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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF WYOMING

In re:	)	
	)	
BBB ACQUISITION, LLC	)	Case No. 10-21002
	)	Chapter 11
	)	
Debtor.	)	

DISCLOSURE STATEMENT FOR CONSENSUAL PLAN OF LIQUIDATION

Fifth Third Bank (the "Bank") and the Dillard Family Trust U/A/D/ 8/6/03 (the "Dillard Trust") (the Bank and the Dillard Trust collectively referred to as the "Joint Creditors") and BBB Acquisition, LLC, the Debtor and Debtor in Possession (the "Debtor") submit this Disclosure Statement for their Consensual Plan of Liquidation. The Joint Creditors and Debtor filed their Consensual Plan of Liquidation dated December 29, 2011 ("Plan") with the United States Bankruptcy Court for the District of Wyoming in the above-captioned proceeding. Pursuant to the terms of the United States Bankruptcy Code, this Disclosure Statement (hereinafter "Disclosure Statement") has been presented to and approved by the Bankruptcy Court. Approval of the Bankruptcy Court is required by statute but does not constitute a judgment by the Court as to the desirability of the Plan or as to the value or suitability of any consideration offered under the Plan.

The Plan and Disclosure Statement contain many defined terms, identified by the use of initial (first letter) capitalization. Unless otherwise expressly defined herein, initially capitalized terms used herein and in the Plan shall have the meaning ascribed to them in the Plan. In the case of any perceived or actual conflict between anything in this Disclosure Statement and the Plan, the Plan shall control.

The Joint Creditors and Debtor have prepared this Disclosure Statement to provide information sufficient to permit a creditor to make a reasonably informed decision in exercising the right to vote upon the Plan. The material here presented is intended solely for that purpose and solely for the use of known creditors of BBB Acquisition, LLC (the "Debtor"), and, accordingly, may not be relied upon for any purpose other than determination of how to vote on the Plan.

VOTING: **IN ORDER TO VOTE ON THE PLAN, A CREDITOR ASSERTING A CLAIM AGAINST THE DEBTOR MUST HAVE FILED A PROOF OF CLAIM OR INTEREST AT OR PRIOR TO THE BAR DATE, UNLESS SUCH CREDITOR HAS BEEN SCHEDULED BY THE DEBTOR AS HAVING A CLAIM WHICH IS UNDISPUTED, LIQUIDATED, AND NOT CONTINGENT. ANY CREDITOR HAVING A CLAIM WHICH IS SCHEDULED AS UNDISPUTED, LIQUIDATED, AND NOT CONTINGENT IS, TO THE EXTENT SCHEDULED, DEEMED TO HAVE FILED A CLAIM, AND, ABSENT OBJECTION, SUCH CLAIM IS DEEMED ALLOWED. YOU ARE ADVISED TO REFER TO THE SCHEDULES ON FILE WITH THE CLERK OF THE BANKRUPTCY COURT TO DETERMINE THE EXTENT TO WHICH YOUR CLAIM IS SCHEDULED AND IF IT IS DISPUTED, UNLIQUIDATED, OR CONTINGENT.**

A CREDITOR MAY VOTE TO ACCEPT OR REJECT THE PLAN BY FILLING OUT AND MAILING THE BALLOT WHICH IS PROVIDED WITH THIS DISCLOSURE STATEMENT TO: JAMES R. BELCHER, ESQ., 237 STOREY BOULEVARD, STE. 110, CHEYENNE, WY 82009.

THE JOINT CREDITORS AND DEBTOR ENCOURAGE YOU TO VOTE TO ACCEPT THE PLAN.

The Court has fixed _____ as the last date by which ballots must be delivered to Mr. Belcher. No vote received after such time will be counted. Whether a creditor votes on the Plan or not, such person will be bound by the terms and treatment set forth in the Plan if the Plan is accepted by the requisite majorities of classes of creditors and/or is confirmed by the Court. Absent some affirmative act constituting a vote, such creditor will not necessarily mean that all or a portion of the Claim or interest will ultimately be allowed or disallowed for distribution purposes.

In order for the Plan to be accepted by creditors, a majority in number and a two-thirds in amount of Claims filed or deemed allowed of each class of creditors must vote to accept the Plan. For purposes of determining whether the requisite majorities are achieved, the computation will be based upon the total number of Claims or interests actually voting rather than on the total number of Claims approved and allowed. You are, therefore, urged to fill in, date, sign and promptly mail the enclosed ballot. Please be sure to properly complete the form and legibly identify the name of the claimant.

This Disclosure Statement contains a summary of certain provisions of the Plan and certain other documents and financial information. While it is believed that the summaries are fair and accurate and provide adequate information with respect to the documents summarized, such summaries are qualified to the extent that they do not set forth the entire text of such documents, which are controlling in the event of any inconsistency. At the direction of the Bankruptcy Court, this Disclosure Statement also contains estimates as to time, certain anticipated expenses and asset values. While reasonable efforts have been made to be accurate, there can be no representation or assurance that the information contained herein is complete and

without error. By their nature, estimates are predictions, taking into account certain assumptions regarding future events. Unanticipated occurrences can have a significant impact on such assumptions and may render estimates inaccurate. Each holder of a Claim or equity interest is urged to review the Plan and the exhibits to this Disclosure Statement in their entirety before casting a ballot.

No representations concerning the Debtor, its business operations, the value of its property or the value of benefits offered to creditors or other parties in interest under the Plan are authorized by the Joint Creditors and Debtor, other than as set forth in this Disclosure Statement. You should not rely on any representations or inducements made to secure your acceptance or rejection of the Plan that are contrary to the information contained in this Disclosure Statement. Certain of the materials contained in this Disclosure Statement are taken directly from other readily accessible documents, from representations of the Debtor, or are digests of other documents. While the Joint Creditors and Debtor have made every effort to summarize the meaning of such other documents, the Joint Creditors and Debtor urge that any reliance on the contents of such other documents must depend on a thorough review of the documents themselves.

The Joint Creditors and the Debtor firmly believe that the Plan represents the best alternative for providing the maximum reasonable value for creditors without undertaking unreasonable risk that the value of the Debtor's assets will deteriorate. Depending upon certain factors more fully discussed in the following pages, it is likely, but by no means certain, that the Plan may provide holders of Claims with a full recovery on account of their Allowed Claims. For the foregoing reasons, among others, the Joint Creditors and the Debtor strongly believe that confirmation of the Plan is in the best interests of creditors and recommends that all creditors entitled to vote on the Plan cast their vote to accept the Plan.

I. DEFINITIONS

Each term defined in the Plan shall have the same meaning in this Disclosure Statement. The Plan is attached for reference as **Exhibit A** to this Disclosure Statement.

II. PLAN SUMMARY

The following discussion provides a general overview of the Plan and is qualified in its entirety by reference to the detailed information set forth in the Plan. This Disclosure Statement also contains a more detailed description of the Plan.

The Joint Creditors and the Debtor believe that the Plan provides the best method to obtain the reasonable value from the Debtor's bankruptcy estate and to make distributions to the creditors. Since the commencement of the case, the Debtor has been operating its business. The Debtor has also reportedly investigated the affairs and business operations of the Debtor and its principals in accordance with its duties under the Bankruptcy Code.

Generally, the Plan provides for payment to the creditors in accordance with the priorities established by the Bankruptcy Code. The Plan Administrator will be responsible for

administering the Plan and making distributions to the remaining creditors. After approval of the Plan by the Bankruptcy Court, the Plan Administrator will take over operation of the Debtor's business, pay Allowed Administrative Claims, General Priority Claims, Convenience Claims and Noninsider unsecured claims and attempt to sell or otherwise liquidate the Debtor's assets, first by private sale and then by auction if required. The insiders of the Debtor will forfeit any right to payment of their Claims under the Plan and the Members making up the Class 9 Equity Interests in the Debtor will surrender their economic interest in the Debtor and lose their right to manage Reorganized BBB. The specifics of the Plan and priorities of the distribution are set forth in more detail in Articles VII through XI of this Disclosure Statement.

THE PRECEDING IS MERELY A SUMMARY OF THE PROVISIONS OF THE PLAN AND IS NOT INTENDED AS A SUBSTITUTE FOR READING THE PLAN IN ITS ENTIRETY. PLEASE READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THIS SUMMARY, OR THIS DISCLOSURE STATEMENT, AND THE PLAN, THE PROVISIONS OF THE PLAN WILL CONTROL.

III. HISTORY OF THE DEBTOR'S BUSINESS AND EVENTS LEADING TO THE FILING OF THE BANKRUPTCY PETITION

A. *The Debtor's Business Origins*

The Debtor is the developer of the Bar-B-Bar Ranch in Teton County, Wyoming (the "Ranch"). The Ranch is located just south of the Jackson Hole airport on property that was originally part of the historic Moulton homestead. The residential development consists of 16 parcels, each in excess of 35 acres in size, located adjacent to the Snake River. The Debtor was organized as a Wyoming limited liability company and received its Certificate of Organization from the Wyoming Secretary of State on May 27, 2005. It was formed by Mercer Reynolds III, who was designated as the Managing Member. Mr. Reynolds owns 41.5% of the membership interests in the Debtor. Reynolds Partnership, L.P., an affiliate of Mr. Reynolds, owns another 41.5% of the Debtor. Various other family members and affiliates own the remaining membership interest.

B. *The Development and Sale of Parcels at the Bar B Bar Ranch*

The parcels within the Ranch are classified as "River" and "Meadows" parcels. The River parcels are all riparian to the Snake River. The Meadows parcels are not, but owners have pedestrian access to the dike located between the uplands portion of the River parcels and the riparian lands adjacent to the Snake River. After the necessary regulatory approvals were obtained for the creation and development of the Ranch, the parcels were marketed for sale to the public beginning in late 2005. Three of the River Parcels sold in 2006, on the dates and for the

prices listed below:

3A and 3B	$21,565,000	11/17/06
4A and 4B	$21,870,000	1/19/06
5A and 5B	$22,700,000	1/19/06

In 2007 and 2008, the Debtor traded certain parcels with Linger Longer West, LLC ("LLW"), an affiliated entity owned by Mercer Reynolds and his children. LLW received parcels 2A and 2B, 7B and 8A and 8B. The Debtor received parcels 9 and 10. Although the written exchange agreement between the Debtor and LLW contains no such provision, Debtor and LLW assert that as part of that transaction, LLW agreed to reimburse the Debtor for the pro rata share of improvements made to the parcels it received. Thus, LLW executed three promissory notes in favor of the Debtor for the original principal amounts of $1,711,071.13, $83,235.38 and $59,448.95 (the "LLW Notes"). LLW has repaid a portion of these obligations after the Debtor filed its Chapter 11 petition and the balance remains unpaid. It is anticipated that certain payments under the Plan will be funded, in part, from payments on these obligations owed by LLW. The LLW Notes specify that they are to be paid on demand, with interest accruing at the rate of 4% per annum on the large note and 3% per annum on the two smaller notes. The outstanding principal balance on all three Notes is reported by the Debtor to be $909,471.00 as of September 30, 2011.

C. *The Dillard Transaction*

G. Douglas Dillard, Jr. ("Dillard") and Michele Dillard, husband and wife are co-trustees of the Dillard Family Trust U/A/D/ 8/6/03 (the "Dillard Trust"). The Debtor and Dillard executed a Contract to Buy and Sell Real Estate, dated August 31, 2007 ("Sale Contract") for the sale of Ranches 1A and 1B, two River parcels within the Ranch. Closing on Ranches 1A and 1B took place on April 29, 2008. Prior to closing, Dillard assigned his rights in the Sale Contract to the Dillard Trust. The Debtor executed and delivered two Warranty Deeds conveying to the Dillard Trust title to the Ranches 1A and 1B. The parties also executed an Agreement Regarding Put Option and Right of First Refusal, with attachments ("Put Option Contract"). The Put Option Contract gave the Dillard Trust the option of requiring the Debtor to repurchase Ranches 1A and 1B within 18 months, provided certain conditions were met. As consideration for the purchase of Ranch 1A and Ranch 1B, the Dillard Trust paid the Debtor $15,000,000 in cash and Dillard executed and delivered a $1,000,000 Promissory Note ("Note") payable to the Debtor.

D. *The Dillard Litigation*

The Dillard Trust delivered written notice of its exercise of the put option to the Debtor on December 12, 2008. As of the date that the put option was exercised, the PRD Amendment had not been approved by Teton County. On December 15, 2008, the Teton County Planning Department approved the PRD Amendment. According to the terms of the Note, Dillard's obligation to pay the Note balance was triggered upon Teton County's approval of the PRD Amendment.

The Debtor filed a complaint, seeking a declaratory judgment that it had no obligation to repurchase Ranches 1A and 1B and a judgment on the Note. The Dillard Trust counterclaimed for breach of contract, asserting that the Debtor breached the Put Option Contract by refusing to buy back Ranches 1A and 1B. The case was tried to the United States District Court in March 2010. The District Court ruled that BBB breached the Put Option Contract and ordered BBB to pay the Dillard Trust $14,000,000 and awarded the Dillard Trust additional damages in the amount of $244,102.86. It also found that Dillard was obligated to pay the Note balance to BBB. The Court thus entered judgment for the amount of $1,092,451.77 on the Note. Both parties requested attorney fees for the claims on which each prevailed but the District Court has not ruled on those fee applications. The Debtor requests $434,145.03 and the Dillard Trust seeks $510,633.23. When the Debtor's request to stay the judgment pending appeal was denied, the Debtor filed its petition under Chapter 11 of the Bankruptcy Code in order to avoid execution against the Debtor on the judgment.

The Debtor appealed the District Court's ruling to the Tenth Circuit Court of Appeals and the Dillard Trust and Mr. Dillard filed cross-appeals. The Debtor asserts that the District Court erred in finding that the Debtor had breached the Put Option Contract. The Dillard Trust asserts the District Court erred by not ordering the Debtor to pay $15,000,000 to repurchase Ranches 1A and 1B as required when Teton County approved the PRD Amendment and by failing to award prejudgment interest of approximately $1,500,000 on the liquidated repurchase price from the date of the Debtor's breach until the date of judgment. Mr. Dillard contends that the District Court erred by requiring him to pay the Note balance instead of reducing by the amount of the Note balance the $14,000,000 judgment against the Debtor. A decision on the parties' appeals has not been rendered.

IV. THE DEBTOR'S OPERATIONS AND ACTIONS DURING THE CHAPTER 11 CASE

The Debtor operated its business after the Petition Date in much the same way it did in the past. It continued to market the four unsold parcels of property at the Ranch. Due to the severe economic downturn that began in late 2008, there were no sales in 2009. Ranch 7A, which is subject to a conservation easement, sold during 2010 for $1.6 million. Of this amount, $200,000 has been placed in escrow pending BBB's obtaining an easement to the Snake River for the benefit of Ranch 7A. The Debtor has determined that it is not in the best interest of the Debtor's bankruptcy estate to obtain the easement, the Joint Creditors agree with the Debtor's decision, and the escrowed funds will be refunded to the Ranch 7A purchaser.

Directly after the Petition Date, the Debtor moved for and the Bankruptcy Court entered an Order authorizing Rothgerber Johnson & Lyons ("RJL") to act as legal counsel for the Debtor. The Bankruptcy Court also appointed the Wylie Firm in Jackson Wyoming as special real estate counsel and Jean Whitford as accountant for the Debtor. The Bankruptcy Court entered an order setting November 28, 2010 as the last day to file proofs of claim.

Sotheby's Realty has been the Debtor's real estate broker since the Ranch parcels were initially put on the market and has been approved as the Debtor's broker by the Bankruptcy Court. Current listing prices and 2008 appraised values for the remaining parcels are as follows:

	Parcel	Current Listing Price	2008 Appraised Value
	6A	$ 8,400,000	$ 9,600,000
	6B	$ 6,950,000	$ 7,900,000
	9	$15,000,000	$18,500,000
	10	$13,000,000	$18,500,000
Total		$43,350,000	$54,500,000

There is a significant uncertainty regarding the current fair market value of the foregoing parcels. During the course of the Dillard Litigation, each side offered expert appraisal reports into evidence with respect to the fair market value of Ranches 1A and 1B. The Debtor's appraiser's opinion was that Ranches 1A and 1B had a fair market value of $16 million as of January 2010. The Dillard Trust's appraiser opinion was that Ranches 1A and 1B had the following values:

Market Value as of January 26, 2009:	$14,500,000
Forced Sale Value as of January 26, 2009:	$9,425,000
Market Value as of November 6, 2009:	$12,300,000
Forced Sale Value as of November 6, 2009:	$8,000,000

The District Court in the Dillard Litigation ruled that Ranches 1A and 1B could not be valued on the basis of appraisal testimony, given the status of the market in early 2010. Specifically, the District Court found as follows:

> The Court begins with the uncontroversial premise that, even in the best of times, the market for real property like lots 1A and 1B was a small one, and it frequently took considerable time to sell these parcels. The Court is well aware of the economic conditions that existed at the operative time periods, that is, December 12, 2008 onward. These conditions, notably the frozen credit markets and the reluctance of many institutions to lend money, further affect this small market. Experts have opined about the "value" of these parcels at various points in time, but these opinions are, at best educated guesses. They use comparable sales, but these sales did not occur under the same conditions as the time period at issue. They made a valiant effort to account for all possible variables, but the Court

> remains convinced that the margin of error is simply too large to permit any rational finding of value at any of the relevant times.

There have been no sales at the Bar B Bar Ranch since the sale of Ranches 1A and 1B in April 2008. Consequently, there are no recent sales in the Bar B Bar Ranch which would serve as reliable comparables. The listing prices shown above are based on BBB's reported best judgment, after consultation with its listing broker, of the amount which will bring an offer within an acceptable range. The listing price for Ranch 9 was reduced from $23.8 million to $15 million in October 2010. The listing price for Ranch 10 was reduced from $17.34 million to $13 million at the same time. The market for properties of this nature has softened considerably since the onset of the recession in late 2008. The Debtor viewed the selling season in 2011 as an opportunity to generate sales and better determine the value for the Debtor's real property but the Debtor received no offers.

Ranches 1A and 1B were appraised for the mortgage lender to the Dillard Trust as of May 5, 2011. The appraised value was $10,000,000. The average time it took comparables used by the appraiser to close between the listing date and the sale date was two years.

The Dillard Trust advised the Bankruptcy Court in an objection to one of the Debtor's proposed disclosure statements that it questioned whether the Debtor received comparable value for vacant land it received from LLW in a land exchange in which the Debtor deeded to LLW property on which was constructed a home which Mercer Reynolds has occupied as his personal Wyoming residence as well as several other vacant tracts of land. LLW attempted to sell some of the land it received from the Debtor and reportedly experienced difficulty in obtaining title insurance due to the land exchange transaction between the Debtor and LLW and the Dillard Trust's questions. This caused the Debtor to file a number of motions with the Bankruptcy Court, seeking an order by which any claim the Debtor might have against LLW relating to the land exchange would be settled, thereby allowing LLW to obtain title insurance so that LLW could sell its property. The Debtor never scheduled any claim against LLW. Despite the objection of the Dillard Trust, the Bankruptcy Court, without an evidentiary hearing, entered an order on October 20, 2011, approving the settlement between the Debtor and LLW. LLW is required to immediately pay the Debtor $100,000 and to pay $1,000,000 to the Debtor when, and if, LLW sells Ranches 2A and 2B of its property to a buyer. The Dillard Trust has appealed that order. Upon the Effective Date following confirmation of the Consensual Plan of Liquidation, the Dillard Trust has agreed to withdraw its appeal and have the appeal dismissed. In addition, the Plan changes the payment date for the initial $100,000 so that it is not payable until LLW first sells certain designated tracts (Ranches 7B, 8A or 8B of real property in the Bar B Bar Ranch) or the entire unpaid balance of the $1,100,000 is due and payable in full at any time LLW sells Ranches 2A or 2B.

V. THE DEBTOR'S MEMBERS AND OFFICERS

A. *Member Background Information*

Mercer Reynolds III is the managing member of the Debtor and personally holds a 41.5% interest in the Debtor. Mr. Reynolds has wide-ranging experience in the fields of investing and

real estate development. Mr. Reynolds has personally guaranteed loans payable to the Bank by the Debtor and by LLW which total approximately $39,000,000. The Bank also granted a $15,000,000 credit line to Mr. Reynolds which is guaranteed by LLW and secured by a mortgage granted by LLW against LLW's real property located in the Bar B Bar Ranch. Mr. Reynolds received no compensation from the Debtor as the Managing Member but his son, J. Mercer Reynolds has been paid $100,000/year for managing the Debtor's business.

B. *Settlement with Fifth Third Bank*

The Debtor recognizes that within one year prior to the Petition Date, the Debtor made two payments to Mercer Reynolds III on an unsecured loan in the amount of $133,900 and $78,839.06, respectively. In addition, the Debtor has made two interest payments to the Bank totaling $21,895.32 on a loan the Bank made to certain members of the Debtor, including Mercer Reynolds, the proceeds of which were reportedly used to fund the Debtor's operations. To obtain a consensus plan in this case, Mr. Reynolds has agreed to execute and deliver to the Bank his promissory note in the amount of $1,000,000 to fully satisfy his personal liability for his $15,000,000 personal loan obligation to the Bank and to satisfy his guarantee of the Bank's loan to the Debtor and LLW. The $1,000,000 note payment will be applied to the Bank's loan to Mr. Reynolds. The Bank has agreed to release Mr. Reynolds from his personal obligation for the $15,000,000 loan and his guaranty obligation upon delivery of the $1,000,000 note. The members and insiders of the Debtor have agreed to waive any claims they have against the Debtor for loans to the Debtor and to forego any rights to an economic interest in the Debtor. They have also agreed to file with the Bankruptcy Court upon the filing of this Plan a stipulation pursuant to which they consent to the Plan and further agreed to assign to the Plan Administrator all management rights and membership interests in Reorganized BBB. Mr. Dillard has agreed to remit $360,000 in cash to the Debtor to pay Administrative Claims and $45,342 to pay all known unsecured claims against the Debtor to facilitate a consensual Plan.

VI. PRINCIPAL ASSETS AND FINANCIAL PERFORMANCE OF BBB

As a real estate development company, the Debtor generates revenue primarily through the sale of real property at the Ranch. It also receives payments on the LLW Notes. The Debtor also owns a small amount of equipment utilized in its day-to-day operations.

The Debtor's Balance Sheet and Profit and Loss Statement as of November 30, 2011 are attached as **Exhibit B** hereto**.** The liabilities on Exhibit B do not agree with the claim amounts filed in the Debtor's bankruptcy case. For example, the Debtor does not list any liability to the Dillard Trust despite the District Court judgment and the Dillard Trusts' filing a proof of claim totaling more than $17,000,000.00.

The Plan provides that the Plan Administrator will evaluate the value of the Debtor's real property and continue to market and sell real estate at the Ranch. Funding for operations will be received through Mr. Dillards' payment of $360,000 to Reorganized BBB, the LLW Settlement Payment, Homeowner's revenues, sale of the Debtor's personal property and the Debtor's existing cash on hand.

Mr. Dillard will also pay $45,234 to Reorganized BBB for payment in full of all known unsecured creditors of the Debtor (other than Class 7 Claims). After payment of all secured claims, proceeds generated from the sale of parcels at the Ranch will be available for the distribution to creditors holding Class 7 Claims and any excess proceeds will be divided between the Bank and the Class 7 Claimants.

VII. POTENTIAL AVOIDANCE AND LITIGATION CLAIMS AND SETTLEMENT OF DILLARD LITIGATION

A. Avoidance and Litigation Claims

The Debtor has reportedly conducted an analysis of payments made to creditors within ninety days of the filing of its bankruptcy petition and to insiders within the twelve-month period prior to the filing of the bankruptcy petition. On the basis of this analysis, the Debtor has determined that $234,634.38 in payments is potentially avoidable as preference payments under Section 547 of the Bankruptcy Code.

As mentioned previously, within one year prior to the Petition Date, the Debtor made two payments to Mercer Reynolds III in the amount of $133,900 and $78,839.06, respectively and two interest payments to the Bank totaling $21,895.32 on a loan the Bank made to certain members of the Debtor, including Mercer Reynolds. Pursuant to the terms of the Plan, all rights to recover the $21,895.32 in interest payments from the Bank are waived and all actions to recover such interest from the Bank are barred. In addition, all rights to recover the $234,634.38 from Mercer Reynolds III and other insiders are waived and all actions to recover such payments from Mr. Reynolds and other insiders are barred. The Debtor has reportedly investigated the viability of these potential claims and available defenses, along with the likely cost of litigation and of collection in the event the potential claims are reduced to judgment. The waiver of these avoidance and litigation claims is required to obtain settlement of the Dillard Litigation, satisfaction of Mr. Reynolds' loans and his guaranties to the Bank of the Debtor and LLW loans, the treatment of the Bank and the Dillard Trust claims in the Plan and the waiver of the Debtor's insiders and members to any Plan distributions or management rights or membership interests and their consent to the Plan.

B. Settlement of LLW Appeal and Modification of LLW Settlement Payment

Although the Bankruptcy Court approved settlement with LLW of claims relating to the land exchange, that decision may be reversed on appeal. In the event the appeal reversed the Bankruptcy Court's decision, the Debtor could have an avoidance claim against LLW relating to the land exchange. Under the Plan, that appeal will be withdrawn and the appeal dismissed upon the Effective Date following confirmation of the Plan. In addition, the LLW Settlement required LLW to pay the Debtor $100,000 promptly upon the order approving the settlement being a final order, with $1,000,000 payable to the Debtor upon sale of Ranches 2A and 2B that comprise LLW property. The Bank agreed that such amount may be paid by LLW to the Debtor, notwithstanding that the Bank holds a mortgage lien in the LLW property and any proceeds from sale. Under the Plan, the $100,000 payment to the Debtor is deferred until sale or other disposition of certain LLW property (Ranches 7B, 8A or 8B if it is the first to sell). In addition,

upon the sale of Ranches 2A or 2B (whether before or after the sale of Ranches 7B, 8A or 8B), the entire unpaid balance of the $1,100,000 LLW Settlement Payment must be remitted to Reorganized BBB.

C. Settlement of Dillard Litigation

As discussed above, the Debtor appealed the District Court's judgment against the Debtor to the Tenth Circuit Court of Appeals and the Dillard Trust and Mr. Dillard filed cross-appeals. Further action in the District Court and the Tenth Circuit was stayed upon the filing of the bankruptcy petition. Under the Consensual Plan of Liquidation, confirmation of the Plan would settle the appeal, cross-appeals and all undecided issues pending in the District Court (including attorney's fee requests). This would terminate the appeal and any decision in favor or against the Debtor. Settlement would eliminate the possibility that the District Court's judgment against the Debtor for $14,244,102.86 would be set aside. On the other hand, settlement relieves the Debtor of the risk that an additional judgment against the Debtor for a $1,000,000 higher repurchase price and approximately $1,500,000 in prejudgment interest would be entered. Finally, Mr. Dillard is waiving his cross appeal that the Note balance he owes should be set off against the judgment the Debtor must pay the Dillard Trust. Rather, he will pay $360,000 of the $1,092,451.77 Note balance to Reorganized BBB to give the Plan Administrator cash in addition to that in the Debtor's estate with which to pay applicable expenses. He will also pay to the Plan Administrator the sum of $45,234, the amount required to pay all Class 4 (Convenience Claims) and 5 (Noninsider Claims) in full. Only payments for the Claims of the Bank, the Dillard Trust and possibly any unknown claims would depend on sale of the Debtor's real estate, liquidation of other assets and recovery of avoidable transfers.

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VIII. CLASSIFICATION OF CLAIMS AND INTERESTS

A. *Administrative Claims*

As provided by Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims shall not be classified for purposes of voting or receiving distributions pursuant to the Plan. Rather, all such claims shall be treated separately as unclassified claims. Administrative Claims will likely consist of fees owing to the United States Trustee and the Debtor's and the Joint Creditors' professionals. The Debtor has not identified any other Administrative Claims.

With the exception of United States Trustee Fees, as set forth below, Allowed Administrative Claims will be paid by the Plan Administrator on the date on which all Administrative Claims have been finally determined to be Allowed Claims by the Plan Administrator or otherwise resolved by a Final Order of the Bankruptcy Court. $360,000.00 of the $1,092,451.77 Note balance owed by Mr. Dillard will be deposited into an Administrative Claim Fund designated for payment of Allowed Administrative Claims and post-confirmation expenses of the Debtor. In addition, the Debtor's cash on hand in the approximate amount of $75,000.00 and proceeds from sale of the Debtor's personal property will be available to pay such costs and expenses. In the unlikely event that the Plan Administrator is without sufficient cash to pay all Allowed Administrative Claims, those persons with Allowed Administrative Claims are deemed to have agreed that they will be paid pro rata from the Administrative Claim

Fund, with the unpaid balance of Allowed Administrative Claims payable from the Creditor Fund before any distributions are made to the Class 7 Claims. Classes 1, 4 and 5 will receive prior payments from the Creditor Fund. However, the United States Trustee Fees shall be paid in full from the Administrative Claim Fund prior to any pro ration of Allowed Administrative Claims. All Administrative Claims must be paid in full before payment by the Plan Administrator of any post-Confirmation expenses of Reorganized BBB.

All persons claiming Administrative Claims from the estate will be required to file final applications with the Bankruptcy Court within thirty (30) days after the Effective Date, except if such claims are Fee Claims, such Fee Claims must be filed and served within sixty (60) days after the Confirmation Date. In the event an objection to a fee claim is timely filed and served, it will be treated as a Contested Claim until resolved by Final Order of the Bankruptcy Court.

United States Trustee Fees owing to the United States Trustee pursuant to 28 U.S.C. § 1903(a)(6), have been paid during the pendency of the Chapter 11 case and will be timely paid through the Effective Date by the Debtor. After the Effective Date, such fees shall be timely paid by the Plan Administrator until the Chapter 11 case is closed, converted or dismissed and such fees shall be paid with priority over other Allowed Administrative Claims.

B. *Claims and Equity Interests Classified*

Claims and equity interests are classified in the Plan pursuant to Section 1122(a) of the Bankruptcy Code as follows:

Class 1	General Priority Claims
Class 2	Secured Claim of Fifth Third Bank
Class 3	Claim of Dillard Trust
Class 4	Convenience Claims
Class 5	Noninsider Claims
Class 6	Insider Claims
Class 7	General Unsecured Claims
Class 8	Contingent Contractor Claims
Class 9	Membership Interests

IX. TREATMENT OF CLAIMS NOT IMPAIRED UNDER THE PLAN

Classes 1, 4 and 5 are not impaired under the Plan. Accordingly, these Classes shall be deemed to have accepted the Plan as proved in Section 1126(f) of the Bankruptcy Code.

Class 1 consists of all Allowed General Priority Claims specified under Section 507(a) of the Bankruptcy Code. Based on the proofs of claim filed thus far and the Debtor's books and records, the Debtor anticipates that there are no Class 1 Priority Claims. In the event any Class 1 Claims arise, they shall be paid in full in Cash on the Distribution Date.

Class 4 consists of all unsecured creditors holding claims of less than $2,500 and all other unsecured creditors which elect Class 4 treatment. Those creditors holding Class 4 Claims are identified in **Exhibit C** hereto. Holders of Class 4 Convenience Claims shall receive Cash on the Distribution Date in an amount equal to their Allowed Claims, without interest, not exceeding $2,500. Each holder of an Allowed General Unsecured Claim which elects to reduce its Allowed General Unsecured Claim to $2,500 and participate in Class 4 treatment shall be deemed to have waived any right to participate in any distribution to any Class other than Class 4 as to any Claims it may have. The Debtor has estimated that payments to Class 4 creditors will be approximately $5,900.

Class 5 consists of all unsecured creditors who are not insiders of the Debtor and who are not Class 4 or Class 8 Claim holders. Those creditors holding Class 5 Claims are identified in **Exhibit C** hereto. Holders of Class 5 Noninsider Claims shall receive Cash on the Distribution Date in an amount equal to their Allowed Claims, without interest. The Joint Creditors and Debtor have estimated that payments to Class 5 creditors will be approximately $39,334.

X. TREATMENT OF CLASSES IMPAIRED UNDER THE PLAN

A. Class 2: Secured Claim of Fifth Third Bank

Class 2 consists of the secured claim of Fifth Third Bank, which filed a Proof of Claim on November 19, 2010 for $21,300,343.27. The holder of the Allowed Class 2 Claim of Fifth Third Bank shall be paid as follows:

1. The principal amount of the claim shall be fixed at the amount of the claim as set forth in the Class 2 Proof of Claim.

2. The Allowed Class 2 Claim will bear interest at the rate of 30-day LIBOR plus 2.50% per annum, commencing as of the last date interest was paid current on the Class 2 Claim.

3. The treatment of the Class 2 Claim as set forth in the Plan shall be an Allowed Claim and shall bar any claim objection of any kind by any party, including the Plan Administrator.

4. The Allowed Class 2 Claim shall remain secured by the Fifth Third Collateral according to the terms of the Mortgage. Fifth Third Bank's non foreclosure rights under the Mortgage are preserved, except as expressly modified herein.

5. Reductions of the amount of the Allowed Class 2 Claim shall be made from Net Sale Proceeds of the Fifth Third Collateral. In the event such Net Sale Proceeds are

insufficient to fully satisfy the Class 2 Claim, the holder of the Class 2 Claim shall be treated as a General Unsecured Claim under Class 7 for the difference between the Net Sale Proceeds from sale of the Fifth Third Collateral and the unpaid balance of the Class 2 Claim.

6. The Class 2 Claim shall also be entitled to one-half of any Net Sale Proceeds that exceed the amount required to pay in full all of the Claims under the Plan (if any such excess Net Sale Proceeds remain), but in no event shall the amount of such Class 2 Claim exceed the LLW Settlement Payment actually paid to the Plan Administrator. This provision shall not apply in the event that the Bank or the Dillard Trust submit a credit bid as provided in Section 7.3(e) of this Plan that is accepted.

B. Class 3: The Dillard Trust

The Class 3 Claim held by Dillard Trust shall be treated and paid as follows:

1. The holder of the Class 3 Claim shall retain title to Ranches 1A and 1B free and clear of any interest of BBB, legal or equitable.

2. The holder of the Class 3 Claim shall be treated as a General Unsecured Claim under Class 7 for a claim in the amount of $6,000,000.

3. The treatment of the Class 3 Claim as set forth in this Plan shall be an Allowed Claim and shall bar any claim objection of any kind by any party, including the Plan Administrator.

4. As of the Effective Date, entry of the Confirmation Order shall constitute a settlement of all appeals and cross appeals, and all undecided motions in the United States District Court, in the Dillard Litigation. As consideration for such settlement, G. Douglas Dillard, Jr. and the Dillard Trust have, among other consideration, agreed to forego their respective cross appeals in the Dillard Litigation.

5. As of the Effective Date, entry of the Confirmation Order shall constitute an order advising the United States District Court to remit to Mr. Dillard the Dillard Deposit and shall constitute a complete satisfaction of the Final Judgment entered against Mr. Dillard in the Dillard Litigation. As further consideration for dismissal of BBB's appeal, upon receipt of such funds from the United States District Court, Mr. Dillard shall remit to the Plan Administrator the Administrative Claim Payment in the amount of $360,000.00 to be deposited into the Administrative Claim Fund. In addition, Mr. Dillard shall remit to the Plan Administrator the sum of $45,234.00 for deposit into the Creditor Fund. All such funds from the Dillard Deposit received by Mr. Dillard that exceed the Note Payment shall be retained by Mr. Dillard. That portion of the Note Payment received by Mr. Dillard from the United States District Court that does not constitute the Administrative Claim Payment (such portion calculated to be $732,919) as set forth herein shall reduce the Dillard Trust's Class 7 General Unsecured Claim (which remaining Class 7 Claim is calculated to be $5,267,081).

6. The Class 3 Claim's General Unsecured Class 7 Claim (in the amount remaining after being reduced by the Administrative Claim Payment as specified in subpart 5 of Claim 3 above) shall be entitled to a payment on the Distribution Date of the Class 3 Claim's pro rata share of distributions to Class 7 Claims. In addition, such Class 3 Claim's General Unsecured Class 7 Claim shall be entitled to any funds remaining in the Administrative Claim Fund after Allowed Administrative Claims, Operating Costs and costs and expenses of Plan administration have been paid.

7. The Class 3 Claim shall be entitled to: a) one-half of any Net Sale Proceeds that exceed the amount required to pay in full all of the Claims under the Plan (if any such excess Net Sale Proceeds remain) up to the amount of the LLW Settlement Payment, and b) all of such remaining Net Sale Proceeds that exceed the LLW Settlement Payment. This provision shall not apply in the event that the Bank or the Dillard Trust submit a credit bid as provided in Section 7.3(e) of this Plan that is accepted.

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C. Class 6: Insider Claims

Class 6 consists of all unsecured creditors of the Debtor described, and in the amounts set forth, in Debtor's Amended Schedule F, filed November 10, 2010, Docket Document Number 61-1 ("Amended Schedule"). Those creditors holding Class 6 Claims are identified in **Exhibit C**, attached hereto. Each holder of a Class 6 Claim shall receive nothing under the Plan on account of its Claim.

D. Class 7: General Unsecured Claims

Each holder of a Class 7 Allowed General Unsecured Claim shall receive such holder's Pro Rata share of distributions from the Creditor Fund, after payment of Allowed Class 1, 2, 4 and 5 Claims, until paid in full, plus interest at the rate of 4% per annum, calculated from the Petition Date. The right of Allowed Class 7 Claims to distributions is subject to the condition that any funds available to pay such claims shall be first remitted to the Dillard Trust, up to the amount of the Administrative Claim Payment actually paid by Mr. Dillard plus interest at 5.00% per annum, with all remaining funds to be distributed Pro Rata to holders of Class 7 Claims.

E. Class 8: Contingent Contractor Claims

On October 25, 2010, the Debtor filed an Amended Schedule F, which reflects claimants Jorgensen Associates, Pierson Land Works, Quill Creek Excavation LLC and Yellow Iron Excavating, LLC, with which the Debtor allegedly contracted for services in 2010 but which were never performed. The Debtor does not anticipate that any such claimants will assert claims. Those creditors holding Class 8 Claims are identified in **Exhibit C** hereto. Each holder of a Class 8 Contingent Contractor Claim shall receive nothing under the Plan on account of its Claim. If at any time prior to the Effective Date, a holder of a Class 8 Claim files a Proof of Claim with the Bankruptcy Court, the Claim shall be treated as a Contested Class 8 Claim and shall be a Class 7 Claim only when such Class 8 Claim becomes an Allowed Claim. In that event, the Class 8 Claim's General Unsecured Class 7 Claim shall be entitled to a Pro Rata share of distributions from the Creditor's Fund pursuant to Class 7.

F. Class 9: Membership Interests

Class 9 consists of the membership interests of members of the Debtor. The holders of Class 9 membership interests shall retain no economic interest in the Debtor. Upon the Effective Date, all other rights of Class 9 membership interests shall be, and shall be deemed to have been, transferred and assigned by the holders of such membership interests to the Plan Administrator, and the holders of Class 9 membership interests shall have no right to implement or execute the Plan and no distributions under the Plan.

G. Executory Contracts

Absent unanimous consent by the Joint Creditors, the Chapman Right of First Refusal shall be deemed rejected as of the Effective Date. While the Debtor contends that assumption of the Chapman First Right of Refusal will not affect the ability to market and sell the Debtor's real property, the Joint Creditors disagree. Unless the Court enters an order allowing the Debtor to assume any other unexpired lease or executory contract, all such leases and contracts shall be deemed rejected as of the Effective Date. The party entitled to enforce an unexpired lease or executory contract shall have the rights afforded under 11 USC § 502 and Fed.R.Bankr.P. 3002. The deadline for filing a proof of claim based on rejection of an executory contract shall be 30 calendar days after the Effective Date of the Plan. Any Allowed Claim resulting for damages resulting from rejection of an unexpired lease or executory contract shall be a Class 7 Claim.

XI. MEANS FOR THE IMPLEMENTATION AND EXECUTION UNDER THE PLAN

A. Operation of Reorganized BBB

Reorganized BBB shall continue to operate under the control of the Plan Administrator, funding the Administrative Claim Fund and Creditor Fund as required, making distributions on Allowed Claims as provided in the Plan and seeing to the closing of the Chapter 11 case. The Plan Administrator shall act as the representative of Reorganized BBB and shall retain, may enforce and may prosecute all causes of action for the benefit of the estate, as successor to the Debtor, all pursuant to Section 1123(b)(3)(B) and 1145(a)(1) of the Bankruptcy Code. The assets of Reorganized BBB shall fund all costs and expenses of prosecuting any of such claims and causes of action that, in the Plan Administrator's discretion, appear to be reasonably likely to yield funds to Reorganized BBB. Costs and expenses of litigation incurred by the Plan Administrator shall be treated as Operating Expenses. The amount remaining after payment of attorneys' fees and the costs and expenses incurred in prosecuting such claims shall be added to the Creditor Fund and distributed in the same manner as funds generated from operations. The Plan Administrator shall continue to make such distributions until all Claims have been paid in full, with interest.

B. Funding of the Plan

The Plan Administrator shall continue operating the Debtor's business in the name of Reorganized BBB following the Confirmation Date. On the Distribution Date, the Debtor

estimates that it will require as much as $455,000 to pay expenses the Debtor has incurred during administration of this case. These include approximately $130,000 in previously allowed professional fees, Homeowner's Association assessments of $52,000, and work performed by contractors for the Debtor totaling $67,000. The Debtor expects that an additional amount of approximately $205,000 (net of discounts) in fees of its professionals will be requested. As much as an additional $45,234 may be required to pay the Class 4 and 5 Claims. The funding requirement could vary significantly. Such funds will come from cash on hand on the Distribution Date (currently totaling approximately $75,000), Mr. Dillard's payment of the $360,000 Administrative Claim Payment for deposit into the Administrative Claim Fund and collection of the LLW Settlement Payment. Barring unusual expenses, cash of approximately $435,000 would be immediately available to pay such costs and expenses, plus other cash derived from the LLW Settlement Payment, income from the Homeowner's Association and sale of the Debtor's personal property (that is currently leased by the Debtor to the Homeowner's Association for approximately $30,000/year). The Joint Creditors and Debtor believe that this amount is sufficient to defray operating costs and administrative expenses that the Court will allow through the Distribution Date. The Plan Administrator is authorized to retain and pay attorneys and other professionals to the extent it deems reasonable and necessary and will receive monthly payments from the Homeowner's Association for the equipment lease, or proceeds from sale of the Debtor's personal property. The Plan Administrator will conduct the Debtor's business according to the terms of the Plan. Finally, the Plan Administrator shall file any reports required by the Bankruptcy Code, including post-confirmation quarterly reports, file a final report and obtain a final decree when administration of the Chapter 11 Case has been completed.

The Plan Administrator

The Joint Creditors will nominate a person with experience and expertise required to serve as Plan Administrator for the Plan. Such person shall be independent from the Joint Creditors and from the Debtor and its members. Upon Confirmation of the Plan and appointment by the Bankruptcy Court of the Plan Administrator, the Plan Administrator shall assume control over all assets of the Debtor and pay all obligations of the Debtor as set forth in the Plan Administrator Agreement, attached as Appendix A to the Plan. Neither the Debtor, its management nor its members shall have any rights of access, use, possession or management of the Debtor's assets. In summary, the Plan Administrator will attempt to sell or otherwise liquidate the Debtor's assets by private sale by contracting with real estate brokers approved by the Joint Creditors at prices based on current appraisals or recommendations of real estate professionals, with limits on the Listing Prices and Minimum Sales Prices specified in the Plan. In the event the Debtor's real property has not been placed under contract by June 15, 2012, the Plan Administrator will contract with an independent auctioneer to sell the Debtor's real property and operating equipment. Under the Plan, the Plan Administrator is authorized to incur costs of advertising and promoting and to grant a first priority consensual lien against the Debtor's real property for such costs in an amount not to exceed $250,000, provided that the Bank and Dillard Trust have consented to such costs and lien. The auctioneer will conduct the auction no later than October 1, 2012 and will first offer each tract for sale individually and then in small groups of more than one tract. Following that, the auctioneer will reoffer individual or groupings to solicit higher offers. At the conclusion of that round of bidding, the auctioneer will offer all Debtor real property for sale as a whole. The higher of the aggregate of individual and group

bids or the whole bid will be compared. The highest dollar amount will constitute the winning bid. The Bank and the Dillard Trust each have the right to credit bid their claims as provided in detail in the Plan. The Plan Administrator will deposit the Net Sale Proceeds from sale of the real estate and operating equipment in the Creditor Fund for distribution as provided in the Plan.

The Plan Administrator shall also evaluate any avoidance claims that may be brought, together with any other claims or rights afforded, under the Bankruptcy Code to determine if asserting such claims or rights is beneficial to the Debtor's creditors. The Plan Administrator shall also liquidate all of the Debtor's other assets to enable the Plan Administrator to make Plan distributions. All professionals engaged by the Plan Administrator must be persons who have the characteristics stated in 11 USC § 327(a), shall submit fee applications to the Bankruptcy Court that comply with Fed.R.Bankr.P. 2016(a), and shall provide notice of such fee applications and an opportunity to object to the Joint Creditors and their legal counsel of record. Such professionals shall be allowed fees only upon approval by the Bankruptcy Court.

The Joint Creditors and Debtor submit that administration of the Plan by a Plan Administrator provides significant benefits over allowing the Debtor's members to implement the Plan. First of all, the Debtor's members also control LLW which has for sale real property located adjacent to the Debtor's property. A Plan Administrator can determine what is in the best interest of the Debtor's creditors without considering the effect of any course of action on LLW. Similarly, it is possible that there could be avoidance claims that have not been settled under the Plan against members of the Debtor. An independent evaluation of the reasonableness of asserting any identified claims by the Plan Administrator eliminates allegations of favoritism. Finally, the Debtor has been unable to sell any of its remaining property for at least five years. A fresh look by the Plan Administrator of Listing Prices is warranted. The Plan Administrator is free to consult with the Debtor's members and managers. The Plan Administrator shall be compensated from the assets of Reorganized BBB in an amount to be approved by the Bankruptcy Court. The Joint Creditors believe that a Plan Administrator will agree to serve in that capacity for compensation significantly less than the $100,000/year the Debtor has paid to J. Mercer Reynolds and additional fees, if any, that may be paid will be less than the fees payable to a Chapter 7 Trustee.

XII. PROVISION AS TO CONTESTED CLAIMS

The Plan Administrator will file objections to Disputed Claims that it determines are improper, in whole or in part. Upon the filing of such objection or if any Claim is otherwise deemed a Contested Claim under the Plan, such Claim shall be considered a Contested Claim, and any cash or other instruments or property otherwise distributable to such creditor under the Plan shall be held in the Creditor Fund until final disposition of the objection to the Claim. The claims of the Bank and the Dillard Trust, however, will not and cannot be treated as a Contested Claim and are deemed to be settled by the Plan. The Creditor Fund will be a segregated, interest bearing, trust account created by the Plan Administrator on the Effective Date in which it shall deposit Creditor Payments. If a claim objection is overruled or denied, in whole or in part, such claimant shall receive the amount of cash or property provided in the Plan to the extent of the amount of the Allowed Claim. No payment or distribution shall be made with respect to all or any portion of any Contested Claim pending the entire resolution thereof by Final Order.

XIII. ANALYSIS OF CLAIMS

Under the Bankruptcy Code, a creditor outside of Class 8 may be able to participate in distributions from a bankruptcy estate, whether or not he has filed a Proof of Claim, provided the Debtor has not scheduled the Claim as disputed, contingent, or unliquidated. Accordingly, the Schedules filed by the Debtor will determine the extent of certain classes of Claims. You are advised to consult the Schedules and any amendments on file with the Clerk of the Bankruptcy Court to determine if your Claim has been properly scheduled. The Bankruptcy Court entered an order establishing November 28, 2010 as the bar date for filing proofs of claim. The Plan Administrator shall object to any proof of claim filed after the bar date as untimely.

As of September 20, 2011, the Debtor opined and estimated the ultimate amount of the Allowed Claims in the Bankruptcy Case, after the adjudication of the objections, and the amount that will be distributed to the Creditors. The Debtor's opinion was based upon its knowledge of the Claims reflected in the Debtor's Schedules, proofs of claim filed on or before the claim bar date, the potential objections to certain of those Claims and the estimated future revenues to be generated from the Debtor's operations. Taking the Debtor's estimate into account and the provisions of the Consensual Plan of Liquidation, the Joint Creditors and Debtor make the estimates below. It is important to note that these are only estimates, and there is no assurance that the amount of Allowed Claims will not exceed the estimate, or that the amount realized from the assets will not be less than the estimate.

Class 1	General Priority Claims	-0-
Class 2	Fifth Third Bank	$21,300,343.27
Class 3	Dillard Trust	$6,000,000
Class 4	Convenience Claims	$5,900
Class 5	Noninsider Claims	$39,334
Class 6	Insider Claims	-0-
Class 7	General Unsecured Claims	Class 3 and Allowed Class 8 Claims
Class 8	Contingent Contractor Claims	-0-

XIV. ALTERNATIVES TO THE PLAN AND LIQUIDATION ANALYSIS

The alternatives to the Plan are conversion of the Chapter 11 Case to a Chapter 7 proceeding or dismissal. The Joint Creditors and Debtor believe that their Liquidation Plan represents the best opportunity to pay creditors in full.

Under the Consensual Plan of Liquidation, there is a reasonable possibility that all Allowed Claims will be paid in full. In the event the case is converted to a Chapter 7 proceeding, creditors would also receive the liquidation value of the Debtor's assets. It is difficult to assess the difference between liquidating the Debtor's assets under the Plan as opposed to liquidation by a Chapter 7 trustee. In either case, all of the Debtor's assets would be liquidated to pay the Debtor's creditors and the means and manner of doing so would likely be similar. Consequently, there is little to be gained by estimating the value that would be realized under the Plan as opposed to a Chapter 7 liquidation. The Debtor estimates that in a Chapter 7

liquidation, the estate would not recover any of the $909,471 owed to the Debtor by its sister company, LLW, nor would it recover any of the $1,092,452 owed under Mr. Dillard's Note judgment. Under the Plan, Mr. Dillard will voluntarily pay the $1,092,452 Note obligation (part to the Plan Administrator and part to reduce the Dillard Trust $6,000,000 Class 3 unsecured claim), plus $45,234 additional to satisfy the Class 4 and 5 Claims. The Joint Creditors and Debtor submit that the fees a Chapter 7 trustee would receive far exceed the fees estimated to be paid to the Plan Administrator. Simply stated, any further liquidation analysis in a Chapter 7 case as opposed to the Plan would be mere speculation.

XV. RISK FACTORS

The principal risks associated with the Plan have to do with the ability of the Plan Administrator to sell the Debtor's real estate at prices sufficient to pay Allowed Claims. The real estate market in Teton County, Wyoming is competitive and dependent on market conditions. Continued stagnation in the luxury real estate and second home market would have an adverse impact on sale proceeds with which to pay the Debtor's creditors during the period between Plan Confirmation and the auction date.

XVI. TAX CONSEQUENCES

Reorganized BBB will continue as a limited liability company, being taxed as a partnership for federal income tax purposes. Reorganized BBB will have the right, but not the obligation, to file a ruling request with, or otherwise seek guidance or advice from, the Internal Revenue Service or tax counsel as to the proper federal income tax classification and treatment of Reorganized BBB and, upon receipt of such guidance, the Plan Administrator should file the appropriate federal, state, and local income tax returns, provide creditors with the appropriate information returns and, in accordance with such guidance or advice, pay from the income of Reorganized BBB (to the extent that it is subject to income taxation) any federal, state, or local income tax attributable to the earnings of Reorganized BBB. At the present time, the Joint Creditors and Debtor are not aware of any intent to file a ruling request. Absent receipt of such guidance or advice, Reorganized BBB shall be entitled:

(a) to assume that Reorganized BBB is a limited liability company with the tax attributes specified under Subchapter K of the Internal Revenue Code of 1986, as amended (the "IRC"), with each Creditor subject to individual tax treatment that is determined solely upon their respective form of organization and the corresponding tax characterization associated with that form under the IRC and the regulations issued thereunder; and

(b) to file all appropriate federal, state, and local income tax returns, and provide the members and, where necessary, creditors with information statements in accordance with such assumptions.

The taxable year of Reorganized BBB shall, unless otherwise required by the IRC, be the calendar year.

The Plan Administrator will make distributions to creditors based upon the terms of the Plan. The tax attributes of those distributions will depend upon each individual creditor's tax treatment. Therefore, the characterization of the distribution as ordinary income, short or long term capital gain, or exempt from income tax, depends completely upon the individual creditors' tax status.

As is evident from the foregoing, the Plan and its related tax consequences are complex. Moreover, many of the Tax Code provisions dealing with the federal income tax issues arising from the Plan are the result of recent legislation and, consequently, may be subject to administrative or judicial interpretations that differ from the discussion below. The Debtor states that it has not requested a ruling from the Internal Revenue Service (the "IRS") or an opinion of counsel with respect to these matters. Accordingly, no assurance can be given that the IRS will agree with the conclusions set forth in this Disclosure Statement. **CREDITORS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL, AND OTHER TAX LAWS.**

The federal income tax consequences of the Plan to holders of Unsecured Claims will depend, among other things, on the following: the origin of the holder's Claim, when the Claim becomes an Allowed Claim, when the holder receives payment in respect of his Allowed Claim, whether the holder reports income using the accrual or cash method of accounting, whether the holder has taken a bad debt deduction or worthless security deduction with respect to his Claim, and whether the Claim constitutes "securities" for federal income tax purposes. An Unsecured Creditor will generally recognize income, gain, or loss equal to the difference between the adjusted basis of the Claim and the amount realized pursuant to the Plan. The characterization of such income, gain, or loss depends on several factors, including those listed in this paragraph.

Under the backup withholding rules of the IRC, holders of Unsecured Claims may be subject to backup withholding at the rate of twenty percent (20%) with respect to payments made pursuant to the Plan unless such holder either (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (ii) provides a correct taxpayer identification number and certifies under penalties of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividends and interest income. Any amount withheld under these rules will be credited against the holder's federal income tax liability. The Plan Administrator may require holders of Unsecured Claims to establish exemption from backup withholding or to make arrangements satisfactory to the Plan Administrator with respect to the payment of backup withholding.

THE FOREGOING IS INTENDED ONLY AS A SUMMARY OF CERTAIN FEDERAL INCOME TAX ASPECTS OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF AN ALLOWED CLAIM. HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE PLAN.

XVII. VOTING PROCEDURES IN A CHAPTER 11 PLAN

Chapter 11 of the Bankruptcy Code permits the adjustment of secured debts, unsecured debts and equity interests. A Chapter 11 plan may provide less than full satisfaction of senior indebtedness and payment of junior indebtedness or may provide for a return to equity owners, absent full satisfaction of indebtedness so long as no impaired class votes against the Plan.

If an impaired class votes against the Plan, this does not necessarily make implementation of the Plan impossible so long as the Plan is fair and equitable, that class is afforded certain treatment defined by the Bankruptcy Code, and at least one impaired class of creditors votes to accept the Plan by a two-thirds majority in the dollar amount of Claims voting and a majority in number of Claims voting. In order to be fair and equitable with respect to the Unsecured Creditors, the Plan must either provide the creditor the full value of his Claim or, if he does not receive the full value of the Claim, no junior class of creditor may receive or retain anything on account of their Claim or interest.

In the event a class is unimpaired, it is automatically deemed to accept the Plan. A class is unimpaired if: (i) its rights after confirmation are the same as they existed (or would have existed absent defaults) before the commencement of the Chapter 11 Case and any existing defaults are cured or provided for and the class is reimbursed actual damages; or (ii) the Allowed Claims of the class are paid in full in cash as though matured.

If there is no dissenting class, the test for approval by a court of a Chapter 11 Plan (i.e., Confirmation) is whether the plan is in the best interests of creditors and is feasible. In simple terms, a plan is considered by the Court to be in the best interest of creditors if the plan will provide a recovery to the creditors of not less than they would obtain if the Debtor was liquidated and the proceeds of liquidation were distributed in accordance with the bankruptcy liquidation (Chapter 7 priorities). In this case, the unsecured creditors will receive not less, and likely more, under the Plan than they would receive in a liquidation proceeding and it is anticipated that all senior classes of creditors are either unimpaired or have agreed to different treatment under the Plan.

These determinations by the Court will occur at the hearing on Confirmation after a Plan has been accepted by the creditors. The Court's judgment on these matters does not constitute an expression of the Court's opinion as to whether the Plan is a good one.

While the Plan provides for certain payments on the Distribution Date, such payments will only apply to Allowed Claims. Under the Bankruptcy Code, a Claim may not be paid until it is Allowed. A Claim will be Allowed in the absence of objection. A Claim which has been objected to will be heard by the Court at a regular evidentiary hearing and allowed in full or in part or disallowed. While the Plan Administrator bears the principal responsibility for claims objections, any interested party, including creditors, may file claim objections. Accordingly, payment of some Claims may be delayed until objections to such Claims are ultimately settled.

XVIII. GENERAL PROVISIONS

Reorganized BBB shall be vested with ownership to all property of the estate upon the Effective Date, but the management, administration and liquidation shall be under the exclusive control of the Plan Administrator.

On the Effective Date, unless The Bank and the Dillard Trust agree to the contrary, the Chapman First Right of Refusal shall be deemed to be rejected. All other unexpired leases and executory contracts between the Debtor and any party (if any) that have not, prior to the Effective Date of the Plan, been affirmatively assumed by the Debtor pursuant to an order of the Bankruptcy Court, are rejected under the Plan.

The Bankruptcy Code requires disclosure of certain facts. There are no payments made or promises of the kind specified in Section 1129(a)(4)(A) of the Bankruptcy Code which have not been disclosed to the Court.

Nothing in the Plan shall prevent the Plan Administrator from taking any action as may be necessary to the enforcement of any cause of action which may exist on behalf of the Debtor and which may not have been enforced or prosecuted by the Debtor prior to the Effective Date. The Joint Creditors and Debtor, collectively, reserve the right to modify the Plan prior to Confirmation, and thereafter the Joint Creditors and Debtor, collectively, may modify the Plan in accordance with 11 U.S.C. § 1127(b).

XIX. CONCLUSION

The materials provided in this Disclosure Statement are intended to assist you in voting on the Plan in an informed fashion. Since, if the Plan is confirmed, you will be bound by its terms, you are urged to review this material and make such further inquiries as you may deem appropriate and then cast an informed vote on the Plan. The Joint Creditors and Debtor submit that the Plan complies in all respects with Chapter 11 of the Bankruptcy Code, is fair and equitable as to all parties, and provides a greater return than creditors would likely receive under any reasonable alternative. Therefore, the Joint Creditors and Debtor encourage all creditors entitled to vote on the Plan to vote to accept it.

[SIGNATURE PAGE FOLLOWS]

DATED this 29th day of December, 2011.

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