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ATTORNEY FOR CIENA CAPITAL FUNDING, LLC, AS SERVICER
FOR BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
F/K/A THE BANK OF NEW YORK TRUST COMPANY, N.A.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

IN RE:
JONESBORO HOSPITALITY, LLC
Debtor

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CASE NO. 17-40311

**CIENA CAPITAL FUNDING, LLC, AS SERVICER FOR BANK OF
NEW YORK MELLON TRUST COMPANY, N.A. F/K/A THE BANK OF
NEW YORK TRUST COMPANY, N.A.'S COMBINED PLAN OF
LIQUIDATION AND DISCLOSURE STATEMENT**

THIS COMBINED PLAN AND DISCLOSURE STATEMENT IS SUBMITTED TO ALL CREDITORS OF THE DEBTOR, ENTITLED TO VOTE ON THE PLAN OF REORGANIZATION HEREIN DESCRIBED AND CONTAINS INFORMATION THAT MAY AFFECT YOUR DECISION TO ACCEPT OR REJECT THE PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE. TIDS COMBINED PLAN AND DISCLOSURE STATEMENT IS INTENDED TO PROVIDE ADEQUATE INFORMATION AS REQUIRED BY THE BANKRUPTCY CODE AS TO THE PLAN OF REORGANIZATION. ALL CREDITORS AND INTEREST HOLDERS ARE URGED TO READ THE COMBINED PLAN AND DISCLOSURE STATEMENT WITH CARE. THE DISCLOSURE STATEMENT HAS BEEN APPROVED BY COURT ORDER DATED _____, A COPY OF WHICH IS INCLUDED HEREIN. THE PLAN HAS NOT YET BEEN APPROVED BY THE COURT.

I. SUMMARY OF PLAN

Jonesboro Hospitality LLC ("Jonesboro" or "Debtor") has essentially only one asset, a hotel and its contents, located at 3006 S. Caraway Road, Jonesboro, Arkansas 72401 (the "Hotel"). Ciena Capital Funding, LLC, as Servicer for Bank of New York Mellon Trust Company, N.A. f/k/a The Bank of New York Trust Company, N.A. ("Ciena")

is owed approximately \$2.23 million and holds a first priority security interest against the Hotel (subject only to real property taxes) and thus, is Jonesboro's most significant creditor. Ciena filed this combined plan and disclosure statement because, in Ciena's view, no other feasible plan can be proposed to resolve the debts against the Hotel. The Plan provides for the sale of the Hotel (and other Auctioned Property (as defined below)) free and clear of liens to a purchaser with the proceeds from the sale used to pay closing costs, and any liens on the Hotel in order of priority so long as funds are available. The Auctioneer will be the disbursing agent in the sale and related transactions. The only distributions to the Debtor's creditors will be from the Net Proceeds of the sale of the Hotel and from the Net Proceeds Carve Out (defined below).

II. BACKGROUND

A. Why Did Jonesboro File this Bankruptcy Case?

On or about February 15, 2017 the Debtor filed a Voluntary Petition for relief under Chapter 11 of the Bankruptcy Code. Ciena believes that Jonesboro filed this Chapter 11 Case to stop it and other secured creditors from foreclosing on or closing the Hotel. Jonesboro had difficulty meeting its obligations over the last several years. In addition to the \$2.23 million owed to Ciena, as is detailed below, Jonesboro owes approximately \$245,000 in ad valorem taxes (collectively "Property Taxes"), and over \$700,000 to governmental agencies such as the Arkansas Department of Finance and the IRS. Per the Debtor's Schedules and proof of claim filed in the Chapter 11 Case, other claims of unsecured creditors amount to over \$450,000.

B. What Has Happened Since the Bankruptcy Case Was Filed?

After it filed this Chapter 11 Case, Jonesboro continued to operate the Hotel. No statutory committee or trustee was appointed in this Chapter 11 Case. The Debtor has not obtained other financing, located potential purchaser, or demonstrated the ability to comply with its statutory or financial obligations.

The Debtor sought authority to use cash collateral and Ciena agreed to allow the Debtor to use cash collateral on both an interim and final basis (collectively, "Orders on Use of Cash Collateral"). As adequate protection, the Orders on Use of Cash Collateral, provided Ciena replacement liens and an administrative expense claim. Other secured creditors were also provided adequate protection in the form of monthly payments and/or reporting compliance guarantees. Additionally, a real estate broker was hired to market the Hotel, but no contracts for sale have been presented to the Bankruptcy Court.

C. How does Ciena Propose that Jonesboro Will Repay Its Debts?

In general, the Plan proposes to pay Jonesboro's creditors to the extent funds are available from the sale of the Hotel. The purchase price will be determined by an auction. There will be auction fees, customary closing costs associated with the sale

(survey, title insurance, legal fees, document preparation fees, pro ration of taxes, etc.). Because of the outstanding property taxes and the amount due to Ciena, there may not be sufficient funds from the sale to satisfy all of the claims against Jonesboro, or even the claims of Ciena in full.

III. TREATMENT OF CLAIMS

A. Secured Debts.

The following secured claims will be paid in the following order of priority:

First, Net Proceeds will be paid to each holder of an Ad Valorem Tax Claim against the Hotel up to the amount of such holder's Allowed Secured Claim. Based on the Debtor's filings with the Bankruptcy Court, such claims amount to over \$250,000.

Second, to the extent available after satisfying Allowed Secured Claims of holders of Ad Valorem Tax Claims, Net Proceeds will be paid to Ciena up to the amount of Ciena's Allowed Secured Claim. Provided however, that Ciena shall carve out the amount of \$40,000 (the "Net Proceeds Carve Out") to pay Allowed Administrative Claims and to the extent that funds are available, the Allowed Priority Claims as provided in Section 507 of the Bankruptcy Code. Ciena's Allowed Secured Claim exceeds \$2.2 million.

Third, to the extent available after satisfying Allowed Secured Claims of holders of Ad Valorem Tax Claims, the Allowed Secured Claim of Ciena, and the Net Proceeds Carve Out, Net Proceeds will be paid to holders of Allowed Secured Claims whose Liens are junior to those of Ciena up to the amount of such holder's Allowed Secured Claim in the order of priority provided under applicable non-bankruptcy law. Upon information and belief, these claims include the Allowed Secured Claims of the Arkansas Department of Finance and the IRS. Based on the Debtor's filings with the Bankruptcy Court, claims of holders of Allowed Secured Claims whose Liens are junior to those of Ciena amount to over \$510,000.

B. Administrative Claims.

In connection with the administration of this Chapter 11 Case, Jonesboro has incurred administrative fees to the United States Trustee and Debtor's counsel. It is anticipated these fees will be not more than \$40,000. Once approved, if applicable, Administrative Claims of up to \$40,000 will be paid from the Net Proceeds Carve Out.

The holder of an Administrative Claim [including Fee Claims] incurred before the Effective Date shall be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, notice of such Administrative Claim and, if applicable, a Fee Application within 60 days after the Effective Date. Failure to file and serve these documents timely and properly shall result in the Administrative Claim being forever barred.

C. Allowed Priority Claims.

The Texas Comptroller of Public Accounts, the City of Jonesboro, the Arkansas Department of Finance and the IRS have filed claims asserting over \$220,000 in Priority Tax Claims collectively. To the extent available, after satisfying Allowed Secured Claims of holders of Ad Valorem Tax Claims, the Allowed Secured Claim of Ciena, the Net Proceeds Carve Out, and the Allowed Secured Claims of holders whose Liens are junior to those of Ciena, and unused portion of the Net Proceeds Carve Out and the Net Proceeds will be paid to the holders of Allowed Priority Claims in the order specified in Section 507 of the Bankruptcy Code.

D. Allowed General Unsecured Claims.

To the extent available after satisfying Allowed Secured Claims of holders of Ad Valorem Tax Claims, the Allowed Secured Claim of Ciena, the Net Proceeds Carve Out, the Allowed Secured Claims of holders whose Liens are junior to those of Ciena, and Allowed Priority Claims, Net Proceeds will be paid to the holders of Allowed General Unsecured Claims up to the Allowed amount of each such holder's Claim.

E. Interests in the Debtor.

To the extent available after satisfying Allowed Secured Claims of holders of Ad Valorem Tax Claims, the Allowed Secured Claim of Ciena, the Net Proceeds Carve Out, the Allowed Secured Claims of holders whose Liens are junior to those of Ciena, Allowed Priority Claims, and Allowed General Unsecured Claims, Net Proceeds will be paid to the holders of Allowed Interests in the Debtor.

Ciena believes that the Plan will not violate the absolute priority rule and will be consensual as to the unsecured creditors. In the event that the Class 5 General Unsecured Creditors do not vote for the Plan, and the Bankruptcy Court requires an auction, then: (i) the Interests will be cancelled on the Effective Date, (ii) the new equity interests in the Debtor shall be sold at an Auction sale as set forth herein, and (iii) the new equity interests in the Debtor shall be issued to the successful bidder for the interest in the Debtor at the Auction, subject to the terms of this Plan. If the Plan is not confirmed by the Court at the Confirmation Hearing, then the sale of the equity interests shall not proceed and the sale shall be cancelled.

Subject to certain requirements described herein, all interested parties shall have the opportunity to purchase the Reorganized Debtor's new equity at the Confirmation Hearing pursuant to the following equity auction procedures:

- Any party interested in bidding to acquire the new equity Interests must provide notice to Debtor and its counsel ten (10) business days prior to the Confirmation Hearing, and also attend the Confirmation Hearing and advise the Bankruptcy Court at the commencement of the Confirmation Hearing of the party's interest in

participating in the equity auction of the new equity Interests, at which point the Bankruptcy Court may direct that an equity auction be conducted prior to the continuation of the Confirmation Hearing;

- Counsel for Ciena shall designate the first party to bid at the equity auction as the Opening Bid.
- Each subsequent bid following the Opening Bid must exceed any previous highest bid in an amount of at least \$1,000.00.
- Any party submitting a bid at the equity auction must have proof of funds to pay the party's bid at the equity auction;
- The Reorganized Debtor's new equity Interest shall be sold to the bidder submitting the highest non-contingent Cash offer at the equity auction;
- The winning bidder must actually deposit the funds in the Bankruptcy Court registry within 48 hours of the announcement of the winning bid, or be deemed to have defaulted on the purchase of the Debtor's equity.
- If the winning bidder at the equity auction fails to close on the purchase as set forth above, the party submitting the next highest bid shall be deemed the winning bidder;
- The funds from the equity auction sale shall be added to the Net Proceeds Carve Out and used to fund the Plan.
- Ciena shall solicit such bids by noticing the Plan out to creditors in this Chapter 11 Case.
- If the Bankruptcy Court does not confirm the Plan, then any equity equity auction shall be null and void and have no effect as to the ownership of the Debtor. If no Opening Bid is made, then holders of Allowed Interests retain their Interests.

IV. CLASSIFICATION AND VOTING

A. Creditors Divided into Classes.

The Bankruptcy Code requires that creditors be divided into classes in the Plan. That is, creditors with similar legal rights are put into the same class. All creditors and the classes they are in are shown in section IV.F of this document.

B. Creditors' Right to Vote on the Plan.

In a Chapter 11 reorganization, generally, creditors who are impaired under a Plan have the right to vote on a Plan. In this Chapter 11 Case, all creditors' claims are impaired under this Plan. Accordingly, all creditors should read this Combined Plan of Liquidation and Disclosure Statement carefully, discuss it with an attorney and consider whether they should object to the Plan.

The Court will conduct the Confirmation Hearing in this Chapter 11 Case to decide whether to confirm the Plan on _____, 2018 at _____.m. at the United States Bankruptcy Court, 660 N. Central Expressway, Suite 300B, Plano, TX 75074.

Ballots will be mailed by and should be submitted to the Balloting Agent as

follows:

Howard Marc Spector
SPECTOR & JOHNSON, PLLC
12770 Coit Road, Suite 1100
Dallas, Texas 75251

Ballots may not be returned by email. The Voting Deadline is _____, 2018.

C. Creditors Have the Right to Object to the Confirmation of the Plan.

If a creditor believes that the Plan does not meet the requirements of the Bankruptcy Code, the creditor may file a written objection with the Bankruptcy Court. The Objection Deadline has been set for _____, 2018. The Court will consider only written objections that are timely filed and ballots that are timely filed. If no objections are filed (or if all objections are overruled by the Court) and at least one class of the creditors accepts the Plan, the Court may approve the Plan. If the Court approves the Plan, all creditors will be bound, even if a creditor did not vote and even if a creditor voted against the Plan. This means that a creditor will not be allowed to collect its claim against Jonesboro except as provided in the Plan.

D. How Does a Class "Accept" the Plan?

Each class of Claims is considered separately for voting. Only the creditors who vote are counted. The Court will conclude that the class "accepts" the Plan if two requirements are met: (1) More than 50% of the voting creditors vote in favor of the Plan; and (2) those creditors voting in favor of the Plan hold at least 2/3 of the total amount of the debt that vote in such class.

E. Cramdown

If any class of Claims shall fail to accept the Plan in accordance with section 1126[c] of the Bankruptcy Code, the Bankruptcy Court may still confirm the Plan in accordance with section 1129[b] of the Bankruptcy Code. Ciena reserves the right to request confirmation under Section 1129[b] of the Bankruptcy Code, and the right to amend or otherwise modify the Plan to eliminate distributions to holders of any Claims junior to any class of Claims that is impaired under and has not accepted the Plan in accordance with section 1129[b][2] of the Bankruptcy Code.

F. Classification and Impairment of Claims Under the Plan

Class 1: Property Tax Claimants -Secured

This class is comprised of the holders of all Ad Valorem Taxing Claims. This class is not impaired.

Class 2: Ciena -Secured

This class is comprised of the claims of Ciena which are secured by a valid

security interest on the Hotel. This class is impaired.

Class 3: Secured Claims of Creditors Junior to Ciena - Secured

This class is comprised of the claims of holders of Security Interests which are junior to those of Ciena – the Arkansas Department of Finance and the IRS. Such creditors will be classified separately (i.e. Class 3a - the Arkansas Department of Finance and Class 3b - the IRS). This class is impaired.

Class 4: Priority Unsecured Creditors

Class 4 is comprised of Allowed Priority Unsecured Creditors. Holders of Allowed Priority Claims with different priorities under Section 507 of the Bankruptcy Code will be classified separately (i.e. Class 4a, 4b, etc.). This class is impaired.

Class 5: General Unsecured Creditors

Class 5 is comprised of all Allowed General Unsecured Claims. This class is impaired.

Class 6: Interests in the Debtor

Class 6 is comprised of the holders of Allowed Interests in the Debtor. This class is impaired.

V. MEANS FOR IMPLEMENTATION

A. Auction

The Plan proposes to sell Jonesboro's only significant asset, the Hotel, and any other personal property which comprise the Collateral of the holder of an Allowed Secured Claim (the "Auctioned Property") through a live auction ("Auction") conducted by Tranzon, LLC ("Auctioneer") under the supervision of one or more real estate professionals which may Bill Londrey. The Auction will occur at the Hotel subject to the following terms:

- Buyer's Premium: 7%.
- Cooperating Broker Fee: Auctioneer to contribute a 2% cooperating broker fee
- Bidders who do not attend will have the ability to bid remotely.
- Reserve Price: to be determined
- Marketing Materials: the property will be marketed in the following ways: online marketing, newspapers, signs, flyers, direct mail, with the costs of such marketing to be advanced by Ciena.
- Auctioneer will have control over the Auctioned Property after the Effective Date to facilitate inspections and maintain security over the Hotel. Costs of security may be advanced by Ciena.
- Auction Date: Auction will occur approximately 8 weeks from engagement with an additional 45 days for the highest bidder to close. The terms of the sale shall be free and clear of all Liens, claims and encumbrances.
- Pursuant to Rule 70 of the Federal Rules of Civil Procedure, Auctioneer will be

authorized to deliver title to the Auctioned Property to the successful purchaser at the Auction.

- From and after the Effective Date, the Auctioneer will have sole control over the Hotel, including the power to exclude any other person from the Hotel;
- Ciena is permitted to credit bid/set a reserve at the sale/has approval rights on all offers. However, Ciena must pay a 1% commission to the Auctioneer if Ciena is the highest bidder on the Auctioned Property. No creditor with a Lien junior to Ciena may credit bid unless such credit bid is part of a Cash bid and such Cash component sufficient to fully satisfy the Allowed Secured Claim of Ciena.

B. Disbursing Agent's Duties and Responsibilities.

The Auctioneer shall act as "Disbursing Agent" and be responsible for making the disbursements provided for in this Plan. The Disbursing Agent may make such disbursement in the manner in which he deems reasonable and appropriate. To effectuate the payments under the Plan, the Disbursing Agent may utilize bank accounts as he determines is reasonable under the circumstances including using Jonesboro's existing bank accounts, or a special trust account.

C. Executory Contracts or Leases

Jonesboro has been using the Hotel to operate its business. As a result, there may be certain Contracts that exist that are related to the operation of the Hotel. To the extent that Contracts do exist they are rejected. Any party believing it has a Contract with the Debtor will have thirty (30) days after the Effective Date to file a claim for the amount which results from the rejection of the Contract.

D. Vesting of Assets.

All causes of action of the Debtor and any asset which does not comprise the Collateral of the Holder of an Allowed Secured Claim shall revert in the Reorganized Debtor; provided that upon any subsequent conversion to a case under chapter 7, all assets vesting in the Reorganized Debtor, shall pass to the chapter 7 trustee as property of the chapter 7 estate subject to those Claims, Liens, and encumbrances as Allowed in this Plan.

E. Disputed Claims.

[1] Establishment of Disputed Claims Reserve. Notwithstanding any other provision of this Plan, no assets or property shall be distributed under this Plan on account of any Disputed Claim. For all Disputed Claims, the Reorganized Debtor shall establish and hold, in trust, distributions to be made on account to the holders of Disputed Claims [each such reserve being herein called a "Disputed Claims Reserve"] with respect to each Claim for which there exists a Disputed Claim, and shall place in each Disputed Claims Reserve the assets and property to be distributed on account of such Disputed Claims pursuant to this Plan, pending Allowance or Disallowance of such

Claim. Pending entry of a Final Order concerning a Disputed Claim, the Reorganized Debtor shall pay into the Disputed Claims Reserve all payments provided for under this Plan pursuant to any Allowed Claim which would have been required to be delivered to the claimant absent a Disputed Claim. Cash held in any Disputed Claims Reserve shall be held in a segregated interest-bearing trust account. To the extent practicable, the Reorganized Debtor may invest the Cash in any Disputed Claims Reserve in a manner that will yield a reasonable net return, taking into account the safety of the investment.

[2] Determination of Disputed Claims Reserve. The Bankruptcy Court may, at any time, determine for each Claim, the amount of assets and property sufficient to fund each Disputed Claims Reserve in full with respect to any such class. The Bankruptcy Court may estimate and determine by an Estimation Order the Estimated Amount of Claims in any unsecured class for which a Disputed Claims Reserve has been established. Any unsecured claimant holding a Disputed Claim so estimated will have recourse only to undistributed assets and property in the Disputed Claims Reserve for the class in which such Disputed Claim has been placed and not to any other assets or property, should the Allowed Claim of such claimant, as finally determined by a Final Order, exceed such Estimated Amount.

F. Distributions.

Except as otherwise provided in this Plan, any distributions and deliveries to be made under the Plan shall be made as soon as practicable after closing on the sale to the successful bidder at the Auction, as funds are available, or as the Bankruptcy Court may order.

Subject to Bankruptcy Rule 9010, distributions to holders of Allowed Claims shall be made at the address of each such holder as set forth on the proofs of Claim filed by such holders [or at the last known address of such a holder if no proof of Claim is filed or if the Disbursing Agent has been notified in writing of a change of address]. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until the Disbursing Agent is notified in writing of such holder's then current address, at which time all missed distributions shall be made to such holder without interest. After the first anniversary of the Effective Date, all unclaimed property shall revert to the Disbursing Agent or any successor thereto, and the claim of any holder with respect to such property shall be discharged and forever barred.

G. Time Bar to Cash Payments.

Checks issued by Disbursing Agent in respect of Allowed Claims shall be null and void if not negotiated within six months after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Disbursing Agent by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made on or before the later of [1] the first anniversary of the Effective Date or [2] 90 days after the date of reissuance of

such check. After such date, all claims in respect of void checks shall be discharged and forever barred.

H. Objection Deadline.

As soon as practicable, but in no event later than sixty [60] days after the Effective Date, unless otherwise ordered by the Bankruptcy Court, objections to Claims shall be filed with the Bankruptcy Court and served upon the holders of each of the Claims to which objections are made. Notwithstanding the foregoing sentence, as to any Claim which is filed after the Effective Date, an objection to such Claim shall be filed on or before sixty [60] days after the date on which such Claim is filed.

I. No Distributions Pending Allowance.

Notwithstanding any other provision of the Plan, no payment or distribution shall be made with respect to the disputed portion of any Claim to the extent it is a Contested Claim unless and until such Contested Claim becomes an Allowed Claim. Payments and distributions to each holder of a Contested Claim, to the extent that such Claim ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan governing the class of Claims to which the respective holder belongs.

VI. RETENTION OF JURISDICTION

A. Scope of Jurisdiction.

Pursuant to sections 1334 and 157 of title 28 of the United States Code, until the time that an order is entered closing the Chapter 11 Case, the Bankruptcy Court shall retain and have jurisdiction over all matters arising in, arising under and related to the Chapter 11 Case and the Plan. Without limitation, the Bankruptcy Court shall retain jurisdiction for the following specific purposes after the Confirmation of this Plan:

- to modify this Plan pursuant to the Bankruptcy Rules and the Bankruptcy Code;
- to enforce and interpret the terms and conditions of this Plan;
- to enter such orders, including injunctions, as are necessary to enforce the title, rights, and powers of the parties provided authority under the Plan;
- to enter an order concluding and terminating the Chapter 11 Case;
- to correct any defect, cure any omission, or reconcile any inconsistency in this Plan, or the Confirmation Order as may be necessary, consistent with the requirements of the Bankruptcy Code and Bankruptcy Rules to carry out the purposes and intent of this Plan, including the adjustment of the date[s] of performance under this Plan in the event the Effective Date does not occur as provided herein, so that the intended effect of this Plan may be substantially realized thereby;
- to approve all Fee Claims;
- to hear and determine any causes of action arising prior to the Effective Date

or thereafter or in any way related to this Plan or the transactions contemplated hereby;

- to determine any and all applications pending on Confirmation for the rejection, assumption or assignment of Contracts and the allowance of any Claim resulting therefrom;
- to adjudicate disputes which may arise in connection with the Auction or closing of the sale of the Hotel;
- to determine such other matters and for such other purposes as may be provided in the Confirmation Order;
- to hear and determine any and all adversary proceedings, applications, and contested matters, including any remands of appeals;
- to ensure that distributions to holders of Allowed Claims are accomplished as provided herein;
- to hear and determine any timely objections to or applications concerning Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim, or Interest;
- to enter and implement such orders as may be necessary or appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed, or vacated;
- to enter and implement such orders as may be necessary or appropriate to execute, interpret, implement, consummate, or enforce the Plan and the transactions contemplated thereunder including the Auction and the sale of the Auctioned Property;
- to hear and determine matters concerning state, local, and federal taxes in accordance with §§ 346, 505, and 1146, Bankruptcy Code;
- to enter Estimation Orders; and
- to enforce the injunctions in the Plan.

B. Failure of the Bankruptcy Court to Exercise Jurisdiction.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under or related to this Case, including the matters set forth in the Plan, this Plan shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

VII. MISCELLANEOUS PROVISIONS

A Discharge.

No discharge is provided under this Plan.

B. Injunctions.

The Confirmation Order shall contain such injunctions as may be necessary and helpful to effectuate the Plan which shall include (i) an temporary injunction from

collecting Claims in any manner other than as provided for in the Plan until the sale of the Hotel has closed; and (ii) a permanent injunction prohibiting the commencement or continuation of any action or proceeding against the successful purchaser of the Hotel or the Hotel itself, on account of any claim against the Debtor.

C. De Minimis Distributions.

No distribution of less than \$25.00 shall be made to any holder of an Allowed Claim.

D Payment of Statutory Fees.

The Disbursing Agent shall be responsible for the timely payment of fees incurred pursuant to 28 U.S.C. § 1930[a][6] until the clerk of the Bankruptcy Court closes the Chapter 11 Case. The Disbursing Agent shall file with the Court and serve upon the U.S. Trustee a quarterly financial report for each quarter [or portion thereof] that the Chapter 11 Case remains open in a format prescribed by the U.S. Trustee.

E. Modification of Plan.

Modifications of the Plan may be proposed in writing by Ciena at any time before the Confirmation Date, provided that [a] the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and [b] Ciena shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after the Confirmation Date and before substantial consummation, provided that [i] the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, [ii] the Bankruptcy Court, after notice and a hearing, confirms the Plan as modified, under section 1129 of the Bankruptcy Code and [iii] the circumstances warrant such modifications. A holder of a Claim that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

F. Severability.

SHOULD THE BANKRUPTCY COURT DETERMINE THAT ANY PROVISION OF THE PLAN IS UNENFORCEABLE EITHER ON ITS FACE OR AS APPLIED TO ANY CLAIM OR TRANSACTION, CIENA MAY MODIFY THE PLAN IN ACCORDANCE WITH THE BANKRUPTCY CODE SO THAT SUCH PROVISION SHALL NOT BE APPLICABLE TO THE HOLDER OF ANY CLAIM. SUCH A DETERMINATION OF UNENFORCEABILITY SHALL NOT [1] LIMIT OR AFFECT THE ENFORCEABILITY AND OPERATIVE EFFECT OF ANY OTHER PROVISION OF THE PLAN OR [2] REQUIRE THE RESOLICITATION OF ANY ACCEPTANCE OR REJECTION OF THE PLAN.

G. Integration Clause.

This Plan is a complete, whole, and integrated statement of the binding agreement between the Debtor, creditors, and the parties in interest upon the matters herein.

H. Contact Information:

Creditors should consult with an attorney about their rights and the responsibility in this Chapter 11 Case.

The attorney for Ciena is:

Howard Marc Spector
SPECTOR & JOHNSON, PLLC
12770 Coit Road, Suite 1100
Dallas, Texas 75251
(214) 365-5377
FAX: (214) 237-3380

The attorney for the Debtor is:

Joyce W. Lindauer
JOYCE W. LINDAUER ATTORNEY, PLLC
12720 Hillcrest Road, Suite 625
Dallas, TX 75230
(972) 503-4033
TAX: (972) 503-4034

If a creditor does not have an attorney, but still wants more information, that creditor can call the foregoing attorneys directly. HOWEVER, THESE ATTORNEYS CANNOT GIVE CREDITORS LEGAL OR FINANCIAL ADVICE BECAUSE THESE ATTORNEYS REPRESENT THE DEBTOR OR CIENA AND NOT OTHER CREDITORS.

VIII. OTHER INFORMATION RELEVANT TO
ACCEPTING OR REJECTING THE PLAN

A. Purpose of a Disclosure Statement

The information in this Combined Plan and Disclosure Statement is provided pursuant to Section 1125 of the Bankruptcy Code in connection with the solicitation of acceptance of the Plan. The purpose of a disclosure statement is to provide such information as will enable a hypothetical, reasonable investor, typical of the holders of Claims, to make an informed judgment in exercising its rights either to accept or reject the Plan.

B. Disclaimer

NO REPRESENTATIONS CONCERNING THE PLAN ARE AUTHORIZED OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT. THE DEBTOR RECOMMENDS THAT ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN WHICH IS NOT CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN REACHING YOUR DECISION ON HOW TO VOTE ON THE PLAN. ANY REPRESENTATION OR INDUCEMENT MADE TO YOU NOT CONTAINED HEREIN SHOULD BE REPORTED TO THE ATTORNEY FOR CIENA WHO SHALL DELIVER SUCH INFORMATION TO THE COURT FOR SUCH ACTION AS MAY BE APPROPRIATE

CIENA DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS CORRECT, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. THIS DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. THE PLAN WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT IS AN INTEGRAL PART OF THIS DISCLOSURE STATEMENT, AND HOLDER OF AN IMPAIRED CLAIM OR EQUITY INTEREST IS URGED TO CAREFULLY REVIEW THE PLAN PRIOR TO VOTING ON IT.

C. Alternatives to the Plan.

There are three alternatives: conversion to a Chapter 7, continued operation of the Hotel, or dismissal. Ciena explored various options and reviewed the Debtor's operational history. Based on that review, Ciena believes it is unlikely that anyone can operate the Hotel profitably, and that the highest and best use of the Hotel real estate is through redevelopment. Ciena believes that an auction of the Hotel pursuant to the Plan is the best alternative to maximize recovery for Jonesboro's creditors.

D. Risks.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Court will confirm the Plan. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, a finding by the Court that the confirmation of the Plan is not likely to be followed by a liquidation or a need for further financial reorganization and that the value of the distributions to non-accepting creditors and interest holders will not be less than the value of the distributions that such creditors and interest holders would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. Although Ciena believes that these requirements will be satisfied, there can be no assurance that the Court will concur.

It is also possible that the Auction may produce no bidders or that a successful

bidder will simply refuse to close the purchase. In such event, it is likely that Ciena will foreclose on the Hotel and the Chapter 11 Case will be converted to Chapter 7 or dismissed. Finally, no assurance can be made that any creditors junior to Ciena will receive any distributions of Net Proceeds because it is unknown whether any buyer will purchase the Auctioned Property for a value in excess of amounts owed to holders of Ad Valorem Tax Claims and Ciena.

E. Liquidation Analysis

Based on the Debtor's Allowed Secured liabilities, Ciena does not believe that any holder of an Allowed General Unsecured Claim would receive any distribution in the event of a liquidation.

IX. DEFINITIONS

The capitalized terms used herein shall have the respective meanings set forth below:

(a) **"Ad Valorem Taxing Claim"** shall mean any Claim of a governmental entity entitled by law to assess taxes on property based upon the value of such property which taxes are secured by a statutory Lien to secure the payment of such taxes, penalties and interest accruing thereon.

(b) **"Administrative Claim"** shall mean a Claim entitled to priority under sections 503[b] and 507[a][1] of the Bankruptcy Code in the Chapter 11 Case of the Debtor.

(c) **"Allowed"** when used with respect to any Claim, except for a Claim that is an Administrative Claim, shall mean [1] such Claim to the extent it is not a Contested Claim; [2] such Claim to the extent it may be set forth pursuant to any stipulation or agreement that has been approved by Final Order; or [3] a Contested Claim, proof of which was filed timely with the Bankruptcy Court and [A] as to which no objection was filed by the Objection Deadline, unless such Claim is to be determined in a forum other than the Bankruptcy Court, in which case such Claim shall not become Allowed until determined by Final Order of such other forum and Allowed by Final Order of the Bankruptcy Court; or [B] as to which an objection was filed by the Objection Deadline, to the extent Allowed by Final Order.

(d) **"Ballot"** shall mean the Ballot to be used by creditors to cast their votes to accept or reject the Plan.

(e) **"Balloting Agent"** shall mean Ciena's counsel, as agent for the Plan proponent.

(f) **"Bankruptcy Code"** shall mean the Bankruptcy Reform Act of 1978, as amended, and codified at title 11 of the United States Code.

(g) “**Bankruptcy Court**” shall mean the Bankruptcy Court unit of the United States District Court for the Eastern District of Texas, Sherman Division, or such other court having jurisdiction over the Chapter 11 Case.

(h) “**Bankruptcy Rules**” shall mean the Federal Rules of Bankruptcy Procedure, as prescribed by the United States Supreme Court pursuant to section 2075 of title 28 of the United States Code.

(i) “**Business Day**” shall mean any day on which commercial banks are open for business in Dallas, Texas.

(j) “**Cash**” shall mean legal tender of the United States of America or short-term liquid investments that are readily convertible to known amounts of legal tender of the United States of America and which present an insignificant risk of changes in value.

(k) “**Chapter 11 Case**” shall mean the case of the Debtor commenced under chapter 11 of the Bankruptcy Code on the Petition Date.

(l) “**Confirmation Date**” shall mean the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order.

(m) “**Confirmation Hearing**” shall mean the date on which the Bankruptcy Court holds the hearing[s] on confirmation of the Plan.

(n) “**Confirmation Order**” shall mean the order of the Bankruptcy Court confirming the Plan.

(o) “**Contested**” when used with respect to a Claim, shall mean a Claim against the Debtor [1] that is listed in the Debtor’s Schedules as disputed, contingent or unliquidated; [2] that is listed in the Debtor’s Schedules as undisputed, liquidated and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim amount exceeds the scheduled amount; and [3] that is not listed in the Debtor’s Schedules, but as to which a proof of Claim has been filed with the Bankruptcy Court and to which an objection has been filed. Notwithstanding the foregoing, after the Objection Deadline, only Claims to which an Objection has been filed shall be deemed Contested Claims.

(p) “**Contracts**” shall mean all executory contracts and unexpired leases as such terms are used within Bankruptcy Code section 365 to which the Debtor was a party as of the Petition Date.

(q) “**Disallowed**,” when used with respect to a Claim, shall mean a Claim that has been disallowed by Final Order.

(r) “**Disputed Claim Reserve**” shall mean the reserve accounts established pursuant to this Plan for funding Disputed Claims if such Claims are ultimately allowed by Final Order and which are to be held pending resolution of Disputed Claims by the entry of a Final Order allowing or disallowing such Disputed Claim[s].

(s) “**Effective Date**” shall mean a Business Day selected by the Distribution Agent, as the case may be, not to exceed sixty [60] days after the Confirmation Date.

(t) **“Estimated Amount”** shall mean the maximum amount at which the Bankruptcy Court or, where required by applicable law, the District Court, estimates any Claim [or class of Claims] against Debtor which is contingent, unliquidated or disputed, including, for the purpose of: [a] distribution under § 502[c], Bankruptcy Code; [b] determining the feasibility of this Plan pursuant to § 1129[a][11], Bankruptcy Code for purposes of its Confirmation; or [c] voting to accept or reject this Plan pursuant to Bankruptcy Rule 3018[a].

(u) **“Estimation Order”** means an Order of the Bankruptcy Court or, where required by applicable law, the District Court, that determines the Estimated Amount of any Claim [or class of Claims], against Debtor for any of the purposes as provided in this Plan.

(v) **“Fee Application”** shall mean an application of a Professional Person under section 330 or 503 of the Bankruptcy Code for allowance of compensation and reimbursement of expenses in the Chapter 11 Case.

(w) **“Fee Claim”** shall mean a Claim under section 330 or 503 of the Bankruptcy Code for allowance of compensation and reimbursement of expenses in the Chapter 11 Case.

(x) **“Final Order”** shall mean [1] an order which has been entered and as to which the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending or [2] in the event that an appeal, writ of certiorari, reargument or rehearing thereof has been sought, such order shall have been affirmed by the highest court to which such order was appealed, or certiorari has been denied or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure may be filed with respect to such order.

(y) **“General Unsecured Claim”** shall mean any Claim against the Debtor that is not a Secured Claim, an Administrative Claim, or a Priority Claim.

(z) **“Interest”** shall mean any right in the Debtor represented by an “equity security,” as defined on section 101[16] of the Bankruptcy Code, or any right to acquire such an “equity security.”

(aa) **“IRS”** shall mean the United States Department of Treasury, IRS.

(bb) **“Net Proceeds”** shall mean an amount equal to the gross proceeds realized through the sale of the Hotel reduced by (i) the fees of the Auctioneer, (ii) the normal costs associated with closing the sale of the Hotel including, but not limited to pro-rated taxes, brokerage fees, title insurance, processing fees, underwriting fees, flood certifications, application fees, escrow fees, abstract or title search fees, title examination fees, document preparation fees, and notary fees, and (iii) fees due to the United States Trustee upon sale of the Hotel.

(cc) “**Objection Deadline**” shall mean the date by which objections to Claims shall be filed with the Bankruptcy Court and served upon the respective holders of each of the Claims.

(dd) “**Petition Date**” shall mean May 29, 2017.

(ee) “**Plan**” or “**Plan of Reorganization**” shall mean this Plan of Liquidation, either in its present form or as it may hereafter be altered, amended or modified from time to time.

(ff) “**Priority Claim**” shall mean a Claim of the kind specified in section 507[a][2] – [a][10] of the Bankruptcy Code.

(gg) “**Priority Tax Claim**” shall mean a Claim of a governmental unit of the kind specified in section 507[a][8] of the Bankruptcy Code, specifically including but not limited to claims for tax years ending on or before the Petition Date.

(hh) “**Professional Person**” shall mean a person retained or to be compensated pursuant to section 327, 328, 330, 503[b] or 1103 of the Bankruptcy Code.

(ii) “**Schedules**” shall mean the Schedules of assets and liabilities and the statements of financial affairs filed by the Debtor as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such Schedules and statements have been or may be supplemented or amended.

(jj) “**Secured Claim**” shall mean a Claim secured by a Lien on property of the Debtor, which Lien is valid, perfected and enforceable under applicable law, is not subject to avoidance under the Bankruptcy Code or other applicable non-bankruptcy law and which is duly established in the Chapter 11 Case, but only to the extent of the value of the Collateral that secures payment of such Claim.

(kk) “**Unsecured Claim**” shall mean a Claim other than a Secured Claim.

(ll) “**Voting Deadline**” shall mean the date set by the Bankruptcy Court by which Ballots for accepting or rejecting the Plan must be received by the Balloting Agent.

Respectfully submitted on this 15th day of December, 2017

By: /s/ Howard Marc Spector
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ATTORNEYS FOR CIENA CAPITAL FUNDING, LLC, AS SERVICER FOR BANK OF NEW YORK MELLON TRUST COMPANY, N.A. F/K/A THE BANK OF NEW YORK TRUST COMPANY, N.A.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing document was served electronically to all parties and counsel receiving ECF notification in this case and on the parties listed on the attached service list on this the 15th day of December, 2017.

/s/ Howard Marc Spector

Howard Marc Spector