UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

IN RE:	)	
	)	
RACEWAY MARKET LAND, LLC,	)	Case No. 16-09541-RLM-11
	)	
Debtor.	)	
	)	

DISCLOSURE STATEMENT FOR SECOND AMENDED CHAPTER 11 PLAN OF RACEWAY MARKET LAND, LLC

Counsel for the Debtor:

Paul T. Deignan
John R. Humphrey
TAFT STETTINIUS & HOLLISTER LLP
One Indiana Square, Suite 3500
Indianapolis, Indiana 46204
Telephone: (317) 713-3500
Facsimile: (317) 713-3699
Email: pdeignan@taftlaw.com
jhumphrey@taftlaw.com

TABLE OF CONTENTS

Page

I. INTRODUCTION 1
II. BACKGROUND OF THE DEBTOR 2
III. OPERATIONS DURING THE CHAPTER 11 CASE 3
IV. MANAGEMENT OF THE DEBTOR AND THE REORGANIZED DEBTOR 4
V. WHO MAY FILE A PLAN 4
VI. SUMMARY OF THE PLAN 4
A. Purpose of the Plan 6
B. Classification and Treatment of Claims and Interests 6
(1) Classified Claims and Interests 6
(2) Unclassified Claims 9
C. Implementing the Plan 10
D. Means for Funding the Plan 11
E. Executory Contracts 11
F. Objections to Claims 14
G. Exculpation, Injunction, and Discharge 15
H. Vesting of Assets in the Reorganized Debtor 16
I. Waiver and Release of Bankruptcy Causes of Action 17
J. Reservation of Jurisdiction by the Bankruptcy Court 17
VII. LIQUIDATION ANALYSIS 17
VIII. CONFIRMATION OF THE PLAN 18
IX. TAX CONSEQUENCES OF THE PLAN 21
X. CONCLUSION 21

THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF INDIANA, INDIANAPOLIS DIVISION (THE "BANKRUPTCY COURT"), HAS APPROVED THIS DISCLOSURE STATEMENT (THE "DISCLOSURE STATEMENT"), WHICH APPROVAL DOES NOT CONSTITUTE A DETERMINATION OF THE MERITS OF THE ACCOMPANYING SECOND AMENDED PLAN (THE "PLAN"). THE APPROVAL HEREOF MEANS THAT THE BANKRUPTCY COURT HAS FOUND THAT THIS DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION TO PERMIT THE CREDITORS OF RACEWAY MARKET LAND, LLC (THE "DEBTOR") TO MAKE A REASONABLY INFORMED DECISION REGARDING THE CONTENTS OF THE PLAN.

THIS DISCLOSURE STATEMENT IS THE ONLY DOCUMENT AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE PLAN. NO REPRESENTATION CONCERNING THE DEBTOR, ITS BUSINESS OPERATIONS, OR THE VALUE OF ITS ASSETS IS AUTHORIZED BY THE BANKRUPTCY COURT EXCEPT AS EXPLICITLY SET FORTH HEREIN OR IN ANY OTHER DOCUMENT APPROVED FOR DISTRIBUTION BY THE BANKRUPTCY COURT.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSIONER OF THE STATE OF INDIANA OR ANY OTHER STATE OR COMMONWEALTH. THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED HEREIN EXCEPT AS EXPRESSLY INDICATED HEREIN. THIS DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE DEBTOR FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTOR'S KNOWLEDGE, INFORMATION, AND BELIEF.

THIS DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. ALL CREDITORS AND OTHER INTERESTED PARTIES ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND TO READ CAREFULLY THIS ENTIRE DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT IS BOUND BY THE DEFINITIONS OF THE ACCOMPANYING PLAN UNLESS CONTEXT DICTATES OTHERWISE.

I. INTRODUCTION

Pursuant to § 1125 of the Bankruptcy Code, the Debtor hereby provides this Disclosure Statement to all of its known creditors to disclose that information deemed by the Debtor to be material, important, and necessary for creditors to arrive at a reasonably informed decision regarding the Plan, a copy of which accompanies this Disclosure Statement. All terms defined in Article I of the Plan shall have the same meanings when used herein unless context dictates otherwise.

THIS DISCLOSURE STATEMENT AND THE PLAN ARE AN INTEGRAL PACKAGE AND BOTH MUST BE CONSIDERED BY THE READER SO THAT HE OR SHE MAY BE ADEQUATELY INFORMED.

The Bankruptcy Court has set _____________, 2017 at _________ a.m./p.m. Eastern Time in Room [___] of the United States Courthouse, 46 East Ohio Street, Indianapolis, Indiana 46204 for a hearing on confirmation of the Plan. Each Holder of an Allowed Claim or Interest in an unimpaired Class is conclusively presumed to have accepted the Plan, and solicitation of acceptances with respect to such Class from the Holders of Claims or Interests in such Class is not required. Pursuant to the Plan, no Class is impaired.

NO REPRESENTATIONS CONCERNING THE DEBTOR ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN CONSIDERING THE PLAN, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO THE DEBTOR'S COUNSEL, WHO IN TURN SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE APPROPRIATE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. THE INFORMATION IS BASED UPON RECORDS KEPT BY THE DEBTOR. ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT INACCURACY.

II. BACKGROUND OF THE DEBTOR

Debtor is the owner of an undeveloped parcel of real property consisting of approximately 10 acres located in Indianapolis, Marion County, Indiana (the "Real Estate"). The Real Estate secures indebtedness owed by the Debtor to Beal Bank, USA ("Beal Bank") as first mortgagee, and to First Financial Bank, N.A. ("First Financial") as second mortgagee.

Prepetition, the Debtor failed to satisfy its obligations to Beal Bank under its prepetition loan documents and Beal Bank commenced a lawsuit in Marion County, Indiana Superior Court captioned *Beal Bank, USA v. Raceway Market Land, LLC et al.*, Cause No. 49D10-1506-MF-21307. First Financial was named as a defendant in that lawsuit to assert its interest in the Real Estate by virtue of the second mortgage lien granted by the Debtor under its prepetition loan documents with First Financial. A judgment and decree of foreclosure was entered in the lawsuit and a sheriff's sale of the Real Estate was scheduled to take place on July 20, 2016.

By agreement between the Debtor, Beal Bank, and First Financial, the Real Estate was removed from the July sheriff's sale to allow the Debtor to conduct an orderly marketing and sale of the Real Estate. At that time, the Debtor had received a refinancing offer that appeared likely to close in a manner satisfactory to Beal Bank and First Financial. Complications unfortunately prevented consummation of that transaction in the time allowed by Beal Bank, and the Real Estate was scheduled to be sold at a sheriff's sale on December 21, 2016.

Despite the Debtor's requests, Beal Bank was unwilling to remove the Real Estate from the December sheriff's sale. Because the Debtor believed it would be able to sell the Real Estate or refinance its obligations, it filed its voluntary petition on December 20, 2016 to stay the sheriff's sale.

As of the date of this Disclosure Statement, the amount due and owing from the Debtor to Beal Bank and First Financial Bank is less than $3 million. Based on sales of comparable property, the Mortgaged Property is valued at approximately $4,000,000,00. The Debtor therefore believes the Mortgaged Property is worth substantially more than the indebtedness it secures.

With the exception of amounts owing to Beal Bank and First Financial Bank and for real estate taxes that have accrued but are not yet payable, and fees for management services owed to party related to the majority member of the Debtor in the amount of $2,603,405.00, the Debtor believes there are approximately $6,174 of additional claims asserted by three creditors.

III. OPERATIONS DURING THE CHAPTER 11 CASE

During this Bankruptcy Case, the Debtor has attempted to market and sell or refinance the Mortgaged Property for an amount which is sufficient to satisfy the Allowed Claims of all creditors in full. To that end, the Debtor is in the process of retaining CBRE, Inc. as real estate broker. As of the date of this Disclosure Statement, the Debtor continues to work with potential lenders in order to obtain refinancing and satisfy the Allowed Claims of all creditors in full.

IV. MANAGEMENT OF THE DEBTOR AND REORGANIZED DEBTOR

The Debtor's majority member (owning 97%) is Craig W. Johnson. During the Bankruptcy Case, oversight of the Debtor's day-to-day operations and its efforts to sell the Mortgaged Property or refinance the Beal Bank and First Financial obligations have been managed by Mr. Johnson. Mr. Johnson has not received, and is not entitled to, a fee or other compensation for his management of the Debtor during the Bankruptcy Case. After Confirmation, the Reorganized Debtor will continue to be managed by Mr. Johnson, without compensation.

V. WHO MAY FILE A PLAN

Pursuant to § 1121 of the Bankruptcy Code, the Debtor enjoys an exclusive period during which only it may file a plan. The exclusive period during which only the Debtor could file a plan expires on April 19, 2017. The Debtor filed its initial Plan on April 18, 2017. Accordingly, no party other than the Debtor can propose a Chapter 11 plan at this time.

VI. SUMMARY OF THE PLAN

The Plan envisions resolution of this Bankruptcy Case by the Debtor either refinancing the Beal Bank and First Financial Obligations or selling the Mortgaged Property no later than December 31, 2017. Those secured creditors will retain their rights to credit bid for any sale of the Mortgaged Property.

If the sale or refinance of the Mortgaged Property is sufficient to pay all creditors in full, the Debtor's members will retain their Interests and any remaining assets of the Debtor will vest in the Reorganized Debtor (though such vesting will obviously not occurr for any of the Mortgaged Property which has been sold). A copy of the Plan accompanies this Disclosure Statement. The Plan should be referred to for details concerning the treatment and classification of creditors and interest holders. The following summary is qualified in its entirety by the express provisions of the Plan.

A. Purpose of the Plan

The Debtor intends to sell the Mortgaged Property or refinance the Beal Bank and First Financial Obligations, and the Plan provides the mechanism by which Allowed Claims will be satisfied, to the extent possible, from refinancing or sale proceeds.

B. Classification and Treatment of Claims and Interests

If the Plan is confirmed, the post-Confirmation treatment of each Claim against or Interest in the Debtor is set forth below. As required by §§ 1122 and 1123 of the Bankruptcy Code, the Plan classifies Claims and Interests into four (4) separate Classes, and states whether each Class is impaired or unimpaired. The Plan designates all Classes as unimpaired.

Pursuant to § 1123 of the Bankruptcy Code, certain claims may not be classified in the Plan, including claims of a kind specified under §§ 507(a)(2), 507(a)(3), and 507(a)(8) of the Bankruptcy Code. These claims are entitled to specific treatment under the Plan unless the Holders of those Claims agree to different treatment.

(1) Classified Claims and Interests

a. Class 1: Allowed Secured Claim of Beal Bank (Unimpaired)

Basis for Claim: Prepetition, the Debtor obtained a loan from Irwin Union in the original principal amount of $7,000,000.00 evidenced by a Promissory Note payable to Irwin Union and dated March 23, 2007. The Promissory Note was secured by a Real Estate Mortgage, Security Agreement and Assignment of Lease and Fixture Filing also dated March 23, 2007 under which Debtor pledged the Mortgaged Property to Secure the Promissory Note. Beal Bank obtained the rights to enforce the promissory note and mortgage from Irwin Union. The interest of Beal Bank in the Mortgaged Property is senior to all other interests except for the Marion County Treasurer, which has a superior interest in the Mortgaged Property securing its Allowed Claim.

Projected Claim: $2,191,387.00 (potentially to be reduced by $215,253.06 being held in escrow in the Marion Superior Court).

Plan Treatment: The Allowed Secured Claim of Beal Bank will be satisfied in full by payment in cash to Beal Bank, including all amounts allowable under § 506(b) of the Bankruptcy Code, on or before the Effective Date; *provided, however,* if there is no sale or refinance sufficient to pay the Allowed Secured Claim of Beal Bank on or before December 31, 2017, then the automatic stay as to the Mortgaged Property shall be automatically lifted and the Mortgaged Property will be automatically abandoned from the bankruptcy estate. Beal Bank will retain its lien in the same priority and to the same extent as such lien existed immediately prior to the petition date. Beal Bank will retain its right to credit bid pursuant to 11 U.S.C. § 363(k) at any sale of the Mortgaged Property. Class 1 is impaired.

b. Class 2: Allowed Secured Claim of First Financial Bank (Unimpaired)

Basis for Claim: Prepetition, the Debtor obtained a loan from First Financial and executed a promissory note in the original principal amount of $1,750,000.00 in favor of Irwin Union dated August 31, 2007. To secure the indebtedness under the promissory note, the Debtor executed a Mortgage, in favor of Irwin Union dated August 31, 2007 under which Debtor pledged the Mortgaged Property to secure the obligations under the promissory note. First Financial has obtained an assignment of the promissory note and mortgage from Irwin Union. The interest of First Financial in the Mortgaged Property is senior to all other interests except for Beal Bank and the Marion County Treasurer, which has a superior interest in the Mortgaged Property securing its Allowed Claim.

Projected Claim: $897,314.00.

Plan Treatment: The Allowed Secured Claim of First Financial will be satisfied in full by payment in cash to First Financial, including all amounts allowable under § 506(b) of the Bankruptcy Code, on or before the Effective Date; *provided, however,* if there is no sale or refinance sufficient to pay the Allowed Secured Claim of First Financial on or before December 31, 2017, then the automatic stay as to the Mortgaged Property shall be automatically lifted and the Mortgaged Property will be automatically abandoned from the bankruptcy estate. First Financial will retain its lien in the same priority and to the same extent as such lien existed immediately prior to the petition date. First Financial will retain its right to credit bid pursuant to 11 U.S.C. § 363(k) at any sale of the Mortgaged Property. Class 2 is impaired.

c. Class 3: Allowed Secured Tax Claim (Unimpaired)

Basis for Claim: The Class 3 Allowed Secured Claim represents real estate taxes assessed in March 2016 that are payable in May and November 2017. The Class 3 Allowed Secured Claim is secured by a first lien on the Debtor's real estate that is superior to all other Claims.

Projected Claim: $32,056.02

Plan Treatment: To the extent the Class 3 Allowed Secured Tax Claim is not satisfied in full prior to the statutory due date, the Holder of the Class 3 Allowed Secured Tax Claim will be paid in full in cash, including all amounts allowable under § 506(b) of the Bankruptcy Code, on or before the Effective Date; *provided, however,* if there is no sale or refinance sufficient to pay the Allowed Secured Claim of the Marion County Treasurer on or before December 31, 2017, then the automatic stay as to the Mortgaged Property shall be automatically lifted and the Mortgaged Property will be automatically abandoned from the bankruptcy estate. The Marion County Treasurer will retain its lien in the same priority and to the same extent as such lien existed immediately prior to the petition date. The Marion County Treasurer will retain its right to credit bid pursuant to 11 U.S.C. § 363(k) at any sale of the Mortgaged Property. Class 3 is impaired.

d. Class 4: Allowed Unsecured Claims (Unimpaired)

Basis for Claims: Class 4 consists of Allowed non-priority unsecured Claims arising from the Debtor's prepetition operations, based upon the Debtor's books and records.

Projected Claims: $2,609,579.00.

Plan Treatment: Unless the Holder if a Class 4 Allowed Unsecured Claim accepts a different treatment, the Holders of Class 4 Allowed Unsecured Claims will be paid on a pro rata basis based on the amount of their Allowed Claims, with any cash available from a sale or refinance after the full payment of Classes 1, 2, and 3, on or before the Effective Date; *provided, however,* if there is no sale or refinance sufficient to pay the secured claims on or before December 31, 2017, then the automatic stay as to the Mortgaged Property shall be automatically lifted and the Mortgaged Property will be automatically abandoned from the bankruptcy estate. In that case, Holders of Class 4 Allowed Unsecured Claims will receive no distribution from the estate. Johnson Management Company, Inc. has a Class 4 Allowed Claim of $2,603,405, and has agreed to subordinate itself to the claims of the other Holders of Class 4 claims, so that all other Class 4 Allowed Unsecured Claims. Class 4 is impaired.

e. Class 5: Interests (Unimpaired)

Basis for Interests: Class 5 consists of the ownership interest in the Debtor, 97% of which is held by Craig Johnson and 3% is held by the Debtor's other member, FICWJ, LLC, a limited liability company.

Plan Treatment: The Holders of Class 5 Interests will retain their Interests in the Debtor only if there are sufficient proceeds from the sale or refinance of the property after payment of the Allowed Claims in classes 1, 2, 3, and 4.

(2) Unclassified Claims

a. Allowed Administrative Claims (Bankruptcy Court Costs and Professional Fees)

Basis for Claims: These represent Allowed Claims for costs and expenses of administration, including: (a) Bankruptcy Court costs and professional fees incurred by the Debtor on or after the Petition Date or otherwise incurred in connection with the Bankruptcy Case to the extent allowed by the Bankruptcy Court and payable by the Debtor pursuant to §§ 330 or 503(b) of the Bankruptcy Code; and (b) fees payable to the Office of the United States Trustee, all of which have priority under § 507(a)(2) of the Bankruptcy Code.

Projected Claims: $25,000.

Plan Treatment: Except to the extent the Debtor and the Holder of such an Allowed Claim agree to a different treatment, Holders of such Allowed Claims will be paid in full, in cash, upon the later of: (a) the statutory due date; (b) the Effective Date; or (c) as soon as practicable after the Claim has become an Allowed Claim.

b. Allowed Administrative Operating Expenses

Basis for Claims: These represent Allowed Claims for administrative expenses incurred by the Debtor on or after the Petition Date, including real property taxes. Because the Debtor has paid and continues to pay its post-petition operating expenses in a timely manner in the ordinary course of business, it is anticipated that real property taxes that have been assessed but are not yet payable will be the only such claims remaining after the Effective Date.

Projected Expenses: $0

Plan Treatment: Except to the extent the Debtor and the Holder of such an Allowed Claim agree to a different treatment, Holders of such Allowed Claims will be paid in full in the ordinary course of business and as applicable law requires.

C. Implementing the Plan

The entry of the Confirmation Order shall constitute authorization for the Debtor to take or cause to be taken all action necessary and appropriate to consummate and implement the Plan prior to and after Confirmation, and all such actions taken or caused to be taken shall be deemed to have occurred and shall be in effect from and after, but subject to the occurrence of, the Effective Date pursuant to applicable non-bankruptcy law and the Bankruptcy Code, without any requirement of further action by the Debtor or the Reorganized Debtor.

The Debtor will sell the Mortgaged Property or refinance the Beal Bank and First Financial Obligations and all Allowed Claims will be satisfied in full, including all amounts allowable under § 506(b) of the Bankruptcy Code, as set forth in the Plan. The Holders of Interests in the Debtor will retain those Interests. However, if the Mortgaged Property has not sold or been refinanced in a transaction sufficient to fully fund this Plan on or before December

31, 2017, then the automatic stay as to the Mortgaged Property will be lifted and the Mortgaged Property shall be automatically abandoned from the bankruptcy estate with no further action by any person.

D. Means for Funding the Plan

Under the Plan, funding will be provided by (a) proceeds obtained from the sale of the Mortgaged Property or (b) from the refinancing of the Beal Bank and First Financial Obligations.

E. Executory Contracts

Effective on and as of the Effective Date, and except as otherwise provided for in the Plan, any and all Executory Contracts that exist between the Debtor and any party which are not specified on the list of Executory Contracts to be assumed by the Debtor that is attached to the Plan as **Exhibit A** shall be specifically rejected; *provided*, *however*, that the Debtor shall have the right, at any time prior to the Effective Date, to amend Exhibit A to delete any Executory Contract listed thereon, thus providing for its rejection by the Debtor pursuant to the Plan, or add any Executory Contract thereto, thus providing for its assumption by the Debtor and assignment to the party identified on Exhibit A. The Confirmation Order shall constitute an order of the Bankruptcy Court (a) approving such assumption and assignment pursuant to §§ 365 and 1123(b)(2) of the Bankruptcy Code and Article IV of the Plan; (b) extending the time, pursuant to § 365(d)(4) of the Bankruptcy Code and Article IV of the Plan, within which the Debtor may assume, assume and assign, or reject such Executory Contracts through the date of entry of an order approving the assumption, assumption and assignment, or rejection of such Executory Contract; and (c) approving, pursuant to §§ 365(a) and 1123(b)(2) of the Bankruptcy Code, the rejection of those Executory Contracts not assumed and assigned pursuant to Article IV of the Plan.

The Debtor believes that it is not in default under any Executory Contract listed on Exhibit A, and no cure, compensation, or adequate assurance of future performance is required under § 365(b)(1) of the Bankruptcy Code to assume and assign such Executory Contract, and the Plan does not provide for any cure, compensation, or adequate assurance of future performance prior to the assumption and assignment of any Executory Contract.

Any party objecting to the proposed assumption of any Executory Contract under the Plan, including the Debtor's contention that no cure, compensation, or adequate assurance of future performance is required under § 365(b)(1) of the Bankruptcy Code to assume and assign such Executory Contract, shall file and serve a written objection to the assumption and assignment of such Executory Contract on or before the deadline set by the Bankruptcy Court for filing objections to Confirmation of the Plan. Failure to file an objection within that time period shall constitute consent to the assumption and assignment of such Executory Contract, including an acknowledgement that no cure, compensation, or adequate assurance of future performance is required under § 365(b)(1) of the Bankruptcy Code.

To the extent that any objection to the assumption and assignment of any Executory Contract is based upon the assertion that the party to which the Executory Contract is to be assigned is unable to provide adequate assurance of future performance, the Bankruptcy Court shall hear and determine such objection at the hearing on Confirmation of the Plan.

To the extent that any objection to the assumption and assignment of an Executory Contract is based upon the assertion that the Debtor is required to cure a default or provide compensation prior to assumption of such Executory Contract, and such objection is not resolved between the Debtor and the objecting party, the Bankruptcy Court shall resolve such dispute at a hearing to be held on a date determined by the Bankruptcy Court. The resolution of such dispute

shall not affect the assumption or assignment of the Executory Contract, but rather shall affect only the monetary amount required to be paid prior to assumption. Notwithstanding the immediately preceding sentence, if the Debtor determines in its sole discretion that the monetary amount required to be paid prior to assumption would, if ordered by the Bankruptcy Court, make the assumption of the Executory Contract imprudent, then the Debtor may elect to reject the Executory Contract or seek an immediate hearing on the cure amount and reserve the right to reject the Executory Contract pursuant to the Plan following the Bankruptcy Court's decision.

F. Objections to Claims

Objections to Claims shall be filed with the Bankruptcy Court and served upon each Holder of a Claim to which an objection is made on or before the date that is sixty (60) days after Confirmation, or such other time as is authorized by order of the Bankruptcy Court. The failure by the Debtor or Reorganized Debtor to object to or to examine any Claim shall not be deemed to be a waiver of the right to object to or to examine such Claim in whole or in part to determine its allowability for payment. No party shall be required to object to any Claim where no purpose would be served.

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Debtor or Reorganized Debtor shall have the right to make and file objections to Claims and shall serve a copy of each objection on the Holder of such Claim within the timeframe set forth the Plan. All objections shall be litigated to a Final Order except to the extent the party who raised the objection elects to withdraw any such objection or such party and the Holder of such Claim elects to compromise, settle, or otherwise resolve any such objection, in which event they may settle, compromise, or otherwise resolve any Disputed Claim without approval of the Bankruptcy Court; provided however, that any such compromise, settlement, or other resolution of a

Disputed Claim which results in an Allowed Claim which is more than $5,000.00 different than the original amount of the Disputed Claim shall require approval of the Bankruptcy Court.

The Debtor or Reorganized Debtor may, at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to § 502(c) of the Bankruptcy Code regardless of whether the Debtor or Reorganized Debtor have previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction pursuant to the Plan to estimate such Claim at any time, including during litigation concerning an objection thereto. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount may constitute either the amount of the Allowed Claim or a maximum limitation of such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor or Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim.

The aforementioned Claims objection, estimation, and resolution procedures are cumulative and not necessarily exclusive of one another

G. Exculpation, Injunction, and Discharge

Except for acts or omissions constituting gross negligence or willful misconduct, the Debtor and its member, agents, and professionals (acting in such capacity on and after the Petition Date) shall neither have nor incur any liability to any Person or Entity for any act taken, or omitted to be taken, prior to or after the Petition Date in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or consummating the Plan, the Disclosure Statement, or any contract, instrument, release, or any other agreement or document created, or entered into, in connection with the Plan, or any other

act taken, or omitted to be taken, prior to or after the Petition Date in connection with, or in contemplation of the Bankruptcy Case.

Upon the Effective Date, all Persons and Entities are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively, or otherwise) on account of or respecting any claim, debt, interest, or right of the Debtor as well as on account of or respecting any Cause of Action or Bankruptcy Cause of Action of the Debtor for which the Reorganized Debtor retains sole and exclusive authority to pursue in accordance with the Plan. Furthermore, except as otherwise provided in § 1141(d) of the Bankruptcy Code, the Plan, or the Confirmation Order, the occurrence of the Effective Date shall discharge the Debtor from any debt that arose prior to the Effective Date and any debt of a kind specified in §§ 502(g), (h) or (i) of the Bankruptcy Code, whether or not (a) a proof of Claim based upon such debt is filed under § 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under § 502 of the Bankruptcy Code; or (c) the Holder of a Claim based upon such debt has accepted the Plan.

H. Vesting of Assets in the Reorganized Debtor

On the occurrence of the Effective Date, all of the assets, properties, and rights of the Debtor of every type and description, tangible, intangible, wherever located, shall be transferred and automatically vest in the Reorganized Debtor free and clear of all liens, claims, rights of setoff, security interests, pledges, encumbrances, adverse rights of interest, covenants, charges, debts, and contractually imposed restrictions, except for the lien of the Marion County Treasurer for real estate taxes assessed after the Petition Date and not yet payable, and all such liens, claims, rights of setoff, security interests, pledges, encumbrances, adverse rights of interest, covenants, charges, debts, and contractually imposed restrictions shall be extinguished.

Notwithstanding the foregoing, however, if the Effective Date does not occur because there has been no sale or refinance of the Mortgaged Property, such transfer and vesting shall not occur, and this case will be dismissed or converted based on motions filed by the various parties to this bankruptcy proceeding. All Causes of Action under any theory of law or equity, including without limitation the Bankruptcy Code, and in any court or other tribunal, including without limitation in an adversary proceeding filed in the Bankruptcy Case, but excluding Bankruptcy Causes of Action, of the Debtor shall be transferred on the Effective Date to the Reorganized Debtor, which shall then have the right to commence, prosecute, abandon, settle, or compromise, all such Causes of Action.

I. Waiver and Release of Bankruptcy Causes of Action

In order to determine whether the commencement and pursuit of any Bankruptcy Causes of Action may be warranted, the Debtor has undertaken an analysis of all transfers made within both 90 days and one year of the Petition Date. The Debtor's analysis revealed that all such transfers were incurred and made in the ordinary course of business and according to ordinary business terms, and were made for reasonably equivalent value in exchange for such transfers. Accordingly, the Debtor does not believe the commencement and pursuit of any Bankruptcy Causes of Action is warranted or would benefit the Estate or creditors, and all Bankruptcy Causes of Action shall be waived and released as of the Effective Date.

J. Reservation of Jurisdiction by the Bankruptcy Court

The Plan provides that the Bankruptcy Court will retain jurisdiction over the Bankruptcy Case after Confirmation for various purposes as detailed in Article XI of the Plan.

VII. LIQUIDATION ANALYSIS[1]

If the Plan is confirmed, Allowed Claims in all Classes will be satisfied in full, including all amounts allowable under § 506(b) of the Bankruptcy Code, and the Class 5 Interests in the Debtor will be retained by the current owners.

If the Plan is not confirmed, the Debtor believes, and this "Liquidation Analysis" assumes, that the Chapter 11 Case will be dismissed and Beal Bank will proceed with its state court foreclosure action and the Mortgaged Property will be sold at a sheriff's sale. The amount currently due and owing to Beal is approximately $2,100,000.00. Based on comparable sales, the Mortgaged Property was valued at approximately $4,000,000. Accordingly, the Debtor believes the Mortgaged Property is worth substantially more than the indebtedness is secures. It is possible, however, that the net sale proceeds generated at a sheriff's sale will result in insufficient funds to satisfy all claims against the Debtor. The Class 1, Class 2 and Class 3 Claims of Beal Bank, First Financial and the Marion County Treasurer are secured by the Mortgaged Property, and all proceeds derived from the sale of that property go first to satisfy those Claims leaving unsecured claims unpaid.

VIII. CONFIRMATION OF THE PLAN

The Bankruptcy Court will confirm the Plan only if all of the requirements of § 1129 of the Bankruptcy Code are met. Among the requirements for Confirmation of the Plan are that each Class of impaired Claims or Interests has accepted the Plan, or such Class is unimpaired under the Plan. Under the Bankruptcy Code, the Holders of Allowed Claims or Interests in

[1] The Debtor's "Liquidation Analysis" contemplates dismissal of the Bankruptcy Case and disposition of the Mortgaged Property at a sheriff's sale. The liquidation analysis would be similar, however, if the Bankruptcy Case were converted to one under Chapter 7 of the Bankruptcy Code and the Chapter 7 trustee administered the Debtor's estate and sold or abandoned the Mortgaged Property. The Debtor believes that the only practical difference would be the increased costs of administration in a Chapter 7 case, but the outcome to creditors would generally be the same.

impaired classes may vote to accept or reject the Plan. Under § 1126 of the Bankruptcy Code, a class of claims or interests is impaired under a plan unless the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder of such claim or interest. The legal, equitable, and contractual rights of all creditors of the Debtor provide for, at a minimum, full payment of their claims. The Plan provides that Allowed Claims will be satisfied in full, including all amounts allowable under § 506(b) of the Bankruptcy Code. In addition, secured creditors such as Beal Bank, First Financial Bank and the Marion County Treasurer are also entitled to retain their lien on property securing their claim and to credit bid at any sale of that property. The Plan provides for the retention by Beal Bank, First Financial Bank and the Marion County Treasurer of their liens. An owner, on the other hand, is entitled to retain an equity interest after satisfaction of the claims of creditors. Under the Plan, after satisfaction of all Allowed Claims, the Debtors current members will retain their interests in the Debtor. For these reasons, the Plan has not altered the legal, equitable, or contractual rights of any creditor or owner of the Debtor, and no Class is impaired under the Plan. In order for the Plan to be confirmed, it is therefore not necessary for the Debtor to solicit acceptances under § 1126 of the Bankruptcy Code.

The Bankruptcy Code also provides that the Plan cannot be confirmed, regardless of whether or not there is an objection to confirmation of the Plan, unless the Bankruptcy Court finds that the Plan is in the "best interests" of all Classes of Claims and Interests which are impaired. The "best interests" test is satisfied if: (1) all holders of impaired Claims or Interests have accepted the Plan, or (2) the Plan will provide such a Holder that has not accepted the Plan with a recovery at least equal in value to the recovery such Holder would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. There are no impaired Classes under the

Plan, and each Class is deemed to have accepted the Plan. In addition, as set forth in the Liquidation Analysis above, all creditors will receive at least as much, if not more, under the Plan as they would in a Chapter 7 liquidation. Accordingly, under any reading of the Plan, it satisfies the "best interests" test.

Section 1129(a)(11) of the Bankruptcy Code provides that a Chapter 11 plan may be confirmed only if the Bankruptcy Court finds that such plan is feasible. A feasible plan is one which will not lead to a need for further reorganization or liquidation of the debtor. When the Debtor sells or refinances the Mortgaged Property, Allowed Claims will be satisfied in full from the proceeds. The Plan is feasible.

The Debtor will not proceed with a sale or refinance unless the amount realized is sufficient to fulfill the Plan and thus, the Plan is also feasible in that regard.

IX. TAX CONSEQUENCES OF THE PLAN

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtor has not requested a ruling from the Internal Revenue Service or an opinion of counsel concerning same.

ACCORDINGLY, ANY PERSONS WHO MAY BE AFFECTED BY IMPLEMENTATION OF THE PLAN, INCLUDING CREDITORS AND INTEREST HOLDERS OF THE DEBTOR, SHOULD CONSULT THEIR OWN TAX ADVISORS RESPECTING THE TAX CONSEQUENCES UNDER FEDERAL AND ANY APPLICABLE STATE, COMMONWEALTH, LOCAL, OR FOREIGN LAW.

X. CONCLUSION

The Debtor believes that the Plan represents the best alternative for the Debtor, the Estate, and its creditors, and should be confirmed under the applicable provisions of the Bankruptcy Code.

DATED: June 21, 2017

RACEWAY MARKET LAND, LLC,
Debtor and debtor-in-possession,

By: /s/ John R. Humphrey
John R. Humphrey
Counsel for the Debtor

Paul T. Deignan
John R. Humphrey
TAFT STETTINIUS & HOLLISTER LLP
One Indiana Square, Suite 3500
Indianapolis, Indiana 46204
Telephone: (317) 713-3500
Facsimile: (317) 713-3699
Email: pdeignan@taftlaw.com
jhumphrey@taftlaw.com

19692028.2