IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

IN RE:	§	
	§	
THE GARDENS OF GRAPEVINE DEVELOPMENT, L.P.,	§	**CASE NO. 11-43260**
	§	
	§	**JOINTLY ADMINISTERED**
THE GARDENS OF GRAPEVINE DEVELOPMENT GP, LLC,	§	**Chapter 11**
	§	
Debtors.	§	**Judge D. Michael Lynn**

DEBTORS' FIRST AMENDED JOINT DISCLOSURE STATEMENT FOR DEBTORS' JOINT PLAN OF REORGANIZATION

(Dated: October 12, 2011)

FRANK J. WRIGHT
C. ASHLEY ELLIS
WRIGHT GINSBERG BRUSILOW P.C.
600 SIGNATURE PLACE
14755 PRESTON ROAD
DALLAS, TX 75254

ATTORNEYS FOR THE DEBTORS

TABLE OF CONTENTS

INTRODUCTION

This First Amended Disclosure Statement ("**Disclosure Statement**") and the accompanying Ballots are being furnished by Gardens of Grapevine Development, LP, ("**GOG**") and Gardens of Grapevine Development GP, LLC, ("**GOG GP**," collectively the "**Debtors**" or the "**Plan Proponent**") to the holders of Claims against and Interests in the Debtors pursuant to Section 1125 of the United States Bankruptcy Code in connection with the solicitation of ballots for the acceptance of the Debtors' First Amended Joint Plan of Reorganization (the "**Plan**") under Chapter 11 ("**Chapter 11**") of Title 11 of the United States Code (the "**Bankruptcy Code**"). Capitalized terms used in this Disclosure Statement and not defined herein shall have their respective meanings set forth in the Plan or, if not defined in the Plan, as defined in the Bankruptcy Code.

On June 6, 2011, (the "**Petition Date**"), the Debtors filed voluntary petitions under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court, Northern District of Texas, Fort Worth Division (the "**Bankruptcy Court**").

On October 12, 2011, the Plan Proponent filed the Plan. On October 12, 2011, after notice and hearing, the Bankruptcy Court approved this Disclosure Statement and authorized the Plan Proponent to solicit votes with respect to the Plan.

The purpose of this Disclosure Statement is to enable those persons whose Claims against and Interests in the Debtors are Impaired and entitled to vote under the Plan to make an informed decision with respect to the Plan before exercising their rights to vote to accept or reject the Plan. Holders of Claims should read this Disclosure Statement and the Plan in their entirety before voting on the Plan. No solicitation of votes with respect to the Plan may be made except pursuant to this Disclosure Statement. No statement or information concerning the Debtors (particularly as to the results or financial condition, or with respect to distributions to be made under the Plan) or any of the Debtors' assets, properties or business that is given for the purpose of soliciting acceptances or rejections of the Plan is authorized, other than as set forth in this Disclosure Statement. In the event of any inconsistences between the provisions of the Plan and this Disclosure Statement, the provisions of the Plan shall control. A copy of the Plan is attached hereto as Exhibit "A" to this Disclosure Statement.

On October 12, 2011, after notice and a hearing, this Disclosure Statement was approved by the Bankruptcy Court as containing information, of a kind and in sufficient detail, to enable persons whose votes are being solicited to make an informed judgment with respect to acceptance or rejection of the Plan. A copy of the Bankruptcy Court's order approving this Disclosure Statement and establishing procedures for voting on the Plan (the "**Approval Order**") is enclosed with your copy of this Disclosure Statement. The Bankruptcy Court's approval of this Disclosure Statement does not constitute either a guarantee of the accuracy or completeness of the information contained herein or an endorsement of any of the information contained in this Disclosure Statement or the Plan.

After carefully reviewing this Disclosure Statement and all exhibits and schedules attached hereto, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot.

BALLOTS SHOULD BE MARKED, SIGNED, DATED AND RETURNED SO THAT THEY ARE ACTUALLY RECEIVED BY NO LATER THAN 5:00 P.M., CENTRAL STANDARD TIME, ON NOVEMBER 18, 2011, (THE "VOTING DEADLINE") AT THE FOLLOWING ADDRESS, AS SET FORTH ON THE ENCLOSED RETURN ENVELOPE:

GARDENS OF GRAPEVINE BALLOTS
c/o WRIGHT GINSBERG BRUSILOW P.C.
600 SIGNATURE PLACE
14755 PRESTON ROAD
DALLAS, TEXAS 75254

THE PLAN PROPONENT BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF ALL CLAIMANTS OF THE DEBTORS AND, CONSEQUENTLY, THE PLAN PROPONENT URGES ALL CLAIMANTS TO VOTE TO ACCEPT THE PLAN.

Any Ballots received after the Voting Deadline will not be counted (unless otherwise ordered by the Bankruptcy Court). Ballots that are received after the Voting Deadline may not be used in connection with the Plan Proponent's request for confirmation of the Plan or any modification thereof, except to the extent allowed by the Bankruptcy Court.

This Disclosure Statement has been compiled by the Plan Proponent to accompany the Plan. The factual statements, projections, financial information, and other information contained in this Disclosure Statement have been taken from documents prepared by the Debtors, including the Debtors' Schedules and Statements of Financial Affairs, the Debtors' Monthly Operating Reports, pleadings filed in the Bankruptcy Case, and information obtained in the Bankruptcy Case. Nothing contained in this Disclosure Statement shall have any preclusive effect against the Plan Proponent (whether by waiver, admission, estoppel or otherwise) in any cause or proceeding which may exist or occur in the future. This Disclosure Statement shall not be construed or deemed to constitute an acceptance of fact or an admission by the Plan Proponent with regard to any of the statements made herein, and all rights and remedies of the Plan Proponent are expressly reserved in this regard. This Disclosure Statement contains statements which constitute the Debtors' or other third parties' views of certain facts. All such disclosures should be read as assertions of such parties. To the extent any paragraph does not contain an express reference that it constitutes an assertion of a particular party, it should be read as an assertion of the party indicated by the context and meaning of such paragraph.

The statements contained in this Disclosure Statement are made either as of the Petition Date or the date hereof unless another time is specified herein, and neither delivery of this Disclosure Statement nor any exercise of rights granted in connection with the Plan shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Disclosure Statement.

Certain of the information contained in this Disclosure Statement, by its nature, is forward looking, contains estimates and assumptions which may prove to be inaccurate, and contains projections which may prove to be wrong, or which may be materially different from actual future results. Each Claimant should independently verify and consult its individual attorney and accountant as to the effect of the Plan on such individual Claimant or Interest holder.

The Plan Proponent strongly urges each recipient entitled to vote on the Plan to review carefully the contents of this Disclosure Statement, the Plan, and the other documents that accompany or are referenced in this Disclosure Statement in their entirety before making a decision to accept or reject the Plan.

IT IS OF THE UTMOST IMPORTANCE TO THE PLAN PROPONENT THAT YOU VOTE PROMPTLY TO ACCEPT THE PLAN BY COMPLETING AND SIGNING THE BALLOT ENCLOSED HEREWITH AND RETURNING IT TO COUNSEL FOR THE DEBTORS, AT THE ADDRESS SET FORTH IN THE BALLOT INSTRUCTIONS THAT ACCOMPANY THE BALLOT. SHOULD YOU HAVE ANY QUESTIONS REGARDING THE VOTING PROCEDURES, YOUR BALLOT, OR THE BALLOT INSTRUCTIONS, OR IF YOUR BALLOT IS DAMAGED OR LOST, CONTACT COUNSEL FOR THE DEBTORS AT THE FOLLOWING ADDRESS:

C. ASHLEY ELLIS
WRIGHT GINSBERG BRUSILOW P.C.
600 SIGNATURE PLACE
14755 PRESTON ROAD
DALLAS, TEXAS 75254
(972) 788-1600
(972) 239-0138 (facsimile)

The Approval Order fixes December 6, 2011 at 9:30 a.m., Central Standard Time, in the Courtroom of the Honorable D. Michael Lynn, United States Bankruptcy Judge, United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, Eldon B. Mahon U.S. Courthouse, 501 West Tenth Street, Fort Worth, Texas 76102, as the date, time, and place for the hearing on Confirmation of the Plan, and fixes November 18, 2011 as the date by which all objections to Confirmation of the Plan must be filed with the Bankruptcy Court and received by counsel for the Plan Proponent. The Plan Proponent will request Confirmation of the Plan at the Confirmation Hearing.

As used herein, the terms "GOG" and "GOG GP," and "Debtors" are used interchangeably to mean Gardens of Grapevine Development, LP, and Gardens of Grapevine Development GP, LLC.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

ARTICLE I

HISTORICAL BACKGROUND AND PREPETITION BUSINESS OPERATIONS

GOG is a Texas limited partnership. GOG currently owns approximately 192 acres of undeveloped land in Tarrant and Dallas Counties in Texas (the "**Property**"). Approximately 36 acres of this land is within a flood plain, of which approximately 25 acres can be reclaimed. The remaining 156 acres are situated in a prime location adjacent to the Grapevine Mills Mall, with frontage on Texas State Highways 121 and FM 2499, and are suitable for a wide variety of projects, including commercial, multi-family residential and mixed-use developments. The property owned by the Debtors was appraised as having a fair market value of $53,250,000 on October 8, 2010, which appraisal was updated on August 31, 2011 to reflect a fair market value of $55,250,000 based on recent comparable sales. Both appraisals found that the steady development in and around the subject neighborhood provide attractive environs for future development and the long-term future of the market area is promising.

The Property was originally planned and marketed as a master planned development called the World Villages of Grapevine. It was acquired in two tracts. The first tract of 162.122 acres was acquired in August 2007 from Hunt Building Corporation. The second tract of 50.556 acres was acquired in August 2007 from Robert Beall. A 20 acre tract was sold in February 2009 to PLL Bonsai Group, LP from the 162 acre tract, thereby reducing the total acreage to 192 acres. GOG is still owed money from that transaction. The Property was proposed to be developed as an urban, mixed-use development with a mix of retail, dining, hotel and amusement, office, residential and open space consisting of 21 separate tracts. The faltering economy and credit market deterioration, however, has interfered with the original plans for the Property. While a master planned development is still a possibility, and the Property is currently being sold in different size tracts for the highest and best use obtainable.

In February 2009, GOG sold approximately 20 acres of adjacent land to PLL Bonsai Group, L.P. for approximately $4,900,000.00 for development as an entertainment and cultural venue/Japanese Garden.

An additional approximately 17 acres of land is presently under contract with Lincoln Property Company ("**LPC**") for approximately $6,900,000, which sale was approved by an order entered by the Bankruptcy Court on July 5, 2011. This sale is anticipated to close on or before February of 2012 with construction to begin shortly thereafter. Per the contract between LPC and GOG, LPC intends to develop that 17-acre tract for multi-family residences. LPC has also optioned another 17 acres for similar use and at a comparable price. The second sale on the optioned acreage is anticipated to close on or before the first quarter of 2014. GOG has additionally engaged in substantive discussions with TxDot for the proposed sale of a 20' wide strip of land (ultimately

comprising approximately 4.56 acres) that is frontage along the north side of Grapevine Mills Mall Boulevard and the west side of SH 121. Negotiations regarding pricing for this proposed sale are ongoing. Per the October 2010 $53,250,000.00 appraisal, the remaining unsold acreage likewise has significant value. GOG intends to sell/develop this acreage with this Court's authorization via sales pursuant to the Plan. Recent comparable sales are currently being analyzed by the Debtors and their professionals to determine if the fair market value of the Property may exceed the prior appraised value of $53 million.

The Property is encumbered by liens to three financial institutions and property taxing authorities. Mechanic's liens previously asserted have been released, as noted below. Branch Banking & Trust Company, successor in interest to Colonial Bank ("**BB&T**"), asserts a first lien against the Property to secure two notes totaling approximately $19 million. BBVA/Compass Bank and Amegy Bank NA ("**Judgment Creditors**") assert a joint second lien against the Property to secure judgments in favor of BBVA/Compass Bank in the approximate amount of $5.6 million (amount owed after $1,860,000 payment) and in favor of Amegy Bank in the approximate amount of $2.5 million (amount owed after $4.9 million in payments and credits).

The general partner of GOG is The Gardens of Grapevine Development, GP, LLC ("GOG GP"), also a debtor in a Chapter 11 case filed in this Court. Pursuant to prepetition agreements executed between the members of GOG GP, the sole manager of GOG GP is Rafael Palmeiro. GOG GP's primary asset is its .5% general partnership interest in GOG.

A request for joint administration of the GOG and GOG GP cases was filed June 6, 2011, and the order approving the joint administration was entered July 5, 2011. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are operating their businesses and managing their property as debtors in possession.

ARTICLE II

FACTORS PRECIPITATING THE CHAPTER 11 CASE

After acquisition of the Property, the Debtors proceeded expeditiously with development plans. Between 2007 and 2011, the Debtors coordinated with various partners and engaged/executed contracts for the design and development of the Property into communities consisting of multi-family residences, recreational theme parks, an Asian garden, an aquarium, and hotels, along with business, office and/or retail space in a development called World Villages of Grapevine.

However, beginning in 2008, market forces intervened. As the real estate market in North Texas faltered due to the collapse of the credit market, so did the development of the Property as partners and developers did not procure anticipated investments or funding for the project.

Following the breakdown of informal negotiations, lenders BBVA/Compass Bank and Amegy Bank NA commenced separate lawsuits in 2009 which were resolved with the entry of agreed judgments in March 2010. This litigation and the judgments resulted in litigation costs and

a further strain upon the financial resources available from GOG and Mr. Palmeiro to sustain the Property as the Debtors hoped for an improved market and continued to search for new investors.

The agreed judgment with BBVA/Compass Bank was against GOG and Mr. Palmeiro, jointly and severally, for the principal amount of $2,154,160 plus accrued interest of $91,005.88 and attorneys fees of $15,000 and an agreed judgment against Mr. Palmeiro individually in the principal amount of $4,821,386.80, plus accrued interest of $232,790.52. In exchange for a forbearance on the collection of the agreed judgments for approximately five months, Compass was granted a lien on the Property owned by GOG, which lien was perfected with a second lien deed of trust. The judgment was secured with a second lien on the Property since the proceeds of the underlying loans had been used for the acquisition and development of the Property. To date, Compass has received a paydown on the agreed judgments from Mr. Palmeiro's personal funds totaling approximately $1,860,000.

The agreed judgment with Amegy Bank was against Mr. Palmeiro individually in the principal amount of $3,712,517.38, plus accrued interest of $170,878.40. In exchange for a forbearance on the collection of the agreed judgments for approximately five months, Amegy Bank was granted a lien on the Property owned by GOG, which lien was perfected with a second deed of trust. The judgment was secured with a second lien on the Property since the proceeds of the underlying loans had been used for the acquisition and development of the Property. To date, Amegy Bank has received a paydown on the agreed judgments from Mr. Palmeiro's personal funds in excess of $2.1 million. In addition, Amegy Bank had previously received a paydown on its loan of $2.9 million from the sale of additional collateral.

In 2009, the Tarrant County Tax Assessor revoked the agricultural exemption from the Property which not only resulted in higher taxes, but the County asserted the roll back of taxes for the tax years 2008 and 2009, totaling approximately $248,000. The Debtors are investigating the ability to challenge that revocation. Additionally, taxing authorities for the Grapevine-Colleyville ISD and Lewisville ISD alleged taxes assessed in excess of $468,000 collectively.

In 2010, the Debtors successfully negotiated extensions of the loan with the direct lender on the Property, BB&T/Colonial. However, during negotiations for an additional extension in March 2011, BB&T abruptly demanded $8 million cash to extend again. Despite the Debtors' efforts to reach an agreed extension with BB&T, no agreement was reached. BB&T then posted the property for foreclosure. Further proposals were offered to BB&T subsequent to the Property being posted for foreclosure, but these proposals were rejected as well. In order to preserve the value of the Property, the Debtors commenced these Chapter 11 cases.

ARTICLE III

PURPOSE OF CHAPTER 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. The commencement of a Chapter 11 case creates an "estate" comprised of all the legal and equitable interests of a debtor. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor

may remain in possession of its property and continue to operate its business as a "debtor-in-possession" ("**DIP**"). Thus, since the Petition Date, the Debtors have been operating and managing their business operations in the ordinary course of business and under the supervision of the Bankruptcy Court.

Formulation of a plan is the principal purpose of a Chapter 11 case. The plan is the vehicle for satisfying the holders of claims against and equity interests in a debtor. Under the Bankruptcy Code, when soliciting acceptance or rejection of a plan of reorganization, a plan proponent must transmit to the holders of claims or interests a disclosure statement approved by the court as containing "adequate information." On October 12, 2011, the Bankruptcy Court found that this Disclosure Statement contained information that is in compliance with the adequate information requirement of the Bankruptcy Code. The Disclosure Statement describes various transactions contemplated under the Plan and is supplied to you for purposes of assisting in your evaluation of, and your decision of how to vote on, the Plan. The Plan is attached hereto as Exhibit "A."

ARTICLE IV

ASSETS OF THE DEBTORS

The following is a summary description of the Debtors' principal assets. The information has been compiled from the Debtor's audited and unaudited records as reflected in the Debtors' Schedules, Statement of Financial Affairs and Monthly Operating Reports.

4.1 Real Property: As of the Petition Date, the Debtors owned the following real property: approximately 192 acres of undeveloped land located at Northwest corner of SH 121 and Grapevine Mills Boulevard N in the City of Grapevine and City of Flower Mound, Dallas and Tarrant Counties, Texas. Approximately 36 acres of this land is within a flood plain, of which approximately 25 acres can be reclaimed. The remaining 156 acres are situated in a prime location adjacent to the Grapevine Mills Mall, with frontage on Texas State Highways 121 and FM 2499, and are suitable for a wide variety of projects, including commercial, multi-family residential and mixed-use developments. The Property was originally planned and marketed as a master planned development called the World Villages of Grapevine. It was acquired in two tracts. The first tract of 162.122 acres was acquired in August 2007 from Hunt Building Corporation. The second tract of 50.556 acres was acquired in August 2007 from Robert Beall. A 20 acre tract was sold in February 2009 to PLL Bonsai Group, LP from the 162 acre tract, thereby reducing the total acreage to 192 acres. GOG is still owed money from that transaction.

The Property was proposed to be developed as an urban, mixed-use development with a mix of retail, dining, hotel and amusement, office, residential and open space consisting of 21 separate tracts. The faltering economy and credit market deterioration, however, has interfered with the original plans for the Property. While a master planned development is still a possibility, and the Property is currently being sold in different size tracts for the highest and best use obtainable.

The Property was appraised by Jackson Claborn, Inc. as having a market value of $53,250,000 as of October 8, 2010. The appraisal found that the steady development in and around the subject neighborhood provides attractive environs for future development and the long-term future of the market area is promising. Recent comparable sales are currently being analyzed by the Debtors and their professionals to determine if the fair market value of the Property may exceed the prior appraised value of $53 million.

A map of the Property is attached as Exhibit "B." The legal description of the Property is:

> Being a 142.122-acre tract of land situated in the city of Grapevine in Dallas and Tarrant Counties, and being in the J. Gibson Survey, Abstract No. 587; the J.M. Baker Survey, Abstract No. 167 and 1691; C.S. Dunnagan Survey, Abstract No. 1655; the Thomas W. Cousy Survey, Abstract No. 317; the John E. Holland Survey, Abstract No. 614; the James Gibson Survey, Abstract No. 1715; Tarrant and Dallas Counties, Texas; and being a 50.556-acre tract of land situated in the cities of Flower Mound and Grapevine in Dallas and Tarrant Counties, and being in the J.C. Moffitt Survey, Abstract No. 2408, Tarrant County, and Abstract No. 1797, Dallas County, and the J. M. Baker Survey, Abstract No. 167, Tarrant County, and Abstract No. 1691, Dallas County, Texas.
>
> Being a 50.556-acre tract of land situated in the cities of Flower Mound and Grapevine in Dallas and Tarrant Counties, and being in the J.C. Moffitt Survey, Abstract No. 2408, Tarrant County, and Abstract No. 1797, Dallas County, and the J.M. Baker Survey, Abstract No. 167, Tarrant County, and Abstract No. 1691, Dallas County, Texas.

4.2 **Cash/Deposits**: As reflected on the Debtors' Monthly Operating Reports for the reporting period ending August 31, 2011, GOG had cash of $1,209.21 and GOG GP had no cash. In addition, $25,000 in earnest money was paid by Lincoln Property incident to a pending sale contract, which funds are held in escrow by Republic Title of Texas.

4.3 **Claims and Causes of Action:** The Debtors own the following claims and causes of action:

(a) **Preferential Transfers/Fraudulent Transfers**. As noted in the Schedules and Statements of Financial Affairs, no transfers were made by either Debtor to creditors in the ninety (90) days preceding the Petition Date, nor were any transfers made to insiders in the one year preceding the Petition Date. Therefore the Debtors do not believe any actions exist for the avoidance of preferential transfers. Under Chapter 5 of the Bankruptcy Code the Debtors may have claims for the avoidance of fraudulent transfers or other transfers. Debtors intend to pursue any such cause of action as listed above in this section that may arise, be determined, or discovered and is of potential benefit to the estate such that it might enlarge the estate.

(b) Potential Causes of Action Against Loy Lowary. The Debtors listed on the Schedules potential causes of action arising out of Mr. Lowary's prepetition participation in management of GOG and GOG GP. A settlement has now been reached with Mr. Lowary, the claims of Mr. Lowary and Lowary Holdings, LLC have been quantified and allowed as an unsecured claim, and any causes of action against Mr. Lowary and Lowary Holdings, LLC will be released.

(c) Potential Causes of Action Against PLL Bonsai Group, L.P., The Leone Group, III, LLC and Larry Leone; Connection with Bobby James and NG-20. In February 2009 GOG sold 20 acres from the total accumulated tract of 212 acres to PLL Bonsai Group, L.P. ("Bonsai") for consideration totaling nearly $5,000,000. The bulk of the amount was payable to GOG on the five year anniversary of the closing. The payment obligation was secured by a second lien on the property. In addition, the debt was guaranteed by The Leone Group III, LLC and Larry Leone, individually. GOG has claims against Bonsai, The Leone Group, III, LLC and Larry Leone for the balance due under the sale contract, note, and guaranties totaling approximately $4 million. Bonsai intended to develop the tract into an entertainment and cultural venue/Japanese Garden. GOG allowed Bonsai to obtain $3.5 million in third party financing from NG-20, LP for development and marketing of that tract. NG-20 was allowed to place a first lien on the 20 acre tract. Bonsai defaulted and NG-20 foreclosed on the first lien in or about September 2010. Bobby James was the investment broker for NG-20 and may have a small ownership interest in NG-20. He is currently the spokesperson for NG-20 and is handling the management of the tract. There is no indication that Bobby James had any interest in Bonsai or the guarantors. GOG has been advised that Bobby James' group is currently raising equity for the project and has not yet submitted a contract. The above-described claims against Bonsai and the guarantors do appear to have any impact on the sale to Bobby James' group. Under the Plan, these causes of action will be retained, investigated and may be pursued by the Reorganized Debtors. The Debtors have not attempted to estimate the potential recoveries on such causes of action.

(d) Other Causes of Action. The Debtors may have other causes of action, including any and all claims, rights and causes of action that have been or could have been brought by or on behalf of the Debtors arising before, on or after the Petition Date, known or unknown, in contract or in tort, at law or in equity or under any theory of law, including, but not limited to any and all claims, rights and causes of action the Debtors or the Estates may have against any Person arising under chapter 5 of the Bankruptcy Code, or any similar provision of state law or any other law, rule, regulation, decree, order, statute or otherwise including avoidance actions as stated above, any and all claims, causes of action, counterclaims, demands, controversies, against third parties on account of costs, debts, sums of money, accounts, reckonings, bonds, bills, damages, obligations, liabilities, objections, and executions of any nature, type, or description which the Debtors have or may come to have, including, but not limited to, negligence, gross negligence, usury, fraud, deceit, misrepresentation, conspiracy, unconscionability, duress, economic duress, defamation, control, interference with contractual and business relationships, conflicts of interest, misuse of insider information, concealment, disclosure, secrecy, misuse of collateral, wrongful

release of collateral, failure to inspect, environmental due diligence, negligent loan processing and administration, wrongful setoff, violations of statutes and regulations of governmental entities, instrumentalities and agencies (both civil and criminal), racketeering activities, securities and antitrust laws violations, tying arrangements, deceptive trade practices, breach or abuse of fiduciary duty, breach of any alleged special relationship, course of conduct or dealing, obligation of fair dealing, obligation of good faith, whether or not in connection with or related to this Plan, at law or in equity, in contract in tort, or otherwise, known or unknown, suspected or unsuspected.

ARTICLE V

LIABILITIES OF DEBTORS

5.1 Administrative Claims. Administrative Claims are any claim that is defined in § 503(b) of the Code as being an "administrative expense" and granted priority under § 507(a)(1) of the Code, including:

(1) a Claim for any cost or expense of administration in connection with the Case, including, without limitation, any actual, necessary cost or expense of preserving the Debtors' estate and of operating the business of the Debtors incurred on or before the Effective Date;

(2) the full amount of all Claims for compensation for legal, accounting and other services or reimbursement of costs under §§ 330, 331 or 503 of the Bankruptcy Code;

(3) all fees and charges assessed against the Debtors' estate under Chapter 123 of Title 28 of the United States Code; and

(4) a Claim for post-petition taxes and related items, including any interest and penalties on such post-petition taxes.

(a) Professionals. The Debtors employed the following law firms and other professionals in connection with these proceedings: (1) Wright Ginsberg Brusilow P.C. as bankruptcy counsel and (2) Parkway Realtors, Inc. ("**PRI**"). Wright Ginsberg Brusilow P.C. held a retainer in the amount of $100,000.00 on the Petition Date and is currently owed approximately $150,000.00 in fees and expenses after application of the retainer. Wright Ginsberg Brusilow P.C. filed a Motion for Distribution of Retainer on July 18, 2011, and no objection being filed in response, withdrew the retainer as an interim allowance. As detailed herein, PRI is the company engaged by the Debtors to market the property for sale per the Bankruptcy Court's Order. The Listing Agreement between GOG and PRI ("Listing Agreement") provides for a sales commission payment of six percent (6%) of the gross sales price upon the sale of the Property. Compensation to PRI shall only be paid from the proceeds of a sale of the Property. Compensation to PRI shall, upon the successful completion of a sale, be based strictly on the terms as set forth in the Listing Agreement; no

further fee application shall be submitted for approval. In connection with confirmation of the Plan, the Debtors are in the process of engaging Deloitte & Touche as experts to testify at confirmation. An employment application for Deloitte is anticipated to be filed shortly and will be subject to Court approval. Under the Plan, all other professionals employed pursuant to §§ 327 and 330 shall be required to file with the Bankruptcy Court a final fee application within sixty (60) days after the Effective Date. Nothing in the Plan or this Disclosure Statement is intended to restrict the ability of any party in interest or the US Trustee to object to these final fee applications. Orders approving applications for employment of Wright, Ginsberg, Brusilow P.C. and Parkway Realtors were entered on July 5, 2011.

(b) Other Asserted Administrative Claims. A review of the docket at the time of filing this Disclosure Statement reveals that no requests for administrative expense payments have been filed in this case.

5.2 Creditors Holding Secured Claims. The Schedules of Debtors reflect the following secured claims:

(a) Secured Claim of Amegy Bank, N.A. On or about July 31, 2007, Messrs. Palmeiro and Lowary and Amegy Bank entered into a Loan Agreement under which Messrs. Palmeiro and Lowary were authorized to borrow the amount of $6,400,000 pursuant to a promissory note executed as of the same date. The funds loaned to Messrs. Palmeiro and Lowary by Amegy Bank were utilized by Messrs. Palmeiro and Lowary for the acquisition and development of the real property owned by GOG. The promissory note was secured by a deed of trust on certain undeveloped real property owned by Mr. Lowary which property was subsequently foreclosed thereby reducing the note obligation by approximately $2.9 million.

Amegy Bank commenced a suit in Dallas County District Court to recover the balance of the note which was resolved on or about March 9, 2010, with the entry of an agreed judgment against Mr. Palmeiro individually in the principal amount of $3,712,517.38, plus accrued interest of $170,878.40. In exchange for a forbearance on the collection of the agreed judgments for approximately five months, Amegy was granted a lien on the real property owned by GOG, which lien was perfected with a second lien deed of trust. To date, Amegy has received a paydown on the agreed judgment from Mr. Palmeiro's personal funds totaling approximately $2,100,000.

(b) Secured Claim of BB&T/Colonial Bank. On or about August 1, 2007, GOG and Colonial Bank entered into a Loan Agreement under which GOG was authorized to borrow the amounts of $17,550,000 pursuant to a promissory note executed August 1, 2007, and $1,527,500 pursuant to a promissory note executed September 25, 2008. The promissory notes are secured by first lien deeds of trust on the 192 acres of undeveloped real property owned by GOG. The loan is guaranteed by Messrs. Palmeiro and Lowary. In August 2009, the assets of Colonial Bank were taken over by the FDIC as receiver and, within one day of the FDIC takeover, Colonial's assets were acquired by BB&T. The loans matured in

February 2011. Immediately prior to the filing of the petitions, BB&T rejected GOG's negotiation efforts to extend the maturity date of the loans and posted the Property for foreclosure, which foreclosure was scheduled to take place on June 7, 2011.

(c) **Secured Claim of BBVA/Compass Bank.** On or about April 22, 2004, Mr. Palmeiro, individually, executed a Commercial Variable Rate Revolving and Draw Note payable to Compass Bank in the amount of $2,300,000, later increased to $5,000,000. The funds loaned to Mr. Palmerio by Compass Bank were utilized by Mr. Palmeiro for the acquisition and development of the real property owned by GOG. On or about December 12, 2007, the Debtor GOG also executed a promissory note payable to Compass Bank in the amount of $2,154,160, which was guaranteed by Mr. Palmeiro and Loy Lowary.

Subsequently, Compass Bank filed suit in Dallas County District Court on the notes and guarantees which was resolved on or about March 1, 2010, with an agreed judgment against GOG, GOG-GP and Mr. Palmeiro, jointly and severally, for the principal amount of $2,154,160 plus accrued interest of $91,005.88 and attorneys fees of $15,000 and an agreed judgment against Mr. Palmeiro individually in the principal amount of $4,821,386.80, plus accrued interest of $232,790.52. All claims against Mr. Lowary were dismissed with prejudice. In exchange for a forbearance on the collection of the agreed judgments for approximately five months, Compass was granted a lien on the real property owned by GOG, which lien was perfected with a second lien deed of trust. To date, Compass has received a paydown on the agreed judgments from Mr. Palmeiro's personal funds totaling approximately $1,860,000.

(d) **Secured Claim of Grapevine-Colleyville ISD.** These taxing authorities allege an assessment of taxes for the tax years 2008-2010 in the amount of $435,000. The secured/unsecured allocation of the taxes are to be determined. The tax liens against the Property secure payment of $262,000 in taxes for 2010 and $248,000 for 2008 and 2009 as a result of a roll back of taxes resulting from the removal of the agricultural exemption on the Tarrant County portion of the Property (the roll back amount was being paid under a payment plan). The Debtors believe that the removal of the agricultural exemption was improper and intend to take all necessary steps to challenge such removal and restore the agricultural exemption.

(e) **Secured Claims of Lewisville I.S.D.** Taxing authorities allege an assessment of taxes in the amount of $27,210.98 and taxes alleged to have been incurred January 1, 2011, in the amount of $6,681.58.

(f) **Secured Claims of Tarrant County Tax Assessor.** Taxing authorities allege an assessment of taxes in the amounts of $33,500 and $42,000.

(g) **Other Secured Claims**. The Debtors are also aware that Phi Engineering Design & Consulting Corp. previously asserted a mechanic's lien against the Property in the amount of $51,201.00, but believe that this lien has been released. Similarly, Bluebonnet Waste Control, Inc. filed a mechanic's lien in the amount of $402.72 against adjacent

property, but that arguably could have clouded title to the Property due to an in artful articulation of the legal description. This lien has been released.

5.3 Priority Claims. Debtors did not schedule any creditors holding Unsecured Priority Claims. A review of the claims register on October 4, 2011, reveals that one priority claim in the amount of $1,000.00 has been filed by the Texas Comptroller of Public Accounts against both Debtors.

5.4 Unsecured Claims. The bar date for filing proofs of claim was October 4, 2011, for non-governmental entities and is December 5, 2011, for claims of governmental entities. The Schedules reflect that, as of the Petition Date, Debtors collectively owed $12,288,878.05 in unsecured claims which includes the claims of BBVA/Compass Bank, Rafael Palmeiro, and RP Financial Holdings, LLC, discussed below. A review of the claims register on October 4, 2011 reveals that approximately $8,203,767.04 in general unsecured claims have been filed or asserted against Debtors. $5.5 million of that total was the claim filed by Loy Lowary and Lowary Holdings, LLC which has now been reduced by agreement to $2.9 million. The Debtors believe that many of these filed claims are duplicative of those listed on the Schedules.

5.5 Unsecured Claim of BBVA/Compass Bank. BBVA/Compass Bank has an unsecured claim pursuant to a note and judgment in the amount of $2,428,637 against GOG GP. This claim is duplicative of the Secured Claim of BBVA/Compass Bank against GOG.

5.6 Unsecured Claim of Rafael Palmeiro and His Wife. Mr. Palmeiro and his wife hold an unsecured claim for money loaned to GOG in excess of $10,000,000. The partnership agreement of GOG provided that if the partnership needed monies in excess of the initial capital contributions of the partners it could borrow those funds from the partners. The Palmeiros made a number of unsecured loans to GOG to fund the acquisition and development costs of the Property which loans are reflected in the general ledgers of GOG. Since 2007, the Debtors have experienced financial constraints that rendered them unable to retain and pay professionals to work on the Debtors' behalf, pursue marketing and sales opportunities, and pay real property taxes as they came due without loans from the Palmeiros. Collectively, the Debtors believe that the loans from the Palmeiros, inclusive of interest total approximately $10 million, which claim the Debtors propose to subordinate to general unsecured creditors under the Plan and treat in Class 9. To the extent that this claim amount needs to be adjusted based on a thorough accounting, the claim amount may be reduced, but the subordination into Class 9 under the Plan will stand. Notable loans and uses to which funds loaned from the Palmeiros were put include the following: in excess of $130,000 to pay expenses, inclusive of retained professionals, in 2008; in excess of $205,000.00 in principal and interest payments to Compass Bank in 2009; in excess of $460,000.00 to pay expenses, inclusive of retained professionals, of the Debtors in 2009; in excess of $151,000 to pay expenses, inclusive of retained professionals, in 2010; in excess of $4.28 million paid on behalf of the Debtors to the Debtors' secured lenders including BB&T, Compass Bank and Amegy Bank in 2010; in excess of $232,000.00 to pay taxes in 2010; in excess of $198,000.00 to pay taxes in 2011; and in excess of $569,000.00 paid on behalf of the Debtors to secured lenders in 2011. While this list is not exhaustive, it is provided to give an idea of the substantial nature of the loans made to the Debtors by the Palmeiros. The above loan information does not include interest; given the loans made, the

interest, when calculated, is likewise expected to be substantial. However, in connection with the Plan, the Palmeiros have agreed to the treatment proposed by the Debtors and have agreed to subordinate their unsecured claims to the claims of general unsecured creditors in Classes 6 and 7.

5.7 Unsecured Claims of RP Financial Holdings, LLC. RP Financial Holdings, LLC, an entity owned by the Palmeiros, has an unsecured claim for its right to distribution arising from 49.25% limited partner interest in GOG and arising from 50% member interest in GOG. The amount of the claims is at present undetermined.

5.8 Allowed Unsecured Claim of Lowary Holdings, LLC. Lowary Holdings, LLC and Loy Lowary filed a proof of claim asserting an unsecured claim in the amount of $5,585,917.81. That claim has now been settled and reduced by agreement to the amount of $2,906,951.37 which will be treated in accordance with the terms and conditions of the Plan.

ARTICLE VI

THE CHAPTER 11 CASES

6.1 Commencement of Case. These cases were commenced by the filing of voluntary petitions under Chapter 11 on June 6, 2011. Upon commencement, Debtors filed motions incident to the management of the Bankruptcy Case which have been granted by the Court, including, but not necessarily limited, applications for authority to retain certain professionals to assist with the administration of this case, motion for joint administration and a motion to sell a portion of the Property.

6.2 Designation as a Single Asset Real Estate Case. On July 5, 2011, GOG amended the petition to reflect that its case is a single asset real estate case as that term is used and defined in § 101(51B) of the Bankruptcy Code. Incident to that designation, GOG was required under the Code, within ninety (90) days of the Petition Date, to either file a plan of reorganization or commence monthly interest payments to its secured lenders. The Debtors timely filed the Plan on September 1, 2011.

6.3 Efforts to Sell the Property. GOG engaged Parkway Realtors, Inc. ("PRI"), a local real estate broker, to market the Property for sale in October 2010. PRI has over 35 years of commercial real estate experience in Texas, with extensive expertise and knowledge of the North Texas real estate market. PRI specializes in the acquisition and disposition of raw land, and has represented numerous Fortune 500 companies, as well as residential, commercial and industrial developers. During its tenure, PRI has facilitated thousands of sale and lease transactions worth well over $1 billion. The order granting PRI's post-petition employment was entered on July 5, 2011. The Debtors sought to continue the engagement of PRI because of PRI's familiarity with the Property.

Pursuant to the Listing Agreement between GOG and PRI, PRI has extensively marketed the Property, contacting and meeting to submit the property for consideration to several potential developers and investors, including major retailers, since that time. As a result of PRI's efforts, a

contract was signed pre-petition with Lincoln Property Company Southwest, Inc. ("LPC") to purchase a portion of the Property. PRI further negotiated with LPC for an option for 24 months under which LPC has the opportunity to purchase the adjacent 17 acres at a purchase price of $9.50 per net square foot. GOG filed a Motion Pursuant to Section 363 of the Bankruptcy Code to Approve the Sale of Certain Real Property to Lincoln Property Company Southwest, Inc, on June 8, 2011. The sale motion was granted by the bankruptcy court on July 5, 2011. GOG and PRI have additionally engaged in substantive discussions with TxDot for the proposed sale of a 20' wide strip of land (ultimately comprising approximately 4.56 acres) that is frontage along the north side of Grapevine Mills Mall Boulevard and the west side of SH 121. Negotiations regarding pricing for this proposed sale are ongoing. If the Plan is confirmed, PRI's marketing efforts to sell the remaining Property will continue unabated.

6.4 Injunctive Relief. On June 8, 2011, Debtors filed a complaint against Amegy Bank, BB&T and BBVA/Compass Bank seeking an injunction to prevent those banks from pursuing the Palmeiros or their personal assets based on their liability on the obligations pending confirmation of a plan of reorganization. Both BB&T and BBVA/Compass Bank agreed to the entry of a temporary injunction for 120 days. Amegy Bank opposed the granting of an injunction. The Bankruptcy Court held a hearing on the Debtors' request for a temporary injunction on June 21, 2011. At the hearing an agreement was reached and the Bankruptcy Court entered an order enjoining Amegy Bank as well. A motion to extend that injunction period through the later of (a) the Effective Date of the Plan, or (b) December 31, 2011 was filed on September 15, 2011 and was be heard by the Court on October 12, 2011. Upon agreement, the temporary injunction has now been extended through December 6, 2011.

ARTICLE VII

THE PLAN OF REORGANIZATION FOR THE DEBTORS

The Plan Proponent believes that the Plan provides the only vehicle by which Holders of Allowed Unsecured Claims can maximize the recovery on their Allowed Claims. A copy of the Plan is attached as Exhibit "A." The Plan Proponent urges you to review carefully and then vote to accept the Plan.

A. Summary of the Plan

The Claims and Interests as classified in Article III of the Plan shall be satisfied in the manner set forth in Article IV of the Plan. The treatment of, and the consideration to be received by, Entities holding Allowed Claims against and/or Allowed Interests in the Debtors pursuant to this Plan shall be in full satisfaction of their respective Allowed Claims against and Allowed Interests in the Debtors, but shall not affect the liability of any other Entity on such Claim or Interest.

1. Class 1: Priority Wage Claims. Allowed Claims in Class 1 will be paid 100% of the Allowed Amount of their Claims by the Reorganized Debtors.

2. **Class 2: BB&T's Secured Claims.** BB&T's Allowed Secured Claim against GOG will be fully satisfied by the issuance to BB&T of one new promissory note in place of the existing two notes secured by a first lien deed of trust on the Property with the following terms:

Amount:	All unpaid principal, interest and fees accrued as of the Petition Date plus post-petition interest at the non-default rate of interest and reasonable attorneys fees incurred in connection with the Bankruptcy Case all of which is estimate to be approximately $19,000,000.
Term:	The promissory note shall have a term of five years commencing on the Effective Date.
Interest Rate:	The note shall accrue interest at the Plan Rate, commencing on the first day of the first calendar month after the Effective Date.
Payment:	Interest will be paid quarterly commencing on the first day of January, April, July, or October whichever date is the first to occur after the Effective Date. Interest and principal will be paid from the sale of the Property with annual reductions of principal of not less than 10% on a cumulative basis. 70% of the Net Proceeds from the sales of the Property will be available to make principal and interest payments to BB&T until the Allowed Amount of BB&T's Allowed Secured Claim is paid in full. 10% of the Net Proceeds payment to BB&T will be set aside in an escrow account at BB&T and earmarked for the payment of future quarterly interest payments and annual principal reductions under this Plan ("BB&T Escrow Account"). To the extent there are inadequate Net Proceeds or funds in the BB&T Escrow Account to fund a quarterly interest payment, BB&T either will receive an interest in the PB Plan Funding Lien or be paid from the PB Plan Funding Escrow.
Release Provisions:	Unless GOG and the holder of the BB&T Allowed Secured Claim agree to a lesser price per square foot, GOG shall be permitted to sell any Tract of the Property as long as the sale price is (a) if such Tract of the Property is located within the designated flood plain, at least $.70 per square foot or (b) if such Tract of the Property is not within the designated flood plain, at least $4.00 per square foot.
Collateral:	BB&T will retain its Liens on its collateral until its collateral has been sold at which time its Liens will be secured by the Net Proceeds of such sales until it receives full payment on the Allowed Amount of its Allowed Secured Claim in accordance with the terms of this Plan.
Guaranty:	Rafael Palmeiro will personally guaranty the payment of the new note.

Documentation: The existing loan documents will be replaced with a new note and deed of trust having terms consistent with the Plan.

3. **Class 3: Compass Bank's Secured Claims.** Compass Bank's Allowed Secured Claim against GOG will be fully satisfied by the issuance to Compass Bank of one new promissory note in place of the existing two notes and Compass Judgment secured by a second lien deed of trust on the Property with the following terms:

Amount: All unpaid principal, interest and fees accrued as of the Petition Date plus post-petition interest at the non-default rate of interest and reasonable attorneys fees incurred in connection with the Bankruptcy Case all of which is estimate to be approximately $5,600,000.

Term: The promissory note shall have a term of five years commencing on the Effective Date.

Interest Rate: The note shall accrue interest at the Plan Rate, commencing on the first day of the first calendar month after the Effective Date.

Payment: Interest will be paid quarterly commencing on the first day of January, April, July, or October whichever date is the first to occur after the Effective Date. Interest and principal will be paid from the sale of the Property with annual reductions of principal of not less than 5% on a cumulative basis. 20% of the Net Proceeds from the sales of the Property will be available to make principal and interest payments to Compass Bank (on a pro rata basis with Amegy Bank's Allowed Secured Claim) until the Allowed Amount of Compass Bank's Allowed Secured Claim is paid in full. 10% of the Net Proceeds payment to Compass Bank will be set aside in an escrow account at Compass Bank and earmarked for the payment of future quarterly interest payments and annual principal reductions under this Plan ("Compass Escrow Account"). To the extent there are inadequate Net Proceeds or funds in the Compass Escrow Account to fund a quarterly interest payment, Compass Bank either will receive an interest in the PB Plan Funding Lien or be paid from the PB Plan Funding Escrow. Once the Allowed Amount of BB&T's Allowed Secured Claim is paid in full, 70% of the Net Proceeds from the sales of the Property will be available to make principal and interest payments to Compass Bank (on a pro rata basis with Amegy Bank's Allowed Secured Claim) until the Compass Bank Allowed Secured Claim is paid in full.

Release Provisions: Unless GOG and the holder of the Compass Bank Allowed Secured Claim agree to a lesser price per square foot, GOG shall be permitted to sell any Tract of the Property as long as the sale price is (a) if such

Tract of the Property is located within the designated flood plain, at least $.70 per square foot or (b) if such Tract of the Property is not within the designated flood plain, at least $4.00 per square foot. .

Collateral: Compass will retain its second Liens on the Property on an equal par with the second lien of Amegy Bank until its collateral has been sold at which time its Liens will be secured by the Net Proceeds of such sales until it receives full payment on the Allowed Amount of its Allowed Secured Claim in accordance with the terms of this Plan.

Guaranty: Rafael Palmeiro will personally guaranty the payment of the new note.

Documentation: The existing loan documents and Compass Judgment will be replaced with a new note and deed of trust having terms consistent with the Plan.

4. **Class 4: Amegy Bank's Secured Claims**. Amegy Bank's Allowed Secured Claim against GOG will be fully satisfied by the issuance to Amegy Bank of one new promissory note in place of the existing note and Amegy Judgment secured by a second lien deed of trust on the Property with the following terms:

Amount: All unpaid principal, interest and fees accrued as of the Petition Date plus post-petition interest at the non-default rate of interest and reasonable attorneys fees incurred in connection with the Bankruptcy Case all of which is estimate to be approximately $2,500,000.

Term: The promissory note shall have a term of five years commencing on the Effective Date.

Interest Rate: The note shall accrue interest at the Plan Rate, commencing on the first day of the first calendar month after the Effective Date.

Payment: Interest will be paid quarterly commencing on the first day of January, April, July, or October whichever date is the first to occur after the Effective Date. Interest and principal will be paid from the sale of the Property with annual reductions of principal of not less than 5% on a cumulative basis. 20% of the Net Proceeds from the sales of the Property will be available to make principal and interest payments to Amegy Bank (on a pro rata basis with Compass Bank's Allowed Secured Claim) until the Allowed Amount of Amegy Bank's Allowed Secured Claim is paid in full. 10% of the Net Proceeds payment to Amegy Bank will be set aside in an escrow account at Amegy Bank and earmarked for the payment of future quarterly interest payments and annual principal reductions under this Plan

("Amegy Escrow Account"). To the extent there are inadequate Net Proceeds or funds in the Amegy Escrow Account to fund a quarterly interest payment, Amegy Bank either will receive an interest in the PB Plan Funding Lien or be paid from the PB Plan Funding Escrow. Once the Allowed Amount of BB&T's Allowed Secured Claim is paid in full, 70% of the Net Proceeds from the sales of the Property will be available to make principal and interest payments to Amegy Bank (on a pro rata basis with Compass Bank's Allowed Secured Claim) until the Amegy Bank Allowed Secured Claim is paid in full.

Release Provisions: Unless GOG and the holder of the Amegy Bank Allowed Secured Claim agree to a lesser price per square foot, GOG shall be permitted to sell any Tract of the Property as long as the sale price is (a) if such Tract of the Property is located within the designated flood plain, at least $.70 per square foot or (b) if such Tract of the Property is not within the designated flood plain, at least $4.00 per square foot.

Collateral: Amegy Bank will retain its second Liens on the Property on an equal par with the second lien of Compass Bank until its collateral has been sold at which time its Liens will be secured by the Net Proceeds of such sales until it receives full payment on the Allowed Amount of its Allowed Secured Claim in accordance with the terms of this Plan.

Guaranty: Rafael Palmeiro will personally guaranty the payment of the new note.

Documentation: The existing loan documents and Amegy Judgment will be replaced with a new note and deed of trust having terms consistent with the Plan.

5. **Class 5: Secured Tax Claims**. Tax Claims in Class 5 will be fully satisfied by payment of 100% of the Allowed Amount of such Tax Claims from the proceeds of the sale of the Property provided the Allowed Claim is secured by a valid Lien on the Property. Payments will be made within 5 years after the Petition Date in quarterly payments with interest in accordance with applicable state law. Holders of Allowed Secured Tax Claims will retain their Liens on their collateral until such collateral has been sold at which time their Liens will be secured by the proceeds of such sales until payment in full of the Allowed Amount of their Allowed Secured Tax Claim has been made. Upon the payment in full of the Allowed Claim, the holder of such Class 5 Tax Claims shall execute all instruments and documents necessary to release its Lien securing such Tax Claim.

6. **Class 6: General Unsecured Claims (GOG).** Holders of Allowed Claims in Class 6 will be paid in full by GOG over a period of five years following the Effective Date. Such payments will be made as the Property is sold. Each holder of an Allowed Class 6 Claim will receive their Pro Rata share of 10% of the Net Proceeds, based upon the Allowed Amount of their

Claims, until all such Allowed Claims are paid in full. Payments in Class 6 shall be made as soon as practicable after Net Proceeds from the sales of the Property are available.

7. **Class 7: General Unsecured Claims (GOG-GP).** Holders of Allowed Claims in Class 7 will be fully satisfied by the treatment of their claims against GOG as provided in the Plan.

8. **Class 8: Unsecured Claims of Loy Lowary and Lowary Holdings, LLC.** The agreed Allowed amount of the Class 8 Claim is $2,906,951.37 which is an agreed reduction from the filed proof of claim in the amount of $5,585,917.91. The Allowed Class 8 Claim will receive the following treatment: the Class 8 Claim will be paid (a) in full by the GOG Reorganized Debtor only as cash may become available after payment in full of all Allowed Administrative and Priority Claims and Claims in Classes 6 and 7 in accordance with the terms of this Plan, and (b) on a pari passu basis with payment on the first $2,906,951.37 of the 50% of the Allowed Class 9 Claim representing the community property interest of Rafael Palmeiro as set forth in this Plan, with the remainder of Rafael Palmeiro's Class 9 claim subordinated to the Class 8 Lowary Claim. In accordance with the treatment of the Class 8 Claim as set forth in this Plan, Lowary will turn over to Palmeiro any business records of GOG that are in Lowary's possession; mutual releases shall be executed between Lowary, Palmeiro and their respective affiliates and entities; and, upon confirmation of the Plan, Palmeiro will indemnify Lowary for any and all amounts paid by Lowary post-confirmation on any debts proposed to be treated under the Plan and owed to BB&T, Compass Bank or Amegy Bank.

9. **Class 9: Unsecured Claims of the Palmeiros.** Creditors in Class 8 will receive the following treatment: 50% of the Allowed Class 9 Claim, the portion representing the community property interest of Lynne Palmeiro, will be exchanged for (a) a newly issued 99.5% limited partnership interest in GOG to be issued to Lynne Palmeiro or a new entity owned by Lynne Palmeiro, and (b) a newly issued 100% member interest in GOG-GP to be issued to Lynne Palmeiro or a new entity owned by Lynne Palmeiro. The remaining 50% of the Allowed Class 9 Claim, the portion representing the community property interest of Palmeiro, will be paid in full by the GOG Reorganized Debtor only as cash may become available after payment in full of all Allowed Administrative and Priority Claims and Allowed Claims in Class 6 and Class 7 in accordance with the terms of the Plan.

10. **Class 10: Interests.**

Class 10A (Allowed Interests in GOG). The Class 10A limited partner interests in GOG shall be deemed cancelled as of the Effective Date. The Class 10B general partner Interest in GOG shall be retained by GOG-GP and is unaffected by this Plan.

Class 10B (Allowed Interests in GOG-GP). All Class 10B Interests in GOG-GP shall be deemed cancelled as of the Effective Date.

11. **Plan Rate.** The Plan proposes an interest rate to be paid on secured claims of the prime rate of interest as published by the Wall Street Journal on the Confirmation Date (or, if the Confirmation Date is not a Business Day, then the rate published by the Wall Street Journal on the

next Business Day following the Confirmation Date) ("Prime"), plus one percent (1%) or such other rate of interest as is determined to be appropriate by the Bankruptcy Court. Historically, the non-default interest rates in the promissory notes and other loan documents with BB&T, Compass and Amegy ranged from Prime + 0% (Amegy and BB&T) to Prime - 1% (Compass). With the guidance provided by the Supreme Court in *In re Till*, the Plan Proponents have suggested a rate of Prime +1% based on the assumptions that no efficient market exists for a loan such as that contemplated under the Plan, and an adjustment of +1% adequately compensates the secured lenders for the risk associated with the Plan. The Court will ultimately set the Plan Rate at Confirmation.

12. Funding of the Plan. The Palmeiros have committed to fund the amount necessary under this Plan to pay all Allowed Administrative Claims necessary to be paid in order to confirm the Plan in an amount not to exceed $250,000.00. It is anticipated that the loan from the Palmeiros will close immediately upon, if not before, the Confirmation Order becoming a Final Order so that funds will be available for payment to Creditors, as necessary, on the Effective Date and thereafter. A copy of the proposed loan documents will be made available upon request to the Debtors not later than fifteen (15) days prior to the Confirmation Hearing. The Palmeiros are ready, willing and financially able to make the payments they have committed to fund under the Plan. The Palmeiros will be reimbursed such funds together with interest as set forth herein from any unencumbered Net Proceeds from the sale of the Property.

Additionally, in order further to ensure the feasibility of the Plan and that funds are available for payments to be made to Creditors, the Palmeiros have agreed to contribute up to $2.5 million from the sale of their house in Pebble Beach, California (the "PB House") to fund interest payments on Secured Claims as required by the Plan. The PB House is a two story, 6040' home with a fair market value of not less than $10,500,000.00. Given the location, pricing and competition on the market for the PB House, she would anticipate that the PB House would realistically remain on the market for another year. A copy of the agreement listing the PB House for sale is available upon request to the Debtors. Either an appraisal of the PB House and/or the most recent tax appraisal will also be obtained by the Debtors and then made available upon request to the Debtors. The PB House is encumbered by a first priority lien in favor of Citibank, N.A. in the amount of approximately $2,300,000.00. The $2.5 million contribution by the Palmeiros in support of the Plan will be secured by a second lien on the PB House not to exceed $2,500,000 to be granted jointly in favor of BB&T, Compass Bank and Amegy Bank to secure payment of interest on their Allowed Secured Claims under the Plan on the PB House (the "PB Plan Funding Lien") until it is sold. Upon the sale of the PB House, $2,500,000 of the net proceeds of the sale shall be placed in an escrow account (the "PB Plan Funding Escrow") in order to fund interest payments under the Plan that are not otherwise paid from Net Proceeds of sales from the Property. The Debtors anticipate that the PB Plan Funding Escrow account will be established, if and when necessary, at a bank not presently affiliated with the Debtors or the Palmeiros.

13. Sales of the Property. The Reorganized Debtors shall continue to engage Parkway Realtors, Inc. ("PRI") a reputable, licensed real estate broker, to assist in the sales of the Property pursuant to this Plan. PRI shall, with the assistance and advice of the Reorganized Debtors, take all reasonable and prudent steps to market the Property for sale at the highest and best prices. PRI will receive as compensation a commission commensurate with the commercially reasonable market rate

for brokerage fees incident to sales of undeveloped real estate similar to the Property in North Texas. While every effort will be made to sell the Tracts comprising the Property as expeditiously as possible, the Reorganized Debtors estimate that the sales process contemplated herein, including the marketing of the Property, selection of purchasers, and closing of sales, will take approximately sixty (60) months.

14. Disposition of the Net Proceeds from the Sales of the Property. As detailed in the Plan, the Allowed Secured Claims of BB&T, Compass Bank, and Amegy Bank will be satisfied in full from the Net Proceeds, up to the Allowed Amount of their Allowed Secured Claims as follows: up to 70% of the Net Proceeds from the sales of the Property will be available to make principal and interest payments to BB&T, 20% of the Net Proceeds from the sales of the Property will be available to make principal and interest payment to Compass Bank and Amegy Bank on a pro rata basis, and the remaining 10% of the Net Proceeds will be retained by the Reorganized Debtors to fund business operations and to satisfy other claims under the Plan. Once the Allowed Amount of BB&T's Allowed Secured Claim is paid in full, the distributions of the Net Proceeds from the sales of the Property will be as follows: 70% of the Net Proceeds from the sales of the Property will be available to make principal and interest payments to Compass Bank and Amegy Bank on a pro rata basis, and the remaining 30% of the Net Proceeds will be retained by the Reorganized Debtors to fund business operations and to satisfy other claims under the Plan.

15. Interests in and Management of the Reorganized Debtor. Upon the Effective Date, all of the existing limited partnership interests in GOG, and all of the member interests in GOG-GP, will be cancelled. Lynne Palmeiro or a new entity owned by Lynne Palmeiro will be issued a 99.5% limited partnership interest in GOG and a 100% member interest in GOG-GP. The new limited partnership interest in GOG shall be issued solely in the name of Lynne Palmeiro, or in the name of an entity formed and owned by Lynne Palmeiro, and constitute her separate marital property. The new member interest in GOG-GP shall be issued solely in the name of Lynne Palmeiro, or in the name of an entity formed and owned by Lynne Palmeiro, and constitute her separate marital property. The general partnership interest of .5% in GOG shall remain with GOG-GP. The interests shall be issued to Lynne Palmeiro in full satisfaction of her half interest in the Palmeiros approximately $10 million in unsecured Claims against GOG and her agreement to contribute her half interest in the PB House as necessary to permit the PB Plan Funding Lien and PB Plan Funding Escrow. Rafael Palmeiro shall be the sole managing member of GOG-GP.

16. Post-Confirmation Temporary Injunction. With the exception of the indemnification rights expressly granted under this Plan, upon Confirmation, all Creditors shall be temporarily enjoined from, directly or indirectly, commencing or continuing litigation or the enforcement of any judgment against the Palmeiros, or otherwise attaching, collecting, or recovering against the Palmeiros or their assets or property, specifically including the PB House, on account of any liability of the Palmeiros with respect to any Claim of any Creditor against the Debtors arising by virtue of guaranty or otherwise, so long as the Reorganized Debtors are not in default under the terms of the Plan. Such injunction shall terminate if the Reorganized Debtor defaults with respect to its obligations under the Plan to such Creditor and such default remains uncured after thirty days notice and opportunity to cure.

B. Financial Informaton and Future Operations

The Plan provides for the sale and/or development of the Property. As previously noted the Debtors have engaged the services of PRI, a reputable real estate brokerage firm, to market the property. To date they have produced a contract for the sale of approximately 17 acres of land to Lincoln Property Company ("LPC") for approximately $6,900,000, which sale was approved by an order entered by the Bankruptcy Court on July 5, 2011. This sale is anticipated to close on or before February of 2012 with construction to begin shortly thereafter. Per the contract between LPC and GOG, LPC intends to develop that 17-acre tract for multi-family residences. LPC has also optioned another 17 acres for similar use and at a comparable price. The second sale on the optioned acreage is anticipated to close on or before the first quarter of 2014.

PRI is currently negotiating the sale of 24 additional acres to Bobby Janes. Mr. Janes is the owner of the 20 acres that was sold to PLL Bonsai Partners as a result of foreclosing his lien on that tract. Since his 20 acre tract is land-locked, he has an interest in an adjacent 24 acre tract that would give him highway access and road frontage. In addition the sale to LPC reserves frontage on FM 2499 for retail pad sites. The pad sites are expected to generate $10-12 a square foot.

PRI has additionally engaged in substantive discussions with TxDot for the proposed sale of a 20' wide strip of land (ultimately comprising approximately 4.56 acres) that is frontage along the north side of Grapevine Mills Mall Boulevard and the west side of SH 121. Negotiations regarding pricing for this proposed sale are ongoing.

PRI has prepared a five year forecast of projected sales of the Property. Their forecast projects gross sales of $50,361,595.90 which is well in excess of the amount needed to pay off all Secured Claims in full. Their projections assume sales to LPC in 2012 and 2014 and to Bobby Janes in 2012, sales of pad sites in 2013 and 2014, and sales for medical/office, retail, hotel and entertainment in 2014-2016. They assume costs of sale of 8% including commission, title insurance and other closing costs. The projections are based on PRI's best determination as to when given types of sales should occur but obviously sales of specific tracts and for specific uses or other uses could occur in years other than those in the projections. However, they do believe the total Property can be sold for a price in the range of the appraised value. A copy of the projections is attached as Exhibit "C."

C. Acceptance and Confirmation of the Plan

1. **Requirements for Confirmation.** At the Confirmation Hearing, the Court will determine whether the provisions of section 1129 of the Code have been satisfied. Section 1129 of the Bankruptcy Code, as applicable here, provides as follows:

The Plan must comply with the applicable provisions of the Code, including section 1123 which specifies the mandatory contents of a plan and section 1122 which requires that Claims and Interests be placed in Classes with "substantially similar" Claims and Interests (section 1129(a)(1)).

The Plan Proponent of the Plan must comply with the applicable provisions of the Code (section 1129(a)(2)).

The Plan must have been proposed in good faith and not by any means forbidden by law (section 1129(a)(3)).

Any payment made or to be made by the Debtors, or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Case, or in connection with the Plan and incident to the Case, must be disclosed to the Court and approved or be subject to the approval of the Court as reasonable (section 1129(a)(4)).

The Debtors must disclose the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the reorganized debtors, of an affiliate of the Debtors participating in the Plan with the Debtor, or of a successor to the Debtors under the Plan. The appointment to, or continuance in, such office of such individual must be consistent with the interests of the Debtor's creditors, equity holders, and with public policy. The Plan Proponent must also disclose the identity of any insider that will be employed or retained by the reorganized debtor and the nature of any compensation for such insider (section 1129(a)(5)).

The Plan must meet the "best interest of creditors" test which requires that each holder of a Claim or Interest of a Class of Claims or Interests that is impaired under the Plan either accept the Plan or receive or retain under the Plan on account of such Claim or Interest property of a value as of the Effective Date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtor was liquidated on such date under Chapter 7 of the Code. If the holders of a Class of Secured Claims make an election under section 1111(b) of the Code, each holder of a Claim in such electing Class must receive or retain under the Plan on account of its Claim property of a value, as of the Effective Date of the Plan, that is not less than the value of its interest in the Debtor's interest in the property that secures its Claim (section 1129(a)(7)). To calculate what non-accepting holders would receive if the Debtor was liquidated under Chapter 7, the Court must determine the dollar amount that would be generated upon disposition of the Debtor's assets and reduce such amount by the costs of liquidation. Such costs would include the fees of a Trustee (as well as those of counsel and other professionals) and all expenses of sale.

Each Class of Claims or Interests must either accept the Plan or not be impaired under the Plan (section 1129(a)(8)). Alternatively, as discussed herein, the Plan may be confirmed over the dissent of a Class of Claims or Interests if the "cramdown" requirements of section 1129(b) of the Code are met.

Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan must provide that holders of Administrative Claims and Priority Claims (other than tax claims) will be paid in full in cash on the Effective Date of the Plan, and that holders of priority tax Claims will receive on account of such Claims deferred cash payments, over a period not exceeding six (6) years after the date of assessment of such tax, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim (section 1129(a)(9)).

At least one impaired Class must accept the Plan, determined without including the acceptance of the Plan by any insider holding a Claim of such Class (section 1129(a)(10)).

The Plan must be "feasible". In other words, it can not be likely that confirmation of the Plan will be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation is proposed in the Plan (section 1129(a)(11)). A detailed discussion of feasibility of the Plan is contained elsewhere in this Disclosure Statement.

All fees required to be paid under the Code have been paid or the Plan provides for such payment on its Effective Date (section 1129(a)(12)).

The Plan provides for the continuation after the Effective Date of the payment of all retiree benefits at the level established prior to Confirmation, pursuant to the provisions of §1114 of the Code (section 1129(a)(13)).

2. The Plan Meets All of the Requirements for Confirmation. The Plan Proponent believes that the Plan satisfies all of the statutory requirements of Chapter 11 of the Code and therefore should be confirmed. More specifically:

(i) The Plan complies with all of the above-referenced applicable provisions of the Code;

(ii) The Plan Proponent has complied with the Code and has proposed the Plan in good faith;

(iii) All disclosure requirements concerning payments made or to be made for services rendered in connection with the Chapter 11 case or the Plan have been, or will be met prior to or at the Confirmation Hearing; and

(iv) Administrative Claims, Priority Claims, and fees required to be paid under the Code are appropriately treated under the Plan.

ARTICLE VIII

LIQUIDATION ANALYSIS

The Plan Proponent believes that the Plan affords creditors the potential for the greatest realization from the Debtor's primary asset, the Property, and, therefore, is in the best interests of creditors. The Plan Proponent has considered alternatives to the Plan, such as alternative Chapter 11 plans and a sale of the Property in the context of a liquidation in a Chapter 7 case. The Plan Proponent does not believe that any alternative Chapter 11 plan or a liquidation in the context of Chapter 7 would afford the holders of Claims a return as great as may be achieved by the orderly sale of the Property as proposed in the Plan.

The Plan Proponent believes that the sale of the Property by the Reorganized Debtors with the assistance of an experienced real estate broker as proposed in the Plan, PRI, is the most efficient and cost-effective means by which Creditors can maximize the return on their Claims. The projections by PRI are reasonable, achievable and consistent with PRI's experience and analysis of the current market. The projections, together with the backstop contribution of the PB Plan Funding Escrow/PB Plan Funding Lien, amply indicate that the Debtors will be able to make the payments contemplated under the Plan.

An alternative to the confirmation of the Plan would be conversion of these Cases to liquidation proceedings under Chapter 7 of the Bankruptcy Code. Under Chapter 7, a trustee would be appointed to administer the Estate, to resolve pending controversies against the Debtor and claims of the Estate against other parties, and to make distribution to Creditors. In a "fire-sale" scenario, the value to be realized from a sale of the property would be significantly impacted. The analogy of a foreclosure price to a fair market value price is inescapable; the Property has been appraised at in excess of $53 million on a fair market basis but, at a forced sale, the Property would likely yield less than $20 million. **Given that the Plan, as proposed, contemplates the orderly disposition of the Property which is the Debtors' primary asset, a detailed liquidation analysis is likely unnecessary.** Nonetheless, a liquidation analysis is attached hereto as Exhibit "D." **The liquidation analysis was prepared by PRI and reflects the value they believe the Property would bring if sold by a Chapter 7 trustee in a short time frame. Their conclusion is the Property would sell for between $9 and $18 million if sold in less than 6 months. That would yield gross sales dollars of less than the first lien debt, nothing for second lienholders, and nothing for holders of unsecured claims. The Debtors believe that the sale of the Property in a "fire-sale' would yield substantially less than the anticipated payments to creditors under the sale process as proposed in the Plan. Thus, the Plan affords creditors the potential for the greatest realization from the Debtors' assets, and, therefore, is in the best interests of creditors.**

Further, if these cases were converted to cases under Chapter 7, significant additional Administrative Expenses would also be incurred. Any distributions to holders of Claims would be substantially delayed and, in all likelihood, reduced as compared to the anticipated results of Confirmation of the Plan. A Chapter 7 trustee would be entitled to compensation in accordance with the scale set forth in § 326 of the Bankruptcy Code. A Chapter 7 trustee might also seek to retain new professionals, including attorneys and accountants, in order to resolve any disputed Claims and possibly to pursue claims of the Estate against other parties. Under the Bankruptcy Rules, a new bar date for the filing of proofs of claim would have to be set, and additional Claims against the Estate that will soon be time-barred (because they were not filed before the applicable bar dates set in the Case) could be asserted. There is also a strong probability that such Chapter 7 trustee would not possess any particular knowledge of the real estate industry. The trustee and any such new professionals retained by the trustee would need to expend time familiarizing themselves with the Property, would likely ultimately engage a broker just as the Plan proposes, and would thus merely result in duplication of effort, increased expense, delay, and significantly decreased payments to Creditors.

THE PLAN PROPONENT BELIEVES THAT CONFIRMATION AND IMPLEMENTATION OF THE PLAN IS PREFERABLE TO ANY OF THE ALTERNATIVES DESCRIBED HEREIN BECAUSE IT SHOULD PROVIDE GREATER RECOVERIES THAN THOSE AVAILABLE IN A CHAPTER 7 LIQUIDATION TO THE HOLDERS OF UNSECURED CLAIMS WHO WOULD LIKELY RECEIVE LESS IN A CHAPTER 7 LIQUIDATION. IN ADDITION, OTHER ALTERNATIVES WOULD INVOLVE DELAY, UNCERTAINTY, AND SUBSTANTIAL ADMINISTRATIVE COSTS.

ARTICLE IX

VOTING PROCEDURES

ACCEPTANCE OR REJECTION OF THE PLAN WILL BE DETERMINED, PURSUANT TO THE BANKRUPTCY CODE, BASED UPON THE ALLOWED CLAIMS AND ALLOWED INTERESTS THAT ACTUALLY VOTE ON THE PLAN. THEREFORE, IT IS IMPORTANT THAT CLAIMANTS EXERCISE THEIR RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN.

A. Classes Entitled to Vote on the Plan

All members of Impaired Classes who hold Allowed Claims are entitled to vote to accept or reject the Plan. Section 1124 of the Bankruptcy Code generally provides that a class of claims or interests is considered to be Impaired under a plan unless the plan does not alter the legal, equitable and contractual rights of the holders of such claims or interest. *For purposes of the Plan solicitation, Classes 2 through 8 are impaired and therefore entitled to vote on the Plan. Class 9A limited partner Interests and Class 9B member Interests are deemed to have rejected the Plan and may not vote. The Class 9A general partner Interest is unimpaired and deemed to have accepted the Plan.*

B. Persons Entitled to Vote on the Plan

Only holders of Allowed Claims and holders of Disputed Claims which have been temporarily allowed for voting purposes are entitled to vote on the Plan. For purposes of the Plan, an Allowed Claim is (i) a Claim against or Interest in the Debtor, proof of which, if filed on or before the Bar Date, which is not a Contested Claim or Contested Interest, (ii) if no proof of claim or interest was so filed, a Claim against or Interest in the Debtor that has been or hereafter is listed by the Debtor in the Schedules as liquidated in amount and not disputed or contingent, or (iii) a Claim or Interest allowed hereunder or by Final Order. An Allowed Claim or Allowed Interest does not include any Claim or Interest or portion thereof which is a Disallowed Claim or Disallowed Interest which has been subsequently withdrawn, disallowed, released or waived by the holder thereof, by this Plan, or pursuant to Final Order. Unless otherwise specifically provided in this Plan, an Allowed Claim or Allowed Interest shall not include any amount for punitive damages or penalties. Therefore, although the holders of Disputed Claims will receive ballots, these votes will not be counted unless such Claims become Allowed Claims as provided under the Plan or are temporarily allowed for voting purposes by the Court.

THE CLAIMS IN CLASSES 2 THROUGH 8 ARE IMPAIRED UNDER THE PLAN AND ARE ENTITLED TO VOTE WITH RESPECT TO ACCEPTANCE OR REJECTION OF THE PLAN. REGARDING HOLDERS OF INTERESTS, CLASS 9A LIMITED PARTNER INTERESTS AND CLASS 9B MEMBER INTERESTS ARE DEEMED TO HAVE REJECTED THE PLAN AND MAY NOT VOTE. THE CLASS 9A GENERAL PARTNER INTEREST IS UNIMPAIRED AND DEEMED TO HAVE ACCEPTED THE PLAN.

C. Vote Required for Class Acceptance

During the Confirmation Hearing, the Bankruptcy Court will determine whether the Classes voting on the Plan have accepted the Plan by determining whether sufficient acceptances have been received from the holders of Allowed Claims actually voting in such Classes. A Class of Claims will be determined to have accepted the Plan if the holders of Allowed Claims in the Class casting votes in favor of the Plan (i) hold at least two-thirds of the total amount of the Allowed Claims of the holders in such Class who actually vote and (ii) constitute more than one-half in number of holders of the Allowed Claims in such Class who actually vote on the Plan.

As a condition to Confirmation, the Bankruptcy Code requires that each impaired Class of Claims or Interests accept the Plan, subject to the "cramdown" exception of § 1129(b) described herein. To effectuate the § 1129(b) exception, at least one impaired Class of Claims must accept the Plan.

D. Voting Instructions

1. Ballots and Voting. Holders of Allowed Claims entitled to vote on the Plan have been sent a Ballot, together with instructions for voting, with this Disclosure Statement. Claimants should read the Ballot carefully and follow the instructions contained therein. In voting for or against the Plan, please use only the Ballot(s) that accompanies this Disclosure Statement.

If you have Claims in more than one Class, you will receive multiple Ballots. **IF YOU RECEIVE MORE THAN ONE BALLOT, YOU SHOULD ASSUME THAT EACH BALLOT IS FOR A SEPARATE CLAIM OR INTEREST AND SHOULD COMPLETE AND RETURN EACH BALLOT. IF YOU ARE A MEMBER OF A CLASS ENTITLED TO VOTE ON THE PLAN AND DID NOT RECEIVE A BALLOT FOR SUCH CLASS, OR IF YOUR BALLOT IS DAMAGED OR LOST, OR IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU SHOULD CONTACT COUNSEL FOR THE DEBTOR:**

C. ASHLEY ELLIS
WRIGHTGINSBERG BRUSILOW P.C
600 SIGNATURE PLACE
14755 PRESTON ROAD
DALLAS, TEXAS 75254

2. **Returning Ballots and Voting Deadline.** You should complete and sign each Ballot that you receive and return it in the pre-addressed envelope enclosed with each Ballot to the counsel for the Debtor in the self-addressed envelope provided, by the Voting Deadline.

THE VOTING DEADLINE IS 5:00 P.M., CENTRAL STANDARD TIME, ON NOVEMBER 18, 2011. IN ORDER TO BE COUNTED, BALLOTS MUST BE ACTUALLY RECEIVED BY COUNSEL FOR THE DEBTOR ON OR BEFORE 5:00 P.M., CENTRAL STANDARD TIME, ON THE VOTING DEADLINE AT THE ADDRESS SET FORTH IN THE BALLOT INSTRUCTIONS WHICH ACCOMPANY THE ENCLOSED BALLOT. EXCEPT TO THE EXTENT ALLOWED BY THE BANKRUPTCY COURT, BALLOTS RECEIVED AFTER THE VOTING DEADLINE MAY NOT BE ACCEPTED OR USED IN CONNECTION WITH THE PLAN PROPONENTS' REQUEST FOR CONFIRMATION OF THE PLAN OR ANY MODIFICATION THEREOF.

3. **Incomplete or Irregular Ballots.** Ballots which fail to designate the Class to which they apply shall be counted in the appropriate Class as determined by the Plan Proponents, subject only to contrary determinations by the Bankruptcy Court.

BALLOTS OF CLAIMANTS THAT ARE SIGNED AND RETURNED, BUT DO NOT INDICATE A VOTE EITHER FOR ACCEPTANCE OR REJECTION OF THE PLAN SHALL BE COUNTED AS BALLOTS FOR THE ACCEPTANCE OF THE PLAN IF PERMITTED BY THE BANKRUPTCY COURT.

4. **Changing Votes.** Bankruptcy Rule 3018(a) permits a Claimant, for cause, to move the Bankruptcy Court to permit such claimant to change or withdraw its acceptance or rejection of a plan of reorganization.

E. Contested and Unliquidated Claims

Contested Claims are not entitled to vote to accept or reject the Plan. If you are the holder of a Contested Claim, you may ask the Bankruptcy Court pursuant to Bankruptcy Rule 3018 to have your Claim temporarily Allowed for the purpose of voting.

F. Possible Reclassification of Creditors and Interest Holders

The Plan Proponents are required pursuant to § 1122 of the Bankruptcy Code to place Claims and Interests into Classes that contain substantially similar Claims or Interests. While the Plan Proponents believe they have classified all Claims and Interests in compliance with § 1122, it is possible that a Claimant or Interest holder may challenge the classification of its Claim or Interest. If the Plan Proponents are required to reclassify any Claims or Interests of any Claimants or Interest holders under the Plan, the Plan Proponents, to the extent permitted by the Bankruptcy Court, intend to continue to use the acceptances received from such Claimants or Interest holders pursuant to the solicitation of acceptances using this Disclosure Statement for the purpose of obtaining the approval of the Class or Classes of which such Claimants or Interest holders are ultimately deemed to be a member. Any reclassification of Claimants or Interest holders should affect the Class in which such

Claimants or Interest holders were initially a member, or any other Class under the Plan, by changing the composition of such Class and the required vote thereof for approval of the Plan.

ARTICLE X

CRAMDOWN OR MODIFICATION OF THE PLAN

A. "Cramdown:" Request for Relief under Section 1129(b)

In the event any Impaired Class of Claims shall fail to accept the Plan in accordance with § 1129(a) of the Bankruptcy Code, the Plan Proponents shall request the Bankruptcy Court to confirm the Plan in accordance with the provisions of § 1129(b) of the Bankruptcy Code.

The Court may confirm a plan, even if it is not accepted by all impaired Classes, if a plan has been accepted by at least one impaired Class of Claims and the plan meets the "cramdown" provisions set forth in § 1129(b) of the Code. The "cramdown" provisions require that the Court find that a plan "does not discriminate unfairly" and is "fair and equitable" with respect to each non-accepting impaired Class. In the event that all impaired Classes do not vote to accept the Plan, the Plan Proponents will request that the Bankruptcy Court nonetheless confirm the Plan pursuant to the provisions of § 1129(b) of the Code.

The Court may find that the Plan is "fair and equitable" with respect to a Class of non-accepting impaired Interests only if (a) the holder of an Interest will receive or retain under the Plan property of a value as of the Plan's Effective Date equal to the greatest of any fixed liquidation preference or redemption price or the value of such Interest or (b) the holder of any Interest that is junior to such Interest will not receive or retain any property under the Plan.

The Court may find that the Plan is "fair and equitable" with respect to a Class of non-accepting impaired Unsecured Claims only if (a) each impaired unsecured Creditor receives or retains under the Plan property of a value as of the Effective Date of such Plan equal to the amount of its Allowed Claim, or (b) the holder of any Claim or Interest that is junior to the Claims of the dissenting Class will not receive or retain any property under the Plan.

The Court may find that the Plan is "fair and equitable" with respect to a Class of non-accepting Secured Claims, only if, under the Plan, (a) the holder of each Secured Claim in such Class retains such holder's lien and receives deferred cash payments totaling at least the Allowed amount of such Secured Claim and having a value, as of the Effective Date of the Plan, equal to or in excess of the value of such holder's interest in the estate's interest in the collateral for the Secured Claim, (b) the collateral for such Secured Claim is sold, the lien securing such Claims attached to the proceeds, and such liens on proceeds are afforded the treatment described under clause (a) or (c) of this sentence, or (c) the holders of such Secured Claims realize the "indubitable equivalent" of their claims.

If all of the provisions of section 1129 are met, the Court may enter an order confirming the Plan.

B. The Plan Meets the "Best Interest of Creditors" Test

The "best interest of creditors" test requires that the Court find that the Plan provides to each non-accepting holder of a Claim or Interest treated under the Plan a recovery which has a present value at least equal to the present value of the distribution that such person would receive from the Debtor if the Debtor were liquidated under Chapter 7 of the Code. An analysis of the likely recoveries and affect on Creditors in the event of liquidation under Chapter 7 of the Code is contained hereinabove.

C. The Plan is Feasible

The Code requires that, as a condition to Confirmation of a plan, the Court find that Confirmation is not likely to be followed by a liquidation or a need for further financial reorganization except as proposed in that plan. Initially, the Plan provides the mechanism by which all Allowed Administrative Claims, Fee Claims and the costs incurred in connection with the disposition of the Property will be funded and paid: an infusion of necessary cash from RP Funding, LLC, in its sole discretion, in an amount not to exceed $250,000.00. RP Funding, LLC, is ready, willing and financially able to make the payments it has committed to fund under the Plan.

Further, the Plan itself provides for the disposition via sale of the assets of the Estate, including first and foremost, the Property. The Plan provides for the employment of PRI as a real estate broker, the marketing of the Property for sale, and the process for the orderly sale of the Property and all assets of the Debtor for the highest and best price. Pending sales of the Property, the Plan also calls for the payment of interest to holders of Allowed Secured Claims. Under the Plan, BB&T's Allowed Secured Claim, the Compass Bank Allowed Secured Claim, and Amegy Bank's Allowed Secured Claim shall accrue interest at the Plan Rate, commencing on the first day of the first calendar month after the Effective Date, and interest will be paid quarterly thereafter. Projections of future sales of the Property are attached to the Plan. These projections demonstrate prospective sales of the Property over the life of the Plan, including the sale to LPC that is already in process and the prospective closing on LPC's option for an adjacent 17 acres at a purchase price of $9.50 per net square foot. These projections demonstrate that the Debtors will generate sufficient net proceeds from the sales of Property to make the payments required under the Plan, including, the Debtors believe, post-Effective date quarterly interest payments to the holders of Allowed Secured Claims. The Debtors believe that these Property sales projections are reasonable and achievable and the Plan is feasible as required under § 1129(a)(11).

Additionally, in order further to ensure the feasibility of the Plan and that funds are available for payments to be made to Creditors, another facet of the Plan is the contribution of $2.5 million by the Palmeiros from the sale of their house in Pebble Beach, California (the "PB House") to fund interest payments on Secured Claims as required by the Plan. The PB House is a two story, 6040' home with a fair market value of not less than $10,500,000.00. The PB House is encumbered by a first priority lien in favor of Citibank, N.A. in the amount of approximately $2,300,000.00. The $2.5 million contribution by the Palmeiros in support of the Plan will be secured by a junior lien on the PB House not to exceed $2,500,000 to be granted jointly in favor of BB&T, Compass Bank and Amegy Bank to secure payment of interest on their Allowed Secured Claims under the Plan on the

PB House (the "**PB Plan Funding Lien**") until it is sold. Upon the sale of the PB House, $2,500,000 of the net proceeds of the sale shall be placed in an escrow account (the "**PB Plan Funding Escrow**") in order to fund interest payments under the Plan that are not otherwise paid from Net Proceeds of sales from the Property.

While Chapter 11 debtors are not required to be guarantors of future success, the payments to creditors to be made under a proposed plan of reorganization must be shown to be reasonable and achievable. In this case, Creditors are not asked to pin their hopes for payment on an infusion of capital from some unidentified source, or any other visionary scheme of the Debtor. The Net Proceeds from the sale of the Property, buttressed by the PB Plan Funding Lien and PB Plan Funding Escrow, will be used to satisfy the Allowed Claims of all Secured and Unsecured Creditors in accordance with the terms of the Plan as proposed and the priority scheme set forth in the Code. The Plan is feasible.

D. The Plan Meets the Cramdown Standard With Respect to Any Impaired Class of Claims Rejecting the Plan

The Plan satisfies the provisions for cramdown under §1129(b)(2) of the Code. Secured Creditors are retaining their liens and receiving the value of their interest in the Debtor's property totaling the allowed amount of their Secured Claims. Interest Holders are not receiving or retaining any property under the Plan on account of their Interests unless and until all senior Creditors are paid in full. In the event an impaired Class rejects the Plan, the Plan shall be deemed a motion for cramdown of such Class under §1129(b)(2) of the Code.

E. Modification or Revocation of the Plan; Severability

Subject to the restrictions on modifications set forth in § 1127 of the Bankruptcy Code and any applicable notice requirements, the Plan Proponents reserve the right to alter, amend or modify the Plan before its substantial consummation. The Plan Proponents also reserve the right to withdraw the Plan prior to the Confirmation Date. If the Plan Proponents withdraw the Plan, or if Confirmation does not occur, then the Plan shall be null and void in all respects, and nothing contained in the Plan will: (1) constitute a waiver or release of any Claims or rights against, or any Interest in, the Debtor; or (2) prejudice in any manner the rights of the Debtors.

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Plan Proponents, has the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

ARTICLE XI

RISK FACTORS

A. Factors Relating to Chapter 11 and the Plan

The following is intended as a summary of certain risks associated with the Plan, but is not exhaustive and must be supplemented by the analysis and evaluation of the Plan and this Disclosure Statement made by each Claimant as a whole in consultation with such Claimant's own advisors. It is unlikely, yet theoretically possible, that the Property cannot be sold. The fact remains, however, that in order for Creditors to be paid, either the Property must be sold or a new source of capital for the maintenance and development of the Property must be found. The Debtors believe that the most realistic and timely avenue by which Creditors will be paid is via a sale of the Property as proposed in the Plan. The real "risk" associated with the Plan, therefore, is either that Property sufficient to pay creditors in full cannot be sold within the five (5) year time frame as projected by the Debtors, with the attendant delay in payment to creditors, or that the Property cannot be sold for an amount sufficient to pay all creditors pursuant to the Plan. This risk, however, is not exclusive to the Plan. The value of the Debtors' estate is tied to the Property whether the Plan is confirmed or not. As with any real property transaction, unanticipated costs may arise which could have a material effect on the calculation of net proceeds from Property sales. The Debtors have, however, made every reasonable effort to account for costs customarily borne by the seller in the projections, and will take all reasonable steps to minimize all such costs as sales of the Property occur. The Debtors believe that the Plan is feasible, and the risk that Net Proceeds from the sale(s) of the Property will not be sufficient to pay creditors is minimal.

B. Insufficient Acceptances

The Plan may not be confirmed without sufficient accepting votes. Each impaired Class of Claims and Interests receiving a distribution under the Plan is given the opportunity to vote to accept or reject the Plan. The Plan will be accepted by a Class of impaired Claims if the Plan is accepted by Claimants in such Class actually voting on the Plan who hold *at least* two-thirds (2/3) in amount and *more than* one-half (½) in number of the total Allowed Claims of that Class which actually vote. The Plan will be accepted by a Class of impaired Interests if it is accepted by holders of Interests in such Class actually voting on the Plan who hold *at least* two-thirds (2/3) in amount of the total Allowed Interests of the Class which actually vote. However, an Interest Holder is deemed to have rejected the Plan and is therefore not entitled to vote on the Plan. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes.

If any impaired Class of Claims under the Plan fails to provide acceptance levels sufficient to meet the minimum Class vote requirements but at least one impaired Class of Claims accepts the Plan, then, subject to the provisions of the Plan, the Debtor intends to request confirmation of the Plan under Section 1129(b) of the Bankruptcy Code.

ARTICLE XII

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain possible federal income tax consequences of the Plan to the Debtor, and to the holders of Claims and Interests. It is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, and administrative and judicial interpretations thereof which are now in effect, but which could change, even retroactively, at any time. This discussion does not address all aspects of federal, state and local tax laws that could impact the various classes of Claimants, the holders of Interests or the Debtor.

NO RULING HAS BEEN SOUGHT OR OBTAINED FROM THE IRS WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN AND NO OPINION OF COUNSEL HAS BEEN OBTAINED BY THE PLAN PROPONENTS WITH RESPECT THERETO. NO REPRESENTATIONS OR ASSURANCES ARE BEING MADE WITH RESPECT TO THE FEDERAL INCOME TAX CONSEQUENCES AS DESCRIBED HEREIN. CERTAIN TYPES OF CLAIMANTS AND INTEREST HOLDERS MAY BE SUBJECT TO SPECIAL RULES NOT ADDRESSED IN THIS SUMMARY OF FEDERAL INCOME TAX CONSEQUENCES. FURTHER, STATE, LOCAL, OR FOREIGN TAX CONSIDERATIONS MAY APPLY TO A HOLDER OF A CLAIM OR INTEREST WHICH ARE NOT ADDRESSED HEREIN. BECAUSE THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND MAY VARY BASED ON INDIVIDUAL CIRCUMSTANCES, EACH HOLDER OF A CLAIM OR INTEREST AFFECTED BY THE PLAN MUST CONSULT, AND RELY UPON, HIS OR HER OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO THAT HOLDER'S CLAIM OR INTEREST. THIS INFORMATION MAY NOT BE USED OR QUOTED IN WHOLE OR IN PART IN CONNECTION WITH THE OFFERING FOR SALE OF SECURITIES.

12.1 Tax Consequences to the Debtor. Under the IRC, a taxpayer generally must include in gross income the amount of any discharge of indebtedness income realized during the taxable year. Section 108(a)(1)(A) of the IRC provides an exception to this general rule, however, in the case of a taxpayer that is under the jurisdiction of a bankruptcy court in a case brought under the Bankruptcy Code where the discharge of indebtedness is granted by the court or is pursuant to a Plan approved by the court, provided that the amount of discharged indebtedness that would otherwise be required to be included in income is applied to reduce certain tax attributes of the taxpayer. Section 108(e)(2) of the IRC provides that a taxpayer shall not realize income from the discharge of indebtedness to the extent that satisfaction of the liability would have given rise to a deduction. As a result of §§ 108(a)(1)(A) and 108(e)(2) of the IRC, the Debtor does not anticipate that it will recognize any taxable income from the discharge of indebtedness through the Chapter 11 Cases. Reductions in tax attributes (net operating loss carryover) will occur to the extent of cancellation of indebtedness income not recognized due to the above.

Under § 1141 of the Bankruptcy Code, confirmation of the Plan will not, in and of itself, discharge the Debtor from any debts. Implementation of the Plan, including the liquidation and ultimate dissolution of the Debtor may result in discharge of indebtedness to the Debtor as a matter of tax law to the extent of any unsatisfied portion of such Claims. Any such discharge of indebtedness should not be included in gross income of the Debtor, however, because of the exceptions to such inclusion discussed above.

12.2 Tax Consequences to Creditors. A Creditor who receives cash or other consideration in satisfaction of any Claim may recognize ordinary income. The impact of such ordinary income, as well as the tax year for which the income shall be recognized, shall depend upon the individual circumstances of each Claimant, including the nature and manner of organization of the Claimant, the applicable tax bracket for the Claimant, and the taxable year of the Claimant. Each Creditor is urged to consult with its tax advisor regarding the tax implications of any payments or distributions under the Plan.

In general, the principal federal income tax consequences of the Plan to holders of Claims will be (a) recognition of loss or a bad debt deduction to the extent that the total payments received under the Plan with respect to the Claim are less than the adjusted basis of the holder in such Claim, or (b) recognition of taxable income by the holder of the Claim to the extent of the excess of the amount of any payments made under the Plan in respect of the Claim over the holder's adjusted basis therein.

Common examples of holders of Claims who may recognize taxable income upon receipt of payments under the Plan include (a) former employees with Claims for services rendered while serving as employees of the Debtor, (b) trade creditors whose Claims represent an item not previously reported in income (including Claims for lost income upon rejection of leases or other contracts with the Debtor), (c) holders of Claims who had previously claimed a bad debt deduction with respect to their Claims in excess of their ultimate economic loss, and (d) holders of Claims that include amounts of pre-petition interest that had not previously been reported in income. Common examples of Claims who may recognize a loss or deduction for tax purposes as a result of implementation of the Plan, provided that such holders are not paid in full, include holders of Claims that arose out of cash actually loaned or advanced to the Debtor, and holders of Claims consisting of items that were previously included in income of such holders on the accrual method of accounting, to the extent, in both cases, that the economic loss to such holders has not been allowed as a tax deduction in a prior year.

The amount and character or any resulting income or loss recognized for federal income tax consequences to a holder of any Claim as a result of implementation of the Plan will, however, depend on many factors. The most significant of these factors include (a) the nature and origin of the Claim, (b) whether the holder is a corporation (c) the extent to which the Plan provides for payment of the particular Claim, (d) the extent to which any payment made is allocable to pre-petition interest which is part of such Claim, and (e) the prior tax reporting positions taken by the holder with respect to the item that constitutes the Claim. As to the last factor, relevant tax reporting positions include whether the holder had to report under its method of accounting any portion of the Claim (including accrued and unpaid interest) as income prior to receipt and whether the holder

previously claimed a bad debt or worthlessness deduction with respect to the Claim, which would affect the adjusted basis of the holder in the Claim.

General rules for the deduction of bad debts are provided in IRC § 166 as follows:

If either (a) the creditor is a corporation, or (b) the debt is a business bad debt in the hands of the creditor, and the creditor demonstrates that the debt is collectable only in part, a deduction for partial worthlessness of the debt will be allowed to the extent that the debt is charged off in the accounting records of the creditor.

For a creditor not described in the previous paragraph, a bad debt deduction is allowable only in the year that the debt becomes wholly worthless.

If the creditor is not a corporation and the debt is a nonbusiness bad debt, the bad debt deduction is treated as a short-term capital loss, which can offset only capital gain income and a limited amount of ordinary income.

For purposes of IRC § 166, a "nonbusiness debt" means a debt other than (i) a debt created or acquired in connection with the creditor's trade or business, or (ii) a debt the loss from the worthlessness of which was incurred during the operation of the creditor's trade or business.

The time as of which a debt becomes worthless (or partially worthless), and therefore the tax year in which a creditor may claim a bad debt deduction, is a question of fact. Pursuant to Income Tax Regulations ("Regs.") § 1.166-2(c), as a general rule, bankruptcy is an indication of the worthlessness of at least a part of an unsecured, non-priority debt. In bankruptcy cases, a debt may become worthless before settlement in some instances, and only when a settlement in bankruptcy has been reached in other instances. The mere fact that bankruptcy proceedings instituted against the debtor are terminated in a later year, thereby confirming the conclusion that the debt is worthless (or partially worthless), does not necessarily shift the deduction to such later year. Thus, even though the precise amount that holders of General Unsecured Claims or other Claims will receive under the Plan may not be known until the final distribution date, the determination of the precise amount that will be paid under the Plan with respect to a Claim, or that no amount will be paid, does not necessarily establish that any resulting bad debt deduction is properly allowable in the Creditor's tax year in which the final distribution is made, rather than in an earlier year. Accordingly, to the extent that a Creditor may claim a bad debt deduction which it has not previously claimed, it is possible that the Creditor will be required to amend its return for a prior year and claim the deduction in that year, rather than in the year in which the final distribution is made. Creditors should consult with their individual tax advisors with respect to this issue.

The extent to which gain or loss may be recognized by a holder of a Claim upon implementation of the Plan may be significantly affected by any bad debt deduction that may have been claimed by the holder in a prior year with respect to the debt on which the Claim is based. If the holder took a bad debt deduction in a prior year which is recovered in whole or part through a payment made to the holder pursuant to the Plan, the holder will generally be required to include in income the amount recovered in the year the holder receives the payment. An exception to this rule

permits exclusion of a recovery of a prior bad debt deduction to the extent that the earlier bad debt deduction did not produce a tax benefit to the holder.

THE FOREGOING IS INTENDED TO BE A SUMMARY ONLY AND NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING OR CONSULTATION WITH A TAX ADVISOR. THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES MAY ALSO VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS OR HER OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE PLAN.

ARTICLE XIII

RECOMMENDATION OF THE PLAN PROPONENT

The Plan Proponent believes that the Plan is in the best interests of all Creditors. Accordingly, the Plan Proponent recommends that you vote for acceptance of the Plan and hereby solicits your acceptance of the Plan.

DATED: October 12, 2011

The Gardens of Grapevine Development, L.P.,

By: The Gardens of Grapevine Development GP, LLC

By: ***/s/ Rafael Palmeiro***
Rafael Palmeiro
Manager of the General Partner

The Gardens of Grapevine Development GP, LLC

By: ***/s/ Rafael Palmeiro***
Rafael Palmeiro
Manager of the Limited Liability Company

WRIGHT GINSBERG BRUSILOW P.C.

By: */s/ Frank J. Wright*
Frank J. Wright
State Bar No. 22028800
C. Ashley Ellis
Texas Bar No. 00794824

600 Signature Place
14755 Preston Road
Dallas, Texas 75254
(972) 788-1600
(972) 239-0138 - fax

ATTORNEYS FOR THE DEBTORS

\\FP0\pldata\documents\Bankruptcy\9858.001\Plan\465205_3.wpd