruptcy Code §1127 before, during, or as a result of that hearing, without further notice to parties in interest.

12(a)(2) Deadline for Objections to Confirmation

The time by which any objections to confirmation of the Plan must be filed with the Bankruptcy Court and received by the parties listed in the Confirmation Hearing Notice has been set for July [REDACTED], 2018 at 5:00 p.m. (Arizona time).

12(b) Recommendation

The Plan provides for the best possible and most equitable distribution to Creditors. The Debtor believes that any alternative to confirmation of the Plan, such as Chapter 7 liquidation or attempts by another party-in-interest to file a plan, would result in significant delays, litigation, and additional costs with no benefit. For these reasons, the Debtor urges you to vote to accept the Plan and to support Confirmation of the Plan.

May 25, 2018

Respectfully submitted,

PERKINS COIE LLP

By: /s/ Jordan A. Kroop
Jordan A. Kroop
Bradley A. Cosman

Appendix 1

Plan

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**UNITED STATES BANKRUPTCY COURT
DISTRICT ARIZONA**

In re CORNBREAD VENTURES, LP, a Texas limited partnership, EIN 47-4482094 Debtor	Chapter 11 Case No. 2:17-bk-12877 BKM
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PLAN OF REORGANIZATION

Cornbread Ventures, LP, debtor-in-possession in this Chapter 11 case, proposes this plan of reorganization for the resolution of all outstanding claims and equity interests.

All holders of Claims or Equity Interests should read this Plan, the Disclosure Statement, and all related materials in their entirety.

Subject to the restrictions on modifications set forth in Bankruptcy Code § 1127, Bankruptcy Rule 3019, and Section 11.01 of the Plan, the Debtor may amend the Plan before its substantial consummation.

ARTICLE 1
DEFINITIONS AND RULES OF INTERPRETATION

All capitalized terms used in the Plan are defined in this Article 1, the Bankruptcy Code, or the Bankruptcy Rules. “Including” means “including without limitation.”

As used in the Plan, the following terms have the following meanings:

1.01. Administrative Claim. A Claim for any expense Allowed under Bankruptcy Code §§ 503(b), 507(b), or 546(c)(2) and entitled to priority under Bankruptcy Code § 507(a)(2), including: (a) fees payable under 28 U.S.C. § 1930; (b) actual and necessary costs and expenses incurred in the ordinary course of the Debtor’s business; (c) actual and necessary costs and expenses of preserving the Estate or administering the Chapter 11 Case; and (d) all Professional Fee Claims to the extent Allowed by Final Order under Bankruptcy Code § 330.

1.02. Administrative Claims Bar Date. The first Business Day 30 days after the Confirmation Date.

1.03. Allowed. With respect to any Claim against, or Equity Interest in, the Debtor:

a. allowed by Final Order, whether or not following an objection to its allowance, a motion to estimate for purposes of allowance, or a request to subordinate filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court; or

b. proof of which, request for payment of which, or application for allowance of which was filed or deemed filed with the Bankruptcy Court on or before the Bar Date, the Administrative Claims Bar Date, the Professional Fee Bar Date, or the Rejection Damages Bar Date, as applicable, for filing proofs of claim or equity interest or requests for payment for Claims of that type against the Debtor or other applicable date established by order of the Bankruptcy Court, even if that date is after the Bar Date, the Administrative Claims Bar Date, the Professional Fee Bar Date, or the Rejection Damages Bar Date, as applicable; or

c. listed as undisputed, liquidated, and non-contingent in the Schedules and no objection to its allowance, motion to estimate for purposes of allowance, or request to subordinate has been filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court.

1.04. Avoidance Actions. All statutory causes of action preserved for the Estate under Bankruptcy Code §§ 510, 542, 543, 544, 545, 547, 548, 549, 550,

and 553 that the Estate may have against any Person, including those listed in Exhibit A to the Plan. Failure to list an Avoidance Action in the Plan does not waive or release that Avoidance Action.

1.05. Bankruptcy Code. Title 11 of the United States Code.

1.06. Bankruptcy Court. The United States District Court for the District of Arizona and, to the extent of any reference under 28 U.S.C. § 157, the bankruptcy unit of the District Court under 28 U.S.C. § 151.

1.07. Bankruptcy Rules. Collectively, the Federal Rules of Bankruptcy Procedure as promulgated under 28 U.S.C. § 2075 and any Local Rules of the Bankruptcy Court applicable to the Chapter 11 Case.

1.08. Bar Date. The date fixed by the Bankruptcy Court by which Persons asserting a Claim against the Debtor (except Administrative Claims, Professional Fee Claims, and Rejection Damages Claims) are required to file a proof of claim or be forever barred from asserting a Claim against the Debtor or its property, from voting on the Plan, and from sharing in distributions under the Plan.

1.09. Benefit Plans. All benefit plans of whatever type that the Debtor provided to its employees, whether now in existence or previously terminated, and any rights of employees to extended coverage arising from any benefit plan, whether under the terms of that benefit plan or under applicable law.

1.10. Business Day. Any day other than a Saturday, Sunday, or legal holiday (as defined in Bankruptcy Rule 9006).

1.11. Cash. Currency, checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks, money orders, negotiable instruments, and wire transfers of immediately-available funds.

1.12. Chapter 11 Case. The case under chapter 11 of the Bankruptcy Code for the Debtor pending before the Bankruptcy Court under Case No. 2:17-bk-12877-BKM.

1.13. Claim. A claim against the Debtor or its property as defined in Bankruptcy Code § 101(5), including: (a) any right to payment, whether or not the right is reduced to judgment, liquidated, fixed, contingent, matured, disputed, legal, equitable, secured, or unsecured arising at any time before the Effective Date; or (b) any right to an equitable remedy for breach of performance if the breach gives rise to a right to payment, whether or not the right to an equitable remedy is reduced to judgment, fixed, contingent, matured, disputed, secured, or unsecured.

1.14. Class. A category consisting of holders of Claims or Equity Interests substantially similar in nature to the Claims or Equity Interests of other holders placed in that category, as designated in Article 3 of the Plan.

1.15. Collateral. Any property or interest in property of the Estate subject to a Lien to secure the payment or performance of a Claim, the Lien not avoidable or invalid under the Bankruptcy Code or applicable state law.

1.16. Confirmation Date. The date the Bankruptcy Court enters the Confirmation Order.

1.17. Confirmation Hearing. The evidentiary hearing at which the Bankruptcy Court considers confirmation of the Plan.

1.18. Confirmation Order. The order of the Bankruptcy Court confirming the Plan under the Bankruptcy Code. The Confirmation Order need not necessarily be a Final Order.

1.19. Contingent Claim. Any Claim for which a proof of claim has been filed with the Bankruptcy Court that: (a) was not filed in a fixed amount, or has not accrued and depends on a future event that has not occurred and may never occur; and (b) has not been Allowed on or before the Confirmation Date.

1.20. Credit Card Facility. The business credit card facility in the original maximum principal amount of \$75,000 made by JPMC to the Debtor under the Existing JPMC Loan Documents.

1.21. Cure. The payment on the Effective Date of Cash or other property as a condition to the assumption or assumption and assignment by the Debtor of an executory contract or unexpired lease of nonresidential real property, in accordance with Bankruptcy Code § 365(b).

1.22. D&O Policy. Any directors and officers liability insurance policy or any applicable errors and omissions policy applicable to the Debtor's directors, officers, and managers.

1.23. Debtor. Cornbread Ventures, LP, a Texas limited partnership.

1.24. DIP Financing Order. The *Final Order (I) Authorizing Debtor to Obtain Post-Petition Financing; and (II) Granting Security Interests and Liens* entered by the Bankruptcy Court on December 20, 2017, in the Bankruptcy Case

1.25. Disallowed. In reference to a Claim, a Claim or any portion of a Claim that: (a) has been disallowed or withdrawn by Final Order; or (b) with respect to a Claim other than an Administrative Claim, a Professional Fee Claim, or a Rejection Claim, was listed as disputed, unliquidated, or contingent in the Schedules and no proof of which was filed before the applicable Bar Date.

1.26. Disclosure Statement. The written disclosure statement relating to the Plan (including all exhibits and schedules) in the form approved by the Bankruptcy Court under Bankruptcy Code § 1125 and Bankruptcy Rule 3017.

1.27. Disputed. With respect to a Claim or Equity Interest, any Claim or Equity Interest: (a) listed in the Schedules as unliquidated, disputed, or contingent, or as to which the Debtor or any other party-in-interest has (i) interposed a timely objection or request for estimation, or (ii) sought to equitably subordinate or otherwise limit recovery in accordance with the Bankruptcy Code and the Bankruptcy Rules, in each instance where such listing, objection, request for estimation, or action to limit recovery has not been withdrawn or determined by a Final Order; or (b) that is a Contingent Claim.

1.28. Effective Date. The first Business Day 15 days after the Confirmation Date on which (a) no stay of the Confirmation Order is in effect and (b) all conditions to the Effective Date set forth in Section 8.02 of the Plan have been satisfied or waived in accordance with the Plan.

1.29. Equity Interest. Any equity interest in the Debtor represented by any certificated or uncertificated shares or partnership interest issued to any Person before the Effective Date, and any warrants, options, or rights to purchase any equity interest.

1.30. Equity Related Claim. Any Claim by any Person other than the Debtor or Reorganized Cornbread: (a) arising from the rescission of a purchase or sale of an Equity Interest or of a security of an affiliate of the Debtor; or (b) for damages arising from the purchase or sale of an Equity Interest or of a security of an affiliate of the Debtor; or (c) that asserts equitable or contractual rights of reimbursement, contribution, or indemnification arising from such a Claim; including any Claim that has been or may be asserted by any Person other than the Debtor or Reorganized Cornbread against the Debtor or one or more of its officers or directors, asserting violations of federal securities laws or any applicable non-federal securities law.

1.31. Estate. The estate consisting of the Debtor's interests in property created under Bankruptcy Code § 541.

1.32. Existing JPMC Loan Documents. The exiting loan and security documents evidencing the JPMC Secured Claim including: (a) the *Credit Agreement* dated October 19, 2015, between the Debtor as borrower and JPMC as lender, as amended; (b) the *Line of Credit Note* dated October 31, 2016, made by the Debtor in favor of JPMC, as amended; (c) the *Term Note* dated October 19, 2016, made by the Debtor in favor of JPMC, as amended; (d) an application titled *The Chase Corporate Flex Card Program* signed by the Debtor and dated December 9, 2015; (e) the *Business Card Agreement* between the Debtor and

JPMC; and (f) the other “Loan Documents” as defined in the JPMC Loan Modification Agreement.

1.33. Facility A. The line of credit facility in the original maximum principal amount of \$500,000 made by JPMC to the Debtor under the Existing JPMC Loan Documents.

1.34. Facility B. The term loan facility in the original maximum principal amount of \$2,000,000 made by JPMC to the Debtor under the Existing JPMC Loan Documents.

1.35. Final Order. An order or judgment of the Bankruptcy Court: (a) as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired, or as to which any right to appeal, petition for certiorari, reargue, or rehear has been waived in writing in form and substance satisfactory to the Debtor; and (b) if an appeal, writ of certiorari, or reargument or rehearing has been sought, as to which the highest court to which the order was appealed, or certiorari, reargument or rehearing was sought, has determined or denied the appeal, writ of certiorari, reargument, or rehearing, and the time to take any further appeal, petition for writ of certiorari, or move for reargument or rehearing has expired; but the filing of a motion under Rule 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, with respect to the order does not prevent the order from being a Final Order.

1.36. General Unsecured Claim. Any Claim against the Debtor existing as of the Petition Date including a Rejection Claim but excluding a Secured Claim, an Administrative Claim, a Priority Tax Claim, a Priority Claim, or an Equity Related Claim.

1.37. JPMC. JPMorgan Chase Bank, N.A.

1.38. JPMC Loan Modification Agreement. The *Loan Modification Agreement* between JPMC and Reorganized Cornbread, attached as Exhibit C to the Plan, evidencing the amendments to the Existing JPMC Loan Documents in accordance with, and as described more fully in, Section 3.02.c of the Plan.

1.39. JPMC Secured Claim. The Allowed Secured Claim of JPMC arising under Facility A, Facility B, and the Credit Card Facility, all evidenced by the Existing JPMC Loan Documents.

1.40. Litigation Claims. All claims and causes of action in law or in equity, whether known or unknown, contingent or otherwise, that the Estate has brought or may have against any Person, including those listed in Exhibit A to the Plan, other than Avoidance Actions. Failure to list a Litigation Claim in the Plan does not waive or release that Litigation Claim.

1.41. Maximum Amount. With respect to any Claim that is not an Allowed Claim: (a) the amount to which the Debtor and the holder of the Claim agree; or (b) any amount the Bankruptcy Court estimates or determines under Bankruptcy Code § 502(c); or (c) absent any agreement, estimation, or determination, the amount set forth in the proof of claim or application for payment filed by the holder of the Claim, or, if none, the amount set forth in the Schedules for the Claim, or, if none, the amount the Debtor estimates in its good faith discretion.

1.42. Miscellaneous Secured Claim. Any Secured Claim, other than a Secured Claim held by Red Fox or JPMC, that is: (a) listed in the Schedules as a liquidated, non-contingent, and undisputed secured claim, or (b) reflected in a proof of claim as a secured claim secured by a Lien on Collateral to the extent of the value of the collateral, as determined in accordance with Bankruptcy Code § 506(a), or, if the claim is subject to setoff under Bankruptcy Code § 553, net of setoff.

1.43. Modified JPMC Loan Documents. The Existing JPMC Loan Documents as amended, modified, and restated or replaced, as applicable, by or under the JPMC Loan Modification Agreement, the New JPMC Note, and any other documents and instruments to be delivered in connection with the JPMC Loan Modification Agreement and the New JPMC Note.

1.44. New Equity Contribution. An amount of Cash paid by the New Equity Holder on or before the Effective Date comprising: (a) \$500,000 less the principal borrowed by the Debtor at all times before the Effective Date under the DIP Financing Order; and (b) \$1,000,000.

1.45. New Equity Holder. Red Fox, the entity making the New Equity Contribution to purchase substantially all the New Equity Interests.

1.46. New Equity Interests. The partnership interests in Reorganized Cornbread to be authorized under the Amended and Restated Partnership Agreement of Reorganized Cornbread.

1.47. New JPMC Note. The promissory note made payable by Reorganized Cornbread to JPMC in accordance with, and as described more fully in, Section 3.02.c of the Plan, attached as Exhibit D to the Plan.

1.48. Petition Date. October 30, 2017, the date on which the Debtor filed its voluntary chapter 11 petition in the Bankruptcy Court.

1.49. Plan. This chapter 11 plan, either in its present form or as it may be amended from time to time, including all its exhibits.

1.50. Preserved Ordinary Course Administrative Claim. Any Administrative Claim based on liabilities incurred by the Debtor in the purchase, lease, or use

of goods and services in the ordinary course of its business, including Administrative Claims on account of services provided after the Petition Date to the Debtor by its employees, Claims for gift cards presented for redemption at any time after the Petition Date, and Claims for unpaid rent or contract payments arising under a rejected executory contract or unexpired lease of nonresidential real property after the Petition Date and before the effective date of the rejection of that contract or lease, but excluding Professional Fee Claims.

1.51. Priority Claim. Any Claim (or portion of a Claim) entitled to priority under Bankruptcy Code § 507(a) other than Priority Tax Claims and Administrative Claims.

1.52. Priority Tax Claim. Any Claim of a governmental unit entitled to priority under Bankruptcy Code § 507(a)(8) including, for purposes of the Plan, any Secured Claim which would otherwise meet the description of an unsecured Claim of a governmental unit under Bankruptcy Code § 507(a)(8) but for the Secured status of that Claim.

1.53. Professional. A Person: (a) employed in the Chapter 11 Case by a Final Order under Bankruptcy Code §§ 327, 328, 363, or 1103 and compensated for services under Bankruptcy Code §§ 327, 328, 329, 330, and 331 or by a Final Order; or (b) for whom compensation and reimbursement has been Allowed by a Final Order under Bankruptcy Code § 503(b).

1.54. Professional Fee Bar Date. The first Business Day 30 days after the Confirmation Date.

1.55. Professional Fee Claim. An Administrative Claim for compensation and reimbursement of expenses of a Professional incurred before the Effective Date submitted in accordance with Bankruptcy Code §§ 328, 330, 331, or 503(b).

1.56. Pro Rata. A proportionate share, such that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the amount of that Allowed Claim is the same as the ratio of all consideration distributed on account of all Allowed Claims in that Class to the amount of all Allowed Claims in that Class.

1.57. Red Fox. Red Fox Lending, LLC, a Texas limited liability company.

1.58. Red Fox Claim. The Allowed Secured Claim of Red Fox arising under the DIP Financing Order.

1.59. Rejection Claim. A Claim arising from the Debtor's rejection of an executory contract or unexpired lease either during the Chapter 11 Case or under the Plan other than a Claim for unpaid rent or contract payments arising

under a rejected executory contract or unexpired lease after the Petition Date and before the effective date of the rejection of that contract or lease.

1.60. Rejection Claims Bar Date. The first Business Day 30 days after the Confirmation Date.

1.61. Reorganized Cornbread. Cornbread Ventures, LP, on and after the Effective Date.

1.62. Restated Partnership Agreement. The *Amended and Restated Partnership Agreement* of Reorganized Cornbread substantially in the form of Exhibit E to the Plan.

1.63. Schedules. The schedules of assets and liabilities, the list of holders of interests, and the statements of financial affairs filed by the Debtor under Bankruptcy Code § 521 and Bankruptcy Rule 1007, as the schedules, list, and statements may have been or may be supplemented or amended from time to time.

1.64. Secured Claim. Any Claim: (a) listed in the Schedules as a liquidated, non-contingent, and undisputed secured Claim that has not otherwise been satisfied or waived before the Confirmation Date; or (b) reflected in a proof of claim as a secured Claim; or (c) secured by a Lien on Collateral to the extent of the value of the Collateral, as determined in accordance with Bankruptcy Code § 506(a); or (d) if the Claim is subject to setoff under Bankruptcy Code § 553, net of the setoff.

1.65. Tenant SPE. A limited liability company organized under the laws of either Arizona or Texas at least partially owned by Reorganized Cornbread as a “single-purpose,” bankruptcy-remote entity whose sole business purpose is to serve as the tenant under a single unexpired lease of nonresidential real property assumed by the Debtor and assigned to the Tenant SPE under the Plan.

1.66. Vote. To timely complete and submit, in accordance with the Bankruptcy Court’s order approving the Disclosure Statement, a ballot substantially in the form of Official Bankruptcy Form 314 indicating an acceptance or rejection of the Plan.

ARTICLE 2 TREATMENT OF UNCLASSIFIED CLAIMS

2.01. Unclassified Claims. Under Bankruptcy Code § 1123(a)(1), Administrative Claims and Priority Tax Claims are not classified for purposes of voting on, or receiving distributions under, the Plan. Holders of Administrative Claims and Priority Tax Claims are not entitled to vote on the

Plan but are treated separately in accordance with Sections 2.02 and 2.03 of the Plan and under Bankruptcy Code § 1129(a)(9)(A).

2.02. Allowed Administrative Claims.

a. Generally. Each Allowed Administrative Claim (other than a Professional Fee Claim but including a Claim under Bankruptcy Code § 503(b)(9) asserted by a creditor other than Sysco USA I, Inc.) is paid in full in Cash (or otherwise satisfied in accordance with its terms) on the latest of: (a) the Effective Date, or as soon after that date as feasible; (b) any date the Bankruptcy Court may fix, or as soon after that date as feasible; (c) 30 days after the Claim is Allowed; and (d) any date on which the holder of the Claim and the Debtor or Reorganized Cornbread agree.

b. Sysco 503(b)(9) Claims. All Claims asserted by a division of Sysco USA I, Inc. under Bankruptcy Code § 503(b)(9) have been Allowed and will be paid in accordance with the Bankruptcy Court's *Order Authorizing Debtor to Pay Prepetition § 503(b)(9) and PACA Claims of Sysco Arizona and Sysco Central Texas*, entered in the Bankruptcy Case on December 20, 2017.

c. Requests for Payment. All requests for payment of an Administrative Claim (other than a Professional Fee Claim but including a Claim under Bankruptcy Code § 503(b)(9) asserted by a creditor other than Sysco USA I, Inc.) must be served on Reorganized Cornbread and filed with the Bankruptcy Court no later than the Administrative Claims Bar Date. Any holder of an Administrative Claim (other than a Professional Fee Claim but including a Claim under Bankruptcy Code § 503(b)(9) asserted by a creditor other than Sysco USA I, Inc.) that fails to file and serve its request by the Administrative Claims Bar Date is forever barred from asserting its Administrative Claim against the Debtor or Reorganized Cornbread.

2.03. Preserved Ordinary Course Administrative Claims. Each Allowed Preserved Ordinary Course Administrative Claim is paid in full in Cash at Reorganized Cornbread's election either: (a) in accordance with the terms and conditions under which the Claim arose; or (b) in the ordinary course of Reorganized Cornbread's business. Payments are made without further action by the holder of the Preserved Ordinary Course Administrative Claim.

2.04. Allowed Priority Tax Claims.

a. Generally. Except as provided immediately below, all Allowed Priority Tax Claims are paid in full in Cash on the latest of: (a) the Effective Date (or as soon after that date as feasible); and (b) 30 days after the Claim is Allowed.

b. Installments. Reorganized Cornbread may elect to pay any Allowed Priority Tax Claim through regular installment payments in Cash of a total

value, as of the Effective Date, equal to the Allowed amount of the Claim, over a period ending not later than five years after the Petition Date, and in a manner not less favorable than the most favored General Unsecured Claim provided for by the Plan. Accordingly, if Reorganized Cornbread so elects, the installment payments are made in the same manner as the installment payments made on account of the Allowed General Unsecured Claims in Class 5, beginning on the latest of: (a) the Effective Date, or as soon after that date as feasible; (b) 30 days after the Claim is Allowed, or as soon after that date as feasible; and (c) another date on which the holder of the Claim and the Debtor or Reorganized Cornbread agree. Reorganized Cornbread retains the right to prepay any Allowed Priority Tax Claim, or any remaining balance of such a Claim, in full or in part, at any time on or after the Effective Date without premium or penalty.

c. Secured Tax Claims. If any Allowed Priority Tax Claim is secured by a Lien on any property of the Estate under applicable non-bankruptcy law, the holder of that Claim retains the Lien it held as of the Petition Date securing the Claim until the Claim is paid in full. On satisfaction of the Secured Tax Claim, the claimholder must release its Lien in accordance with applicable non-bankruptcy law.

2.05. Professional Fee Claims. Each Allowed Professional Fee Claim, to the extent not previously paid, is paid in Cash in full on the latest of: (a) the Effective Date, or as soon after that date as feasible; (b) 30 days after the Claim is Allowed, or as soon after that date as feasible; and (c) another date on which the holder of the Claim and the Debtor or Reorganized Cornbread agree. All final applications for allowance of all Professional Fee Claims must be served on Reorganized Cornbread and filed with the Bankruptcy Court no later than the Professional Fee Bar Date.

2.06. Post-Effective Date Professional Fees. All claims of Professionals for services rendered or expenses incurred after the Effective Date in connection with the Chapter 11 Case and the Plan, including those relating to consummation of the Plan, any appeal of the Confirmation Order, the preparation, filing, and review of Professional Fee Claims, the prosecution of Avoidance Actions and Litigation Claims, and the resolution of Disputed Claims, must be paid by Reorganized Cornbread on its receipt of an invoice, or on other terms Reorganized Cornbread and the Professional agree on, without the need for further Bankruptcy Court authorization or entry of a Final Order. Reorganized Cornbread may dispute and not pay any Professional fees incurred after the Effective Date. The Bankruptcy Court retains jurisdiction to resolve any such disputes.

ARTICLE 3
CLASSIFICATION AND TREATMENT OF
CLAIMS AND EQUITY INTERESTS

3.01. Class 1—Red Fox Claim. Class 1 consists of the Red Fox Claim.

a. Allowance of Claim. The Red Fox Claim is an Allowed Secured Claim in the amount equal to the principal, interest, and fees owing under the DIP Financing Order as of the Effective Date.

b. Impairment and Voting. Class 1 is impaired. Red Fox may Vote.

c. Treatment. In full and final satisfaction of the Red Fox Claim, Red Fox receives 95% of the New Equity Interests, constituting 100% of the limited partnership interests in Reorganized Cornbread, with 5% of the New Equity Interests issued to a newly-formed corporation the shareholders of which will include Michael Stone, constituting 100% of the general partnership interests in Reorganized Cornbread. As of the Effective Date, Red Fox releases all Liens on property of the Estate granted under the DIP Financing Order or otherwise.

3.02. Class 2—JPMC Secured Claim. Class 2 consists of the JPMC Secured Claim.

a. Allowance of Claim. The JPMC Secured Claim is an Allowed Secured Claim in the amount of \$1,828,999.95, plus all unpaid accrued interest, fees, and costs as of the Effective Date.

b. Impairment and Voting. Class 2 is impaired. JPMC may Vote.

c. Treatment. In full and final satisfaction of the JPMC Secured Claim, Reorganized Cornbread provides the following to JPMC:

(i) *Payment and Termination of Credit Card Facility.* On or before the Effective Date: (a) the Debtor will have paid or Reorganized Cornbread will pay to JPMC all principal, accrued and unpaid interest, and other amounts owing under the Credit Card Facility in full; (b) the Debtor will have provided or Reorganized Cornbread will provide to JPMC any documents and information JPMC requests to terminate the Credit Card Facility; and (c) the Credit Card Facility will have been or will be terminated.

(ii) *Payment of Accrued Interest Under Facility A and Facility B.* On or before the Effective Date, the Debtor will have paid or Reorganized Cornbread will pay to JPMC all accrued but unpaid interest owing under Facility A and Facility B through the Effective Date.

(iii) *Payment of Attorneys' Fees and Costs.* On or before the Effective Date, the Debtor will have paid or Reorganized Cornbread will pay to JPMC

all attorneys' fees and other costs incurred by JPMC in connection with the Credit Card Facility, Facility A, Facility B, the Chapter 11 Case, or otherwise relating in any manner to the Debtor or Reorganized Cornbread through the Effective Date.

(iv) *Principal Paydown.* On the Effective Date, Reorganized Cornbread pays to JPMC \$500,000 in Cash for application first to retire all principal owing under the Facility A Note (*i.e.* \$461,000) and then to reduce the principal owing under the Facility B Note.

(v) *New JPMC Note.* Reorganized Cornbread will make payable to JPMC the New JPMC Note in the principal amount of \$1,328,999.95 (*i.e.*, the Allowed JPMC Secured Claim less the amounts paid under Sections 3.02.c(i) through (iv) of the Plan). The JPMC Note bears interest at an adjustable per annum interest rate of 1.0% plus JPMC's prime rate in effect from time to time, for a term of 1 year. Reorganized Cornbread pays principal based on a 15-year amortization period plus accrued unpaid interest monthly, due on the first Business Day of each month, beginning with the first complete month following the Effective Date.

(vi) *Permitted Principal Pre-Payment.* Reorganized Cornbread may pay any amount toward the principal balance of the New JPMC Note in addition to the principal and interest owed in any month during the note's term without penalty and without creating any obligation to pay principal at any other time in a manner inconsistent with the note's terms.

(vii) *Retention of Lien.* As security for the repayment of the New JPMC Note, JPMC retains all Liens JPMC held in the Debtor's property on the Petition Date and, further, is granted a Lien in all property of the Debtor or Reorganized Cornbread existing as of the Effective Date and not existing on the Petition Date.

(viii) *Covenants.* The covenants in the Existing JPMC Loan Documents will be amended to update the financial reporting covenants and to update or add, as applicable, a fixed charge coverage ratio covenant, a funded-debt-to-EBITDA covenant, and a minimum liquidity covenant, all as more specifically set forth in the JPMC Loan Modification Agreement.

(ix) *Documentation.* The JPMC Secured Claim will be governed by the Modified JPMC Loan Documents. Reorganized Cornbread must execute and deliver to JPMC the JPMC Loan Modification Agreement, the New JPMC Note, and any other loan modification and security documents reasonably necessary and reasonably required by JPMC to implement the Plan's terms relating to JPMC. The Modified JPMC Loan Documents control if there is any inconsistency between them and the Plan.

3.03. Class 3—Priority Claims. Class 3 consists of all Priority Claims other than Priority Tax Claims.

a. Impairment and Voting. Class 3 is unimpaired. All holders of Allowed Priority Claims are deemed to accept the Plan and do not Vote.

b. Treatment. Each holder of an Allowed Priority Claim other than a Priority Tax Claim receives Cash in an amount equal to its Allowed Priority Claim on the later of: (i) the Effective Date, or as soon after that date as feasible; and (ii) 30 days after the Priority Claim is Allowed; unless, before the later of those two dates, the holder of the Claim and Reorganized Cornbread agree in writing to a different date.

3.04. Class 4—Miscellaneous Secured Claims. Class 4 consists of all Miscellaneous Secured Claims. Each holder of a Allowed Miscellaneous Secured Claim is considered its own separate subclass within Class 4, and each such subclass is considered a separate Class for purposes of the Plan.

a. Impairment and Voting. Class 4 is unimpaired. All holders of Allowed Miscellaneous Secured Claims in Class 4 are deemed to accept the Plan and do not Vote.

b. Treatment. Each holder of an Allowed Miscellaneous Secured Claim receives Cash in an amount equal to its Allowed Miscellaneous Secured Claim on the later of: (i) the Effective Date, or as soon after that date as feasible; and (ii) the closing date of the sale of the collateral to which the Claim pertains; unless, before the later of those two dates, the holder of the Claim and Reorganized Cornbread agree in writing to a different date. Each holder of an Allowed Miscellaneous Secured Claim retains all Liens on applicable property of the Estate arising under applicable law until that holder's Allowed Miscellaneous Secured Claim is paid in full under the Plan.

3.05. Class 5—General Unsecured Claims. Class 5 consists of all Allowed General Unsecured Claims, including Rejection Claims.

a. Impairment and Voting. Class 5 is impaired. All holders of Allowed Class 5 Claims may Vote.

b. Treatment. Each holder of an Allowed General Unsecured Claim receives, in full and final satisfaction of its Allowed General Unsecured Claim, twelve equal monthly Cash payments of the holder's Pro Rata share of \$200,000 without interest, beginning on the first Business Day of each full calendar month after the Effective Date. Reorganized Cornbread may prepay in full or in part any remaining balance of any Allowed General Unsecured Claim's Pro Rata share of \$200,000 at any time on or after the Effective Date without affecting the timing of payments on account of any other Allowed General Unsecured Claim.

3.06. Class 6—Equity Interests and Equity Related Claims. Class 6 consists of all Equity Interests and Equity Related Claims. Claim No. 27-1, filed by Steven Ellis Sharp, whether or not it is ultimately an Allowed Claim, is an Equity Related Claim.

a. Impairment and Voting. Class 6 is impaired. All holders of Equity Interests and Equity Related Claims are deemed to reject the Plan and do not Vote.

b. Treatment. Under Bankruptcy Code § 510(b), each Equity Related Claim is subordinated to all Claims or Equity Interests senior or equal to the Claim or Equity Interest represented by the Equity Related Claims. As of the Effective Date, all Equity Interests and Equity Related Claims are extinguished. The holders of Equity Interests and Equity Related Claims do not receive or retain any rights, property, or distributions on account of their Equity Interests or Equity Related Claims.

ARTICLE 4 IMPLEMENTATION

4.01. Effective Date Funding. Cash payments on and after the Effective Date on account of Allowed Administrative Claims, Allowed Priority Tax Claims, and Allowed Priority Claims, the payments required under Sections 3.02.c(i) through (iv) of the Plan, Allowed Miscellaneous Secured Claims, any Cure required under Section 5.03 of the Plan, and payments on account of Allowed General Unsecured Claims are made from Reorganized Cornbread's Cash, which includes the New Equity Contribution paid to Reorganized Cornbread no later than the Effective Date.

4.02. Disputed Claims. Reorganized Cornbread must manage Cash distributions to holders of Allowed General Unsecured Claims so as to reserve sufficient Cash to make appropriate distribution on account of any Disputed General Unsecured Claim as if that Disputed General Unsecured Claim were an Allowed General Unsecured Claim on the Effective Date in the Maximum Amount. If and when any Disputed General Unsecured Claim becomes an Allowed General Unsecured Claim, Cash sufficient to make appropriate distribution to the holder that Claim must be made from such reserves. If a Disputed General Unsecured Claim becomes a Disallowed General Unsecured Claim, all reserved distributions attributable to the holder of that Disputed General Unsecured Claim become available for Pro Rata distribution to all holders of Allowed General Unsecured Claims.

4.03. Restated Partnership Agreement. As of the Effective Date and without any further action by the Debtor or Reorganized Cornbread, the Debtor's partnership agreement is amended and restated substantially in the form of the Restated Partnership Agreement, which, among other things, authorizes the issuance of the New Equity Interests and prohibit (to the extent required by

Bankruptcy Code § 1123(a) and (b)) the issuance of non-voting equity securities. After the Effective Date, Reorganized Cornbread may amend its governance documents as permitted by applicable law.

4.04. Section 1145 Exemption. In accordance with Bankruptcy Code § 1145, the issuance of the New Equity Interests under the Plan is exempt from all federal, state, or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in a security.

4.05. Necessary Documents. Reorganized Cornbread is authorized and empowered to sign any instrument, agreement, or other document reasonably necessary to effect any provision of the Plan.

4.06. Cancellation of Instruments and Agreements. On the Effective Date, all agreements, instruments, and other documents relating to any Equity Interests, including the Equity Interests themselves, automatically terminate such that all obligations under all such agreements, instruments, and other documents are deemed fully and finally extinguished.

4.07. No Action Required. As of the Effective Date, (a) the adoption, execution, delivery, and implementation of all documents, contracts, leases, instruments, releases, and other agreements related to or contemplated by the Plan, and (b) the other matters provided for under, or in furtherance of, the Plan involving action required of the Debtor, are deemed to have occurred, are effective, binding, and enforceable in accordance with their respective terms, and are deemed authorized and approved in all respects without further order of the Bankruptcy Court or any further action by the Debtor's officers or partners.

4.08. Post-Effective Date Management.

a. General Partner. The general partner of Reorganized Cornbread from and after the Effective Date, vested with all managerial and operational authority for Reorganized Cornbread, is a corporation to be formed on or before the Effective Date, the shareholders of which include Michael Stone, who will act as that corporation's president. Michael Stone is the Debtor's current president and the principal shareholder of the Debtor's general partner as of the Petition Date.

b. Indemnification and Insurance. Reorganized Cornbread assumes any pre-Petition Date indemnification obligations to any Person serving as a director or officer of the Debtor immediately before the Effective Date.

ARTICLE 5
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.01. Assumption of Contracts and Leases. All executory contracts and unexpired leases designated on Exhibit B to the Plan as “Assumed” are assumed as of the Effective Date, except for any executory contract or unexpired lease (a) that has been rejected in accordance with a Final Order entered before the Confirmation Date, or (b) as to which a motion to reject has been filed with the Bankruptcy Court before the Confirmation Date.

5.02. Assumption and Assignment of Unexpired Real Property Leases. Each unexpired lease of nonresidential real property designated on Exhibit B to the Plan as “Assumed and Assigned” is, as of the Effective Date, assumed and assigned to its own Tenant SPE.

5.03. Rejection of Contracts and Leases. All executory contracts and unexpired leases either (a) designated on Exhibit B to the Plan as “Rejected” or (b) existing but not listed on Exhibit B to the Plan are rejected as of the Effective Date, except for any executory contract or unexpired lease that has been assumed or rejected in accordance with a Final Order entered on or before the Confirmation Date.

5.04. Approval. Entry of the Confirmation Order constitutes: (a) the approval under Bankruptcy Code § 365 of the assumption of the executory contracts and unexpired leases assumed under the Plan; (b) approval under Bankruptcy Code § 365 of the assumption and assignment of the unexpired leases of nonresidential real property assumed and assigned under the Plan; and (c) the approval under Bankruptcy Code § 365 of the rejection of the executory contracts and unexpired leases rejected under the Plan. Notwithstanding anything contained in this Section 5.04 to the contrary, the Debtor may add or change the treatment (assumed, assumed and assigned, or rejected) of any executory contract or unexpired lease on Exhibit B to the Plan, thus changing the treatment of the contract or lease under the Plan, at any time before the Effective Date.

5.05. Cure of Defaults. On the Effective Date or as soon after as is feasible, the Debtor must Cure any monetary defaults under any executory contract or unexpired lease assumed or assumed and assigned under the Plan. Any monetary Cure required for the assumption or assumption and assignment of a particular contract or lease is indicated on Exhibit B to the Plan. Any non-Debtor party to any such contract or lease that disputes the amount of Cure indicated on Exhibit B to the Plan must file a written objection with the Bankruptcy Court no later than the deadline for objecting to confirmation of the Plan. Any such objections not thus asserted are waived. The Debtor will not, and need not as a condition to assuming or assuming and assigning any executory contract or unexpired lease under the Plan, Cure any default that need not be cured under Bankruptcy Code § 365(b).

5.06. Rejection Claims Bar Date. All Rejection Claims must be filed by the Rejection Claims Bar Date. Any Rejection Claim not filed by the Rejection Claims Bar Date is forever barred. All Rejection Claims are General Unsecured Claims under the Plan. With respect to any executory contract or unexpired lease rejected by the Debtor before the Confirmation Date, the deadline for filing a Rejection Claim remains the deadline set forth in the order of the Bankruptcy Court authorizing that rejection.

5.07. Indemnification Obligations. Any obligation of the Debtor to indemnify any Person serving as a fiduciary of any employee benefit plan of the Debtor under charter, by-laws, contract, or applicable state law is an executory contract and is assumed as of the Effective Date. Except as otherwise provided in the Plan, any obligation of the Debtor to indemnify, reimburse, or limit the liability of any Person, including any officer or director of the Debtor, or any agent, professional, financial advisor, or underwriter of any securities issued by the Debtor related to any acts or omissions occurring before the Petition Date is rejected under the Plan as of the Confirmation Date if the Effective Date occurs. Any Claim resulting from these rejections in favor of any Person must be filed by the Rejection Claims Bar Date and constitutes a General Unsecured Claim. Notwithstanding any of the foregoing, nothing contained in the Plan affects the rights of any Person covered by any applicable D&O Policy with respect to any such policy.

5.08. Benefit Plans. All Benefit Plans not already assumed before the Confirmation Date are assumed as of the Confirmation Date if the Effective Date occurs. No Cure is required and no Cure will be made with respect to the assumption under the Plan of any Benefit Plan. Any non-Debtor beneficiary or participant in a Benefit Plan that disputes that no Cure is required for the assumption of the Benefit Plan must file an objection with the Bankruptcy Court no later than the deadline for objecting to confirmation of the Plan. Any such objections not raised in that manner are waived.

ARTICLE 6 DETERMINATION OF CLAIMS

6.01. Objections to Claims. Notwithstanding the occurrence of the Effective Date, and except as to any Claim that has been Allowed before the Effective Date, Reorganized Cornbread may object to the allowance or seek estimation of any Claim against the Debtor on any ground permitted by the Bankruptcy Code. Nothing in this section affects any party-in-interest's right to object to the allowance of any Claims or to seek the subordination of any Claim on any grounds permitted by the Bankruptcy Code. All objections to Claims must be brought by filing the appropriate pleading in the Bankruptcy Court before the first Business Day that is 180 days after the Confirmation Date, but the Bankruptcy Court may approve a later date on Reorganized Cornbread's motion filed (but not necessarily heard) before the first Business Day that is 180 days after the Confirmation Date.

6.02. Contingent Claims. Until a Contingent Claim becomes an Allowed Claim or is Disallowed, the Claim is treated as a Disputed Claim for all purposes under the Plan. The holder of a Contingent Claim is entitled to a distribution under the Plan only when the Contingent Claim becomes an Allowed Claim. Any Contingent Claim for reimbursement or contribution held by a Person that may be liable with the Debtor on a Claim of a Creditor is Disallowed as of the Effective Date if: (a) that Creditor's Claim is Disallowed; (b) the Claim for reimbursement or contribution is contingent as of the Effective Date; or (c) that Person asserts a right of subrogation to the rights of the Creditor under Bankruptcy Code § 509.

ARTICLE 7 AVOIDANCE ACTIONS, LITIGATION CLAIMS

7.01. Retention and Reservation. All Avoidance Actions and Litigation Claims are retained and reserved for Reorganized Cornbread, which is designated as the Estate's representative under Bankruptcy Code § 1123(b)(3)(B) for purposes of the Avoidance Actions and Litigation Claims.

7.02. Prosecution. Reorganized Cornbread has the sole authority and discretion to prosecute, defend, compromise, settle, and otherwise deal with any Avoidance Actions and Litigation Claims, and does so in its capacity as a representative of the Estate in accordance with Bankruptcy Code § 1123(b)(3)(B). Reorganized Cornbread pays the fees and costs associated with litigating the Avoidance Actions and the Litigation Claims. Reorganized Cornbread has sole discretion to determine in its business judgment which Avoidance Actions and Litigation Claims to pursue, which to settle, and the terms of those settlements.

ARTICLE 8 CONDITIONS PRECEDENT

8.01. Conditions to Confirmation. The Plan may not be confirmed unless and until each of the following occurs:

a. Approval of Disclosure Statement. The Bankruptcy Court enters a Final Order approving the Disclosure Statement.

b. Form of Confirmation Order. The Bankruptcy Court enters the Confirmation Order in form and substance reasonably acceptable to the Debtor. If the any party is unable to reach an agreement with any other party regarding the form and substance of the Confirmation Order, the Bankruptcy Court will resolve all such disputes.

c. Substance of Confirmation Order. The Confirmation Order contains the following:

(i) The provisions of the Confirmation Order are non-severable and mutually dependent;

(ii) The Plan's assumption, assumption and assignment, or rejection of all executory contracts and unexpired leases is approved;

(iii) The Debtor is released and discharged from all obligations arising under all executory contracts and unexpired leases rejected during the Chapter 11 Case or under the Plan;

(iv) In accordance with Bankruptcy Code § 1123(b)(3)(B), Reorganized Cornbread is appointed as the Estate's representative to prosecute, compromise, or abandon any Avoidance Actions and Litigation Claims in accordance with the Plan; and

(v) The Bankruptcy Court retains jurisdiction to the fullest extent permissible by applicable law and at least to the extent contemplated by Article 10 of the Plan.

8.02. Conditions to Effectiveness. The Effective Date does not occur unless and until:

a. The Confirmation Date occurs;

b. No request for revocation of the Confirmation Order under Bankruptcy Code § 1144 is pending;

c. The New Equity Contribution is paid in Cash by the New Equity Holder;

d. Sufficient Cash exists to make all payments required under the Plan to be made on the Effective Date; and

e. All instruments and agreements to be issued, entered into, delivered, or filed under the Plan, including the JPMC Loan Modification Agreement, the New JPMC Note, and any associated loan modification and security documents, are issued, entered into, delivered, or filed and are effective.

8.03. Waiver of Conditions. The Debtor may waive any condition to confirmation or the Effective Date, in whole or in part, at any time without notice, an order of the Bankruptcy Court, or any further action other than proceeding to confirmation and consummation of the Plan.

ARTICLE 9 TITLE TO PROPERTY; THIRD PARTY RIGHTS

9.01. Vesting of Assets. Except as provided in the Plan or the Confirmation Order, all property of the Estate vests in Reorganized Cornbread on the

Effective Date free and clear of all Liens and Claims existing before the Effective Date. From and after the Effective Date, Reorganized Cornbread may use and dispose of its property free of any restrictions of the Bankruptcy Code, including the employment of, and payment to, Professionals except as otherwise provided in the Plan or the Confirmation Order.

9.02. Discharge. Except as provided in the Plan or the Confirmation Order: (a) the rights granted under this Plan and the treatment of Claims and Equity Interests under this Plan are in exchange for and in complete satisfaction, discharge, and release of, all Claims including any interest accrued on any Claim from the Petition Date; and (b) confirmation of this Plan discharges the Debtor and Reorganized Cornbread from all Claims or other debts that arose before the Confirmation Date to the fullest extent allowed under Bankruptcy Code § 1141(a), (b), (c), and (d)(1).

9.03. Injunction.

a. Generally. Except as provided in the Plan or the Confirmation Order, as of the Confirmation Date, all entities that have held, currently hold, or may hold any Claim or Equity Interest are permanently enjoined from taking any of the following actions on account of any such Claim or Equity Interest: (i) commencing or continuing in any manner any action or other proceeding against any property dealt with by the Plan; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against any property dealt with by the Plan; (iii) creating, perfecting, or enforcing any Lien or encumbrance against any property dealt with by the Plan; and (iv) commencing or continuing any action that does not comply with or is inconsistent with the provisions of the Plan or the Bankruptcy Code.

b. Limited Scope. Nothing in this Plan: (i) extinguishes, prohibits, or otherwise limits the right of any holder of a Claim to assert a right to setoff or recoupment arising in connection with that Claim as part of the resolution and treatment of that Claim under the Plan; (ii) extinguishes, prohibits, or otherwise limits the right of the Estate or Reorganized Cornbread to assert and prevail on any Avoidance Action or Litigation Claim; (iii) enjoins or otherwise precludes any party-in-interest from enforcing the terms of the Plan and the Confirmation Order.

9.04. Exculpation. None of the Debtor, Reorganized Cornbread, JPMC, Red Fox, the New Equity Holder, or any of their respective members, partners, officers, directors, employees, advisors, professionals, or agents has any liability to any holder of a Claim or Equity Interest for any act or omission in connection with, related to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property dealt with under the Plan, except for willful misconduct, a breach of fiduciary duty arising from something more wrongful than mere negligence, gross negligence, or fraud. In all respects, the

Debtor, Reorganized Cornbread, JPMC, Red Fox, the New Equity Holder, and each of their respective members, partners, officers, directors, employees, advisors, professionals, and agents are entitled to rely on the advice of counsel with respect to their duties and responsibilities under the Plan.

9.05. Preservation of Insurance. The satisfaction of Claims as provided in the Plan, except as necessary to be consistent with the Plan, does not diminish or impair the enforceability of any insurance policy that may cover Claims against the Debtor or any other Person.

ARTICLE 10 RETENTION OF JURISDICTION

10.01. Bankruptcy Court Jurisdiction. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court retains as much jurisdiction over the Chapter 11 Case after the Effective Date as legally permissible, including jurisdiction to:

a. Allow, disallow, determine, liquidate, classify, estimate, or establish the amount, priority, or secured or unsecured status of any Claim, and resolve any request for payment of any Administrative Claim and any objection to the Allowance or priority of any Claim;

b. Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized under the Bankruptcy Code or the Plan;

c. Resolve any matters related to the assumption or rejection of any executory contract or unexpired lease to which the Debtor is a party and to hear, determine and, if necessary, liquidate any Claims arising from such rejection;

d. Ensure that distributions required under the Plan are accomplished in accordance with the Plan;

e. Decide or resolve any motions, adversary proceedings, contested matters, and any other matters and grant or deny any applications or motions involving the Debtor that may be pending on the Effective Date;

f. Enter any necessary or appropriate orders to implement or consummate the Plan's provisions and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

g. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan, or any Person's obligations incurred in connection with the Plan;

h. Hear and determine any motion or application to modify the Plan before or after the Effective Date under Bankruptcy Code § 1127 or modify the Disclosure Statement or any contract, instrument, release, or other agreement or document issued, entered into, filed, or delivered in connection with the Plan or the Disclosure Statement; or hear or determine any motion or application to remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document issued, entered into, filed or delivered in connection with the Plan or the Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

i. Issue injunctions, enter and implement other orders, or take any other necessary or appropriate actions to restrain any entity's interference with consummation or enforcement of the Plan;

j. Enter and implement any necessary or appropriate orders if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

k. Determine any other matters that may arise in connection with or related to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document issued, entered into, filed, or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

l. Issue a final decree and enter an order closing the Chapter 11 Case; and

m. Adjudicate the Disputed Claims, the Avoidance Actions, and the Litigation Claims and any other cause of action or claims of the Estate.

ARTICLE 11 AMENDMENT AND WITHDRAWAL OF PLAN

11.01. Amendment of Plan. At any time before the Confirmation Date, the Debtor may amend the Plan under Bankruptcy Code § 1127(a) as long as doing so does not materially and adversely affect the treatment and rights of the holders of Claims and Equity Interests under the Plan. After the Confirmation Date but before substantial consummation of the Plan as defined in Bankruptcy Code § 1101(2), the Debtor or Reorganized Cornbread may, under Bankruptcy Code § 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, and any matters necessary to carry out the Plan's purposes as long as those proceedings do not materially and adversely affect the treatment of holders of Claims or Equity Interests under the Plan. The Debtor or Reorganized Cornbread must serve prior notice of those

proceedings in accordance with the Bankruptcy Rules or applicable order of the Bankruptcy Court.

11.02. Withdrawal of Plan. The Debtor may withdraw the Plan at any time before the Confirmation Date. If withdrawn, the Plan is void and nothing contained in the Plan waives or affects any Claims by or against the Debtor or any other Person in any further proceedings involving the Debtor or an admission of any sort, and the Plan and any transaction contemplated by the Plan may not be admitted into evidence in any proceeding.

ARTICLE 12 MISCELLANEOUS

12.01. Effecting Documents; Further Transactions; Timing. The Debtor and Reorganized Cornbread and all other parties to any agreement or instrument to be executed under the Plan must, as of the Effective Date and without further order of the Bankruptcy Court, execute, deliver, file, or record all contracts, instruments, releases, and other agreements or documents contemplated in the Plan, and take all actions necessary or appropriate to effect and further evidence the terms of the Plan. All transactions required to occur on the Effective Date under the terms of the Plan are deemed to have occurred simultaneously.

12.02. Exemption from Transfer Taxes. Under Bankruptcy Code § 1146(a), (a) the issuance, distribution, transfer, and exchange of assets or property of the Estate, (b) the execution, assignment, modification, or recording of any lease or sublease, and (c) the execution, delivery, or recording of a deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, the Confirmation Order, or any transaction contemplated above, or any transactions arising out of, contemplated by, or in any way related to, the foregoing are not subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, or real estate transfer tax, or other similar tax or governmental assessment and the appropriate state or local government officials or agents are directed to forego the collection of any such tax or assessment and to accept for filing or recordation any of the foregoing instruments or other documents without the payment of any such tax or assessment.

12.03. Binding Effect. The Plan is binding on, and inures to the benefit of, the Debtor and the holders of all Claims and Equity Interests and their respective successors and assigns.

12.04. Governing Law. Except to the extent that the Bankruptcy Code or other federal law is applicable or as provided in any document entered into in connection with the Plan, the rights, duties and obligations of any Person arising under the Plan are governed by, and construed and enforced in accordance with, the internal laws of the State of Arizona, without regard for Arizona's choice of law provisions.

12.05. Modification of Treatment of Claims. Reorganized Cornbread may modify the treatment of any Allowed Claim in any manner adverse only to the holder of that Claim at any time after the Effective Date on that holder's prior written consent.

12.06. Setoffs and Recoupment. The Debtor and Reorganized Cornbread may but are not required to set off or recoup against any Claim (and the payments or other distributions to be made under the Plan in respect of such Claim) claims of any nature that arose before the Petition Date that the Estate may have against the holder of such Claim to the extent such claims may be set off or recouped under applicable law, but neither the failure to do so nor the fact of any Claim under the Plan becoming Allowed constitutes a waiver or release by the Estate of any such claim that it may have against such holder.

12.07. Notices. Any notice required or permitted to be provided under the Plan must be in writing and served by certified return-receipt-requested U.S. mail, hand delivery, overnight courier, or read-receipt-enabled email.

12.08. Delivery of Notices. If personally delivered or sent by overnight courier in accordance with the Plan, notice is deemed delivered on actual receipt. If emailed in accordance with the Plan, notice is deemed delivered on the noticing party's receipt of the read-receipt. If sent by U.S. mail in accordance with the Plan, notice is deemed delivered as of the date of delivery indicated on the receipt issued by the postal service or, if the addressee fails or refuses to accept delivery, as of the date of that failure or refusal. Any party to the Plan may change its address for the purposes of the Plan by giving notice of the change to Reorganized Cornbread.

12.09. Severability. If the Bankruptcy Court or any appellate court finds the Plan or any provision of the Plan to be invalid, illegal or unenforceable, or if the Bankruptcy Court cannot confirm the Plan under Bankruptcy Code § 1129, the Bankruptcy Court, at the Debtor's or Reorganized Cornbread's request, may retain the power to alter and interpret the Plan or any such provision to make it valid or enforceable to the maximum extent feasible, consistent with the original purpose of the provision held to be invalid or unenforceable, and such provision then becomes applicable as altered or interpreted. The Confirmation Order constitutes a judicial determination and provides that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable.

12.10. Plan Documents. Notwithstanding anything to the contrary contained in the Plan, including any reference in the Plan to documents in the forms annexed to the Plan as exhibits, the Debtor may revise any such document by filing the revised document with the Bankruptcy Court at least seven days before the deadline for voting on the Plan, or with the written consent of all parties in interest that are entitled to vote on the Plan and are materially and adversely affected by the revision.

12.11. Inconsistency. If any inconsistency between the Plan and the Disclosure Statement exists, the Plan governs. If any inconsistency between the Plan and any document promulgated under the Plan exists, the document governs.

12.12. Withholding and Reporting Requirements. The Debtor or Reorganized Cornbread, as applicable, must comply with all withholding and reporting requirements imposed by any federal, state, or local taxing authority with respect to all distributions under the Plan. The Debtor and Reorganized Cornbread, as applicable, may take all actions necessary to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan, each holder of an Allowed Claim that receives a distribution under the Plan has sole responsibility for the satisfaction or payment of any tax obligation imposed by any governmental unit, including income, withholding, and other tax obligation on account of such distribution.

12.13. Post-Effective Date Fees; Final Decree. Reorganized Cornbread must pay any post-Effective Date fees under 28 U.S.C. § 1930(a)(6) and file post-confirmation reports until the Bankruptcy Court enters a final decree, which Reorganized Cornbread may seek and obtain from the Bankruptcy Court as soon as feasible after distributions under the Plan have commenced. Notice of application for a final decree need be given only to those parties that, after the Effective Date, specifically request such notice in writing.

12.14. Method of Payment; Payments, Filings, and Notices Only on Business Days. Payments of Cash under the Plan must be made by check drawn on a domestic bank or by wire transfer from a domestic bank. Whenever any payment, distribution, filing, delivery, or notice to be made under the Plan is due on a day other than a Business Day, it may instead be made, without interest or penalty, on the next Business Day.

12.15. Delivery of Distributions; Undeliverable Distributions. Distributions to a holder of an Allowed Claim will be made: (a) to the address set forth on the holder's proof of claim, the Schedules, or, if no proof of claim is filed and the holder does not appear on the Schedules, the holder's last known address; or (b) to the address set forth in any written notice of address change delivered to the Debtor or Reorganized Cornbread. If any holder's distribution is returned as undeliverable, no further distributions to that holder will be made unless and until Reorganized Cornbread is notified of the holder's then-current address. Claims held by a holder whose distributions are returned as undeliverable and who fails to notify Reorganized Cornbread of its correct address within 90 days after the distributions are returned to Reorganized Cornbread as undeliverable will be expunged, after which all unclaimed property reverts to Reorganized Cornbread free of any restrictions. Neither the Debtor nor Reorganized Cornbread is required to attempt to locate any holder of an Allowed Claim.

12.16. Failure to Negotiate Checks. Checks issued in respect of distributions under the Plan are void if not negotiated within 90 days after issuance. Requests for reissuance of any such check must be made in writing directly to Reorganized Cornbread by the holder of the Allowed Claim with respect to which such check originally was issued. All amounts represented by any voided check will be held until 90 days after the voided check was issued. After that time, all such amounts vest in Reorganized Cornbread free of any restriction. Claims in respect of void checks and the underlying distributions are forever barred against the Debtor, Reorganized Cornbread, their agents, and their respective property, notwithstanding any federal or state escheat laws to the contrary.

May 25, 2018

PERKINS COIE LLP

CORNBREAD VENTURES, LP

By: /s/ Jordan A. Kroop
Jordan A. Kroop
Bradley A. Cosman

By: /s/ Michael Stone
Michael Stone
President

Exhibit A

Avoidance Actions

All statutory causes of action preserved for the Estate under Bankruptcy Code §§ 510, 542, 543, 544, 545, 547, 548, 549, 550, and 553 that the Estate may have against any Person, including any Person identified below.

Litigation Claims

All rights, claims, torts, liens, actions, causes of action, avoiding powers, proceedings, debts, contracts, judgments, offsets, damages, and demands in law or in equity, whether known or unknown, contingent or otherwise, that the Estate has brought or may have against any Person.

Exhibit B
Executory Contracts and Unexpired Leases

All executory contracts and unexpired leases to which the Debtor is a party that have not been assumed or rejected by separate order of the Bankruptcy Court before the Effective Date (and have not expired by their own terms on or before the Effective Date) is either assumed, assumed and assigned, or rejected as indicated below.

Incomplete—More to Come

Subject to Change Before Confirmation

Non-Debtor Party	Contract/Lease Description	Treatment	Cure Amount
1110 W 6 th Street Property, Ltd.	Lease for 1110 West 6th St., Austin, TX 78703	Assume and assign to Tenant SPE	\$0.00
Joan Masel Murphy Family Trust	Lease for 1112 West. 6 th St., Austin, TX 78703	Assume and assign to Tenant SPE	\$0.00
Rober L and Mary D Ogden LP	Lease for 1112 West. 6 th St., Austin, TX 78703	Assume and assign to Tenant SPE	\$0.00
Carolyn Griffin GF-Daycare, Ltd.	Lease for 9400 Arboretum Blvd., Austin, TX 78759	Assume and assign to Tenant SPE	\$0.00
S&T Property LLC	Lease for 10625 N. Tatum Blvd., D125, Phoenix, AZ 85028	Assume (as amended in in agreement with the landlord and in the manner announced at the Confirmation Hearing) and assign to Tenant SPE	\$19,593.00
Pavilion Holdings, LLC	Lease for 7221 W. Ray Road Chandler, AZ 85226	Assume and assign to Tenant SPE	\$0.00
Old School Properties, LLC	Lease for 546 E. Osborn Rd. Phoenix, AZ 85014	Assume and assign to Tenant SPE	\$0.00

Exhibit C
JPMC Loan Modification Agreement

TO COME

Exhibit D
New JPMC Note

TO COME

Exhibit E
Amended and Restated Partnership Agreement
TO COME

Appendix 2

Order Approving Disclosure Statement

TO COME

Appendix 3
Selected Financial Information
TO COME

Appendix 4
Liquidation Analysis

Cornbread Ventures LP

Liquidation Analysis

		Plan		Chapter 7	
		Distribution	% Recovery	Distribution	% Recovery
<i>Assets</i>		<i>Est. Value</i>			
Cash	\$ 420,000	\$ -		\$ 420,000	
Accounts Receivable	\$ 8,500	\$ -		\$ 4,250	
Inventory (Food)	\$ 115,000	\$ -		\$ 11,500	
Avoidance Actions	\$ 5,000	\$ -		\$ 5,000	
Prepaid Rent	\$ 108,500	\$ 108,500			
Prepaid Miscellaneous	\$ 50,000	\$ 50,000			
FF&E (Book Value net of Depreciation)	\$ 1,180,000	\$ 1,180,000		\$ 59,000	
New Capital Contribution	\$ 1,250,000	\$ 1,250,000			
Gross Assets		\$ 2,588,500		\$ 499,750	
<i>Secured Claims</i>		<i>Est.Amount</i>			
Red Fox Lending	\$ 250,000	Equity		\$ 58,110	23.24%
JP Morgan Chase	\$ 1,900,000	\$ 1,900,000	100%	\$ 441,640	23.24%
Net Proceeds After Secured Claims		\$ 688,500		\$ -	
<i>Administrative Expense Claims</i>		<i>Est.Amount</i>			
Chapter 7 Trustee Fees	\$ 25,000	\$ -		\$ -	0%
Chapter 7 Trustee Counsel Fees	\$ 50,000	\$ -		\$ -	0%
Perkins Coie	\$ 35,000	\$ 35,000	\$ 100	\$ -	0%
Horne	\$ 15,000	\$ 15,000	\$ 100	\$ -	0%
Net Proceeds After Administrative Expense Claims		\$ 638,500		\$ -	
<i>Unsecured Claims</i>		<i>Est.Amount</i>			
Priority Claims	\$ 25,000	\$ 25,000	100%	\$ -	0%
General Unsecured Claims	\$ 2,200,000	\$ 200,000	9.09%	\$ -	0%

DRAFT SUBJECT TO CHANGE

Note: All amounts are estimates made solely for purposes of this analysis. No amount on this analysis should be used or relied on for any purpose other than this analysis.