

J. Robert Forshey  
State Bar No. 07264200  
Matthew G. Maben  
State Bar No. 24037008  
FORSHEY & PROSTOK, LLP  
777 Main Street, Suite 1290  
Fort Worth, Texas 76102  
(817) 877-8855 (817) 877-4151 Fax  
[bforshey@forsheyprostok.com](mailto:bforshey@forsheyprostok.com)  
[mmaben@forsheyprostok.com](mailto:mmaben@forsheyprostok.com)

ATTORNEYS FOR DEBTORS  
AND DEBTORS IN POSSESSION

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

In re: )  
 )  
LENARD EMITT JOWELL, JR., ) Case No. 13-45648-rfn11  
 )  
Debtor. ) Chapter 11 Case

---

In re: )  
 )  
LEJ PROPERTIES, INC., ) Case No. 14-40965-rfn11  
 )  
Debtor. ) Chapter 11 Case

**DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE UNITED STATES  
BANKRUPTCY CODE WITH RESPECT TO THE SECOND AMENDED JOINT PLAN OF  
REORGANIZATION OF LENARD EMITT JOWELL, JR. AND LEJ PROPERTIES, INC.**

Dated: August 24, 2016.

Lenard Emmitt Jowell, Jr., an individual, and LEJ Properties, Inc., a Texas corporation, the debtors and debtors-in-possession in the above-captioned chapter 11 cases, hereby submit this Disclosure Statement Pursuant to Section 1125 of the United States Bankruptcy Code with Respect to the Second Amended Joint Plan of Reorganization of Lenard Emmitt Jowell, Jr. and LEJ Properties, Inc. (the "Disclosure Statement"). This Disclosure Statement is to be used in connection with the solicitation of votes on the Second Amended Joint Plan of Reorganization of Lenard Emmitt Jowell, Jr. and LEJ Properties, Inc. dated August 24, 2016 (the "Plan"). A copy of the Plan is attached hereto as **Exhibit "A"**. Unless otherwise defined herein, terms used herein have the meanings ascribed thereto in the Plan (see Article I of the Plan).

For a general summary of the proposed treatment of Claims or Interests under the Plan, please see the chart below.

## I. NOTICE TO HOLDERS OF CLAIMS

### A. Generally

The purpose of this Disclosure Statement is to enable Creditors whose Claims are impaired to make an informed decision in exercising their right to vote to accept or reject the Plan.

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

On [REDACTED], 2016, the Bankruptcy Court entered an *Order* (the "Solicitation Procedures Order") conditionally approving this Disclosure Statement for use in soliciting votes to accept or reject the Plan. A copy of the Solicitation Procedures Order is included in the materials accompanying this Disclosure Statement. **CONDITIONAL APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A FINAL DETERMINATION BY THE BANKRUPTCY COURT THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION AS REQUIRED BY SECTION 1125 OF THE BANKRUPTCY CODE OR A DETERMINATION REGARDING THE FAIRNESS OR MERITS OF THE PLAN.**

The statements contained in the Disclosure Statement are made as of the date hereof unless another time is specified, and neither delivery of the Disclosure Statement nor any exchange of rights made in connection with the Plan shall, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date the Disclosure Statement and the materials relied on in preparation of the Disclosure Statement were compiled.

For the convenience of Creditors and parties in interest, this Disclosure Statement summarizes the terms of the Plan, but the Plan itself qualifies all summaries. This Disclosure Statement is qualified in its entirety by the terms of the Plan. If any inconsistency exists between the Plan and the Disclosure Statement, the terms of the Plan are controlling.

Each Claimant should consult the Claimant's individual attorney, accountant and/or financial advisor as to the effect of the Plan on such Claimant.

Each holder of a Claim or Interest entitled to vote to accept or reject the Plan should read this Disclosure Statement and the Plan in their entirety before voting. No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. Except for the Debtors and their professionals, no person has been

authorized to use or promulgate any information concerning the Debtors, their businesses, or the Plan, other than the information contained herein, in connection with the solicitation of votes to accept or reject the Plan. No holder of a Claim entitled to vote on the Plan should rely upon any information relating to the Debtors, their businesses, or the Plan other than that contained in this Disclosure Statement and the exhibits hereto. Unless otherwise indicated, the source of all information set forth herein is the Debtors.

The Disclosure Statement may not be relied on for any purpose other than to determine whether to vote in favor of or against the Plan and related options and elections, and nothing contained herein shall constitute an offer to sell or purchase a security as defined by state or Federal securities law or an admission of any fact or liability by any party, or be admissible in any proceeding involving the Debtors or any other party, or be deemed conclusive evidence of the tax or other legal effects of the reorganization of the Debtors on holders of Claims or Interests. Certain of the information contained in the Disclosure Statement, by its nature, is forward looking, contains estimates and assumptions which may prove to be wrong, and contains forecasts which may prove to be wrong or which may be materially different from actual results.

After carefully reviewing this Disclosure Statement, including the attached exhibits, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot and returning the same to the address set forth on the Ballot, in the enclosed return envelope so that it will be received by no later than 5:00 P.M., CENTRAL TIME, ON [REDACTED], 2016.

If you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim or Interest, you may be bound by the Plan if it is accepted by the requisite holders of Claims or Interests. See "Confirmation of the Plan – Solicitation of Votes; Vote Required for Class Acceptance" beginning on page [REDACTED] and "Cramdown" beginning on page [REDACTED] of this Disclosure Statement.

TO BE SURE YOUR BALLOT IS COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN 5:00 P.M., CENTRAL TIME, ON [REDACTED], 2016. For detailed voting instructions and the name, address, and phone number of the person you may contact if you have questions regarding the voting procedures, see "Confirmation of the Plan – Solicitation of Votes; Voting Procedures – Parties In Interest Entitled to Vote" beginning on page [REDACTED] of this Disclosure Statement.

The Bankruptcy Court has scheduled a combined hearing on [REDACTED], 2016 at [REDACTED].m., Central Time, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division to consider final approval of this Disclosure Statement and confirmation of the Plan. The Bankruptcy Court has directed that objections, if any, to final approval of this Disclosure Statement and/or confirmation of the Plan be filed and served on or before [REDACTED], 2016, in the manner described under the caption, "Confirmation of the Plan – Confirmation Hearing" beginning on page [REDACTED] of this Disclosure Statement.

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF IMPAIRED CLAIMS AND INTERESTS TO VOTE TO ACCEPT THE PLAN.

## **B. Summary of Treatment under the Plan**

The following is an estimate of the numbers and amounts of classified Claims and Interests to receive treatment under the Plan, and a summary of the proposed treatment of such Claims and Interests under the Plan. Reference should be made to the entire Disclosure Statement and to the

Plan for a complete description of the classification and treatment of Claims and Interests.

The Bar Date for filing proofs of Claim in Jowell's chapter 11 case was May 1, 2014. The Bar Date for filing proofs of Claim in LEJ's chapter 11 case was July 15, 2014. The table below is drawn from the Debtors' Schedules and filed proofs of Claim. The final universe of Claims, as actually Allowed, may differ from this table.

<b>Class</b>	<b>Treatment</b>
<p><b><u>Class 1</u> – NFLIC Secured Claim</b></p> <p><b>Estimated Amount: \$44,339.06 (as of March 16, 2016)</b></p> <p><b>Estimated Number of Holders: 1</b></p>	<p><b>Impaired</b></p> <p>NFLIC's Secured Claim shall be paid and treated as follows:</p> <p>(a) The NFLIC Secured Claim shall bear interest from and after the Petition Date until paid at the non-default contract rate of interest set forth in the applicable loan documents.</p> <p>(b) The NFLIC Secured Claim shall be paid in full by the Reorganized Debtor on the Initial Distribution Date, with such Distribution to be made from the Initial Distribution Fund.</p> <p>(c) NFLIC shall retain its Lien on its Collateral until the NFLIC Secured Claim is paid in full.</p> <p><b>Estimated Recovery: 100%</b></p>
<p><b><u>Class 2</u> – Bank of America Secured Claim</b></p> <p><b>Estimated Amount: \$29,000</b></p> <p><b>Estimated Number of Holders: 1</b></p>	<p><b>Impaired</b></p> <p>Bank of America's Secured Claim shall be paid and treated as follows:</p> <p>(a) The Bank of America Secured Claim shall bear interest from and after the Petition Date until paid at the non-default contract rate of interest set forth in the applicable loan documents.</p> <p>(b) The Bank of America Secured Claim shall be paid in full by the Reorganized Debtor on the Initial Distribution Date, with such Distribution to be made from the Initial Distribution Fund.</p> <p>(c) Bank of America shall retain its Lien on its Collateral until the Bank of America Secured Claim is paid in full.</p> <p><b>Estimated Recovery: 100%</b></p>

<b>Class</b>	<b>Treatment</b>
<p><b><u>Class 3</u> – Sperduti Trust Secured Claim</b></p> <p><b>Estimated Amount: \$6,719</b></p> <p><b>Estimated Number of Holders: 1</b></p>	<p><b>Impaired</b></p> <p>Sperduti Trust's Secured Claim shall be paid and treated as follows:</p> <p>On the Initial Distribution Date, the Registry Funds shall be disbursed to Sperduti Trust in full satisfaction of the Secured portion of Sperduti Trust's Claim. The remaining unpaid balance of Sperduti Trust's Claim after such disbursement is made of the Registry Funds shall constitute a Class 6 Unsecured (General) Claim and shall be paid as set forth in subsection 4.6 of the Plan.</p> <p><b>Estimated Recovery: 100%</b></p>
<p><b><u>Class 4</u> – Secured Property Tax Claims</b></p> <p><b>Estimated Amount: \$4,500</b></p> <p><b>Total Holders: 1</b></p>	<p><b>Unimpaired</b></p> <p>Except to the extent that the holder of a Secured Property Tax Claim and the Debtors or Reorganized Debtor agree otherwise in writing, any Allowed Secured Property Tax Claim shall be paid and treated as follows:</p> <p>(a) Interest on each Allowed Secured Property Tax Claim shall accrue as follows: (i) for the postpetition period beginning on the date any portion of the tax underlying the Allowed Secured Property Tax Claim was, became or becomes delinquent under state law, and to the extent of such delinquency, and continuing through the Effective Date, interest shall accrue at the applicable statutory rate of interest determined under nonbankruptcy law in compliance with section 511 of the Bankruptcy Code; and (ii) for the period beginning on the day after the Effective Date and continuing through the day on which such Allowed Secured Property Tax Claim is paid in full, interest shall accrue on the unpaid tax at the applicable statutory rate of interest determined under nonbankruptcy law in compliance with sections 511 and 1129 of the Bankruptcy Code, determined during the month in which the Confirmation Date occurs.</p> <p>(b) Any Allowed Secured Property Tax Claim shall be paid in full by the Reorganized Debtor on the Initial Distribution Date, with such Distribution(s) to be made from the Initial Distribution Fund.</p>

<b>Class</b>	<b>Treatment</b>
	<p>(c) Each holder of an Allowed Secured Property Tax Claim shall retain its Lien on its Collateral until its Allowed Secured Property Tax Claim is paid in full.</p> <p><b>Estimated Recovery: 100%</b></p>
<p><b><u>Class 5 – Other Secured Claims</u></b></p> <p><b>Estimated Amount: \$0</b></p> <p><b>Total Holders: 0*</b></p> <p><b>*The Debtor does not believe any Creditors exist which will qualify as Class 5 Creditors</b></p>	<p><b>Impaired</b></p> <p>Secured Claims, other than Secured Claims included in Classes 1, 2, 3, or 4 shall be paid and treated as follows:</p> <p>Each holder of a Secured Claim not included in Classes 1, 2, 3, or 4 shall be placed within a separate subclass of Class 5. Each such Class 5 Claim shall, for purposes of accepting or rejecting the Plan and for receiving Distributions under the Plan, be treated as though in a separate Class. A Claim shall be treated as a Class 5 Secured Claim only to the extent of the greater of the amount of the Allowed Claim or the value of the Collateral securing such Claim as determined by the Bankruptcy Court. As to each holder of a Class 5 Secured Claim, the Reorganized Debtor may either (i) object to the Claim, (ii) return the Collateral in full satisfaction of such Secured Claim, (iii) pay cash in an amount equivalent to the lesser of the value of the Collateral or the full amount of the Secured Claim, (iv) allow the Secured Claimant to offset in satisfaction of its Claim, (v) file a Valuation Motion to determine the value of the Claimant's Collateral, or (vi) provide such other treatment as may be agreed to in writing by such holder of the Secured Claim and the Reorganized Debtor. In the event that any such Claimant's total Allowed Claim exceeds the value of the Collateral, any such excess (exclusive of post-petition interest, fees or other charges that such Secured Creditor could otherwise assert) shall constitute an Unsecured (General) Claim for purposes of the Plan, unless such Claimant has elected treatment pursuant to section 1111(b) of the Bankruptcy Code and in accordance with Bankruptcy Rule 3014. The Reorganized Debtor shall, at his sole discretion, determine whether the treatment afforded will be a return of the Collateral or payment in cash. Any Lien held by any holder of a Class 5 Secured Claim against the Assets shall be deemed released as of the Effective Date.</p>

<b>Class</b>	<b>Treatment</b>
	<b>Estimated Recovery: 100%</b>
<p><b><u>Class 6</u> – Unsecured (General) Claims</b></p> <p><b>Estimated Amount: \$645,000</b></p> <p><b>Total Holders: 11</b></p>	<p><b>Impaired</b></p> <p>The holders of Unsecured (General) Claims shall be paid and treated as follows:</p> <p>(a) All Allowed Unsecured (General) Claims shall bear interest (i) from and after the Petition Date through the Effective Date at the Legal Rate and (ii) after the Effective Date until paid in full at the Plan Rate. Any holder of an Unsecured (General) Claim which asserts that a different rate or rates of interest should be applied to their Claim may object to the Plan on this basis and the Bankruptcy Court shall at the Confirmation Hearing determine the appropriate rate or rates of interest to be applied to the Claim of such Creditor. As to any such objecting holder of an Unsecured (General) Claim, all references in the Plan to the Legal Rate and Plan Rate shall refer to the rates of interest so set by the Bankruptcy Court. All other holders of Unsecured (General) Claims that do not so object shall receive interest on their Allowed Claim at the Legal Rate and Plan Rate as defined in Article I of the Plan.</p> <p>(b) Allowed Unsecured (General) Claims shall be paid in full as follows:</p> <p>(i) If the Available Initial Funds are sufficient to pay in full all Unsecured (General) Claims which are Allowed Claims on the Effective Date, then the Reorganized Debtor shall issue to each holder of an Allowed Unsecured (General) Claim a Distribution on the Effective Date equal to the full amount of such holder's Allowed Claim. Thereafter, each holder of an Unsecured (General) Claim which first becomes an Allowed Unsecured (General) Claim after the Effective Date shall receive a Distribution on the Initial Distribution Date applicable to that Allowed Claim equal to the lesser of: (A) the then remaining balance of the Available Initial Funds, or (B) the full amount of such holder's Allowed Unsecured (General) Claim.</p> <p>(ii) If the Available Initial Funds are not sufficient to pay in full all Unsecured (General) Claims which are Allowed Claims on the Effective Date, then the Reorganized Debtor shall issue to each holder of an Allowed Unsecured (General)</p>

Class	Treatment
	<p>Claim on the Effective Date a Distribution (the "<u>Interim Distribution</u>") equal to such Creditor's <i>pro rata</i> share of the Available Initial Funds. For purposes of calculating the Interim Distribution, the Creditors' <i>pro rata</i> share means the proportion that the amount of such Creditor's Allowed Claim bears to the aggregate amount of all Allowed Unsecured (General) Claims on the Effective Date. The Interim Distribution shall be applied first to accrued interest on the Allowed Class 6 Claim through the last day of the calendar month immediately preceding the calendar month in which the Interim Distribution is due, and then to the payment of the principal amount of such Claim.</p> <p>(iii) If (A) after the Available Initial Funds have been completely distributed pursuant to section 4.6(b)(i) of the Plan, any Allowed Unsecured (General) Claim has not been paid in full or an asserted Unsecured (General) Unsecured Claim thereafter becomes Allowed, or (B) the Reorganized Debtor is required to make Interim Distributions pursuant to section 4.6(b)(ii) of the Plan, then the unpaid balance of each Allowed Unsecured (General) Claim shall be paid in full by the Reorganized Debtor as soon as practicable, but in no event later than the Final Distribution Deadline. The Distributions required by section 4.6(b)(iii) of the Plan shall be made from one or more of the following sources:</p> <ul style="list-style-type: none"> <li>A. Any Escrowed Sale Proceeds released to Texas 150 and not used by Texas 150 to fund the Texas 150 Site Work;</li> <li>B. Proceeds of any Post-Effective Date Financing;</li> <li>C. Proceeds from a sale of any portion of or all of the Remaining Texas 150 Property; and</li> <li>D. Any Net Skinner Recovery.</li> </ul> <p>In addition to the above sources, the Reorganized Debtor may, but shall not be required to, contribute post-Effective Date income received by him, including but not limited to any distributions received by the Reorganized Debtor from Texas 150, to make such Distributions.</p>



Class	Treatment
	<p>(c) Until all Allowed Class 6 Claims have been paid in full, the Reorganized Debtor shall not (i) encumber his stock interest in Texas 150 or cause Texas 150 to encumber any of the Remaining Texas 150 Property, except in order to obtain Post-Effective Date Financing, and (ii) shall not transfer any of his stock interest in Texas 150 or cause Texas 150 to transfer any of the Remaining Texas 150 Property, except in order to generate funds to make Distributions to holders of any Allowed Class 6 Claims which have not been paid in full and/or fund the Texas 150 Site Work. The Reorganized Debtor shall have the right to reopen the Debtors' bankruptcy cases and request entry of an order by the Bankruptcy Court authorizing any transaction under which the Reorganized Debtor's stock interest in Texas 150 or the Remaining Texas 150 Property will be encumbered or transferred.</p> <p>(d) If any Allowed Class 6 Claim has not been paid in full by the Final Distribution Date, then, notwithstanding anything to the contrary in the Plan, the holder of any such Allowed Class 6 Claim shall have an absolute right to move to reopen the Debtors' bankruptcy cases and seek any form of relief from the Bankruptcy Court. The Reorganized Debtor shall not oppose any such motion to reopen the Debtors' bankruptcy cases, but shall have the right to oppose any other relief requested.</p> <p><b>Estimated Recovery: 100%</b></p>
<p><b><u>Class 7 – Interests in LEJ</u></b></p> <p><b>Estimated Amount: N/A</b></p> <p><b>Total Holders: 1</b></p>	<p><b>Impaired<sup>1</sup></b></p> <p>All Interests in LEJ shall be deemed cancelled as of the Effective Date.</p> <p><b>Estimated Recovery: 0%</b></p>

The total universe of Claims, as ultimately Allowed, may be greater or smaller than as reflected in the above analysis.

<sup>1</sup> Class 7 is impaired. However, as an Insider, the member of Class 7 is not entitled to vote to accept or reject the Plan.

## II. EXPLANATION OF CHAPTER 11

### A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to chapter 11, the debtor-in-possession attempts to reorganize its business for the benefit of the debtor, its creditors, and other parties in interest. Jowell's chapter 11 case commenced with the filing of a voluntary chapter 11 petition on December 13, 2013 and LEJ's chapter 11 case commenced with the filing of a voluntary chapter 11 petition on March 3, 2014.

The commencement of a chapter 11 case creates an estate comprising all the legal and equitable interests of the debtor in property as of the date the petition is filed. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession" unless the bankruptcy court orders the appointment of a trustee. In the present chapter 11 cases, the Debtors have remained in possession of their property and have continued to operate their businesses as debtors-in-possession.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, *inter alia*, for an automatic stay of all attempts to collect pre-petition claims from the debtor or otherwise interfere with its property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the effective date of a confirmed plan of reorganization.

The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying the claims against and interests in the debtor. Generally, unless a trustee is appointed, only the debtor may file a plan during the first 120 days of a chapter 11 case (the "Exclusive Period"). However, section 1121(d) of the Bankruptcy Code permits the court to extend or reduce the Exclusive Period upon a showing of "cause." After the Exclusive Period has expired, a creditor or any other party in interest may file a plan, unless the debtor has filed a plan within the Exclusive Period, in which case, the debtor is generally given 60 additional days (the "Solicitation Period") during which it may solicit acceptances of its plan. The Solicitation Period may also be extended or reduced by the court upon a showing of "cause."

### B. Plan of Reorganization

Although referred to as a plan of reorganization, a plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of the debtor's assets. In the Debtors' chapter 11 cases, the Plan, as proposed by the Debtors, provides for all Allowed Claims to be paid in full. The Plan also provides for the substantive consolidation of the Debtors, with the Assets of the Debtors to be vested in Jowell, as the Reorganized Debtor, on the Effective Date of the Plan. Consequently, all Interests in LEJ shall be cancelled.

After a plan of reorganization has been filed, the holders of impaired claims against or interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. This Disclosure Statement is presented to holders of Claims against and Interests in the Debtor to satisfy the requirements of section 1125 of the Bankruptcy Code.

If all classes of claims and interests accept a plan of reorganization, the bankruptcy court may nonetheless still not confirm the plan unless the court independently determines that the requirements of section 1129 of the Bankruptcy Code have been satisfied. Section 1129 sets forth the requirements for confirmation of a plan and, among other things, requires that a plan meet the "best interests of creditors" test and be "feasible." The "best interests of creditors" test generally requires that the value of the consideration to be distributed to the holders of claims and interests under a plan may not be less than those parties would receive if the debtor were liquidated pursuant to a hypothetical liquidation occurring under chapter 7 of the Bankruptcy Code. Under the "feasibility" requirement, the court generally must find that there is a reasonable probability that the debtor will be able to meet its obligations under its plan without the need for further financial reorganization.

The Debtors believe that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code, including, in particular, the "best interests of creditors" test and the "feasibility" requirement. The Debtors support confirmation of the Plan and urge all holders of impaired Claims to accept the Plan.

Chapter 11 does not require that each holder of a claim against or interest in a debtor vote in favor of a plan of reorganization in order for the bankruptcy court to confirm the plan. At a minimum, however, the plan must be accepted by a majority in number and two-thirds in amount of those claims actually voting in at least one class of impaired claims under the plan. The Bankruptcy Code also defines acceptance of the plan by a class of interests (equity securities) as acceptance by holders of two-thirds of the number of shares actually voting. In the present cases, only the holders of Claims or Interests who actually vote will be counted as either accepting or rejecting the Plan.

In addition, classes of claims or interests that are not "impaired" under a plan of reorganization are conclusively presumed to have accepted the plan and thus are not entitled to vote. Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or interests in an impaired class. A class is "impaired" if the legal, equitable, or contractual rights attaching to the claims or interests of that class are modified in any way under the plan. However, if holders of the claims or interests in a class do not receive or retain any property on account of such claims or interests, then each such holder is deemed to have voted to reject the plan and does not actually cast a vote to accept or reject the plan.

Interests in LEJ are impaired under the Plan. Because Jowell, the holder of all Interests in LEJ is an Insider, Jowell is not entitled to vote to accept or reject the Plan. Class 4 Secured Property Tax Claims are not impaired. All other Classes of Claims are impaired under the Plan and, therefore, each holder of a Claim in such other Classes is entitled to vote on the Plan.

The bankruptcy court may also confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept it. For a plan of reorganization to be confirmed despite its rejection by a class of impaired claims or interests, the proponents of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or interests that has not accepted the plan.

Under section 1129(b) of the Bankruptcy Code, a plan is "fair and equitable" as to a class of rejecting claims if, among other things, the plan provides: (a) with respect to secured claims, that each such holder will receive or retain on account of its claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and interests, that the holder of any claim or interest that is junior to the claims or interests of such class will not receive or retain on account of such junior claim or interest any property at all unless the senior class is paid in full.

A plan does not “discriminate unfairly” against a rejecting class of claims if (a) the relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated claims, and (b) no senior class of claims is to receive more than 100% of the amount of the claims in such class.

The Debtors believe that the Plan has been structured so that it will satisfy these requirements as to any rejecting Class of Claims, and can therefore be confirmed, if necessary, over the objection of any Classes of Claims. The Debtors, however, reserve the right to request confirmation of the Plan under the “cramdown” provisions of section 1129 of the Bankruptcy Code.

### **III. THE DEBTORS AND THEIR BUSINESSES**

#### **A. The Debtors and Management of LEJ**

Jowell is an individual and the sole shareholder and president of Texas 150 and LEJ. As of the Petition Dates, Jowell managed the operations of both Texas 150 and LEJ. The surface rights in the real estate owned by LEJ as of its Petition Date were sold during December, 2014. Since the closing of such sale, LEJ has not had any ongoing business operations. Jowell does not receive any income or distributions from LEJ. Jowell’s current business operations are limited to managing Texas 150. Texas 150 previously owned over 20 acres of commercial real estate operated as a business park and leased to multiple tenants. Approximately four acres of such real estate was transferred to an existing tenant upon closing of the Texas 150 Sale. Texas 150 now continues its operations on the Remaining Texas 150 Property.

#### **C. Prepetition Financing Structure of LEJ**

As of its Petition Date, LEJ owned and operated a commercial business park located at 2424 Chester Street in Fort Worth, Texas (the “LEJ Property”). LEJ was indebted to NFLIC on its Petition Date as evidenced by that certain promissory note dated June 22, 2009 in the original principal amount of \$697,500 (the “NFLIC Note”). The NFLIC Note was secured by (a) the LEJ Property pursuant to a Deed of Trust recorded as Document No. D209169052 in the Tarrant County Deed Records on June 25, 2009 and (b) the rent, income and receipts from the LEJ Property pursuant to an Assignment of Rent, Income, and Receipts dated June 22, 2009. As of the Petition Date, NFLIC asserted that the outstanding unpaid balance of the NFLIC Note was \$670,081.63.

### **IV. FEASIBILITY**

The Bankruptcy Code conditions confirmation of a plan of reorganization on, among other things, a finding that it is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor, unless such liquidation or reorganization is provided for by the plan of reorganization.

The Plan provides for full payment of all Allowed Claims against the Debtors. The primary source of funding for payments to Creditors is the Texas 150 Sale Proceeds, which total \$814,893.05 and constitute the majority of the Initial Distribution Fund. In addition to the Texas 150 Sale Proceeds, the Initial Distribution Fund will be also be comprised of (a) the Remaining Lake House Proceeds, which currently total approximately \$88,000, and (b) \$6,000 in payments previously made by LEJ to F&P which is currently held in F&P’s IOLTA trust account.

If the Initial Distribution Fund is not sufficient to pay all Allowed Claims in full, Jowell anticipates that the shortfall will be less than \$200,000. The Plan provides that if Distributions from the Initial Distribution Fund are insufficient to pay all Allowed Claims in full, then the remaining

payments required to fully satisfy all Allowed Claims will be funded from one or more of the following sources: (a) any Escrowed Sale Proceeds released to Texas 150 and not used by Texas 150 to fund the Texas 150 Site Work; (b) proceeds of any Post-Effective Date Financing; (c) proceeds from a sale of any portion or all of the Remaining Texas 150 Property; and (d) any Net Skinner Recovery. The Plan requires that all Allowed Claims be paid in full by no later than one (1) year after the Effective Date.

In the event that Post-Effective Date Financing is obtained, it is anticipated that the Remaining Texas 150 Property will be pledged to obtain and secure the Post-Effective Date Financing. Based on Jowell's knowledge of the Remaining Texas 150 Property and the opinion of the real estate broker who represented Texas 150 in connection with the Texas 150 Sale, Jowell believes that the fair market value of the Remaining Texas 150 Property (which is owned by Texas 150 free and clear except for liens securing payment of ad valorem taxes for the year 2016) is approximately \$4 million. Jowell has contacted multiple traditional bank lenders to inquire about the possibility of obtaining Post-Effective Date Financing. To date, Jowell has consistently been told that such financing may be available, but not while he is a debtor-in-possession in an active bankruptcy proceeding. Jowell has not yet approached any asset based lenders regarding the possibility of obtaining Post-Effective Date Financing. However, given the significant equity in the Remaining Texas 150 Property versus the relatively small amount of Post-Effective Date Financing that Jowell might require, Jowell believes that he will not encounter any difficulty in obtaining Post-Effective Date Financing after a final decree is entered closing his bankruptcy case.

Furthermore, Jowell does not anticipate difficulty in servicing any Post-Effective Date Financing that may be required. Throughout most of his chapter 11 case, Jowell has taken distributions from Texas 150 of approximately \$4,000 per month. In addition, Jowell receives just under \$1,900 per month in Social Security benefits and intermittently receives additional income in the form of mineral interest royalty payments. However, Jowell and Elaine Morris were involved in the Divorce Proceeding (as defined below) during the majority of the time Jowell's chapter 11 case has been pending. Prior to conclusion of the Divorce Proceeding, Jowell was required to make temporary support payments to Elaine Morris of \$3,500 per month and was also required to pay property taxes on Elaine Morris's separate residence and to make the monthly loan payments and maintain insurance on a BMW vehicle used by Elaine Morris. Therefore, while the Divorce Proceeding was pending, the vast majority of Jowell's monthly income was consumed by payments to or for the benefit of Elaine Morris. The Divorce Proceeding concluded in December, 2015 and Jowell is no longer required to make such payments to or for the benefit of Elaine Morris. While the distributions that Jowell will be able to take from Texas 150 as the Reorganized Debtor after closing of the Texas 150 Sale may be less than the typical monthly distributions of \$4,000, the Reorganized Debtor's post-Effective Date monthly income should be more than sufficient to cover the Reorganized Debtor's modest living expenses and also repay any Post-Effective Date Financing since no further payments to Elaine Morris are required.

For the foregoing reasons, the Debtors believe that the Plan is feasible and that there will not be any need for liquidation or further reorganization of the Reorganized Debtor following confirmation of the Plan.

## **V. THE CHAPTER 11 CASE**

### **A. Factors Leading To Filing of the Chapter 11 Cases**

In the mid-2000's, Jowell became involved in a real estate development project that eventually failed. Jowell and his then wife, Elaine Morris, both loaned a significant amount of money to the developer of the project. A number of lawsuits resulted from such project, some of which

remained pending as of Jowell's Petition Date. One such lawsuit is the Skinner Litigation in which Jowell and Elaine Morris are plaintiffs. The Skinner Litigation is pending and Jowell has not yet obtained any recovery on his claims in the Skinner Litigation. Other litigation stemming from the failed project resulted in a judgment in favor of Southwest Bank being rendered against Jowell and a judgment in favor of Sperduti Trust being rendered against Jowell. As of the Petition Date, Southwest Bank alleges that the unpaid balance of its judgment was \$427,365.32 and Sperduti Trust alleges that the unpaid balance of its judgment was \$63,257.35. Jowell did not possess the ability to pay these judgments, and other debts, in full out of his limited sources of income.

Immediately prior to commencement of LEJ's chapter 11 case, the monthly payment LEJ was required to make to NFLIC on the NFLIC Note was approximately \$8,750. In prior years, the monthly payment had been less, but was increased when NFLIC paid ad valorem taxes assessed against the LEJ Property for the year 2012. As a result of the increased monthly payment obligation to NFLIC, LEJ was unable to generate sufficient cash flow to both service its debt to NFLIC and pay all other operating expenses. Profits generated by Texas 150 were used for a period of time to cover LEJ's operating shortfalls. However, LEJ ultimately failed to make certain payments owing to NFLIC. As a result, NFLIC accelerated the NFLIC Note on or about January 9, 2014 and posted the LEJ Property for a March 4, 2014 foreclosure sale. Because LEJ did not possess the ability to satisfy the accelerated debt owed to NFLIC, LEJ commenced its chapter 11 case to halt the foreclosure sale and preserve the value of the LEJ Property.

#### **B. Commencement of the Chapter 11 Cases**

On December 13, 2013, Jowell filed a voluntary petition for protection under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. Jowell's chapter 11 case is administered under Case No. 13-45648-rfn11 and presided over by the Honorable Russell F. Nelms, United States Bankruptcy Judge.

On March 3, 2014, LEJ filed a voluntary petition for protection under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. LEJ's chapter 11 case is administered under Case No. 14-40965-rfn11 and presided over by the Honorable Russell F. Nelms, United States Bankruptcy Judge.

#### **C. The Debtors' Professionals**

The following is a list of each of the Professionals that has been employed by the Debtors in their chapter 11 Cases, with a description of the role of each such Professional and that status of such Professional's employment:

<u>Professional</u>	<u>Role of Professional</u>	<u>Status of Employment</u>
Forshey & Prostok, LLP	Lead bankruptcy counsel for the Debtors	Orders granting employment entered on January 21, 2014 [Docket No. 32 in Jowell's chapter 11 case] and April 3, 2014 [Docket No. 32 in LEJ's chapter 11 case]

The Kirkley Law Firm, LLP <sup>2</sup>	Special litigation counsel for Jowell	Order granting employment entered January 30, 2014 [Docket No. 36 in Jowell's chapter 11 case]
The Law Office of Alex R. Tandy, P.C.	Special litigation counsel for Jowell with respect to the Skinner Litigation and divorce proceeding commenced by Elaine Morris	Order granting employment entered August 7, 2014 [Docket No. 83 in Jowell's chapter 11 case]
Jay M. Wilson, PC	Accountants for the Debtors	Orders granting employment entered on April 3, 2014 [Docket No. 52 in Jowell's chapter 11 case] and May 23, 2014 [Docket No. 48 in LEJ's chapter 11 case]
Pondera Partners LLC	Real estate broker for Jowell with respect to sale of Lake House	Order granting employment entered March 13, 2014 [Docket No. 46 in Jowell's chapter 11 case]
Coldwell Banker Commercial Searcy Vasseur Group	Real estate broker for LEJ with respect to sale of LEJ Property	Order granting employment entered April 18, 2014 [Docket No. 38 in LEJ's chapter 11 case]
Simmons Property Tax Service	Representative for LEJ with respect to appeal of 2014 property tax appraisal	Order granting employment entered May 28, 2014 [Docket No. 49 in LEJ's chapter 11 case]

#### **D. Creditors' Committee**

The U.S. Trustee has not appointed a creditors' committee in either of the Debtors' chapter 11 cases.

#### **E. Professional Fees and Expenses**

F&P was paid a retainer of \$5,000 prepetition by Jowell. The full amount of such retainer was applied to satisfy fees and expenses incurred prepetition. The total amount of Professional fees and expenses incurred by F&P in Jowell's chapter 11 case for the period beginning on the Petition Date and continuing through February 17, 2016 is approximately \$317,000. Of that total, the Bankruptcy Court has previously awarded to F&P interim allowance of \$233,179.74 for Professional fees and expenses incurred from the Petition Date through May 31, 2015 in Jowell's chapter 11 case. To date, F&P has received one payment postpetition in connection with Jowell's chapter 11 case in the amount of \$175,000, which payment has been applied in partial satisfaction of the Professional fees and expenses allowed to F&P on an interim basis.

F&P was paid a retainer of \$1,500 prepetition by LEJ. The full amount of such retainer was

---

<sup>2</sup> At the time of its engagement The Kirkley Law Firm, LLP was known as Kirkley & Berryman, LLP.

applied to satisfy fees and expenses incurred prepetition. The total amount of Professional fees and expenses incurred by F&P in LEJ's chapter 11 case for the period beginning on the Petition Date and continuing through February 17, 2016 is approximately \$77,000. Of that total, the Bankruptcy Court has previously awarded to F&P interim allowance of \$39,819.63 for Professional fees and expenses incurred from the Petition Date through June 30, 2014 in LEJ's chapter 11 case. Pursuant to certain orders authorizing LEJ to use cash collateral, LEJ has paid a total of \$12,000 to F&P postpetition. Of that total, \$6,000 has been applied in partial satisfaction of the Professional fees and expenses allowed to F&P on an interim basis. The remaining \$6,000 is held in trust in F&P's IOLTA account.

The Debtors estimate that the total unpaid balance of Professional fees and expenses incurred by F&P as of the Effective Date may be approximately \$300,000.

The Kirkley Law Firm, LLP ("Kirkley") did not receive a prepetition retainer. Jowell engaged Kirkley as special litigation counsel with the expectation that Kirkley would serve as trial counsel with respect to certain claims asserted against Jowell by Bel Terra Limited and MC Linguist, LLC, which creditors were plaintiffs in a state court lawsuit pending against Jowell as of the Petition Date. However, the claims of Bel Terra Limited and MC Linguist, LLC have been settled, which settlements were approved by the Bankruptcy Court pursuant to two separate orders [Docket Nos. 163 and 164 in Jowell's chapter 11 case] entered on July 21, 2015. Jowell therefore does not anticipate that any postpetition Professional fees and expenses have been or will be incurred by Kirkley as of the Effective Date.

The Law Office of Alex R. Tandy, P.C. ("Tandy") did not receive a prepetition retainer. Tandy was engaged by Jowell as special litigation counsel to (a) continue Tandy's prepetition representation of Jowell in the Skinner Litigation and (b) to represent Jowell in the divorce proceeding commenced postpetition by Elaine Morris and styled *In the Matter of the Marriage of Evelyn Elaine Jowell and Lenard Emmitt Jowell, Jr.*, Cause No. 325-557019-14, in the District Court, 325<sup>th</sup> Judicial District, Tarrant County, Texas (the "Divorce Proceeding"). The Skinner Litigation remains pending. Tandy represents Jowell in the Skinner Litigation on a contingent fee basis. Any contingent fee that Tandy may earn in the Skinner Litigation will be paid out of a recovery. Therefore, Jowell does not anticipate that Tandy will be owed any amount for Professional fees and expenses in connection with the Skinner Litigation as of the Effective Date. The Divorce Proceeding concluded on or about December 21, 2015. Tandy agreed to represent Jowell in the Divorce Proceeding in exchange for a flat fee of \$5,000. Tandy filed a final fee application on February 8, 2016 with the Bankruptcy Court seeking payment of the \$5,000 flat fee and requesting that such fee be paid from that portion of the Remaining Lake House Proceeds currently held in F&P's IOLTA trust account. The Bankruptcy Court approved such fee application pursuant to an *Order* [Docket No. 199] entered on March 9, 2016, and the \$5,000 flat fee was thereafter paid out of the Remaining Lake House Proceeds held in F&P's IOLTA trust account.

Jay M. Wilson, PC ("Wilson") did not receive a prepetition retainer. The total amount of Professional fees and expenses incurred by Wilson in Jowell's chapter 11 case for the period beginning on the Petition Date and continuing through February 25, 2016 is approximately \$3,600. The total amount of Professional fees and expenses incurred by Wilson in LEJ's chapter 11 case for the period beginning on the Petition Date and continuing through February 25, 2016 is approximately \$2,000. Wilson has not previously applied for interim allowance of any Professional fees and expenses incurred in connection with either of the Debtors' chapter 11 cases and has not received any postpetition payments from either of the Debtors. Wilson will continue to incur professional fees and expenses through the Effective Date, but the Debtors do not anticipate that such additional fees and expenses will be substantial.



Pondera Partners LLC received its broker's commission, and its engagement concluded, when the sale of the Lake House closed. Coldwell Banker Commercial Searcy Vasseur Group received its broker's commission, and its engagement concluded, when the sale of the surface rights in the LEJ Property closed. Simmons Property Tax Service was paid the flat fee to which it was entitled and its engagement has concluded. Therefore, no Professional fees or expenses will be owed to such Professionals as of the Effective Date.

In addition to fees and expenses incurred by Professionals employed by the Debtors, the Debtors' estates may be liable, pursuant to section 506(b) of the Bankruptcy Code, for payment of certain postpetition fees and expenses incurred by professionals retained by Secured Creditors, to the extent such fees and expenses are determined to be reasonable by the Bankruptcy Court.

## **F. Continuation of Businesses after the Petition Date**

Since the Petition Dates, the Debtors have continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code, provided however, that LEJ ceased ongoing business operations after closing the sale of the surface rights in the LEJ Property. As discussed below, the Debtors have sought Bankruptcy Court approval for all transactions that were outside the ordinary course of their businesses. The Debtors also sought and obtained authority from the Bankruptcy Court during the period immediately following the Petition Dates with respect to certain matters deemed by the Debtors to be essential to a smooth and efficient transition into chapter 11.

### **1. LEJ's Use of Cash Collateral**

On its Petition Date, LEJ filed a *Motion for an Interim and Final Order (A) Authorizing Use of Cash Collateral and (B) Granting Related Relief* (the "Cash Collateral Motion") [Docket No. 13 in LEJ's chapter 11 case] seeking authority to use cash, including cash collateral of NFLIC, on an interim basis in accordance with a set cash collateral budget, pending final approval of the Cash Collateral Motion. The Bankruptcy Court entered an agreed interim order on the Cash Collateral Motion allowing LEJ to use the cash collateral of NFLIC in accordance with a set cash collateral budget on March 13, 2014 [see Docket No. 21 in LEJ's chapter 11 case]. The Bankruptcy Court thereafter entered an agreed final order on the Cash Collateral Motion on April 3, 2014 allowing the Debtor to use the cash collateral of NFLIC [see Docket No. 31 in LEJ's chapter 11 case]. In such agreed final order, the Bankruptcy Court granted replacement liens to NFLIC, to the extent of any diminution in the value of NFLIC's collateral resulting from LEJ's use of cash or cash collateral, on: (a) prepetition NFLIC collateral; and (b) property acquired by LEJ after the Petition Date which is of the same nature, kind and character as the prepetition NFLIC collateral, and all proceeds and products thereof. Such agreed final order also authorized and directed LEJ to make certain adequate protection payments to NFLIC. After the closing of the sale of the surface rights in the LEJ Property, the Bankruptcy Court entered an amended agreed final order on the Cash Collateral Motion [see Docket No. 82 in LEJ's chapter 11 case]. Such amended agreed final order became effective as of January 1, 2015 and required LEJ to thereafter pay over to NFLIC (until further order of the Bankruptcy Court or until NFLIC is paid in full) income received by LEJ on account of the mineral interests retained by LEJ in the LEJ Property.

### **2. Completed Sales of Assets During the Debtors' Chapter 11 Cases**

#### **a. Sale of Jowell's Boat**

As of the Petition Date, Jowell owned a 2006 Cobalt 272 Bowrider boat (the "Boat").

National Bank of Texas ("NBT") financed Jowell's purchase of the Boat and held a lien against the Boat. The original principal amount of the loan was \$27,640.57 and Jowell was required to make monthly payments of \$500 per month and pay the remaining balance of the loan on its maturity date of August 16, 2014. Jowell and NBT reached an agreement to provide adequate protection to NBT which was memorialized pursuant to an agreed order [see Docket No. 57 in Jowell's chapter 11 case] entered on April 18, 2014. Such agreed order required Jowell to continue making the \$500 monthly payments to NBT and to keep the Boat insured to continue the automatic stay through August, 2014 with respect to the Boat. Jowell lacked sufficient funds to pay the remaining balance of the loan to NBT by the maturity date and, consequently, the automatic stay terminated as to the Boat pursuant to the agreed order. However, NBT and Jowell's son, Mike Jowell, reached an agreement whereby Mike Jowell agreed to purchase the Boat and NBT agreed to provide financing for such purchase. Jowell filed a motion [see Docket No. 87 in Jowell's chapter 11 case] on August 29, 2014 seeking authorization to sell the Boat to Mike Jowell. Such motion was granted pursuant to an order [see Docket No. 98 in Jowell's chapter 11 case] entered on October 2, 2014. The sale of the Boat thereafter closed, resulting in the full satisfaction of NBT's claim against Jowell which was originally secured by the Boat.

**b. Sale of the Surface Rights in the LEJ Property**

Coldwell Banker Commercial Searcy Vasseur Group ("CBCSVG") acted as real estate broker for LEJ and marketed the LEJ Property. CBCSVG's efforts led to LEJ entering into a contract for the sale of the surface rights in the LEJ Property to Queen Shiva, LLC (the "LEJ Sale"). On November 21, 2014, LEJ filed a motion [Docket No. 68 in LEJ's chapter 11 case] seeking approval of the proposed LEJ Sale. The Bankruptcy Court granted such motion and approved the LEJ Sale pursuant to an order [Docket No. 74 in LEJ's chapter 11 case] entered on December 10, 2014. The LEJ Sale thereafter closed and funded prior to the end of 2014.

After payment of CBCSVG's commission, certain property taxes and other closing costs, \$666,089.70 in proceeds remained from the LEJ Sale. Such proceeds were disbursed at closing to NFLIC, which held a deed of trust lien against the property sold. The payment received by NFLIC was not sufficient to fully satisfy the debt owed to NFLIC. NFLIC filed an amended proof of claim recorded as Claim No. 3-2 in the claims register for LEJ's chapter 11 case on January 28, 2015, which amended claim asserts that the remaining balance owed to NFLIC as of December 23, 2014 was \$43,650.60. NFLIC's claim continues to be secured by a lien against the mineral interests in the LEJ Property, which were retained by LEJ through the LEJ Sale.

Subsequent to the closing of the LEJ Sale, LEJ has made two separate additional payments to NFLIC in accordance with the amended final order granting the Cash Collateral Motion, which payments have further reduced the unpaid balance of NFLIC's secured claim. The first such payment was made in February 2015 in the amount of \$7,000 and the second such payment was made in April 2015 in the amount of \$13,000. With the exception of the mineral interests in the LEJ Property, LEJ no longer owns any assets of value.

**c. Sale of the Lake House**

Pondera Partners LLC ("Pondera") acted as real estate broker for Jowell and marketed the Lake House. Pondera's efforts led to Jowell entering into a contract to sell the Lake House to Tony Barrett (the "Lake House Sale"). On July 30, 2015, Jowell filed a motion [Docket No. 169 in Jowell's chapter 11 case] seeking approval of the proposed Lake House Sale. Elaine Morris, who was a co-owner of the Lake House, filed a limited objection to the motion [see Docket No. 174 in Jowell's chapter 11 case]. Elaine Morris did not oppose the sale of the Lake House, but alleged that she

was entitled to receive \$103,100 in proceeds from the sale as her separate property. Elaine Morris' objection was resolved by agreement and the Bankruptcy Court granted the motion and approved the Lake House Sale pursuant to an agreed order (the "Sale Order") [Docket No. 178 in Jowell's chapter 11 case] entered on August 25, 2015. The Lake House Sale thereafter closed and funded in early September 2015. The Sale Order also approved Jowell's voluntary waiver of his claimed homestead exemption in the Lake House, thereby making proceeds from the Lake House Sale ultimately available for distribution to Creditors in these cases.

In addition to Pondera's commission, property taxes and other closing costs, a debt in excess of \$422,000 owed to Ciera Bank, which was secured by the Lake House, was satisfied in full at closing of the Lake House Sale. An additional \$175,000 in sale proceeds was paid at closing to F&P in partial satisfaction of professional fees and expenses previously allowed to F&P on an interim basis in Jowell's chapter 11 case. As required by the Sale Order, \$103,100 of the remaining sale proceeds was deposited into F&P's IOLTA trust account pending resolution of Elaine Morris' separate property claim. Finally, the remaining proceeds from the sale, which totaled \$83,780.61, were deposited into the Sale Proceeds Account.

The majority of the sale proceeds deposited into F&P's IOLTA account have been disbursed to Elaine Morris in accordance with a settlement between Jowell and Elaine Morris that has been approved by the Bankruptcy Court. An additional \$5,000 of the sale proceeds was disbursed from F&P's IOLTA account to pay the flat fee to Tandy for representing Jowell in the Divorce Proceeding. The only disbursement of remaining sale proceeds that has been made from the Sale Proceeds Account was a \$4,875 payment made on account of U.S. Trustee quarterly fees for the third quarter of 2015, which payment was authorized pursuant to an order [Docket No. 189 in Jowell's chapter 11 case] entered on December 3, 2015.

### **3. The Texas 150 Sale**

Texas 150 began marketing its real estate for sale in November, 2014. Vasseur Commercial Real Estate, Inc. acted as real estate broker for Texas 150. In mid-January, 2015, Texas 150 entered into the Texas 150 Contract pursuant to which approximately four acres of Texas 150's real estate was sold to an existing tenant on the portion sold. The gross sale price under the Texas 150 Contract was \$1,075,000. One of the conditions to closing of the Texas 150 Contract was the completion of a re-plat of the property to be sold.

Grant Engineering, Inc. ("Grant"), a surveying and engineering firm engaged by Texas 150, submitted a proposed plat to the City of Fort Worth (the "City") that contained only the tract to be sold. Initially, the City approved the re-plat. However, the City later asked that a revised plat be submitted showing both the tract to be sold and the tract to be retained by Texas 150. The revised plat was submitted and reviewed by the City a few days before a scheduled June 30, 2015 closing deadline. Following this review, the City advised that it would not approve the re-plat because it would result in two tracts of land with only one source of water service. At such time, the City estimated that it might cost approximately \$25,000 to perform the necessary construction work to install a second water meter and provide separate service to the two tracts. Based on this cost estimate, the City proposed to categorize the project as a "miscellaneous" project that could proceed though the review process more quickly than projects exceeding \$25,000.

Grant submitted a proposed plan to the City outlining an "open cut" construction method to be used to install the second water line and meter. The City then advised Texas 150 that it would have to obtain approval from the Texas Department of Transportation ("TxDOT") because the construction would affect a street subject to TxDOT jurisdiction. TxDOT would not approve the

proposed "open cut" construction method and requires Texas 150 to complete the work using a "jack and bore" method in order to minimize disruption to traffic that the construction project will cause. When Grant advised the City of this requirement, the City informed that the cost of the construction would exceed \$25,000 and therefore requires a Community Facilities Agreement ("CFA") to be approved. The process involved in preparing and obtaining City approval of a CFA is much more detailed and time consuming than approval of a "miscellaneous" project.

After Grant submitted a further revised construction plan to the City, the City held a meeting to consider the plan in late November, 2015. After the conclusion of that meeting, the City requested additional changes to the construction plan, including with respect to the types of construction materials to be used. Grant then resubmitted the plan to the City once more. Thereafter, the City requested additional changes and Grant has made such additional changes and resubmitted further revised versions of the plan. The City's process of approving the construction plan and CFA is still ongoing. However, almost one year after initially refusing to approve the re-plat, the City determined that the re-plat should be approved notwithstanding the fact that the approval process for the construction project was ongoing. Thereafter, the City approved the re-plat and the Texas 150 Sale close and funded on June 30, 2016. Upon closing of the Texas 150 Sale, the Texas 150 Sale Proceeds in the amount of \$814,893.05 were deposited into the Sale Proceeds Account.

The total cost of the construction project (including actual construction costs, fees owed to Grant and other fees and charges that will be determined by the City) is expected to be approximately \$80,000 to \$100,000, depending on whether or not rock is encountered during the construction work. Once the CFA process is complete, Texas 150 will be required to deposit funds with the City based on a percentage of the expected project costs (the "City Deposit"). The City Deposit will be refunded to Texas 150 upon completion of the project.

Because the CFA process was not complete at the time of closing of the Texas 150 Sale, Texas 150 and the buyer entered into the Site Agreement and Escrow Agreement. Pursuant to such agreements, the Escrowed Sale Proceeds will continue to be held by Rattikin Title Company until the City Deposit is funded. Once the City Deposit is funded, the Escrowed Sale Proceeds will be released to Texas 150. If the City Deposit is not funded within 180 days after the closing of the Texas 150 Sale, the Escrowed Sale Proceeds may be released to the buyer in order to be used by the buyer to complete the construction project. Jowell anticipates that the CFA process will be completed in the near future and, in turn, the City Deposit will be funded and the Escrowed Sale Proceeds released to Texas 150.

#### **G. Schedules and Bar Dates**

After having received two extensions from the Bankruptcy Court, Jowell filed his Schedules and Statement of Financial Affairs on January 30, 2014 [see Docket Nos. 37 and 38 in Jowell's chapter 11 case]. Pursuant to a *Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, & Deadlines* entered in Jowell's chapter 11 case, May 1, 2014 was fixed as the deadline for all holders of alleged Claims against Jowell (except for governmental units) to file proofs of claim against Jowell.

After having received one extension from the Bankruptcy Court, LEJ filed its Schedules and Statement of Financial Affairs on April 7, 2014 [see Docket Nos. 33 and 34 in LEJ's chapter 11 case]. Pursuant to a *Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, & Deadlines* entered in LEJ's chapter 11 case, July 15, 2014 was fixed as the deadline for all holders of alleged Claims against LEJ (except for governmental units) to file proofs of claim against LEJ.

#### **H. Operating Information During Pendency of the Chapter 11 Cases**

Jowell and LEJ file monthly operating reports with the Bankruptcy Court. Copies of the filed monthly operating reports are available for inspection and copying at the office of the Clerk of the Bankruptcy Court. A copy of the most recently filed monthly operating report for Jowell is attached hereto as **Exhibit "B"** and a copy of the most recently filed monthly operating report for LEJ is attached hereto as **Exhibit "C"**.

#### **I. Matters Relating to Executory Contracts, Unexpired Leases, and Bar Dates for Rejection Claims**

Section 365 of the Bankruptcy Code grants a debtor the power, subject to the approval of the Bankruptcy Court, to assume or reject executory contracts and unexpired leases. Section 365(d)(4) of the Bankruptcy Code provides that if a debtor does not assume or reject an unexpired lease of nonresidential real property under which a debtor is the lessee (i) within 120 days after the petition date (the "365(d)(4) Deadline"), (ii) within an additional 90-day period as the bankruptcy court, for cause, may allow, or (iii) within such additional time as the bankruptcy court may permit with the consent of the landlord of the leased premises, then such lease is deemed rejected.

Pursuant to an order [Docket No. 80 in LEJ's chapter 11 case] entered on December 22, 2014, the Bankruptcy Court approved LEJ's assumption and assignment of certain tenant leases to the purchase of the surface rights in the LEJ Property. No other Executory Contracts have been assumed or rejected by LEJ to date in its chapter 11 case. No Executory Contracts have been assumed or rejected by Jowell to date in his chapter 11 case.

The Plan provides that all Executory Contracts of the Debtors shall be assumed by the Reorganized Debtor upon the Effective Date of the Plan. The Plan shall constitute a motion to assume all such Executory Contracts. Notwithstanding anything to the contrary in the Plan, the Debtors maintain the ability to file a separate motion for the assumption, assumption and assignment, or rejection of any Executory Contract at any time through the Confirmation Date.

#### **J. Exclusivity**

Pursuant to sections 1121(b) and (c)(3) of the Bankruptcy Code, a debtor has (a) 120 days after the petition date within which to file its plan of reorganization (the "Filing Period"), and (b) 180 days after the petition date to solicit acceptances of its timely filed plan of reorganization (the "Solicitation Period") before other parties in interest are permitted to file plans.

Jowell filed a motion [Docket No. 54 in Jowell's chapter 11 case] on April 10, 2014 seeking an extension of both the Filing Period and Solicitation Period. The Bankruptcy Court granted such motion pursuant to an order [Docket No. 66 in Jowell's chapter 11 case] entered on May 23, 2014 which extended the Filing Period through July 11, 2014 and extended the Solicitation Period through September 9, 2014. Jowell then filed a second motion [Docket No. 73 in Jowell's chapter 11 case] on June 25, 2014 seeking a further extension of both the Filing Period and Solicitation Period. After a contested hearing, the Bankruptcy Court granted the second motion pursuant to an order [Docket No. 84] entered on August 7, 2014 which further extended the Filing Period through October 9, 2014 and further extended the Solicitation Period through December 8, 2014. No further extensions of either the Filing Period or Solicitation Period were requested by Jowell.

LEJ filed a motion [Docket No. 52 in LEJ's chapter 11 case] on June 25, 2014 seeking an extension of both the Filing Period and Solicitation Period. After a contested hearing, the Bankruptcy Court granted such motion pursuant to an order [Docket No. 59 in LEJ's chapter 11 case] entered on August 6, 2014 which extended the Filing Period through September 29, 2014 and extended the Solicitation Period through December 1, 2014. No further extensions of either the Filing Period or Solicitation Period were requested by LEJ.

**K. Anticipated Post-Confirmation Future of the Debtors**

The Plan provides for the substantive consolidation of the Debtors. LEJ does not currently have any ongoing business operations and it is not contemplated that it will have any business operations from and after the Effective Date. Following the Effective Date, Jowell will continue to manage his personal affairs and the business affairs of Texas 150, which will involve the continued operation of a business park comprised of the Remaining Texas 150 Property.

**L. Preservation of NOLs**

If applicable, the Debtors shall preserve any net operating loss carry-forwards under the Plan to offset taxable income resulting from any future operations.

**M. Projected Avoidance Action Recoveries**

All Estate Claims, including Avoidance Actions, shall be vested in the Reorganized Debtor as of the Effective Date. The Reorganized Debtor shall have the authority to assert, prosecute, settle, or otherwise resolve all such Estate Claims, including any Avoidance Actions. The Debtors are not aware of any potential Avoidance Actions that, if prosecuted, might provide a significant source of recovery for the Debtors' estates.

**VI. LITIGATION INVOLVING THE DEBTOR**

**A. Litigation By and Against the Debtors**

LEJ was not a party to any litigation pending on its Petition Date and no additional litigation has been commenced by or against LEJ following its Petition Date.

Jowell was a party to the following legal proceedings which remained opened as of Jowell's Petition Date:

1. *Bel Terra Limited and MC Linguist, LLC v. LEJ Development Corporation and L.E. Jowell, Jr.*, Cause No. 017-261961-12, in the 17<sup>th</sup> Judicial District Court, Tarrant County, Texas (the "Bel Terra Lawsuit");
2. *Southwest Bank v. The National Bank of Texas at Fort Worth, et al.*, Cause No. 096-268528-13, in the 96<sup>th</sup> Judicial District Court, Tarrant County, Texas (the "SWB Garnishment Proceeding");
3. *LEJ Development Corporation and L.E. Jowell, Jr. v. Southwest Bank*, Cause No. 02-12-00088-CV, in the Court of Appeals, Second District of Texas at Fort Worth (the "SWB Appeal" and, together with the SWB Garnishment Proceeding, the "SWB Litigation");
4. *Lenard Jowell, Jr. v. Aurora Soberanis*, Cause No. 141-265015-13, in the 141<sup>st</sup>

Judicial District Court, Tarrant County, Texas (the "Soberanis Lawsuit");

5. *Gene-Marie Sperduti Heritage Trust II vs. L.E. Jowell, Jr. and Tim Weir*, Cause No. 2012-004447-1, in the County Court at Law Number 1, Tarrant County, Texas (the "Sperduti Trust Lawsuit");
6. *American Express Bank, FSB v. L Jowell*, Cause No. 2011-007156-2, in the County Court at Law No. 2, Tarrant County, Texas (the "American Express Lawsuit"); and
7. the Skinner Litigation.

The plaintiffs in the Bel Terra Lawsuit both filed proofs of claim against Jowell in his bankruptcy case. Jowell and the plaintiffs in the Bel Terra Lawsuit reached settlements pursuant to which both plaintiffs hold an Allowed Unsecured (General) Claim against Jowell in the amount of \$5,000 each. Such settlements were approved by the Bankruptcy Court pursuant to orders [Docket Nos. 163 and 164 in Jowell's chapter 11 case] entered on July 21, 2015. As required by such orders, the Bel Terra Lawsuit was thereafter dismissed on or about August 12, 2015.

Southwest Bank obtained a default judgment against Jowell prior to his Petition Date. Southwest Bank was engaged in collection action against Jowell on his Petition Date in the SWB Garnishment Proceeding. Jowell appealed Southwest Bank's default judgment in the SWB Appeal. Although the SWB Appeal was still open on the Petition Date, the court had already affirmed the default judgment. Southwest Bank filed a proof of claim against Jowell in his chapter 11 case based upon its default judgment. Adjudication of Southwest Bank's Claim will therefore occur as part of the claims allowance process in the Bankruptcy Court and any Allowed Claim of Southwest Bank will be paid in full pursuant to the terms of the Plan. Therefore, no further prosecution of the SWB Litigation will be necessary and the SWB Litigation will be dismissed after the Effective Date.

The Soberanis Lawsuit involved a claim for trespass to try title and was dismissed for want of prosecution on or about April 23, 2014.

As of the Petition Date, Sperduti Trust had obtained a judgment against Jowell in the Sperduti Trust Lawsuit. Sperduti Trust filed a proof of claim against Jowell in his chapter 11 case based upon such judgment. Adjudication of Sperduti Trust's Claim will therefore occur as part of the claims allowance process in the Bankruptcy Court and any Allowed Claim of Sperduti Trust will be paid in full pursuant to the terms of the Plan. Therefore, no further prosecution of the Sperduti Trust Lawsuit will be necessary and the Sperduti Trust Lawsuit will be dismissed after the Effective Date.

American Express Bank, FSB ("American Express") asserted a breach of contract claim against Jowell in the American Express Lawsuit. As of the Petition Date, no determination of such claim had been made by the state court in the American Express Lawsuit. American Express filed a proof of claim against Jowell in his chapter 11 case based on the same alleged breach of contract claim asserted in the American Express Lawsuit. Adjudication of American Express's Claim will therefore occur as part of the claims allowance process in the Bankruptcy Court and any Allowed Claim of American Express will be paid in full pursuant to the terms of the Plan. American Express Bank, FSB filed a Notice of Nonsuit Without Prejudice in the American Express Lawsuit on December 23, 2013 and the state court thereafter dismissed the American Express Lawsuit without prejudice on or about December 27, 2013.

The Skinner Litigation remains pending in state court. Pursuant to an order [Docket No. 121 in Jowell's chapter 11 case] entered on January 7, 2015, the Bankruptcy Court lifted the automatic

stay to allow the Skinner Litigation to proceed and to allow the parties thereto to prosecute their claims until all claims in the Skinner Litigation are fully liquidated. Jowell intends to continue prosecuting his claims against the defendants in the Skinner Litigation. Performance of the Plan does not, however, depend on Jowell obtaining a recovery in the Skinner Litigation. If Jowell does ultimately prevail and obtain a recovery in the Skinner Litigation, then the Plan provides that the Net Skinner Recovery will be added to the Initial Distribution Fund and become available for distribution to Creditors if, at the time the Net Skinner Recovery is obtained, there remain any Allowed Claims that have not been paid in full or there remain any Claims capable of being Allowed in the future.

#### **B. The Divorce Proceeding and Settlement with Elaine Morris**

As of his Petition Date, Jowell and Elaine Morris were married. Jowell and Elaine Morris separated and Elaine Morris filed a motion [Docket No. 47 in Jowell's chapter 11 case] on March 24, 2014 seeking relief from the automatic stay to file a petition for divorce in state court. Such motion was granted pursuant to an order [Docket No. 61 in Jowell's chapter 11 case] entered by the Bankruptcy Court on May 12, 2014. Thereafter, Elaine Morris commenced the divorce proceeding styled *In the Matter of the Marriage of Evelyn Elaine Jowell and Lenard Emmitt Jowell, Jr.*, Cause No. 325-557019-14, in the 325<sup>th</sup> Judicial District Court, Tarrant County, Texas (the "Divorce Proceeding").

Early in the Divorce Proceeding, Jowell was ordered to provide temporary support to Elaine Morris by (a) paying \$3,500 to her each month, (b) paying certain property taxes on her separate property residence in Fort Worth, Texas, and (c) making loan payments and maintaining insurance on a 2010 BMW 650i titled in Jowell's name but used by Elaine Morris as her transportation. The temporary support obligations consumed the majority of income received by Jowell from Social Security benefits and distributions from Texas 150 while the Divorce Proceeding was pending.

After the Bankruptcy Court entered the Sale Order authorizing the Lake House Sale, the Debtor and Elaine Morris negotiated a global settlement of all matters in dispute between them in both Jowell's chapter 11 case and the Divorce Proceeding. Jowell filed a motion [Docket No. 182 in Jowell's chapter 11 case] on November 4, 2015 seeking approval of the settlement with Elaine Morris. Such motion was granted pursuant to an order [Docket No. 191 in Jowell's chapter 11 case] entered by the Bankruptcy Court on December 11, 2015. Pursuant to such settlement, the following disbursements were made out of the \$103,100 of proceeds from the Lake House Sale held in F&P's IOLTA trust account: (a) \$24,191.15 to pay the remaining balance of the loan secured by the 2010 BMW 650i; (b) 48,568.50 to pay the 2015 property taxes assessed against Elaine Morris's separate property residence; and (c) \$55,808.85 to Elaine Morris. Thereafter, title to the 2010 BMW 650i was tendered to counsel for Elaine Morris as required by the settlement. Finally, a *Final Decree of Divorce* was agreed to by Jowell and Elaine Morris, as required by and consistent with the terms of the settlement, which was entered by the state court on December 21, 2015 concluding the Divorce Proceeding.

#### **C. Additional and Potential Litigation by the Debtors**

Except as expressly provided in the Plan, nothing contained in the Disclosure Statement, the Plan or the Confirmation Order shall waive, relinquish, release or impair the Debtors' or Reorganized Debtor's right to object to any Claim.

The Debtors and Reorganized Debtor will retain all rights pursuant to section 505 of the Bankruptcy Code as to any Tax Claim.



Except as expressly set forth in the Plan, all causes of action, claims, counterclaims, defenses and rights of offset or recoupment (including but not limited to all Estate Claims, Estate Defenses and Avoidance Actions) belonging to the Debtors shall, upon the occurrence of the Effective Date, be retained by, received by and vested in the Reorganized Debtor for the benefit of the Debtors and their substantively consolidated estates. Except as expressly set forth in the Plan, the rights of the Reorganized Debtor to commence, prosecute or settle such causes of action shall be preserved notwithstanding the occurrence of the Effective Date. **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any cause of action against them as any indication that either Debtor or Reorganized Debtor will not pursue any and all available causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) against them. The Debtors and their estates expressly reserve all rights to prosecute any and all causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) against any Person, except as otherwise provided in the Plan.** Unless any causes of action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, the Debtors expressly reserve all causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such causes of action upon or after the confirmation or consummation of the Plan.

## VII. THE PLAN

**THE FOLLOWING IS A SUMMARY OF THE MATTERS CONTEMPLATED TO OCCUR EITHER PURSUANT TO OR IN CONNECTION WITH THE CONSUMMATION OF THE PLAN. THIS SUMMARY HIGHLIGHTS THE SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT, NOR IS IT INTENDED TO BE, A COMPLETE DESCRIPTION OR A SUBSTITUTE FOR A FULL AND COMPLETE REVIEW OF THE PLAN. THE FOLLOWING SUMMARY IS COMPLETELY QUALIFIED BY THE TERMS OF THE PLAN. IN THE EVENT OF ANY CONFLICT BETWEEN THE FOLLOWING SUMMARY AND THE PLAN, THE PLAN WILL CONTROL.**

### A. Classification and Treatment Summary

The Plan classifies the various Claims against and Interests in the Debtors. These Classes take into account the different nature and priority of Claims against and Interests in the Debtors. In addition, in accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified for purposes of voting under the Plan. Rather, all such Claims are treated separately as unclassified Claims.

With the exception of Class 4 Secured Property Tax Claims, all Classes of Claims and Interests are impaired under the Plan. If a controversy arises as to the classification of any Claim or Interest, or as to whether any Class of Claims or Interests is impaired under the Plan, the Bankruptcy Court shall determine such controversy as a part of the confirmation process.

#### 1. Unclassified Claims Against the Debtors

Unclassified Claims against the Debtors consist of Administrative Expense Claims and Priority Tax Claims. An Administrative Expense Claim is a Claim based on any cost or expense of administration of the Debtors' chapter 11 cases allowed under subsections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estates of the Debtors, any actual and necessary expenses of operating the businesses of the

Debtors, any indebtedness or obligations incurred or assumed by the Debtors, as debtors in possession, during the chapter 11 cases including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under section 1930 of title 28 of the United States Code.

Administrative Expense Claims include both ordinary post-petition business expenses and Claims attributable to Professionals. Trade debt will be paid in the ordinary course of business. Fees and expenses owed to Professionals are payable upon the Allowance of an appropriate fee application.

**a. Treatment of Administrative Expense Claims**

Each holder of an Allowed Administrative Expense shall receive, at the Reorganized Debtor's option, (i) the amount of such holder's Allowed Administrative Expense in one cash payment on the later of the Effective Date or the tenth (10<sup>th</sup>) Business Day after such Administrative Expense becomes an Allowed Administrative Expense, (ii) the amount of such holder's Allowed Administrative Expense in accordance with the ordinary business terms of such expense or cost, or (iii) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Debtors or Reorganized Debtor, or as ordered by the Bankruptcy Court.

Unless the Bankruptcy Court orders to the contrary or the Debtors or Reorganized Debtor agrees to the contrary in writing, the holder of a Claim for an Administrative Expense, other than such a Claim by a Professional, a liability incurred and paid in the ordinary course of business by the Debtors, or an Allowed Administrative Expense, shall file with the Bankruptcy Court and serve upon the Reorganized Debtor and his counsel a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date. Such notice shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. Failure to timely and properly file and serve such notice shall result in such Claim for an Administrative Expense being forever barred and discharged.

A Claim for an Administrative Expense, for which a proper notice was filed and served under subsection 3.1(b) of the Plan, shall become an Allowed Administrative Expense if no Objection is filed within thirty (30) days of the filing and service of such notice. If a timely Objection is filed, the Claim shall become an Allowed Administrative Expense only to the extent allowed by a Final Order.

**THE FAILURE TO FILE THE REQUIRED NOTICE OF ADMINISTRATIVE EXPENSE CLAIM ON OR BEFORE THE ADMINISTRATIVE EXPENSE CLAIMS BAR DATE AND THE FAILURE TO SERVE SUCH NOTICE TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE EXPENSE CLAIM BEING FOREVER BARRED, DISALLOWED AND DISCHARGED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT.**

The above procedures shall not apply to Professionals, who shall each file and submit a final fee application to the Bankruptcy Court no later than sixty (60) days after the Effective Date. A Claim for Administrative Expense by a Professional in respect of which a final fee application has been properly filed and served shall become an Allowed Administrative Expense only to the extent allowed by Final Order and, if so Allowed, shall be paid in accordance with subsection 3.1(a) of the Plan. Professional fees and expenses to any Professional incurred on or after the Effective Date may be paid without necessity of application to or order by the Court.

**b. Treatment of Priority Tax Claims**

Except to the extent that the holder of a Priority Tax Claim and the Debtors or Reorganized Debtor agree otherwise in writing, any Allowed Priority Tax Claim shall be paid and treated as follows:

Interest on each Allowed Priority Tax Claim shall accrue as follows: (i) for the postpetition period beginning on the date any portion of the tax underlying the Allowed Priority Tax Claim was, became or becomes delinquent under applicable law, and to the extent of such delinquency, and continuing through the Effective Date, interest shall accrue at the applicable statutory rate of interest determined under nonbankruptcy law in compliance with section 511 of the Bankruptcy Code; and (ii) for the period beginning on the day after the Effective Date and continuing through the day on which such Allowed Priority Tax Claim is paid in full, interest shall accrue on the unpaid tax at the applicable statutory rate of interest determined under nonbankruptcy law in compliance with sections 511 and 1129 of the Bankruptcy Code, determined during the month in which the Confirmation Date occurs.

Any Allowed Priority Tax Claim shall be paid in full by the Reorganized Debtor on the Initial Distribution Date, with such Distribution(s) to be made from the Initial Distribution Fund.

**c. Treatment of United States Trustee's Fees**

The Debtors or the Reorganized Debtor, as the case may be, shall pay the U.S. Trustee's quarterly fees incurred pursuant to 28 U.S.C., section 1930(a)(6). Any fees due as of the Confirmation Date or that become due after the Confirmation Date, but prior to the Effective Date, shall be paid in full by the Debtors. At the Debtors' option, any such payments made prior to the Effective Date may be made out of the Remaining Lake House Proceeds. After the Effective Date, the Reorganized Debtor shall pay quarterly fees as they accrue until final decrees are entered and these bankruptcy cases are closed. The Reorganized Debtor shall file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports for each quarter, or portion thereof, that the Debtors' bankruptcy cases remains open.

**2. Classified Claims and Interests**

Classified Claims and Interests shall receive the treatment as described in Article IV of the Plan, which treatment is summarized in the table set forth in Article I.B of this Disclosure Statement above.

**B. Acceptance or Rejection of the Plan**

Each impaired Class of Claims entitled to vote shall separately vote to accept or reject the Plan. Any unimpaired Class shall not be entitled to vote to accept or reject the Plan. Any unimpaired Class is deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. A Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan. Any Class of Claims that is not occupied as of the date of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily Allowed under Bankruptcy Rule 3018 shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code. Section 5.4 of the Plan shall constitute the request by the Plan proponents, pursuant to section 1129(b) of the Bankruptcy Code, that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of section 1129(a)(8) of the

Bankruptcy Code have not been met.

**C. Means of Implementation of the Plan**

**1. Substantive Consolidation**

The Plan is premised upon the substantive consolidation of the Debtors. Entry of the Confirmation Order shall constitute the approval, pursuant to section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the consolidation of the Debtors' bankruptcy cases and bankruptcy estates for all purposes, including, without limitation, for purposes of voting on the Plan, confirmation of the Plan and Distributions required under the Plan. Pursuant to the Confirmation Order, (a) each Debtor's assets and liabilities shall be merged and pooled with the assets and liabilities of the other Debtor, and (b) each and every Claim scheduled or filed in the Debtors' bankruptcy cases shall be deemed one Claim against the consolidated Debtors.

**2. Assumption of Allowed Claims**

The Plan provides that, as of the Effective Date, the Reorganized Debtor assumes the liability for and obligation to perform and make all Distributions or payments on account of all Allowed Claims in the manner provided in Articles III and IV of the Plan. All Distributions or payments shall be made as set forth in Articles III and IV of the Plan.

**3. Vesting of Assets**

As of the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all Assets shall be transferred to, and vested in, the Reorganized Debtor, free and clear of all rights, title, interests, claims, liens, encumbrances and charges, except as expressly set forth in the Plan. Without limiting the generality of the foregoing, all Assets shall vest in the Reorganized Debtor free and clear of any Lien except as expressly provided in the Plan. On and after the Effective Date, the Reorganized Debtor may operate his business and may use, acquire or dispose of property and compromise or settle any claim without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtor may pay the charges that he incurs on or after the Effective Date for all fees, disbursements, expenses or related support services of Professionals (including fees relating to the preparation of Professional fee applications) without application to, or approval of, the Bankruptcy Court.

**4. Actions by the Debtors and the Reorganized Debtor to Implement Plan**

The entry of the Confirmation Order shall constitute authorization for the Debtors and the Reorganized Debtor (as the case may be) to take or cause to be taken all actions necessary or appropriate to implement all provisions of, and to consummate, the Plan prior to, on and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including without limitation, (i) all transfers of Assets that are to occur pursuant to the Plan; (ii) the incurrence of all obligations contemplated by the Plan and the making of all Distributions required under the Plan; (iii) taking of all actions to preserve and provide for the prosecution of retained causes of action, including but not limited to the Estate Claims; and (iv) entering into any and all transactions, contracts, or arrangements permitted by applicable law, order, rule or regulation.

Jowell, the management of LEJ and the Reorganized Debtor, as the case may be, shall be

authorized and directed to do all things and to execute and deliver all agreements, documents, instruments, notices and certificates as are contemplated by the Plan and to take all necessary action required in connection therewith, in the name of and on behalf of Jowell, LEJ and the Reorganized Debtor, as the case may be.

#### **5. Source of Funding for the Reorganized Debtor's Living Expenses**

From and after the Effective Date and until all Allowed Claims are paid in full, payment of the Reorganized Debtor's living expenses shall be funded from (a) Social Security benefits received by the Reorganized Debtor, (b) distributions made by Texas 150 to the Reorganized Debtor, and (c) income, including but not limited to royalty payments, received by the Reorganized Debtor on account of mineral interests owned by him.

#### **6. Source of Funding for Plan Obligations**

The Distributions to be made by the Reorganized Debtor under the Plan shall be funded from the Initial Distribution Fund and, if necessary, the additional sources specified in section 4.6(iii)(b) of the Plan. In the event that Post-Effective Date Financing is obtained, it is contemplated that the Reorganized Debtor will, if required, cause Texas 150 to grant a security interest in and lien on the Remaining Texas 150 Property in order to obtain and secure such Post-Effective Date Financing.

#### **7. Retention and Assertion of Causes of Action and Defenses**

Except as expressly set forth in the Plan, all causes of action, claims, counterclaims, defenses and rights of offset or recoupment (including but not limited to all Estate Claims, Estate Defenses and Avoidance Actions) belonging to the Debtors shall, upon the occurrence of the Effective Date, be retained by, received by and vested in the Reorganized Debtor for the benefit of the Debtors and their substantively consolidated estates. Except as expressly set forth in the Plan, the rights of the Reorganized Debtor to commence, prosecute or settle such causes of action shall be preserved notwithstanding the occurrence of the Effective Date. **No Person may rely on the absence of a specific reference in the Plan or this Disclosure Statement to any cause of action against them as any indication that either Debtor or the Reorganized Debtor will not pursue any and all available causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) against them. The Debtors and their estates expressly reserve all rights to prosecute any and all causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) against any Person, except as otherwise provided in the Plan.** Unless any causes of action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, the Debtors expressly reserve all causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such causes of action upon or after the confirmation or consummation of the Plan. The Debtors and the Reorganized Debtor may also assert Estate Defenses as a defense to the allowance of any Claim not otherwise Allowed.

#### **8. Continued Prosecution of the Skinner Litigation**

Funding of the Plan does not depend on the Reorganized Debtor prevailing in the Skinner Litigation and obtaining the Net Skinner Recovery. However, it is expected that the Reorganized Debtor will continue to prosecute all claims and causes of action, including Estate Claims, against

the defendants in the Skinner Litigation. If the Reorganized Debtor obtains the Net Skinner Recovery, whether before or after the Effective Date, then the Net Skinner Recovery shall be added to and constitute a portion of the Initial Distribution Fund if all Unsecured (General) Claims that have been Allowed, or which are capable of being Allowed in the future, have not been previously paid in full at the time the Net Skinner Recovery is obtained.

**D. Provisions Governing Distribution**

**1. Source of Distributions**

All Distributions to be made to Creditors under the Plan shall be made by the Reorganized Debtor.

**2. Collection Costs**

To the extent any holder of a Secured Claim asserts a right to attorney's fees and costs pursuant to section 506(b) of the Bankruptcy Code, unless otherwise agreed between the Reorganized Debtor and such Secured Creditor, the allowance of Collection Costs shall be handled as follows. Within twenty (20) days after the Effective Date, the Secured Creditor shall file an application with the Bankruptcy Court for allowance of such Collection Costs. Such application shall follow the same rules and guidelines as a fee application for a Professional seeking compensation from a Debtor, including the Bankruptcy Court's Guidelines for Compensation and Reimbursement of Professionals in Chapter 11 Cases. No later than twenty (20) days after each such application for Collection Costs is filed, the Reorganized Debtor may file any Objections thereto, and the Secured Creditor shall file any response within twelve (12) days thereafter. If the Secured Creditor and the Reorganized Debtor are unable to reach agreement, the matter shall then be submitted to the Bankruptcy Court for determination on no less than twenty (20) days notice of the hearing.

**3. Timing and Amount of Distributions**

No Distribution shall be made on account of any Claim until such Claim is Allowed, except as otherwise set forth in the Plan or ordered by the Bankruptcy Court pursuant to a Final Order. No Distribution shall be made on account of any Contested Claim until such Claim is Allowed. Any Distributions pursuant to the Plan shall be made on the respective Initial Distribution Dates applicable to each such Allowed Claim except as otherwise provided in the Plan or ordered by the Bankruptcy Court. Any Unclaimed Property may be paid into the registry of the Bankruptcy Court or otherwise distributed in accordance with the orders of the Bankruptcy Court.

Except as expressly set forth in the Plan or in the Confirmation Order, the Reorganized Debtor shall determine the timing and amount of all Distributions which he is required to make under the Plan, consistent with the goal of making such Distributions as expeditiously as possible. The Reorganized Debtor may, but shall not be required to, seek approval of the Bankruptcy Court for any such Distributions.

**4. Means of Cash Payment**

Cash payments pursuant to the Plan shall be made by check drawn on, or by wire transfer from, a domestic bank, or by other means agreed to by the payor and payee.

**5. Record Date for Distributions**

As of the close of business on the Effective Date, (the "Distribution Record Date"), the

register for Claims and Interests will be closed, and there shall be no further changes in the holder of record of any Claim or Interest. The Reorganized Debtor shall have no obligation to recognize any transfer of any Claim or Interest occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those holders of record stated on the register of Claims and/or Interests as of the Distribution Record Date for Distributions under the Plan.

#### **6. Delivery of Distributions**

All Distributions, deliveries and payments to the holders of any Allowed Claims shall be made to the addresses set forth on the respective proofs of Claim filed in the Debtors' cases. Any such Distribution, delivery or payment shall be deemed as made for all purposes relating to the Plan when deposited in the United States Mail and served as provided in section 13.5 of the Plan. Whether secured or unsecured, if no proof of Claim is filed, any Distribution shall be made to the Creditor at the last known address or as reflected in the Schedules. If any Distribution is returned as undeliverable, no further Distribution shall be made on account of such Allowed Claim unless and until the Reorganized Debtor is notified of such holder's then current address, at which time all missed Distributions shall be made to the holder of such Allowed Claim. All claims for undeliverable Distributions shall be made on or before the first anniversary of the attempted Distribution. After such date, all Unclaimed Property shall revert to the Reorganized Debtor and the Claim of any holder with respect to such property shall be discharged and forever barred.

#### **7. Time Bar to Cash Payments**

Checks issued in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Reorganized Debtor 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 the first anniversary of the Initial Distribution Date or ninety (90) days after the date of issuance of such check. After such date, all claims in respect of void checks shall be discharged and forever barred.

#### **8. Cure Period**

Except as otherwise set forth in the Plan, the failure by the Reorganized Debtor to timely perform any term, provision or covenant contained in the Plan, or to make any payment or Distribution required by the Plan to any Creditor, or the failure to make any payment or perform any covenant on any note, instrument or document issued pursuant to the Plan, shall not constitute an Event of Default unless and until the Reorganized Debtor has been given thirty (30) days written notice of such alleged default in the manner provided in the Plan, and provided an opportunity to cure such alleged default. Until the expiration of such thirty (30) day cure period, the Reorganized Debtor shall not be in default, and performance during such thirty (30) day cure period shall be deemed as timely for all purposes. Such written notice and passage of the thirty (30) day cure period shall constitute conditions precedent to declaring or claiming any default under the Plan or bringing any action or legal proceeding by any Person to enforce any right granted under the Plan.

#### **9. Pre-Payment of Claims**

Any other term of the Plan notwithstanding, the Reorganized Debtor may pre-pay any Allowed Claim in whole or in part without penalty.

## **10. Distributions after Substantial Consummation**

All Distributions of any kind made to any of the Creditors after Substantial Consummation and any and all other actions taken under the Plan after Substantial Consummation shall not be subject to relief, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

### **E. Procedures for Resolving and Treating Contested and Contingent Claims**

#### **1. Objection Deadline**

All Objections to Claims shall be served and filed by the Objection Deadline; provided, however, the Objection Deadline shall not apply to Claims which are not reflected in the claims register, including any alleged informal proofs of Claim. The Reorganized Debtor may seek to extend the Objection Deadline pursuant to a motion filed on or before the then applicable Objection Deadline with respect to any Claims. Any such motion may be granted without notice or a hearing. In the event that the Reorganized Debtor files such a motion and the Bankruptcy Court denies such motion, the Objection Deadline shall nevertheless be automatically extended to that date which is ten (10) Business Days after the date of entry of the Bankruptcy Court's order denying such motion. Any proof of Claim filed more than thirty (30) days after the Effective Date shall be of no force and effect and need not be objected to by the Reorganized Debtor. Nothing contained in the Plan shall limit the right of the Reorganized Debtor to object to Claims, if any, filed or amended after the Objection Deadline.

#### **2. Responsibility for Objecting to Claims and Settlement of Claims**

From and after the Effective Date, the Reorganized Debtor shall have the sole and exclusive right to (a) file, settle, or litigate to Final Order any Objections to any Claims; and (b) seek to subordinate any Claim. Any Contested Claim may be litigated to Final Order. From and after the Effective Date, the Reorganized Debtor shall have the sole and exclusive right to settle, compromise or otherwise resolve any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement or compromise of a Contested Claim after the Effective Date.

#### **3. Distributions on Account of Contested Claims**

If a Claim is Contested, then the Initial Distribution Date as to such Contested Claim shall be determined based upon its date of Allowance, and thereafter distribution shall be made on account of such Allowed Claim pursuant to the provisions of the Plan. No Distribution shall be made on account of a Contested Claim until Allowed. Until such time as a contingent Claim becomes fixed and absolute by a Final Order allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and Distributions under the Plan. Any contingent right to contribution or reimbursement shall continue to be subject to section 502(e) of the Bankruptcy Code.

#### **4. No Waiver of Right to Object**

Except as expressly provided in the Plan, nothing contained in this Disclosure Statement, the Plan or the Confirmation Order shall waive, relinquish, release or impair the Reorganized Debtor's right to object to any Claim.



**5. Rights Under Section 505**

The Reorganized Debtor shall retain all rights pursuant to section 505 of the Bankruptcy Code.

**6. Liquidation and Allowance of Contested Claims**

Section 8.6 of the Plan shall apply to all Contested Claims. Nothing contained in the Plan, Disclosure Statement or Confirmation Order shall change, waive or alter any requirement under applicable law that the holder of a Contested Claim must file a timely proof of Claim, and the Claim of any such Creditor who is required to file a proof of Claim and fails to do so shall be discharged and shall receive no Distribution through the Plan. The adjudication and liquidation of Contested Claims is a determination and adjustment of the debtor/creditor relationship, and is, therefore, an exercise of the Bankruptcy Court's equitable power to which the legal right of trial by jury is inapplicable. The holder of any Contested Claim shall not have a right to trial by jury before the Bankruptcy Court in respect of any such Claim. Exclusive venue for any Contested Claim proceeding shall be in the Bankruptcy Court or a court of competent jurisdiction located in Tarrant County, Texas. Contested Claims shall each be determined separately, except as otherwise ordered by the Bankruptcy Court. Texas Rule of Civil Procedure 42 and Federal Rule of Civil Procedure 23 shall not apply to any Contested Claim proceeding. The Reorganized Debtor shall retain all rights of removal to federal court as to any Contested Claim proceeding.

All Contested Claims shall be liquidated and determined as follows:

**a. Application of Adversary Proceeding Rules**

Unless otherwise ordered by the Bankruptcy Court or provided by the Bankruptcy Rules, any Objection to a Contested Claim shall be treated as a contested proceeding subject to Bankruptcy Rule 9014. However, any party may move the Bankruptcy Court to apply the rules applicable to adversary proceedings to any Claim Objection. The Reorganized Debtor may, however, at his election, make and pursue any Objection to a Claim in the form of an adversary proceeding.

**b. Scheduling Order**

With respect to an Objection to a Claim treated as a contested proceeding subject to Bankruptcy Rule 9014, the Reorganized Debtor may request entry of a scheduling order as to each Objection to a Claim. The Reorganized Debtor may tender a proposed scheduling order with each Objection and/or include a request for a scheduling conference for the entry of a scheduling order. Any such scheduling order may include (i) discovery cut-off, (ii) deadlines to amend pleadings, (iii) deadlines for designation of and objections to experts, (iv) deadlines to exchange exhibit and witness lists and for objections to the same, and (v) such other matters as may be appropriate.

**c. Mediation**

The Bankruptcy Court may order the parties to mediate in connection with any Objection to a Claim. The Reorganized Debtor may include a request for mediation in an Objection to a Claim and may request that the Bankruptcy Court require mediation as a part of any scheduling order.

**7. Offsets and Defenses**

The Reorganized Debtor shall be vested with and retain all Estate Claims and Estate Defenses, including without limitation all rights of offset or recoupment and all counterclaims against

any Claimant holding a Claim. Assertion of counterclaims by the Reorganized Debtor against any Claimants shall constitute "core" proceedings.

## **8. Claims Paid or Reduced Prior to the Effective Date**

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Reorganized Debtor from paying Claims that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

## **F. Executory Contracts and Unexpired Leases**

### **1. Assumption and Rejection of Executory Contracts**

All Executory Contracts of the Debtors shall be deemed as assumed by the Reorganized Debtor upon the Effective Date unless an Executory Contract (a) has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (b) is identified in the Plan or the Confirmation Order to be rejected, or (c) is the subject of a motion to reject filed on or before the Confirmation Date. Any Executory Contract to be assumed under the Plan that has been amended or modified at any time after the Petition Date of the Debtor that is party to such Executory Contract shall be deemed assumed as amended or modified. The Plan shall constitute a motion to assume the Executory Contracts. However, the Debtors may file a separate motion for the assumption or rejection of any Executory Contract at any time through the Confirmation Date.

### **2. Cure Payments**

Unless the holder of a Cure Claim and the applicable Debtor or the Reorganized Debtor agree in writing to other treatment of such holder's Cure Claim, or other treatment of such holder's Cure Claim is provided for under the Plan, each Cure Claim against the Debtors shall be paid and treated as follows:

Any cure payment which may be required by section 365(b)(1) of the Bankruptcy Code under an Executory Contract that is assumed under the Plan shall be made by the Reorganized Debtor on the Initial Distribution Date. Notwithstanding the foregoing, in the event of a dispute regarding the amount of any Cure Claim, the cure of any other defaults, the provision of adequate assurance of future performance, or any other matter pertaining to assumption, the Reorganized Debtor shall make such cure payments and cure such other defaults and provide adequate assurance of future performance, all as may be required by section 365(b)(1) of the Bankruptcy Code, following the entry of a Final Order by the Bankruptcy Court resolving such dispute.

Any other term of the Plan notwithstanding, the Reorganized Debtor may pre-pay any Cure Claim in whole or in part without penalty.

### **3. Bar to Rejection Claims**

Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an Executory Contract shall be forever barred and shall not be enforceable against the Reorganized Debtor or the Assets unless a proof of Claim is filed with the Bankruptcy Court and served upon the Reorganized Debtor and his counsel by the earlier of thirty (30) days after the

Effective Date or thirty (30) days after entry of the Final Order approving rejection of such Executory Contract.

#### **4. Rejection Claims**

Any Rejection Claim not barred by section 9.3 of the Plan shall be classified as a Class 6 Unsecured (General) Claim subject to the provisions of section 502(g) of the Bankruptcy Code; provided, however, that any Rejection Claim based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date, upon the entry of the Confirmation Order, or upon the Effective Date, shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained in the Plan shall be deemed an admission by the Debtors or the Reorganized Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Reorganized Debtor of any objections to such Claim if asserted.

#### **5. Reservation of Rights**

Nothing contained in the Plan shall constitute an admission by either Debtor that any contract or lease is in fact an Executory Contract or that the Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Reorganized Debtor shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease.

#### **6. Pass-Through**

Except as otherwise provided in the Plan, any rights or arrangements necessary or useful to the Reorganized Debtor's performance under the Plan, but not otherwise addressed as a Claim or Interest, including non-exclusive or exclusive patent, trademark, copyright, maskwork or other intellectual property licenses and other executory and/or non-executory contracts not assumable under section 365(c) of the Bankruptcy Code, shall, in the absence of any other treatment under the Plan or Confirmation Order, be passed through the Debtors' bankruptcy cases for the benefit of the Reorganized Debtor and the counterparty unaltered and unaffected by the Debtors' bankruptcy filings and these bankruptcy cases.

### **G. Conditions Precedent to Confirmation and Effectiveness of Plan**

#### **1. Conditions to Confirmation and Effectiveness of Plan**

The Plan shall not become effective until the following conditions shall have been satisfied or waived by the Debtors, as determined in their discretion: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Debtors; (b) all other conditions precedent have been satisfied to the satisfaction of the Debtors; (c) the Bar Date has passed, and no additional Claims have been filed which, in the discretion of the Debtors, adversely impact the Plan; and (d) a notice of the Effective Date has been filed by the Debtors and thereafter served upon all Creditors and parties in interest. Any or all of the above conditions may be waived at any time by the Debtors.

#### **2. Revocation of Plan**

The Debtors may revoke and withdraw the Plan at any time before the Effective Date. If either Debtor revokes or withdraws the Plan, or if confirmation of the Plan does not occur, then the Plan shall be deemed null and void and nothing contained therein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors, as the case may be, or any other Person,

or to prejudice in any manner the rights of the Debtors or any other Person in any further proceedings involving the Debtors.

## **H. Effect of the Plan on Claims and Interests**

### **1. Compromise and Settlement**

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies resolved pursuant to the Plan, including, without limitation, all Claims against each Debtor arising prior to that Debtor's Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to or in connection with the business or affairs of, or transactions with, that Debtor. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, the Debtors' bankruptcy estates, Creditors and other parties in interest, and are fair, equitable and within the range of reasonableness.

It is not the intent of the Debtors that confirmation of the Plan shall in any manner alter or amend any settlement and compromise between a Debtor and any Person that has been previously approved by the Bankruptcy Court (each, a "Prior Settlement"). To the extent of any conflict between the terms of the Plan and the terms of any Prior Settlement, the terms of the Prior Settlement shall control and such Prior Settlement shall be enforceable according to its terms.

### **2. Satisfaction of Claims**

The rights afforded in the Plan and the treatment of all Claims and Interests therein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against the Debtors, the Debtors' bankruptcy estates, and the Assets. Except as otherwise provided in the Plan, on the Effective Date, all Claims against the Debtors shall be satisfied, discharged, and released in full. Except as otherwise provided in the Plan, all Persons shall be precluded and forever barred from asserting against the Debtors and their affiliates, successors, assigns, the Debtors' bankruptcy estates and the Assets any event, occurrence, condition, thing, or other or further Claims or causes of action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

### **3. Discharge**

The terms, covenants and consideration under the Plan shall be in exchange for and in complete satisfaction, discharge, and release of all Claims of any nature whatsoever against the Debtors, the Reorganized Debtor, or the Assets. The Reorganized Debtor and his successors in interest and assigns shall be deemed discharged and released pursuant to section 1141(d)(5) of the Bankruptcy Code from any and all Claims provided for in the Plan upon completion of all payments required to be made by the Reorganized Debtor under the Plan and the granting of a discharge by the Bankruptcy Court in favor of the Reorganized Debtor; provided, however, nothing contained herein shall be deemed a waiver of the Reorganized Debtor's right to petition the Bankruptcy Court for a discharge following confirmation of the Plan, but prior to completion of all payments required to

be made under the Plan, pursuant to section 1141(d)(5) of the Bankruptcy Code.

#### **4. Injunction**

**On the Effective Date and except as otherwise provided in the Plan, all Persons who have been, are, or may be holders of Claims against or Interests in the Debtors shall be permanently restrained and enjoined from taking any of the following actions against or affecting the Debtors, the Reorganized Debtor, the Debtors' bankruptcy estates, the Assets, or their respective assets and property, with respect to such Claims or Interests (other than actions brought to enforce any rights or obligations under the Plan): (a) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind with respect to any such Claim or Interest; (b) enforcing, levying, attaching, collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order; (c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Lien or encumbrance of any kind; (d) asserting any control over, interest, rights or title in or to any of the Assets except as expressly provided in the Plan; (e) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due the Reorganized Debtor as assignee, except upon order of the Bankruptcy Court; and (f) performing any act, by any manner or means, whether directly or indirectly, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; provided, however, that such injunction shall not bar any Creditor from asserting any right granted pursuant to the Plan; provided, further, however, that each holder of a Contested Claim shall be entitled to enforce its rights under the Plan, including seeking allowance of such Contested Claim pursuant to the Plan.**

#### **5. Setoffs**

Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim, the Reorganized Debtor may setoff against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such Distribution is made), any claims, rights, Estate Claims and Estate Defenses of any nature that the Debtors may hold against the holder of such Allowed Claim, to the extent such claims, rights, Estate Claims and Estate Defenses against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release by the Debtors of any such claims, rights, Estate Claims and Estate Defenses that the Debtors may possess against such Claimant. In no event shall any Claimant or Interest holder be entitled to setoff any Claim or Interest against any claim, right, or Estate Claim of the Debtors without the consent of the applicable Debtor or Reorganized Debtor unless such holder files a motion with the Bankruptcy Court requesting the authority to perform such setoff notwithstanding any indication in any proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

#### **6. Recoupment**

Except as otherwise expressly provided for in the Plan, in no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any claim, right, account receivable, or Estate Claim of the Debtors or the Reorganized Debtor unless (a) such holder actually provides notice thereof in writing to the applicable Debtor or the Reorganized Debtor of its intent to perform a

recoupment; (b) such notice includes the amount to be recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment, and (c) the applicable Debtor or the Reorganized Debtor has provided a written response to such Claim or Interest holder, stating unequivocally that the applicable Debtor or the Reorganized Debtor consents to the requested recoupment. The Debtors and the Reorganized Debtor shall have the right, but not the obligation, to seek an order of the Bankruptcy Court allowing any or all of the proposed recoupment. In the absence of a written response from the applicable Debtor or the Reorganized Debtor consenting to a recoupment or an order of the Bankruptcy Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

## **7. Turnover**

On the Effective Date, any rights of the Debtors' bankruptcy estates to compel turnover of Assets under applicable nonbankruptcy law and pursuant to section 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Reorganized Debtor.

## **8. Automatic Stay**

The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtors and all Assets. As of the Effective Date, the automatic stay shall be replaced by the injunction contained in section 11.4 of the Plan.

## **I. Jurisdiction of Courts and Modifications to the Plan**

### **1. Retention of Jurisdiction**

Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to the Debtors' chapter 11 cases and the Plan, for the purposes of sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

(a) To hear and determine any and all Objections to or applications concerning the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense;

(b) To hear and determine any and all applications for payment of fees and expenses pursuant to the Plan to any Professional pursuant to sections 330 or 503 of the Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed under the Plan, and any and all objections thereto;

(c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of Executory Contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any Executory Contract;

(d) To hear and determine any and all adversary proceedings, applications, or contested matters, including allowance of any Claim;

(e) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of

the Plan or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests or disputes relating to any of the Assets, (ii) the valuation of all Collateral, including hearing all Valuation Motions, (iii) the determination of the validity of any Lien or claimed right of offset; and (iv) determinations of Objections to Contested Claims;

(f) To liquidate and administer any disputed, contingent, or unliquidated Claims, including the Allowance of all Contested Claims;

(g) To administer Distributions to holders of Allowed Claims as provided in the Plan;

(h) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(i) To consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation the Confirmation Order;

(j) To enforce the injunction contained in section 11.4 of the Plan;

(k) To enter and implement all such orders as may be necessary or appropriate to execute, interpret, construe, implement, consummate, or enforce the terms and conditions of the Plan and the transactions required or contemplated pursuant hereto;

(l) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan;

(m) To determine proceedings pursuant to section 505 of the Bankruptcy Code;  
and

(n) To enter final decrees closing these chapter 11 cases.

## **2. Abstention and Other Courts**

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to these chapter 11 cases, Article XII of the Plan shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

## **3. Non-Material Modifications**

The Debtors may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Reorganized Debtor may undertake such nonmaterial modification insofar as it does not adversely change the treatment of the Claim of any Creditor or the Interest of any Interest holder who has not accepted in writing the modification.

## **4. Material Modifications**

Modifications of the Plan may be proposed in writing by the Debtors at any time before

confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest 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.

## **J. Miscellaneous Provisions**

### **1. Severability**

Should the Bankruptcy Court determine any provision of the Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Reorganized Debtor may modify the Plan so that any such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

### **2. Oral Agreements; Modification of Plan; Oral Representations or Inducements**

The terms of the Plan, Disclosure Statement and Confirmation Order may not be changed, contradicted or varied by any oral statement, agreement, warranty or representation. The Plan may only be modified, amended or supplemented in writing signed by both Jowell and an authorized representative of LEJ. Neither the Debtors nor their attorneys have made any representation, warranty, promise or inducement relating to the Plan or its confirmation except as expressly set forth in the Plan, the Disclosure Statement, or the Confirmation Order or other order of the Bankruptcy Court.

### **3. Waiver**

The Reorganized Debtor shall not be deemed to have waived any right, power or privilege pursuant to the Plan unless the waiver is in writing and signed by the Reorganized Debtor. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Reorganized Debtor, of any right pursuant to the Plan, including the provisions of the anti-waiver section of the Plan. The waiver of any right under the Plan shall not act as a waiver of any other or subsequent right, power or privilege.

### **4. Construction**

The Plan shall control over any inconsistent term of the Disclosure Statement. The Confirmation Order shall control over any inconsistent provision of the Plan.

### **5. Notice**

Any notice or communication required or permitted by the Plan shall be given, made or sent as follows:



(a) If to a Creditor, notice may be given as follows: (i) if the Creditor has filed no proof of Claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of Claim, then to the address reflected in the proof of Claim.

(b) If to the Reorganized Debtor, notice shall be sent to the following address:

L. E. Jowell, Jr.  
2591 NE 28<sup>th</sup> Street  
Fort Worth, Texas 76111

Concurrently with service of such notice on the Reorganized Debtor, a copy thereof shall be concurrently served in the same manner on the following legal counsel as follows:

J. Robert Forshey  
Matthew G. Maben  
Forshey & Prostok, L.L.P.  
777 Main Street, Suite 1290  
Fort Worth, Texas 76102  
(817) 877-4151 FAX  
E-mail: [bforshey@forsheyprostok.com](mailto:bforshey@forsheyprostok.com)  
E-mail: [mmaben@forsheyprostok.com](mailto:mmaben@forsheyprostok.com)

(c) Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Reorganized Debtor of its new address in accordance with the terms of section 13.5 of the Plan.

(d) Any notice given, made or sent as set forth in section 13.5 of the plan shall be effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address as set forth in section 13.5 of the Plan; (ii) delivered by hand or messenger to the addressee at the address set forth in section 13.5 of the Plan; (iii) telecopied to the addressee as set forth in section 13.5 of the Plan, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

## **6. Compliance with Applicable Laws**

If notified by any governmental authority that he is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to his business, the Reorganized Debtor shall comply with such law, rule, regulation, or order; provided, however, that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate reserve has been set aside on the books of the Reorganized Debtor.

## **7. Duties to Creditors**

No agent, representative, accountant, financial advisor, attorney, shareholder, officer, affiliate, member or employee of the Debtors shall ever owe any duty to any Person (including any Creditor) other than the duties owed to the Debtors' bankruptcy estates, for any act, omission, or event in connection with, or arising out of, or relating to, any of the following: (a) the Debtors' bankruptcy cases, including all matters or actions in connection with or relating to the administration of the estates, (b) the Plan, including the proposal, negotiation, confirmation and consummation of

the Plan, or (c) any act or omission relating to the administration of the Plan after the Effective Date.

**8. Binding Effect**

The Plan shall be binding upon, and shall inure to the benefit of the Reorganized Debtor, the holders of the Claims or Liens, the holders of Interests, and their respective successors in interest and assigns.

**9. Governing Law, Interpretation**

Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any Plan Documents without regard to conflicts of law. The Plan shall control any inconsistent term or provision of any other Plan Documents.

**10. Payment of Statutory Fees**

All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on or before the Effective Date, and thereafter shall be paid by the Reorganized Debtor as such statutory fees become due.

**11. Filing of Additional Documents**

On or before Substantial Consummation of the Plan, the Reorganized Debtor may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

**12. Computation of Time**

If the final day for any Distribution, performance, act or event under the Plan is not a Business Day, then the time for making or performing such Distribution, performance, act or event shall be extended to the next Business Day. Any payment or Distribution required to be made under the Plan on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

**13. Elections by the Reorganized Debtor**

Any right of election or choice granted to the Reorganized Debtor under the Plan may be exercised, at the Reorganized Debtor's election, separately as to each Claim, Creditor or Person.

**14. Release of Liens**

Except as otherwise provided in the Plan or the Confirmation Order, all Liens against any of the Assets shall be deemed to be released, terminated and nullified.

**15. Rates**

The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

**16. Compliance with Tax Requirements**

In connection with the Plan, the Reorganized Debtor shall comply with all withholding and reporting requirements imposed by federal, state and local Taxing Authorities and all Distributions under the Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Interest that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such Distribution under the Plan.

**17. Notice of Entry of Confirmation Order**

Promptly after entry of the Confirmation Order, the Debtors, as directed by the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of entry of the Confirmation Order.

**18. Notice of Occurrence of the Effective Date**

Promptly after occurrence of the Effective Date, the Reorganized Debtor, as directed by the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of the occurrence of the Effective Date.

**19. Interest and Attorneys Fees**

Interest accrued after the Petition Date will accrue and be paid on Allowed Claims only to the extent specifically provided for in the Plan, the Confirmation Order or as otherwise required by the Bankruptcy Court or by applicable law. Except as set forth in the Plan or as ordered by the Bankruptcy Court, no award or reimbursement of attorneys fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim.

**20. No Admissions**

**As to contested matters, adversary proceedings and other causes of action or threatened causes of action, the Plan shall not constitute or be construed as an admission by either of the Debtors or the Reorganized Debtor of any fact or liability, stipulation, or waiver, but shall constitute and be construed as a statement made in settlement negotiations. The Plan shall not be construed to be conclusive advice on the tax, securities, and other legal effects of the Plan as to holders of Claims against, and Interests in, the Debtors or their affiliates, as debtors and debtors in possession in these chapter 11 cases.**

**VIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

THE PLAN AND ITS RELATED TAX CONSEQUENCES ARE COMPLEX. MOREOVER, MANY OF THE INTERNAL REVENUE CODE PROVISIONS DEALING WITH THE FEDERAL INCOME TAX ISSUES ARISING FROM THE PLAN HAVE BEEN THE SUBJECT OF RECENT LEGISLATION AND, AS A RESULT, MAY BE SUBJECT TO AS YET UNKNOWN ADMINISTRATIVE OR JUDICIAL INTERPRETATIONS. THE DEBTORS HAVE NOT REQUESTED A RULING FROM THE INTERNAL REVENUE SERVICE (THE "IRS") OR AN OPINION OF COUNSEL WITH RESPECT TO THESE MATTERS. ACCORDINGLY, NO ASSURANCE CAN BE GIVEN AS TO THE INTERPRETATION THAT THE IRS WILL ADOPT. THERE ALSO MAY BE STATE, LOCAL OR OTHER TAX CONSIDERATIONS APPLICABLE TO

EACH CREDITOR. CREDITORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND OTHER TAX LAWS.

## IX. CONFIRMATION OF THE PLAN

### A. Solicitation of Votes; Voting Procedures

#### 1. Ballots and Voting Deadlines

A Ballot to be used for voting to accept or reject the Plan, together with a postage-paid return envelope, is enclosed with all copies of this Disclosure Statement mailed to all holders of Claims and Interests entitled to vote. BEFORE COMPLETING YOUR BALLOT, PLEASE READ CAREFULLY THE INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT.

The Bankruptcy Court has directed that, in order to be counted for voting purposes, Ballots for the acceptance or rejection of the Plan must be received no later than 5:00 p.m., Central Time, on \_\_\_\_\_, 2016 at the following address:

Forshey & Prostok, L.L.P.  
777 Main Street, Suite 1290  
Fort Worth, Texas 76102  
Attn: Linda Breedlove

YOUR BALLOT MAY NOT BE COUNTED IF IT IS RECEIVED AT THE ABOVE ADDRESS AFTER 5:00 P.M., CENTRAL TIME, ON \_\_\_\_\_, 2016.

#### 2. Parties in Interest Entitled to Vote

The holder of a Claim or Interest may vote to accept or reject the Plan only if the Plan impairs the Class in which such Claim or Interest is classified. Under the Plan, all Classes of Claims, except for Class 4 Secured Property Tax Claims are impaired. Class 7 Interests in LEJ are impaired. However, the holder of Class 7 Interests in LEJ will not receive or retain any property on account of such Interests under the Plan and is deemed to have rejected the Plan.

Any Claim or Interest as to which an Objection has been filed is not entitled to vote unless the Bankruptcy Court, upon application of the holder to whose Claim or Interest an Objection has been made, temporarily allows such Claim or Interest in an amount that it deems proper for the purpose of accepting or rejecting the Plan. Any such application must be heard and determined by the Bankruptcy Court on or before commencement of the Confirmation Hearing. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT COUNSEL FOR THE DEBTORS AT THE FOLLOWING ADDRESS:

J. Robert Forshey  
Matthew G. Maben  
Forshey & Prostok, L.L.P.  
777 Main Street, Suite 1290  
Fort Worth, Texas 76102  
(817) 877-8855  
(817) 877-4151 fax  
Email: [bforshey@forsheyprostok.com](mailto:bforshey@forsheyprostok.com)  
Email: [mmaben@forsheyprostok.com](mailto:mmaben@forsheyprostok.com)

### **3. Vote Required for Class Acceptance**

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the claims of that class which actually cast ballots for acceptance or rejection of the plan. Thus, class acceptance takes place only if at least two-thirds in amount and a majority in number of the holders of claims voting cast their ballots in favor of acceptance.

The Bankruptcy Code defines acceptance of a plan by a class of interests as acceptance by holders of at least two-thirds in amount of the interests of that class that actually cast ballots for acceptance or rejection of the plan. Thus, class acceptance takes place only if at least two-thirds in amount of the holders of interests voting cast their ballots in favor of acceptance.

### **B. Confirmation Hearing**

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. By order of the Bankruptcy Court, the Confirmation Hearing has been scheduled for [REDACTED], 2016, at [REDACTED].m. Central Time, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. In addition to considering confirmation of the Plan, the Bankruptcy Court will consider final approval of this Disclosure Statement at such hearing. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing or any adjournment thereof.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan and/or final approval of this Disclosure Statement must be made in writing and filed with the Bankruptcy Court on or before [REDACTED], 2016, at the following address:

Office of the Clerk  
U.S. Bankruptcy Court  
Eldon B. Mahon U.S. Courthouse  
501 W. Tenth Street  
Fort Worth, Texas 76102-3643

In addition, any such objection must be served upon the following parties, together with proof of service, on or before [REDACTED], 2016:

J. Robert Forshey  
Matthew G. Maben  
Forshey & Prostok, L.L.P.  
777 Main Street, Suite 1290  
Fort Worth, Texas 76102  
(817) 877-4151 fax  
Email: [bforshey@forsheyprostok.com](mailto:bforshey@forsheyprostok.com)  
Email: [mmaben@forsheyprostok.com](mailto:mmaben@forsheyprostok.com)

United States Trustee  
Attn: Erin Schmidt, Trial Attorney  
1100 Commerce Street, Room 976  
Dallas, TX 75242  
Email: [Erin.Schmidt2@usdoj.gov](mailto:Erin.Schmidt2@usdoj.gov)

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

### **C. Requirements for Confirmation of the Plan**

At the Confirmation Hearing, the Bankruptcy Court must determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in section 1129 of the Bankruptcy Code, these requirements are as follows:

1. The plan complies with the applicable provisions of the Bankruptcy Code.
2. The proponents of the plan complied with the applicable provisions of the Bankruptcy Code.
3. The plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or promised by the debtor, by the plan proponent, 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, has been approved by, or is subject to the approval of the Bankruptcy Court as reasonable.
5.
  - (a)
    - (i) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and
    - (ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and
  - (b) the proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider.
6. Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.
7. With respect to each impaired class of claims or interests:

(a) each holder of a claim or interest of such class has accepted the plan or will 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 so receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code on such date; or

(b) if section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the holder of a claim of such class will receive or retain under the plan on account of such claim property of a value, as of the effective date of the plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.

8. With respect to each class of claims or interests:

(a) such class has accepted the plan; or

(b) such class is not impaired under the plan.

9. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that:

(a) with respect to a claim of a kind specified in section 507(a)(2) or 507(a)(3) of the Bankruptcy Code, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

(b) with respect to a class of claims of a kind specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7) of the Bankruptcy Code, each holder of a claim of such class will receive:

(i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim; and

(c) with respect to a claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such claim will receive on account of such claim regular installment payments in cash:

(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

(ii) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303; and

(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122(b) of the Bankruptcy Code); and

(d) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8) of the Bankruptcy Code, but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in 9(c) above.

10. If a class of claims is impaired under the plan, at least one class of claims that is impaired has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim of such class.

11. Confirmation of the plan is not likely to 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 or reorganization is proposed in the plan.

12. All fees payable under 28 U.S.C. section 1930, as determined by the Bankruptcy Court at the hearing on confirmation of the plan, have been paid or the plan provides for the payments of all such fees on the effective date of the plan.

13. The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the plan, for the duration of the period the Debtor has obligated itself to provide such benefits.

14. If the debtor is required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the debtor has paid all amounts payable under such order or such statute for such obligation that first become payable after the date of the filing of the petition.

15. In a case in which the debtor is an individual and in which the holder of an allowed unsecured claim objects to the confirmation of the plan:

(a) the value, as of the effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or

(b) the value of the property to be distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2) of the Bankruptcy Code) to be received during the five year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

16. All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.

The Debtors believe that the Plan satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtors have complied or will have complied with all the requirements of chapter 11, and that the Plan is proposed in good faith.

The Debtors believe that holders of all Allowed Claims impaired under the Plan will receive payments under the Plan having a present value, as of the Effective Date, not less than the amounts likely to be received if the Debtors were liquidated in cases under chapter 7 of the Bankruptcy Code. At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims would receive greater distributions under the Plan than they would receive in a liquidation under chapter 7.

These facts and others demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.



#### **D. Cramdown**

In the event that any impaired Class of Claims or Interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtors if, as to each impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to that Class. A plan of reorganization “does not discriminate unfairly” within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its claims or interests.

“Fair and equitable” has different meanings with respect to the treatment of secured and unsecured claims. As set forth in section 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

1. With respect to a class of secured claims, the plan provides:
  - (a) (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims; and
  - (ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder’s interest in the estate’s interest in such property;
  - (b) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or
  - (c) the realization by such holders of the “indubitable equivalent” of such claims.
2. With respect to a class of unsecured claims, the plan provides:
  - (a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or
  - (b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property, except that in a case in which the debtor is an individual, the debtor may retain property included in the estate under section 1115 of the Bankruptcy Code, subject to the requirements of section 1129(a)(14) of the Bankruptcy Code.
3. With respect to a class of interests, the plan provides:
  - (a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest; or
  - (b) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

In the event that one or more Classes of impaired Claims or Interests reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired Class of Claims or Interests. For the reasons set forth above, the Debtors believe the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired Class of Claims or Interests.

## **X. RISK FACTORS**

The following is intended as a summary of certain risks associated with the Plan, but it is not exhaustive and must be supplemented by the analysis and evaluation made by each holder of a Claim or Interest of the Plan and this Disclosure Statement as a whole with such holder's own advisors.

### **A. Insufficient Acceptances**

For the Plan to be confirmed, each impaired Class of Claims is given the opportunity to vote to accept or reject the Plan. With regard to such impaired voting Classes, the Plan will be deemed accepted by a Class of impaired Claims if the Plan is accepted by Claimants of such Class actually voting on the Plan who hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the total Allowed Claims of the Class voted. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes. The Debtor reserves the right to request confirmation pursuant to the cramdown provisions in section 1129(b) of the Bankruptcy Code, which will allow confirmation of the Plan regardless of the fact that a particular Class of Claims has not accepted the Plan. However, there can be no assurance that any impaired Class of Claims under the Plan will accept the Plan or that the Debtors would be able to use the cramdown provisions of the Bankruptcy Code for confirmation of the Plan.

### **B. Confirmation Risks**

The following specific risks exist with respect to confirmation of the Plan:

- (a) Any objection to confirmation of the Plan can either prevent confirmation of the Plan, or delay such confirmation for a significant period of time.
- (b) Since the Debtors may be seeking to obtain approval of the Plan over the rejection of one or more impaired Classes of Claims, the cramdown process could delay confirmation.

### **C. Conditions Precedent**

Confirmation of the Plan and occurrence of the Effective Date are subject to certain conditions precedent that may not occur.

## **XI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN**

The Debtors have evaluated alternatives to the Plan, including the liquidation of the Debtors. After studying these alternatives, the Debtors concluded that the Plan is the best alternative and will maximize recoveries by holders of Claims, assuming confirmation of the Plan and consummation of the transactions contemplated by the Plan.

If the Plan is not confirmed, the Debtors or any other party in interest in these chapter 11

cases could attempt to formulate and propose a different plan or plans of reorganization. To provide for full payment of all Allowed Claims within a reasonable time, the Debtors believe that any such plan would have to be premised on a sale of all or a portion of either Jowell's ownership interests in Texas 150 or the Remaining Texas 150 Property. While Jowell believes that the value that could be realized from an alternative sale of his interests in Texas 150 or the Remaining Texas 150 Property is more than sufficient to pay all Allowed Claims in full, pursuit of an alternative sale structure would result in potentially significant delay. Jowell therefore believes that the Plan provides the quickest method by which all Allowed Claims may be paid in full.

Further, if no plan of reorganization can be confirmed, these chapter 11 cases may be converted to liquidation proceedings under chapter 7 of the Bankruptcy Code. In chapter 7 cases, trustees would be elected or appointed to liquidate the Assets of the Debtors. The proceeds of the liquidation would be distributed to the Creditors of the Debtors in accordance with the priorities established by the Bankruptcy Code.

In a chapter 7 liquidation, the Debtors believe all Allowed Claims would be paid in full, with postpetition interest. Jowell believes the fair market value of the Remaining Texas 150 Property to be approximately \$4 million. Therefore, the value of Jowell's 100% stock interest in Texas 150, based on the value of the Remaining Texas 150 Property, exceeds all Claims in Jowell's case by a significant margin. Holders of Unsecured (General) Claims against Jowell would therefore almost certainly receive in a chapter 7 liquidation proceeding the same recovery that they will receive under the Plan – full payment of their Allowed Claims with postpetition interest.


## XII. CONCLUSION

The Debtors urge holders of Claims in impaired Classes to vote to **ACCEPT** the Plan and to evidence such acceptance by returning their Ballots so that they will be received on or before 5:00 p.m., Central Time, on [REDACTED], 2016.

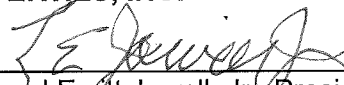
[The remainder of this page has been left intentionally blank]

Dated: August 24, 2016.

Respectfully submitted,

/s/   
Lenard Emitt Jowell, Jr., Individually

**LEJ PROPERTIES, INC.**

By: /s/   
Lenard Emitt Jowell, Jr., President

APPROVED:

/s/ J. Robert Forshey  
J. Robert Forshey  
State Bar No. 07264200  
Matthew G. Maben  
State Bar No. 24037008  
FORSHEY & PROSTOK LLP  
777 Main St., Suite 1290  
Ft. Worth, TX 76102  
Telephone: (817) 877-8855  
Facsimile: (817) 877-4151  
[bforshey@forsheyprostok.com](mailto:bforshey@forsheyprostok.com)  
[mmaben@forsheyprostok.com](mailto:mmaben@forsheyprostok.com)

ATTORNEYS FOR LENARD EMITT JOWELL, JR.  
AND LEJ PROPERTIES, INC., DEBTORS  
AND DEBTORS IN POSSESSION

# EXHIBIT "A"

J. Robert Forshey  
State Bar No. 07264200  
Matthew G. Maben  
State Bar No. 24037008  
FORSHEY & PROSTOK, LLP  
777 Main Street, Suite 1290  
Fort Worth, Texas 76102  
(817) 877-8855 (817) 877-4151 Fax  
[bforshey@forsheyprostok.com](mailto:bforshey@forsheyprostok.com)  
[mmaben@forsheyprostok.com](mailto:mmaben@forsheyprostok.com)

ATTORNEYS FOR DEBTORS  
AND DEBTORS IN POSSESSION

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

In re: )  
 )  
LENARD EMITT JOWELL, JR., ) Case No. 13-45648-rfn11  
 )  
Debtor. ) Chapter 11 Case

---

In re: )  
 )  
LEJ PROPERTIES, INC., ) Case No. 14-40965-rfn11  
 )  
Debtor. ) Chapter 11 Case

**SECOND AMENDED JOINT PLAN OF REORGANIZATION OF  
LENARD EMITT JOWELL, JR. AND LEJ PROPERTIES, INC.**

Dated: August 24, 2016.

Lenard Emitt Jowell, Jr., an individual, and LEJ Properties, Inc., a Texas corporation, the Debtors in the above-captioned bankruptcy cases, hereby propose the following Second Amended Joint Plan of Reorganization pursuant to subsection 1121(a) of the Bankruptcy Code.

**TABLE OF CONTENTS**

		<u>Page</u>
ARTICLE I	DEFINITIONS .....	1
ARTICLE II	CLASSIFICATION OF CLAIMS AND INTERESTS .....	8
	2.2 Claims and Interests .....	8
	2.3 Impaired Classes of Claims and Interests .....	8
	2.4 Impairment or Classification Controversies .....	9
ARTICLE III	TREATMENT OF ADMINISTRATIVE EXPENSES AND CERTAIN PRIORITY CLAIMS .....	9
	3.1 Administrative Expenses .....	9
	3.2 Priority Tax Claims .....	9
	3.3 Trustee’s Fees .....	10
ARTICLE IV	TREATMENT OF CLAIMS AND INTERESTS .....	10
	4.1 Class 1 – NFLIC Secured Claim .....	10
	4.2 Class 2 – Bank of America Secured Claim .....	10
	4.3 Class 3 – Sperduti Trust Secured Claim .....	11
	4.4 Class 4 – Secured Property Tax Claims .....	11
	4.5 Class 5 – Other Secured Claims .....	11
	4.6 Class 6 – Unsecured (General) Claims .....	12
	4.7 Class 7 – Interests in LEJ .....	13
ARTICLE V	ACCEPTANCE OR REJECTION OF PLAN .....	14
	5.1 Classes Entitled to Vote .....	14
	5.2 Class Acceptance Requirement .....	14
	5.3 Elimination of Vacant Classes .....	14
	5.4 Cramdown .....	14
ARTICLE VI	MEANS OF IMPLEMENTATION OF THE PLAN .....	14
	6.1 Substantive Consolidation .....	14
	6.2 Assumption of Allowed Claims .....	14
	6.3 Vesting of Assets .....	14
	6.4 Actions by Debtors and the Reorganized Debtor to Implement Plan .....	15
	6.5 Source of Funding for the Reorganized Debtor’s Living Expenses .....	15
	6.6 Source of Funding for Plan Obligations .....	15
	6.7 Retention and Assertion of Causes of Action and Defenses .....	15
	6.8 Continued Prosecution of the Skinner Litigation .....	16
ARTICLE VII	PROVISIONS GOVERNING DISTRIBUTION .....	16
	7.1 Source of Distributions .....	16
	7.2 Collection Costs .....	16

7.3	Timing and Amount of Distributions.....	16
7.4	Means of Cash Payment.....	17
7.5	Record Date for Distributions.....	17
7.6	Delivery of Distributions.....	17
7.7	Time Bar to Cash Payments.....	17
7.8	Cure Period.....	17
7.9	Pre-Payment of Claims.....	18
7.10	Distributions after Substantial Consummation.....	18
ARTICLE VIII	PROCEDURES FOR RESOLVING AND TREATING CONTESTED AND CONTINGENT CLAIMS.....	18
8.1	Objection Deadline.....	18
8.2	Responsibility for Objecting to Claims and Settlement of Claims.....	18
8.3	Distributions on Account of Contested Claims.....	18
8.4	No Waiver of Right to Object.....	18
8.5	Rights Under Section 505.....	18
8.6	Liquidating and Allowance of Contested Claims.....	19
8.7	Offsets and Defenses.....	19
8.8	Claims Paid or Reduced Prior to Effective Date.....	19
ARTICLE IX	EXECUTORY CONTRACTS AND UNEXPIRED LEASES.....	20
9.1	Assumption and Rejection of Executory Contracts.....	20
9.2	Cure Payments.....	20
9.3	Bar to Rejection Claims.....	20
9.4	Rejection Claims.....	20
9.5	Reservation of Rights.....	21
9.6	Pass-Through.....	21
ARTICLE X	CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVENESS OF PLAN.....	21
10.1	Conditions to Confirmation and Effectiveness of Plan.....	21
10.2	Revocation of Plan.....	21
ARTICLE XI	EFFECT OF THE PLAN ON CLAIMS AND INTERESTS.....	21
11.1	Compromise and Settlement.....	21
11.2	Satisfaction of Claims.....	22
11.3	Discharge.....	22
11.4	Injunction.....	22
11.5	Setoffs.....	23
11.6	Recoupment.....	23
11.7	Turnover.....	23
11.8	Automatic Stay.....	23
ARTICLE XII	JURISDICTION OF COURTS AND MODIFICATIONS TO THE PLAN.....	24
12.1	Retention of Jurisdiction.....	24
12.2	Abstention and Other Courts.....	25



12.3	Non-Material Modifications .....	25
12.4	Material Modifications .....	25
ARTICLE XIII	MISCELLANEOUS PROVISIONS.....	25
13.1	Severability .....	25
13.2	Oral Agreements; Modification of Plan; Oral Representations or Inducements.....	25
13.3	Waiver .....	26
13.4	Construction .....	26
13.5	Notice .....	26
13.6	Compliance with All Applicable Laws .....	26
13.7	Duties to Creditors .....	27
13.8	Binding Effect.....	27
13.9	Governing Law, Interpretation.....	27
13.10	Payment of Statutory Fees .....	27
13.11	Filing of Additional Documents .....	27
13.12	Computation of Time.....	27
13.13	Elections by the Reorganized Debtor .....	27
13.14	Release of Liens .....	27
13.15	Rates .....	27
13.16	Compliance with Tax Requirements.....	27
13.17	Notice of Entry of Confirmation Order.....	28
13.18	Notice of Occurrence of the Effective Date .....	28
13.19	Interest and Attorneys Fees.....	28
13.20	No Admissions .....	28

## **ARTICLE I. DEFINITIONS**

### **A. Defined Terms.**

In addition to such other terms as are defined in other sections of this Plan, the following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural, masculine and feminine forms of the terms defined).

1.1 "Administrative Expense" includes any cost or expense of administration of the Debtors' chapter 11 cases allowed under subsections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estates of the Debtors, any actual and necessary expenses of operating the businesses of the Debtors, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under section 1930, chapter 123 of title 28 of the United States Code.

1.2 "Allowed," when used with respect to a Claim (other than an Administrative Expense), means a Claim (a) to the extent it is not Contested; or (b) a Contested Claim, proof of which was filed timely with the Bankruptcy Court, and (i) as to which no Objection was filed by the Objection Deadline, or (ii) as to which an Objection was filed by the Objection Deadline, to the extent, if any, such Claim is ultimately allowed by a Final Order; provided however, if a Claim is to be determined in a forum other than the Bankruptcy Court, such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of the Bankruptcy Court.

1.3 "Assets" includes all right, title, and interest in and to all property of every type or nature owned or claimed by the Debtors as of their respective Petition Dates, together with all such property of every type or nature subsequently acquired by the Debtors through the Effective Date, whether real or personal, tangible or intangible, and wherever located, and including, but not limited to, property as defined in section 541 of the Bankruptcy Code. Without limiting the generality of the foregoing, this shall include all claims, causes of action and Avoidance Actions.

1.4 "Available Initial Funds" means, as of the Effective Date, the balance of the Initial Distribution Fund remaining after (a) full payment of all Allowed Administrative Expenses, Allowed Priority Tax Claims, U.S. Trustee's quarterly fees, and Allowed Class 1, 2 and 4 Claims, and (b) reserving a portion of the Initial Distribution Fund necessary to fully pay any asserted but not yet Allowed Administrative Expenses, Priority Tax Claims, and Class 1, 2 and 4 Claims

1.5 "Avoidance Action" means a cause of action assertable by either Debtor against any Person, including but not limited to any Creditor, pursuant to Chapter 5 of the Bankruptcy Code, including without limitation, actions brought, or which may be brought, under sections 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code.

1.6 "Ballot" means the form of ballot provided to holders of Claims or Interests entitled to vote pursuant to Bankruptcy Rule 3017(d), by which each such holder may accept or reject the Plan.

1.7 "Bank of America" means Bank of America, N.A.

1.8 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and codified at title 11 of the United States Code.

1.9 "Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division.

1.10 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as amended from time to time, including all applicable local rules of the Bankruptcy Court.

1.11 "Bar Date" is the date established by the Bankruptcy Court, including through any standing order, for filing proofs of Claim or proofs of Interest; provided, however, that if the Bankruptcy Court has ordered an extension of the time by which a particular Creditor may file a proof of Claim or proof of Interest, the date set with respect to such Creditor shall be the Bar Date with respect to such Creditor, but only as to such Creditor.

1.12 "Business Day" means any day other than Saturday, Sunday, a legal holiday, or a day on which national banking institutions in Texas are authorized or obligated by law or executive order to close.

1.13 "Claim" means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, legal, equitable, secured or unsecured or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, secured or unsecured.

1.14 "Claimant" means the holder of a Claim.

1.15 "Class" means a category or group of holders of Claims or Interests as designated in Article II of the Plan.

1.16 "Collateral" means any Asset subject to a valid and enforceable Lien to secure payment of a Claim, including any right of offset asserted against any Asset.

1.17 "Collection Costs" shall refer to attorney's fees, expenses and other costs of collection which any Creditor may seek to recover from the Debtors pursuant to either the relevant loan documents or applicable law, but only to the extent actually Allowed by a Final Order.

1.18 "Confirmation Date" means the date of entry of the Confirmation Order.

1.19 "Confirmation Hearing" means the hearing, as it may be continued from time to time, conducted by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3020(b) to consider confirmation of the Plan, as the same may be amended or supplemented.

1.20 "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan in accordance with the provisions of chapter 11 of the Bankruptcy Code.

1.21 "Contested," when used with respect to a Claim, means a Claim: (a) that is listed in the Schedules of either of the Debtors as disputed, contingent, and/or unliquidated, or in the amount of "\$0.00" or "Unknown"; (b) that is listed in the Schedules of either of the Debtors 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;

(c) that is not listed in the Schedules of either of the Debtors, regardless of whether or not a proof of Claim has been filed with the Bankruptcy Court; (d) as to which an Objection has been or may be timely filed and which Claim has not been Allowed by a Final Order; or (e) for which the proof of Claim is filed after the Bar Date.

1.22 "Creditor" means a "creditor," as defined in section 101(10) of the Bankruptcy Code.

1.23 "Cure Claim" shall refer to the payment or other performance required to cure any existing default under an Executory Contract.

1.24 "Debtors" shall mean, together, Jowell and LEJ.

1.25 "Disallowed," when used with respect to all or any part of a Claim or Interest, means that portion of a Claim or Interest to which an Objection or motion to disallow has been sustained by a Final Order or, as to a Contested Claim, any portion thereof which is not Allowed by a Final Order of the Bankruptcy Court.

1.26 "Disclosure Statement" means the written statement, as amended, supplemented, or modified from time to time, describing the Plan that is prepared and distributed in accordance with sections 1125, 1126(b), and 1145 of the Bankruptcy Code and Bankruptcy Rule 3017.

1.27 "Distribution" shall refer to and include any payment or other distribution of property pursuant to this Plan.

1.28 "Effective Date" means the first Business Day which is fourteen (14) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) Business Days after the Confirmation Date, and upon which all conditions to the effectiveness of the Plan set forth in Article X below are satisfied.

1.29 "Elaine Morris" means Elaine Hester Morris, f/k/a Evelyn Elaine Jowell, ex-wife of Jowell.

1.30 "Escrow Agreement" means that certain Escrow Agreement dated June, 2016 by and among Texas 150, Fire Protection and Mechanical Services, LLC, and Rattikin Title Company and executed in connection with the Texas 150 Sale.

1.31 "Escrowed Sale Proceeds" means the amount of \$75,000 held in escrow by Rattikin Title Company pursuant to the Escrow Agreement.

1.32 "Estate Claims" shall include all claims and causes of action held by a Debtor's bankruptcy estate, including without limitation all Avoidance Actions.

1.33 "Estate Defenses" shall refer to all defenses, affirmative defenses, counterclaims or offsets by a Debtor's bankruptcy estate against any Person, including but not limited to any Creditor.

1.34 "Event of Default" means the failure of the Reorganized Debtor to perform, keep, or observe any term, covenant, or condition of the Plan, but only if the Event of Default is not cured prior to the expiration of the applicable cure period.

1.35 "Executory Contract" shall refer to any executory contract or unexpired lease which is subject to section 365 of the Bankruptcy Code.

1.36 "F&P" means Forshey & Prostok, LLP, the Debtors' bankruptcy counsel.

1.37 "Final Distribution Deadline" means that date which is one (1) year after the Effective Date.

1.38 "Final Order" means an order or judgment of the Bankruptcy Court or any other court or adjudicative body, as to which the time to appeal or seek rehearing or petition for certiorari shall have expired, and which such order or judgment shall no longer be subject to appeal, rehearing, or certiorari proceeding.

1.39 "Initial Distribution Date", when used with respect to each Claim, means:

(a) The Effective Date, as to each Claim which is not Contested on the Effective Date; provided, however, that if the payment terms of Article IV of this Plan applicable to each such Claim specify a different date, then the Initial Distribution Date shall be the date as calculated pursuant to the terms of Article IV of this Plan applicable to each such Claim.

(b) As to any Contested Claim, the later of the following: (i) if the Allowed Claim is payable on the Effective Date, then on the first Business Day of the first calendar month beginning at least thirty (30) days after the date on which a Contested Claim becomes an Allowed Claim, or (ii) if the payment terms of Article IV of this Plan applicable to each such Claim specify a date of payment other than the Effective Date, then the date as calculated pursuant to the terms of Article IV of this Plan applicable to each such Claim calculated from the date reflected in part (i) of this subparagraph (b).

The Initial Distribution Date shall be separately determined with respect to each Allowed Claim based upon the date each such Claim became an Allowed Claim.

1.40 "Initial Distribution Fund" shall refer to the aggregate of the following amounts as of the Effective Date: (a) the Remaining Lake House Proceeds; (b) any funds previously paid by LEJ to F&P and which are held in F&P's IOLTA trust account; and (c) the Texas 150 Sale Proceeds.

1.41 "Insider" means a Person described in section 101(31) of the Bankruptcy Code.

1.42 "Interests" shall refer to any equity or ownership interest in LEJ.

1.43 "IRS" means the Department of the Treasury – Internal Revenue Service.

1.44 "Jowell" means Lenard Emitt Jowell, Jr., an individual, who is the debtor and debtor-in-possession in the chapter 11 bankruptcy case in the Bankruptcy Court identified as Case No. 13-45648-rfn11.

1.45 "Lake House" means that certain real property and improvements located at 2443 Upper Burma Rd., Graford, Texas 76449 previously owned by Jowell and Elaine Morris and sold as authorized by the Bankruptcy Court pursuant to that certain *Agreed Order* entered on August 25, 2015 in Jowell's bankruptcy case.

1.46 "Legal Rate" means the post judgment rate of interest determined in accordance with 28 U.S.C. § 1961 and in effect as of the Confirmation Date.

1.47 "LEJ" means LEJ Properties, Inc., a Texas corporation, which is the debtor and debtor-in-possession in the chapter 11 bankruptcy case in the Bankruptcy Court identified as Case No. 14-40965-rfn11.

1.48 "Lien" means any mortgage, lien, charge, security interest, encumbrance, or other security device of any kind affecting any Asset, including any right of offset asserted against any Asset.

1.49 "Net Skinner Recovery" means the cash actually collected and received by Jowell, and which he is entitled to retain individually, as a direct result of resolution of the Skinner Litigation, whether through collection of a judgment rendered in Jowell's favor, settlement of the Skinner Litigation, or otherwise. The Net Skinner Recovery shall not include (a) any attorney's fees, expenses, or other fees or expenses of any kind which Jowell is obligated to pay in connection with the Skinner Litigation, or (b) any cash received in connection with resolution of the Skinner Litigation which Elaine Morris is entitled to retain, individually.

1.50 "NFLIC" means National Farm Life Insurance Company.

1.51 "Objection" includes (a) an objection to the allowance of a Claim interposed by any party entitled to do so within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, and (b) as to any Taxing Authority, shall include a proceeding commenced under section 505 of the Bankruptcy Code to determine the legality or amount of any tax.

1.52 "Objection Deadline" shall mean one hundred twenty (120) days following the Effective Date unless otherwise extended by order of the Bankruptcy Court.

1.53 "Person" means any individual, any type of incorporated or registered business or nonprofit entity, including any corporation, general partnership, limited partnership, limited liability company, limited liability partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, governmental entity or unit, or any political subdivision thereof, or other entity.

1.54 "Petition Date" means (a) December 13, 2013 when used in reference to Jowell's bankruptcy case, December 13, 2013 being the date on which Jowell's bankruptcy case was filed, and (b) March 3, 2014 when used in reference to LEJ's bankruptcy case, March 3, 2014 being the date on which LEJ's bankruptcy case was filed.

1.55 "Plan" means this Second Amended Joint Plan of Reorganization of Lenard Emitt Jowell, Jr. and LEJ Properties, Inc., either in its present form or as it may be altered, amended, or modified from time to time.

1.56 "Plan Documents" shall refer to the documents that aid in effectuating the Plan as specifically identified as such herein and filed with the Bankruptcy Court as specified in Article I(D) hereof.

1.57 "Plan Rate" means a rate of interest of five percent (5%) per annum.

1.58 "Post-Effective Date Financing" shall refer to one or more loans that Texas 150 or the Reorganized Debtor may obtain after the Effective Date to (a) make payments that may be required to holders of Allowed Class 6 Claims pursuant to section 4.6(b)(iii) of this Plan, and/or (b) fund the Texas 150 Site Work.

1.59 "Priority Claim" means a Claim, other than a Claim for an Administrative Expense, to the extent that such Claim is entitled to priority of payment under section 507(a) of the Bankruptcy Code.

1.60 "Priority Tax Claim" means a Claim entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.

1.61 "Professional" means a Person employed pursuant to an order of the Bankruptcy Court in accordance with sections 327 and 1103 of the Bankruptcy Code or who is entitled to compensation or reimbursement pursuant to sections 503(b)(3)(D) or 506(b) of the Bankruptcy Code.

1.62 "Property Tax Claim" means a Claim for Property Taxes.

1.63 "Property Taxes" shall mean such taxes assessed by any Taxing Authority against any property of the Debtors based on the value thereof, as allowed by applicable state and local law.

1.64 "Registry Funds" means the funds held in the Registry of the Bankruptcy Court pursuant to the *Agreed Order on Joint Motion for Deposit of Garnished Funds into the Registry of the Court* entered by the Bankruptcy Court in Jowell's bankruptcy case on May 18, 2015.

1.65 "Rejection Claim" means a Claim arising under section 502(g) of the Bankruptcy Code as a consequence of the rejection of any Executory Contract.

1.66 "Remaining Lake House Proceeds" means the aggregate amount of remaining proceeds from the prior sale of the Lake House which are held in the Sale Proceeds Account and F&P's IOLTA trust account.

1.67 "Remaining Texas 150 Property" means all real property and improvements owned by Texas 150 from and after the closing of the Texas 150 Sale.

1.68 "Reorganized Debtor" means Jowell from and after the Effective Date.

1.69 "Sale Proceeds Account" means the debtor-in-possession bank account opened by Jowell as required by the Bankruptcy Court's *Order Granting Debtor's Motion for Entry of Order Pursuant to Bankruptcy Rule 9019 Approving Settlement Agreement with Ciera Bank and Granting Related Relief* entered in Jowell's bankruptcy case on June 9, 2015.

1.70 "Schedules" means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors as required by section 521 of the Bankruptcy Code.

1.71 "Secured Claim" shall mean (a) a Claim secured by a Lien against an Asset, to the extent such Lien is valid, perfected and enforceable under applicable non-bankruptcy law and is not subject to avoidance under the Bankruptcy Code or other applicable non-bankruptcy law, and which is duly Allowed, but only to the extent that such Claim does not exceed the value of the Assets which the Bankruptcy Court finds are valid security for such Claim (except, if the

holder of such Claim makes the election provided for in section 1111(b)(2) of the Bankruptcy Code, the entire amount of the Claim shall be a Secured Claim), and (b) any valid and enforceable right of offset asserted against a Debtor or any Asset.

1.72 "Secured Creditor" shall mean the holder of a Secured Claim.

1.73 "Site Agreement" means that certain Site Development Agreement dated June 30, 2016 by and between Texas 150 and Fire Protection and Mechanical Services, LLC.

1.74 "Skinner Litigation" means that certain lawsuit styled *L.E. Jowell, Jr. and Elaine H. Jowell v. T. David Skinner, et al.*, Cause No. 342-238431-09, in the 342nd Judicial District Court, Tarrant County, Texas.

1.75 "Sperduti Trust" means the Gene-Marie Sperduti Heritage Trust II.

1.76 "Substantial Consummation" means the day on which a Creditor first receives a Distribution of any kind under the terms and provisions of this Plan.

1.77 "Taxing Authority" shall include the State of Texas or any subdivision thereof, including without limitation any political subdivision of the State of Texas assessing ad valorem taxes against any of the Assets.

1.78 "Texas 150" means Texas 150 Business Park, Inc., a Texas corporation.

1.79 "Texas 150 Contract" means that certain Commercial Contract – Improved Property with an effective date of January 14, 2015 between Texas 150, as seller, and Fire Protection and Mechanical Services, Ltd., as buyer, as amended.

1.80 "Texas 150 Sale" means the sale of a portion of the real property owned by Texas 150 which was closed, funded and consummated on June 30, 2016 pursuant to the Texas 150 Contract.

1.81 "Texas 150 Sale Proceeds" means the proceeds of the Texas 150 Sale in the amount of \$814,893.05 held in the Sale Proceeds Account.

1.82 "Texas 150 Site Work" means the obligations of Texas 150 to build and construct certain utilities (including waterlines and mains) and other construction and development work pertaining to the property sold pursuant to the Texas 150 Contract as set forth in the Texas 150 Contract and the Site Agreement.

1.83 "Unclaimed Property" means any cash, Distribution, payment or any other property unclaimed for a period of one (1) year after the applicable Initial Distribution Date.

1.84 "Unsecured (General) Claim" means any Claim that is not secured by a valid and enforceable Lien against any Asset, but excluding always therefrom all: (a) Administrative Expenses; (b) Priority Claims; and (c) Claims included in Classes 1, 2, 3, 4 and 5 as defined and set forth in Article II below.

1.85 "Valuation Motion" means a motion filed by a Debtor or a Secured Creditor seeking to obtain a determination by the Bankruptcy Court of the value of Collateral.



**B. Interpretation.** Unless otherwise specified, all section, Article and exhibit references in this Plan are to the respective section in, Article of, or exhibit to, the Plan as the same may be amended, waived, or modified from time to time. The headings in the Plan are for convenience and reference only and shall not limit or otherwise affect the provisions hereof. The rules of interpretation set forth in section 102 of the Bankruptcy Code shall apply to the Plan.

**C. Other Terms.** The words "herein," "hereof," "hereto," "hereunder," and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. References herein to "after notice and hearing" or other similar language shall have the same meaning as in section 102(1) of the Bankruptcy Code. Otherwise, terms used herein that are not specifically defined herein shall have the meaning ascribed to those terms, if any, in the Bankruptcy Code.

**D. Exhibits and Plan Documents.** All Exhibits to the Plan and all Plan Documents are incorporated into the Plan by this reference and are a part of the Plan as if set forth in full herein. Any Plan Documents may be filed with the Clerk of the Bankruptcy Court prior to the commencement of the Confirmation Hearing. Holders of Claims and Interests may obtain a copy of the Plan Documents, once filed, by a written request sent to the following address: Forshey & Prostok, LLP, 777 Main Street, Suite 1290, Fort Worth, Texas 76102, Attention: Linda Breedlove; Fax number (817) 877-4151; email: [lbreedlove@forsheyprostok.com](mailto:lbreedlove@forsheyprostok.com).

## **ARTICLE II.**

### **CLASSIFICATION OF CLAIMS AND INTERESTS**

2.1 The following is a designation of the Classes of Claims and Interests under this Plan. Administrative Expenses and Priority Claims of the kinds specified in sections 507(a)(2), 507(a)(3) and 507(a)(8) of the Bankruptcy Code have not been classified, are excluded from the following Classes in accordance with section 1123(a)(1) of the Bankruptcy Code, and their treatment is set forth in Article III below. A Claim shall be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class. A Claim is included in a particular Class only to the extent that the Claim is an Allowed Claim in that Class.

2.2 Claims and Interests. Allowed Claims against the Debtors and Interests in LEJ are classified under this Plan as follows:

- (a) Class 1 – NFLIC Secured Claim
- (b) Class 2 – Bank of America Secured Claim
- (c) Class 3 – Sperduti Trust Secured Claim
- (d) Class 4 – Secured Property Tax Claims
- (e) Class 5 – Other Secured Claims
- (f) Class 6 – Unsecured (General) Claims
- (g) Class 7 – Interests in LEJ

2.3 Impaired Classes of Claims and Interests. Classes 1, 2, 3, 5, 6, and 7 are impaired under the Plan. All other Classes are unimpaired.

2.4 Impairment or Classification Controversies. If a controversy arises as to the classification of any Claim or Interest, or as to whether any Class of Claims or Interests is impaired under the Plan, the Bankruptcy Court shall determine such controversy as a part of the confirmation process.

### ARTICLE III.

#### TREATMENT OF ADMINISTRATIVE EXPENSES AND CERTAIN PRIORITY CLAIMS

##### 3.1 Administrative Expenses.

(a) Each holder of an Allowed Administrative Expense shall receive, at the Reorganized Debtor's option, (i) the amount of such holder's Allowed Administrative Expense in one cash payment on the later of the Effective Date or the tenth (10<sup>th</sup>) Business Day after such Administrative Expense becomes an Allowed Administrative Expense, (ii) the amount of such holder's Allowed Administrative Expense in accordance with the ordinary business terms of such expense or cost, or (iii) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Debtors or Reorganized Debtor, or as ordered by the Bankruptcy Court.

(b) Unless the Bankruptcy Court orders to the contrary or the Debtors or Reorganized Debtor agrees to the contrary in writing, the holder of a Claim for an Administrative Expense, other than such a Claim by a Professional, a liability incurred and paid in the ordinary course of business by the Debtors, or an Allowed Administrative Expense, shall file with the Bankruptcy Court and serve upon the Reorganized Debtor and his counsel a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date. Such notice shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. Failure to timely and properly file and serve such notice shall result in such Claim for an Administrative Expense being forever barred and discharged.

(c) A Claim for an Administrative Expense, for which a proper notice was filed and served under subsection 3.1(b) above, shall become an Allowed Administrative Expense if no Objection is filed within thirty (30) days of the filing and service of such notice. If a timely Objection is filed, the Claim shall become an Allowed Administrative Expense only to the extent allowed by a Final Order.

(d) The procedures set forth in subsections 3.1(b) and (c) above shall not apply to Professionals, who shall each file and submit a final fee application to the Bankruptcy Court no later than sixty (60) days after the Effective Date. A Claim for Administrative Expense by a Professional in respect of which a final fee application has been properly filed and served shall become an Allowed Administrative Expense only to the extent allowed by Final Order and, if so Allowed, shall be paid in accordance with subsection 3.1(a) above. Professional fees and expenses to any Professional incurred on or after the Effective Date may be paid without necessity of application to or order by the Court.

(e) This section 3.1 shall not apply to expenses incurred by the Debtors in the ordinary course of their businesses.

3.2 Priority Tax Claims. Except to the extent that the holder of a Priority Tax Claim and the Debtors or Reorganized Debtor agree otherwise in writing, any Allowed Priority Tax Claim shall be paid and treated as follows:

(a) Interest on each Allowed Priority Tax Claim shall accrue as follows: (i) for the postpetition period beginning on the date any portion of the tax underlying the Allowed Priority Tax Claim was, became or becomes delinquent under applicable law, and to the extent of such delinquency, and continuing through the Effective Date, interest shall accrue at the applicable statutory rate of interest determined under nonbankruptcy law in compliance with section 511 of the Bankruptcy Code; and (ii) for the period beginning on the day after the Effective Date and continuing through the day on which such Allowed Priority Tax Claim is paid in full, interest shall accrue on the unpaid tax at the applicable statutory rate of interest determined under nonbankruptcy law in compliance with sections 511 and 1129 of the Bankruptcy Code, determined during the month in which the Confirmation Date occurs.

(b) Any Allowed Priority Tax Claim shall be paid in full by the Reorganized Debtor on the Initial Distribution Date, with such Distribution(s) to be made from the Initial Distribution Fund.

3.3 Trustee's Fees. The Debtors or the Reorganized Debtor, as the case may be, shall pay the U.S. Trustee's quarterly fees incurred pursuant to 28 U.S.C., section 1930(a)(6). Any fees due as of the Confirmation Date or that become due after the Confirmation Date, but prior to the Effective Date, shall be paid in full by the Debtors. At the Debtors' option, any such payments made prior to the Effective Date may be made out of the Remaining Lake House Proceeds. After the Effective Date, the Reorganized Debtor shall pay quarterly fees as they accrue until final decrees are entered and these bankruptcy cases are closed. The Reorganized Debtor shall file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports for each quarter, or portion thereof, that the Debtors' bankruptcy cases remains open.

#### **ARTICLE IV. TREATMENT OF CLAIMS AND INTERESTS**

4.1 Class 1 – NFLIC Secured Claim. NFLIC's Secured Claim shall be paid and treated as follows:

(a) The NFLIC Secured Claim shall bear interest from and after the Petition Date until paid at the non-default contract rate of interest set forth in the applicable loan documents.

(b) The NFLIC Secured Claim shall be paid in full by the Reorganized Debtor on the Initial Distribution Date, with such Distribution to be made from the Initial Distribution Fund.

(c) NFLIC shall retain its Lien on its Collateral until the NFLIC Secured Claim is paid in full.

(d) Class 1 is impaired.

4.2 Class 2 – Bank of America Secured Claim. Bank of America's Secured Claim shall be paid and treated as follows:

(a) The Bank of America Secured Claim shall bear interest from and after the Petition Date until paid at the non-default contract rate of interest set forth in the applicable loan documents.

(b) The Bank of America Secured Claim shall be paid in full by the Reorganized Debtor on the Initial Distribution Date, with such Distribution to be made from the Initial Distribution Fund.

(c) Bank of America shall retain its Lien on its Collateral until the Bank of America Secured Claim is paid in full.

(d) Class 2 is impaired.

4.3 Class 3 – Sperduti Trust Secured Claim. Sperduti Trust's Secured Claim shall be paid and treated as follows:

(a) On the Initial Distribution Date, the Registry Funds shall be disbursed to Sperduti Trust in full satisfaction of the Secured portion of Sperduti Trust's Claim. The remaining unpaid balance of Sperduti Trust's Claim after such disbursement is made of the Registry Funds shall constitute a Class 6 Unsecured (General) Claim and shall be paid as set forth in subsection 4.6 herein.

(b) Class 3 is impaired.

4.4 Class 4 – Secured Property Tax Claims. Except to the extent that the holder of a Secured Property Tax Claim and the Debtors or Reorganized Debtor agree otherwise in writing, any Allowed Secured Property Tax Claim shall be paid and treated as follows:

(a) Interest on each Allowed Secured Property Tax Claim shall accrue as follows: (i) for the postpetition period beginning on the date any portion of the tax underlying the Allowed Secured Property Tax Claim was, became or becomes delinquent under state law, and to the extent of such delinquency, and continuing through the Effective Date, interest shall accrue at the applicable statutory rate of interest determined under nonbankruptcy law in compliance with section 511 of the Bankruptcy Code; and (ii) for the period beginning on the day after the Effective Date and continuing through the day on which such Allowed Secured Property Tax Claim is paid in full, interest shall accrue on the unpaid tax at the applicable statutory rate of interest determined under nonbankruptcy law in compliance with sections 511 and 1129 of the Bankruptcy Code, determined during the month in which the Confirmation Date occurs.

(b) Any Allowed Secured Property Tax Claim shall be paid in full by the Reorganized Debtor on the Initial Distribution Date, with such Distribution(s) to be made from the Initial Distribution Fund.

(c) Each holder of an Allowed Secured Property Tax Claim shall retain its Lien on its Collateral until its Allowed Secured Property Tax Claim is paid in full.

(d) Class 4 is unimpaired.

4.5 Class 5 – Other Secured Claims. Secured Claims, other than Secured Claims included in Classes 1, 2, 3, or 4 shall be paid and treated as follows:

(a) Each holder of a Secured Claim not included in Classes 1, 2, 3, or 4 shall be placed within a separate subclass of this Class 5. Each such Class 5 Claim shall, for purposes of accepting or rejecting the Plan and for receiving Distributions under the Plan, be treated as though in a separate Class. A Claim shall be treated as a Class 5 Secured Claim only to the extent of the greater of the amount of the Allowed Claim or the value of the Collateral securing such Claim as determined by the Bankruptcy Court. As to each holder of a Class 5 Secured Claim, the Reorganized Debtor may either (i) object to the Claim, (ii) return the Collateral in full satisfaction of such Secured Claim, (iii) pay cash in an amount equivalent to the lesser of the value of the Collateral or the full amount of the Secured Claim, (iv) allow the Secured Claimant

to offset in satisfaction of its Claim, (v) file a Valuation Motion to determine the value of the Claimant's Collateral, or (vi) provide such other treatment as may be agreed to in writing by such holder of the Secured Claim and the Reorganized Debtor. In the event that any such Claimant's total Allowed Claim exceeds the value of the Collateral, any such excess (exclusive of post-petition interest, fees or other charges that such Secured Creditor could otherwise assert) shall constitute an Unsecured (General) Claim for purposes of this Plan, unless such Claimant has elected treatment pursuant to section 1111(b) of the Bankruptcy Code and in accordance with Bankruptcy Rule 3014. The Reorganized Debtor shall, at his sole discretion, determine whether the treatment afforded will be a return of the Collateral or payment in cash. Any Lien held by any holder of a Class 5 Secured Claim against the Assets shall be deemed released as of the Effective Date.

(b) Class 5 is impaired.

4.6 Class 6 – Unsecured (General) Claims. The holders of Unsecured (General) Claims shall be paid and treated as follows:

(a) All Allowed Unsecured (General) Claims shall bear interest (i) from and after the Petition Date through the Effective Date at the Legal Rate and (ii) after the Effective Date until paid in full at the Plan Rate. Any holder of an Unsecured (General) Claim which asserts that a different rate or rates of interest should be applied to their Claim may object to the Plan on this basis and the Bankruptcy Court shall at the Confirmation Hearing determine the appropriate rate or rates of interest to be applied to the Claim of such Creditor. As to any such objecting holder of an Unsecured (General) Claim, all references herein to the Legal Rate and Plan Rate shall refer to the rates of interest so set by the Bankruptcy Court. All other holders of Unsecured (General) Claims that do not so object shall receive interest on their Allowed Claim at the Legal Rate and Plan Rate as defined in Article I above.

(b) Allowed Unsecured (General) Claims shall be paid in full as follows:

(i) If the Available Initial Funds are sufficient to pay in full all Unsecured (General) Claims which are Allowed Claims on the Effective Date, then the Reorganized Debtor shall issue to each holder of an Allowed Unsecured (General) Claim a Distribution on the Effective Date equal to the full amount of such holder's Allowed Claim. Thereafter, each holder of an Unsecured (General) Claim which first becomes an Allowed Unsecured (General) Claim after the Effective Date shall receive a Distribution on the Initial Distribution Date applicable to that Allowed Claim equal to the lesser of: (A) the then remaining balance of the Available Initial Funds, or (B) the full amount of such holder's Allowed Unsecured (General) Claim.

(ii) If the Available Initial Funds are not sufficient to pay in full all Unsecured (General) Claims which are Allowed Claims on the Effective Date, then the Reorganized Debtor shall issue to each holder of an Allowed Unsecured (General) Claim on the Effective Date a Distribution (the "Interim Distribution") equal to such Creditor's *pro rata* share of the Available Initial Funds. For purposes of calculating the Interim Distribution, the Creditors' *pro rata* share means the proportion that the amount of such Creditor's Allowed Claim bears to the aggregate amount of all Allowed Unsecured (General) Claims on the Effective Date. The Interim Distribution shall be applied first to accrued interest on the Allowed Class 6 Claim through the last day of the calendar month immediately preceding the calendar month in which the Interim Distribution is due, and then to the payment of the principal amount of such Claim.

(iii) If (A) after the Available Initial Funds have been completely distributed pursuant to section 4.6(b)(i) above, any Allowed Unsecured (General) Claim has not been paid

in full or an asserted Unsecured (General) Unsecured Claim thereafter becomes Allowed, or (B) the Reorganized Debtor is required to make Interim Distributions pursuant to section 4.6(b)(ii) above, then the unpaid balance of each Allowed Unsecured (General) Claim shall be paid in full by the Reorganized Debtor as soon as practicable, but in no event later than the Final Distribution Deadline. The Distributions required by this section 4.6(b)(iii) shall be made from one or more of the following sources:

- A. Any Escrowed Sale Proceeds released to Texas 150 and not used by Texas 150 to fund the Texas 150 Site Work;
- B. Proceeds of any Post-Effective Date Financing;
- C. Proceeds from a sale of any portion of or all of the Remaining Texas 150 Property; and
- D. Any Net Skinner Recovery.

In addition to the above sources, the Reorganized Debtor may, but shall not be required to, contribute post-Effective Date income received by him, including but not limited to any distributions received by the Reorganized Debtor from Texas 150, to make such Distributions.

(c) Until all Allowed Class 6 Claims have been paid in full, the Reorganized Debtor shall not (i) encumber his stock interest in Texas 150 or cause Texas 150 to encumber any of the Remaining Texas 150 Property, except in order to obtain Post-Effective Date Financing, and (ii) shall not transfer any of his stock interest in Texas 150 or cause Texas 150 to transfer any of the Remaining Texas 150 Property, except in order to generate funds to make Distributions to holders of any Allowed Class 6 Claims which have not been paid in full and/or fund the Texas 150 Site Work. The Reorganized Debtor shall have the right to reopen the Debtors' bankruptcy cases and request entry of an order by the Bankruptcy Court authorizing any transaction under which the Reorganized Debtor's stock interest in Texas 150 or the Remaining Texas 150 Property will be encumbered or transferred.

(d) If any Allowed Class 6 Claim has not been paid in full by the Final Distribution Date, then, notwithstanding anything to the contrary in this Plan, the holder of any such Allowed Class 6 Claim shall have an absolute right to move to reopen the Debtors' bankruptcy cases and seek any form of relief from the Bankruptcy Court. The Reorganized Debtor shall not oppose any such motion to reopen the Debtors' bankruptcy cases, but shall have the right to oppose any other relief requested.

(e) Class 6 is impaired.

#### 4.7 Class 7 – Interests in LEJ.

(a) Class 7 consists of all Interests in LEJ. All such Interests in LEJ shall be deemed cancelled as of the Effective Date.

(b) Class 7 is impaired. However, as an Insider, the holder of Class 7 Interests is not entitled to vote to accept or reject the Plan.

**ARTICLE V.**  
**ACCEPTANCE OR REJECTION OF PLAN**

5.1 Classes Entitled to Vote. Each impaired Class of Claims entitled to vote shall separately vote to accept or reject the Plan. Any unimpaired Class shall not be entitled to vote to accept or reject the Plan. Any unimpaired Class is deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code.

5.2 Class Acceptance Requirement. A Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan.

5.3 Elimination of Vacant Classes. Any Class of Claims that is not occupied as of the date of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily Allowed under Bankruptcy Rule 3018 shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

5.4 Cramdown. This section shall constitute the request by the Plan proponents, pursuant to section 1129(b) of the Bankruptcy Code, that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of section 1129(a)(8) of the Bankruptcy Code have not been met.

**ARTICLE VI.**  
**MEANS OF IMPLEMENTATION OF THE PLAN**

6.1 Substantive Consolidation. The Plan is premised upon the substantive consolidation of the Debtors. Entry of the Confirmation Order shall constitute the approval, pursuant to section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the consolidation of the Debtors' bankruptcy cases and bankruptcy estates for all purposes, including, without limitation, for purposes of voting on the Plan, confirmation of the Plan and Distributions required under the Plan. Pursuant to the Confirmation Order, (a) each Debtor's assets and liabilities shall be merged and pooled with the assets and liabilities of the other Debtor, and (b) each and every Claim scheduled or filed in the Debtors' bankruptcy cases shall be deemed one Claim against the consolidated Debtors.

6.2 Assumption of Allowed Claims. As of the Effective Date, the Reorganized Debtor hereby assumes the liability for and obligation to perform and make all Distributions or payments on account of all Allowed Claims in the manner provided in Articles III and IV above. All Distributions or payments shall be made as set forth in Articles III and IV above.

6.3 Vesting of Assets. As of the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all Assets shall be transferred to, and vested in, the Reorganized Debtor, free and clear of all rights, title, interests, claims, liens, encumbrances and charges, except as expressly set forth in the Plan. Without limiting the generality of the foregoing, all Assets shall vest in the Reorganized Debtor free and clear of any Lien except as expressly provided in the Plan. On and after the Effective Date, the Reorganized Debtor may operate his business and may use, acquire or dispose of property and compromise or settle any claim without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtor may pay the charges that he incurs on or after the Effective Date for all fees, disbursements, expenses or

related support services of Professionals (including fees relating to the preparation of Professional fee applications) without application to, or approval of, the Bankruptcy Court.

6.4 Actions by the Debtors and the Reorganized Debtor to Implement Plan.

(a) The entry of the Confirmation Order shall constitute authorization for the Debtors and the Reorganized Debtor (as the case may be) to take or cause to be taken all actions necessary or appropriate to implement all provisions of, and to consummate, the Plan prior to, on and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including without limitation, (i) all transfers of Assets that are to occur pursuant to the Plan; (ii) the incurrence of all obligations contemplated by the Plan and the making of all Distributions required under the Plan; (iii) taking of all actions to preserve and provide for the prosecution of retained causes of action, including but not limited to the Estate Claims; and (iv) entering into any and all transactions, contracts, or arrangements permitted by applicable law, order, rule or regulation.

(b) Jowell, the management of LEJ and the Reorganized Debtor, as the case may be, are authorized and directed to do all things and to execute and deliver all agreements, documents, instruments, notices and certificates as are contemplated by the Plan and to take all necessary action required in connection therewith, in the name of and on behalf of Jowell, LEJ and the Reorganized Debtor, as the case may be.

6.5 Source of Funding for the Reorganized Debtor's Living Expenses. From and after the Effective Date and until all Allowed Claims are paid in full, payment of the Reorganized Debtor's living expenses shall be funded from (a) Social Security benefits received by the Reorganized Debtor, (b) distributions made by Texas 150 to the Reorganized Debtor, and (c) income, including but not limited to royalty payments, received by the Reorganized Debtor on account of mineral interests owned by him.

6.6 Source of Funding for Plan Obligations. The Distributions to be made by the Reorganized Debtor under the Plan shall be funded from the Initial Distribution Fund and, if necessary, the additional sources specified in section 4.6(iii)(b) of this Plan. In the event that Post-Effective Date Financing is obtained, it is contemplated that the Reorganized Debtor will, if required, cause Texas 150 to grant a security interest in and lien on the Remaining Texas 150 Property in order to obtain and secure such Post-Effective Date Financing.

6.7 Retention and Assertion of Causes of Action and Defenses. Except as expressly set forth in this Plan, all causes of action, claims, counterclaims, defenses and rights of offset or recoupment (including but not limited to all Estate Claims, Estate Defenses and Avoidance Actions) belonging to the Debtors shall, upon the occurrence of the Effective Date, be retained by, received by and vested in the Reorganized Debtor for the benefit of the Debtors and their substantively consolidated estates. Except as expressly set forth in this Plan, the rights of the Reorganized Debtor to commence, prosecute or settle such causes of action shall be preserved notwithstanding the occurrence of the Effective Date. **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any cause of action against them as any indication that either Debtor or the Reorganized Debtor will not pursue any and all available causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) against them. The Debtors and their estates expressly reserve all rights to prosecute any and all causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) against any Person, except as otherwise**



**provided in this Plan.** Unless any causes of action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in this Plan or a Final Order, the Debtors expressly reserve all causes of action (including all Estate Claims, Estate Defenses and Avoidance Actions) for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such causes of action upon or after the confirmation or consummation of the Plan. The Debtors and the Reorganized Debtor may also assert Estate Defenses as a defense to the allowance of any Claim not otherwise Allowed.

6.8 Continued Prosecution of the Skinner Litigation. Funding of this Plan does not depend on the Reorganized Debtor prevailing in the Skinner Litigation and obtaining the Net Skinner Recovery. However, it is expected that the Reorganized Debtor will continue to prosecute all claims and causes of action, including Estate Claims, against the defendants in the Skinner Litigation. If the Reorganized Debtor obtains the Net Skinner Recovery, whether before or after the Effective Date, then the Net Skinner Recovery shall be added to and constitute a portion of the Initial Distribution Fund if all Unsecured (General) Claims that have been Allowed, or which are capable of being Allowed in the future, have not been previously paid in full at the time the Net Skinner Recovery is obtained.

## **ARTICLE VII.**

### **PROVISIONS GOVERNING DISTRIBUTION**

7.1 Source of Distributions. All Distributions to be made to Creditors under the Plan shall be made by the Reorganized Debtor.

7.2 Collection Costs. To the extent any holder of a Secured Claim asserts a right to attorney's fees and costs pursuant to section 506(b) of the Bankruptcy Code, unless otherwise agreed between the Reorganized Debtor and such Secured Creditor, the allowance of Collection Costs shall be handled as set forth in this section. Within twenty (20) days after the Effective Date, the Secured Creditor shall file an application with the Bankruptcy Court for allowance of such Collection Costs. Such application shall follow the same rules and guidelines as a fee application for a Professional seeking compensation from a Debtor, including the Bankruptcy Court's Guidelines for Compensation and Reimbursement of Professionals in Chapter 11 Cases. No later than twenty (20) days after each such application for Collection Costs is filed, the Reorganized Debtor may file any Objections thereto, and the Secured Creditor shall file any response within twelve (12) days thereafter. If the Secured Creditor and the Reorganized Debtor are unable to reach agreement, the matter shall then be submitted to the Bankruptcy Court for determination on no less than twenty (20) days notice of the hearing.

7.3 Timing and Amount of Distributions.

(a) No Distribution shall be made on account of any Claim until such Claim is Allowed, except as otherwise set forth in the Plan or ordered by the Bankruptcy Court pursuant to a Final Order. No Distribution shall be made on account of any Contested Claim until such Claim is Allowed. Any Distributions pursuant to the Plan shall be made on the respective Initial Distribution Dates applicable to each such Allowed Claim except as otherwise provided in the Plan or ordered by the Bankruptcy Court. Any Unclaimed Property may be paid into the registry of the Bankruptcy Court or otherwise distributed in accordance with the orders of the Bankruptcy Court.

(b) Except as expressly set forth in the Plan or in the Confirmation Order, the Reorganized Debtor shall determine the timing and amount of all Distributions which he is required to make under the Plan, consistent with the goal of making such Distributions as expeditiously as possible. The Reorganized Debtor may, but shall not be required to, seek approval of the Bankruptcy Court for any such Distributions.

7.4 Means of Cash Payment. Cash payments pursuant to this Plan shall be made by check drawn on, or by wire transfer from, a domestic bank, or by other means agreed to by the payor and payee.

7.5 Record Date for Distributions. As of the close of business on the Effective Date, (the "Distribution Record Date"), the register for Claims and Interests will be closed, and there shall be no further changes in the holder of record of any Claim or Interest. The Reorganized Debtor shall have no obligation to recognize any transfer of any Claim or Interest occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those holders of record stated on the register of Claims and/or Interests as of the Distribution Record Date for Distributions under the Plan.

7.6 Delivery of Distributions. All Distributions, deliveries and payments to the holders of any Allowed Claims shall be made to the addresses set forth on the respective proofs of Claim filed in the Debtors' cases. Any such Distribution, delivery or payment shall be deemed as made for all purposes relating to this Plan when deposited in the United States Mail and served as provided in section 13.5 below. Whether secured or unsecured, if no proof of Claim is filed, any Distribution shall be made to the Creditor at the last known address or as reflected in the Schedules. If any Distribution is returned as undeliverable, no further Distribution shall be made on account of such Allowed Claim unless and until the Reorganized Debtor is notified of such holder's then current address, at which time all missed Distributions shall be made to the holder of such Allowed Claim. All claims for undeliverable Distributions shall be made on or before the first anniversary of the attempted Distribution. After such date, all Unclaimed Property shall revert to the Reorganized Debtor and the Claim of any holder with respect to such property shall be discharged and forever barred.

7.7 Time Bar to Cash Payments. Checks issued in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Reorganized Debtor 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 the first anniversary of the Initial Distribution Date or ninety (90) days after the date of issuance of such check. After such date, all claims in respect of void checks shall be discharged and forever barred.

7.8 Cure Period. Except as otherwise set forth herein, the failure by the Reorganized Debtor to timely perform any term, provision or covenant contained in this Plan, or to make any payment or Distribution required by this Plan to any Creditor, or the failure to make any payment or perform any covenant on any note, instrument or document issued pursuant to this Plan, shall not constitute an Event of Default unless and until the Reorganized Debtor has been given thirty (30) days written notice of such alleged default in the manner provided in this Plan, and provided an opportunity to cure such alleged default. Until the expiration of such thirty (30) day cure period, the Reorganized Debtor shall not be in default, and performance during such thirty (30) day cure period shall be deemed as timely for all purposes. Such written notice and passage of the thirty (30) day cure period shall constitute conditions precedent to declaring or claiming any default under this Plan or bringing any action or legal proceeding by any Person to enforce any right granted under this Plan.

7.9 Pre-Payment of Claims. Any other term of this Plan notwithstanding, the Reorganized Debtor may pre-pay any Allowed Claim in whole or in part without penalty.

7.10 Distributions after Substantial Consummation. All Distributions of any kind made to any of the Creditors after Substantial Consummation and any and all other actions taken under this Plan after Substantial Consummation shall not be subject to relief, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

**ARTICLE VIII.**  
**PROCEDURES FOR RESOLVING AND TREATING**  
**CONTESTED AND CONTINGENT CLAIMS**

8.1 Objection Deadline. All Objections to Claims shall be served and filed by the Objection Deadline; provided, however, the Objection Deadline shall not apply to Claims which are not reflected in the claims register, including any alleged informal proofs of Claim. The Reorganized Debtor may seek to extend the Objection Deadline pursuant to a motion filed on or before the then applicable Objection Deadline with respect to any Claims. Any such motion may be granted without notice or a hearing. In the event that the Reorganized Debtor files such a motion and the Bankruptcy Court denies such motion, the Objection Deadline shall nevertheless be automatically extended to that date which is ten (10) Business Days after the date of entry of the Bankruptcy Court's order denying such motion. Any proof of Claim filed more than thirty (30) days after the Effective Date shall be of no force and effect and need not be objected to by the Reorganized Debtor. Nothing contained herein shall limit the right of the Reorganized Debtor to object to Claims, if any, filed or amended after the Objection Deadline.

8.2 Responsibility for Objecting to Claims and Settlement of Claims.

(a) From and after the Effective Date, the Reorganized Debtor shall have the sole and exclusive right to (i) file, settle, or litigate to Final Order any Objections to any Claims; and (ii) seek to subordinate any Claim. Any Contested Claim may be litigated to Final Order.

(b) From and after the Effective Date, the Reorganized Debtor shall have the sole and exclusive right to settle, compromise or otherwise resolve any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement or compromise of a Contested Claim after the Effective Date.

8.3 Distributions on Account of Contested Claims. If a Claim is Contested, then the Initial Distribution Date as to such Contested Claim shall be determined based upon its date of Allowance, and thereafter distribution shall be made on account of such Allowed Claim pursuant to the provisions of the Plan. No Distribution shall be made on account of a Contested Claim until Allowed. Until such time as a contingent Claim becomes fixed and absolute by a Final Order allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and Distributions under the Plan. Any contingent right to contribution or reimbursement shall continue to be subject to section 502(e) of the Bankruptcy Code.

8.4 No Waiver of Right to Object. Except as expressly provided in this Plan, nothing contained in the Disclosure Statement, this Plan or the Confirmation Order shall waive, relinquish, release or impair the Reorganized Debtor's right to object to any Claim.

8.5 Rights Under Section 505. The Reorganized Debtor shall retain all rights pursuant to section 505 of the Bankruptcy Code.

8.6 Liquidating and Allowance of Contested Claims.

(a) This section shall apply to all Contested Claims. Nothing contained in the Plan, Disclosure Statement or Confirmation Order shall change, waive or alter any requirement under applicable law that the holder of a Contested Claim must file a timely proof of Claim, and the Claim of any such Creditor who is required to file a proof of Claim and fails to do so shall be discharged and shall receive no Distribution through the Plan. The adjudication and liquidation of Contested Claims is a determination and adjustment of the debtor/creditor relationship, and is, therefore, an exercise of the Bankruptcy Court's equitable power to which the legal right of trial by jury is inapplicable. The holder of any Contested Claim shall not have a right to trial by jury before the Bankruptcy Court in respect of any such Claim. Exclusive venue for any Contested Claim proceeding shall be in the Bankruptcy Court or a court of competent jurisdiction located in Tarrant County, Texas. Contested Claims shall each be determined separately, except as otherwise ordered by the Bankruptcy Court. Texas Rule of Civil Procedure 42 and Federal Rule of Civil Procedure 23 shall not apply to any Contested Claim proceeding. The Reorganized Debtor shall retain all rights of removal to federal court as to any Contested Claim proceeding.

(b) All Contested Claims shall be liquidated and determined as follows:

(i) Application of Adversary Proceeding Rules. Unless otherwise ordered by the Bankruptcy Court or provided by the Bankruptcy Rules, any Objection to a Contested Claim shall be treated as a contested proceeding subject to Bankruptcy Rule 9014. However, any party may move the Bankruptcy Court to apply the rules applicable to adversary proceedings to any Claim Objection. The Reorganized Debtor may, however, at his election, make and pursue any Objection to a Claim in the form of an adversary proceeding.

(ii) Scheduling Order. With respect to an Objection to a Claim treated as a contested proceeding subject to Bankruptcy Rule 9014, the Reorganized Debtor may request entry of a scheduling order as to each Objection to a Claim. The Reorganized Debtor may tender a proposed scheduling order with each Objection and/or include a request for a scheduling conference for the entry of a scheduling order. Any such scheduling order may include (i) discovery cut-off, (ii) deadlines to amend pleadings, (iii) deadlines for designation of and objections to experts, (iv) deadlines to exchange exhibit and witness lists and for objections to the same, and (v) such other matters as may be appropriate.

(iii) Mediation. The Bankruptcy Court may order the parties to mediate in connection with any Objection to a Claim. The Reorganized Debtor may include a request for mediation in an Objection to a Claim and may request that the Bankruptcy Court require mediation as a part of any scheduling order.

8.7 Offsets and Defenses. The Reorganized Debtor shall be vested with and retain all Estate Claims and Estate Defenses, including without limitation all rights of offset or recoupment and all counterclaims against any Claimant holding a Claim. Assertion of counterclaims by the Reorganized Debtor against any Claimants shall constitute "core" proceedings.

8.8 Claims Paid or Reduced Prior to Effective Date. Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Reorganized Debtor from paying Claims that

the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

**ARTICLE IX.**  
**EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

9.1 Assumption and Rejection of Executory Contracts. All Executory Contracts of the Debtors shall be deemed as assumed by the Reorganized Debtor upon the Effective Date unless an Executory Contract (a) has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (b) is identified in this Plan or the Confirmation Order to be rejected, or (c) is the subject of a motion to reject filed on or before the Confirmation Date. Any Executory Contract to be assumed under this Plan that has been amended or modified at any time after the Petition Date of the Debtor that is party to such Executory Contract shall be deemed assumed as amended or modified. This Plan shall constitute a motion to assume the Executory Contracts. However, the Debtors may file a separate motion for the assumption or rejection of any Executory Contract at any time through the Confirmation Date.

9.2 Cure Payments. Unless the holder of a Cure Claim and the applicable Debtor or the Reorganized Debtor agree in writing to other treatment of such holder's Cure Claim, or other treatment of such holder's Cure Claim is provided for under the Plan, each Cure Claim against the Debtors shall be paid and treated as follows:

(a) Any cure payment which may be required by section 365(b)(1) of the Bankruptcy Code under an Executory Contract that is assumed under this Plan shall be made by the Reorganized Debtor on the Initial Distribution Date. Notwithstanding the foregoing, in the event of a dispute regarding the amount of any Cure Claim, the cure of any other defaults, the provision of adequate assurance of future performance, or any other matter pertaining to assumption, the Reorganized Debtor shall make such cure payments and cure such other defaults and provide adequate assurance of future performance, all as may be required by section 365(b)(1) of the Bankruptcy Code, following the entry of a Final Order by the Bankruptcy Court resolving such dispute.

(b) Any other term of this Plan notwithstanding, the Reorganized Debtor may pre-pay any Cure Claim in whole or in part without penalty.

9.3 Bar to Rejection Claims. Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an Executory Contract shall be forever barred and shall not be enforceable against the Reorganized Debtor or the Assets unless a proof of Claim is filed with the Bankruptcy Court and served upon the Reorganized Debtor and his counsel by the earlier of thirty (30) days after the Effective Date or thirty (30) days after entry of the Final Order approving rejection of such Executory Contract.

9.4 Rejection Claims. Any Rejection Claim not barred by section 9.3 above shall be classified as a Class 6 Unsecured (General) Claim subject to the provisions of section 502(g) of the Bankruptcy Code; provided, however, that any Rejection Claim based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date, upon the entry of the Confirmation Order, or upon the Effective Date, shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed an admission by the Debtors or the Reorganized Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Reorganized Debtor of any objections to such Claim if asserted.

9.5 Reservation of Rights. Nothing contained in the Plan shall constitute an admission by either Debtor that any contract or lease is in fact an Executory Contract or that the Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Reorganized Debtor shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease.

9.6 Pass-Through. Except as otherwise provided in the Plan, any rights or arrangements necessary or useful to the Reorganized Debtor's performance under the Plan, but not otherwise addressed as a Claim or Interest, including non-exclusive or exclusive patent, trademark, copyright, maskwork or other intellectual property licenses and other executory and/or non-executory contracts not assumable under section 365(c) of the Bankruptcy Code, shall, in the absence of any other treatment under the Plan or Confirmation Order, be passed through the Debtors' bankruptcy cases for the benefit of the Reorganized Debtor and the counterparty unaltered and unaffected by the Debtors' bankruptcy filings and these bankruptcy cases.

**ARTICLE X.**  
**CONDITIONS PRECEDENT TO CONFIRMATION**  
**AND EFFECTIVENESS OF PLAN**

10.1 Conditions to Confirmation and Effectiveness of Plan. The Plan shall not become effective until the following conditions shall have been satisfied or waived by the Debtors, as determined in their discretion: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Debtors; (b) all other conditions precedent have been satisfied to the satisfaction of the Debtors; (c) the Bar Date has passed, and no additional Claims have been filed which, in the discretion of the Debtors, adversely impact the Plan; and (d) a notice of the Effective Date has been filed by the Debtors and thereafter served upon all Creditors and parties in interest. Any or all of the above conditions may be waived at any time by the Debtors.

10.2 Revocation of Plan. The Debtors may revoke and withdraw this Plan at any time before the Effective Date. If either Debtor revokes or withdraws this Plan, or if confirmation of this Plan does not occur, then this Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors, as the case may be, or any other Person, or to prejudice in any manner the rights of the Debtors or any other Person in any further proceedings involving the Debtors.

**ARTICLE XI.**  
**EFFECT OF THE PLAN ON CLAIMS AND INTERESTS**

11.1 Compromise and Settlement.

(a) Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies resolved pursuant to the Plan, including, without limitation, all Claims against each Debtor arising prior to that Debtor's Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to or in connection with the business or affairs of, or transactions with, that Debtor. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such

compromises and settlements are in the best interests of the Debtors, the Debtors' bankruptcy estates, Creditors and other parties in interest, and are fair, equitable and within the range of reasonableness.

(b) It is not the intent of the Debtors that confirmation of the Plan shall in any manner alter or amend any settlement and compromise between a Debtor and any Person that has been previously approved by the Bankruptcy Court (each, a "Prior Settlement"). To the extent of any conflict between the terms of the Plan and the terms of any Prior Settlement, the terms of the Prior Settlement shall control and such Prior Settlement shall be enforceable according to its terms.

11.2 Satisfaction of Claims. The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against the Debtors, the Debtors' bankruptcy estates, and the Assets. Except as otherwise provided herein, on the Effective Date, all Claims against the Debtors shall be satisfied, discharged, and released in full. Except as otherwise provided herein, all Persons shall be precluded and forever barred from asserting against the Debtors and their affiliates, successors, assigns, the Debtors' bankruptcy estates and the Assets any event, occurrence, condition, thing, or other or further Claims or causes of action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

11.3 Discharge. The terms, covenants and consideration under the Plan shall be in exchange for and in complete satisfaction, discharge, and release of all Claims of any nature whatsoever against the Debtors, the Reorganized Debtor, or the Assets. The Reorganized Debtor and his successors in interest and assigns shall be deemed discharged and released pursuant to section 1141(d)(5) of the Bankruptcy Code from any and all Claims provided for in the Plan upon completion of all payments required to be made by the Reorganized Debtor under the Plan and the granting of a discharge by the Bankruptcy Court in favor of the Reorganized Debtor; provided, however, nothing contained herein shall be deemed a waiver of the Reorganized Debtor's right to petition the Bankruptcy Court for a discharge following confirmation of the Plan, but prior to completion of all payments required to be made under the Plan, pursuant to section 1141(d)(5) of the Bankruptcy Code.

11.4 Injunction. **On the Effective Date and except as otherwise provided herein, all Persons who have been, are, or may be holders of Claims against or Interests in the Debtors shall be permanently restrained and enjoined from taking any of the following actions against or affecting the Debtors, the Reorganized Debtor, the Debtors' bankruptcy estates, the Assets, or their respective assets and property, with respect to such Claims or Interests (other than actions brought to enforce any rights or obligations under the Plan): (a) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind with respect to any such Claim or Interest; (b) enforcing, levying, attaching, collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order; (c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Lien or encumbrance of any kind; (d) asserting any control over, interest, rights or title in or to any of the Assets except as expressly provided in the Plan; (e) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due the Reorganized Debtor as assignee, except upon order of the Bankruptcy Court; and (f) performing any act, by any manner or means, whether directly or indirectly, in any place**

**whatsoever, that does not conform to or comply with the provisions of the Plan; provided, however, that this injunction shall not bar any Creditor from asserting any right granted pursuant to this Plan; provided, further, however, that each holder of a Contested Claim shall be entitled to enforce its rights under the Plan, including seeking allowance of such Contested Claim pursuant to the Plan.**

11.5 Setoffs. Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim, the Reorganized Debtor may setoff against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such Distribution is made), any claims, rights, Estate Claims and Estate Defenses of any nature that the Debtors may hold against the holder of such Allowed Claim, to the extent such claims, rights, Estate Claims and Estate Defenses against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release by the Debtors of any such claims, rights, Estate Claims and Estate Defenses that the Debtors may possess against such Claimant. In no event shall any Claimant or Interest holder be entitled to setoff any Claim or Interest against any claim, right, or Estate Claim of the Debtors without the consent of the applicable Debtor or Reorganized Debtor unless such holder files a motion with the Bankruptcy Court requesting the authority to perform such setoff notwithstanding any indication in any proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

11.6 Recoupment. Except as otherwise expressly provided for in the Plan, in no event shall any holder of Claims or Interests be entitled to recoup any Claim or Interest against any claim, right, account receivable, or Estate Claim of the Debtors or the Reorganized Debtor unless (a) such holder actually provides notice thereof in writing to the applicable Debtor or the Reorganized Debtor of its intent to perform a recoupment; (b) such notice includes the amount to be recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment, and (c) the applicable Debtor or the Reorganized Debtor has provided a written response to such Claim or Interest holder, stating unequivocally that the applicable Debtor or the Reorganized Debtor consents to the requested recoupment. The Debtors and the Reorganized Debtor shall have the right, but not the obligation, to seek an order of the Bankruptcy Court allowing any or all of the proposed recoupment. In the absence of a written response from the applicable Debtor or the Reorganized Debtor consenting to a recoupment or an order of the Bankruptcy Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

11.7 Turnover. On the Effective Date, any rights of the Debtors' bankruptcy estates to compel turnover of Assets under applicable nonbankruptcy law and pursuant to section 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Reorganized Debtor.

11.8 Automatic Stay. The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtors and all Assets. As of the Effective Date, the automatic stay shall be replaced by the injunction contained in section 11.4 above.



**ARTICLE XII.**  
**JURISDICTION OF COURTS AND MODIFICATIONS TO THE PLAN**

12.1 Retention of Jurisdiction. Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to the Debtors' chapter 11 cases and the Plan, for the purposes of sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

- (a) To hear and determine any and all Objections to or applications concerning the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense;
- (b) To hear and determine any and all applications for payment of fees and expenses pursuant to this Plan to any Professional pursuant to sections 330 or 503 of the Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed under this Plan, and any and all objections thereto;
- (c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of Executory Contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any Executory Contract;
- (d) To hear and determine any and all adversary proceedings, applications, or contested matters, including allowance of any Claim;
- (e) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests or disputes relating to any of the Assets, (ii) the valuation of all Collateral, including hearing all Valuation Motions, (iii) the determination of the validity of any Lien or claimed right of offset; and (iv) determinations of Objections to Contested Claims;
- (f) To liquidate and administer any disputed, contingent, or unliquidated Claims, including the Allowance of all Contested Claims;
- (g) To administer Distributions to holders of Allowed Claims as provided herein;
- (h) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;
- (i) To consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation the Confirmation Order;
- (j) To enforce the injunction contained in section 11.4 above;
- (k) To enter and implement all such orders as may be necessary or appropriate to execute, interpret, construe, implement, consummate, or enforce the terms and conditions of the Plan and the transactions required or contemplated pursuant hereto;

- (l) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan;
- (m) To determine proceedings pursuant to section 505 of the Bankruptcy Code; and
- (n) To enter final decrees closing these chapter 11 cases.

12.2 Abstention and Other Courts. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to these chapter 11 cases, this Article of the Plan shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

12.3 Non-Material Modifications. The Debtors may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Reorganized Debtor may undertake such nonmaterial modification pursuant to this section insofar as it does not adversely change the treatment of the Claim of any Creditor or the Interest of any Interest holder who has not accepted in writing the modification.

12.4 Material Modifications. Modifications of this Plan may be proposed in writing by the Debtors at any time before confirmation, provided that this Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. This Plan may be modified at any time after confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected this 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.

### **ARTICLE XIII.** **MISCELLANEOUS PROVISIONS**

13.1 Severability. Should the Bankruptcy Court determine any provision of the Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Reorganized Debtor may modify the Plan so that any such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

13.2 Oral Agreements; Modification of Plan; Oral Representations or Inducements. The terms of the Plan, Disclosure Statement and Confirmation Order may not be changed, contradicted or varied by any oral statement, agreement, warranty or representation. The Plan may only be modified, amended or supplemented in writing signed by both Jowell and an authorized representative of LEJ. Neither the Debtors nor their attorneys have made any representation, warranty, promise or inducement relating to the Plan or its confirmation except as expressly set forth in this Plan, the Disclosure Statement, or the Confirmation Order or other order of the Bankruptcy Court.

13.3 Waiver. The Reorganized Debtor shall not be deemed to have waived any right, power or privilege pursuant to the Plan unless the waiver is in writing and signed by the Reorganized Debtor. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Reorganized Debtor, of any right pursuant to the Plan, including the provisions of this anti-waiver section. The waiver of any right under the Plan shall not act as a waiver of any other or subsequent right, power or privilege.

13.4 Construction. This Plan shall control over any inconsistent term of the Disclosure Statement. The Confirmation Order shall control over any inconsistent provision of the Plan.

13.5 Notice. Any notice or communication required or permitted by the Plan shall be given, made or sent as follows:

(a) If to a Creditor, notice may be given as follows: (i) if the Creditor has filed no proof of Claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of Claim, then to the address reflected in the proof of Claim.

(b) If to the Reorganized Debtor, notice shall be sent to the following address:

L. E. Jowell, Jr.  
2591 NE 28<sup>th</sup> Street  
Fort Worth, Texas 76111

Concurrently with service of such notice on the Reorganized Debtor, a copy thereof shall be concurrently served in the same manner on the following legal counsel as follows:

J. Robert Forshey  
Matthew G. Maben  
Forshey & Prostok, L.L.P.  
777 Main Street, Suite 1290  
Fort Worth, Texas 76102  
(817) 877-4151 FAX  
E-mail: [bforshey@forsheyprostok.com](mailto:bforshey@forsheyprostok.com)  
E-mail: [mmaben@forsheyprostok.com](mailto:mmaben@forsheyprostok.com)

(c) Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Reorganized Debtor of its new address in accordance with the terms of this section.

(d) Any notice given, made or sent as set forth above shall be effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address as set forth above; (ii) delivered by hand or messenger to the addressee at the address set forth above; (iii) telecopied to the addressee as set forth above, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

13.6 Compliance with All Applicable Laws. If notified by any governmental authority that he is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to his business, the Reorganized Debtor shall comply with such law, rule, regulation, or order; provided, however, that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith

in appropriate proceedings and, if appropriate, an adequate reserve has been set aside on the books of the Reorganized Debtor.

13.7 Duties to Creditors. No agent, representative, accountant, financial advisor, attorney, shareholder, officer, affiliate, member or employee of the Debtors shall ever owe any duty to any Person (including any Creditor) other than the duties owed to the Debtors' bankruptcy estates, for any act, omission, or event in connection with, or arising out of, or relating to, any of the following: (a) the Debtors' bankruptcy cases, including all matters or actions in connection with or relating to the administration of the estates, (b) the Plan, including the proposal, negotiation, confirmation and consummation of the Plan, or (c) any act or omission relating to the administration of the Plan after the Effective Date.

13.8 Binding Effect. The Plan shall be binding upon, and shall inure to the benefit of the Reorganized Debtor, the holders of the Claims or Liens, the holders of Interests, and their respective successors in interest and assigns.

13.9 Governing Law, Interpretation. Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any Plan Documents without regard to conflicts of law. The Plan shall control any inconsistent term or provision of any other Plan Documents.

13.10 Payment of Statutory Fees. All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on or before the Effective Date, and thereafter shall be paid by the Reorganized Debtor as such statutory fees become due.

13.11 Filing of Additional Documents. On or before Substantial Consummation of the Plan, the Reorganized Debtor may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

13.12 Computation of Time. If the final day for any Distribution, performance, act or event under the Plan is not a Business Day, then the time for making or performing such Distribution, performance, act or event shall be extended to the next Business Day. Any payment or Distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

13.13 Elections by the Reorganized Debtor. Any right of election or choice granted to the Reorganized Debtor under this Plan may be exercised, at the Reorganized Debtor's election, separately as to each Claim, Creditor or Person.

13.14 Release of Liens. Except as otherwise provided in this Plan or the Confirmation Order, all Liens against any of the Assets shall be deemed to be released, terminated and nullified.

13.15 Rates. The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

13.16 Compliance with Tax Requirements. In connection with the Plan, the Reorganized Debtor shall comply with all withholding and reporting requirements imposed by federal, state and local Taxing Authorities and all Distributions under the Plan shall be subject to

such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Interest that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such Distribution under the Plan.

13.17 Notice of Entry of Confirmation Order. Promptly after entry of the Confirmation Order, the Debtors, as directed by the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of entry of the Confirmation Order.

13.18 Notice of Occurrence of the Effective Date. Promptly after occurrence of the Effective Date, the Reorganized Debtor, as directed by the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of the occurrence of the Effective Date.

13.19 Interest and Attorneys Fees.

(a) Interest accrued after the Petition Date will accrue and be paid on Allowed Claims only to the extent specifically provided for in the Plan, the Confirmation Order or as otherwise required by the Bankruptcy Court or by applicable law.

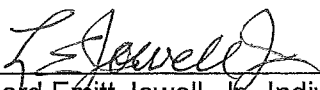
(b) Except as set forth in the Plan or as ordered by the Bankruptcy Court, no award or reimbursement of attorneys fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim.

13.20 **No Admissions.** **As to contested matters, adversary proceedings and other causes of action or threatened causes of action, the Plan shall not constitute or be construed as an admission by either of the Debtors or the Reorganized Debtor of any fact or liability, stipulation, or waiver, but shall constitute and be construed as a statement made in settlement negotiations. The Plan shall not be construed to be conclusive advice on the tax, securities, and other legal effects of the Plan as to holders of Claims against, and Interests in, the Debtors or their affiliates, as debtors and debtors in possession in these chapter 11 cases.**

[The remainder of this page has been left intentionally blank]

Dated: August 24, 2016.

Respectfully submitted,

/s/   
Lenard Emitt Jowell, Jr., Individually

**LEJ PROPERTIES, INC.**

By: /s/   
Lenard Emitt Jowell, Jr., President

APPROVED:

/s/ J. Robert Forshey  
J. Robert Forshey  
State Bar No. 07264200  
Matthew G. Maben  
State Bar No. 24037008  
FORSHEY & PROSTOK LLP  
777 Main St., Suite 1290  
Ft. Worth, TX. 76102  
Telephone: (817) 877-8855  
Facsimile: (817) 877-4151  
[bforshey@forsheyprostok.com](mailto:bforshey@forsheyprostok.com)  
[mmaben@forsheyprostok.com](mailto:mmaben@forsheyprostok.com)

ATTORNEYS FOR LENARD EMITT JOWELL, JR.  
AND LEJ PROPERTIES, INC., DEBTORS  
AND DEBTORS IN POSSESSION

# EXHIBIT "B"

Monthly Operating Report  
CASH BASIS

CASE NAME:	Lenard Emitt Jowell, Jr.
CASE NUMBER:	13-45648-rfn11
JUDGE:	Honorable Russell F. Nelms

UNITED STATES BANKRUPTCY COURT  
NORTHERN & EASTERN DISTRICTS OF TEXAS

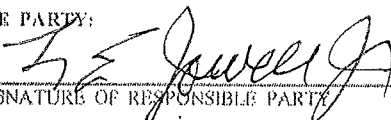
REGION 6

MONTHLY OPERATING REPORT

MONTH ENDING: July 2016  
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:



ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

TITLE

Lenard Emitt Jowell, Jr.

PRINTED NAME OF RESPONSIBLE PARTY

8/24/16

DATE

PREPARER:



ORIGINAL SIGNATURE OF PREPARER

CPA

TITLE

Jay M. Wilson

PRINTED NAME OF PREPARER

18-Aug-16

DATE



**Monthly Operating Report**  
**CASH BASIS-1**

<b>CASE NAME:</b>	Lenard Emmitt Jowell, Jr.
<b>CASE NUMBER:</b>	13-45648-rfn11

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	MONTH
	Apr-16	May-16	Jun-16	Jul-16
1. CASH - BEGINNING OF MONTH	\$ 93,078.84	\$ 93,490.28	\$ 91,302.63	\$ 908,291.43
<b>RECEIPTS</b>				
2. CASH SALES				
3. ACCOUNTS RECEIVABLE COLLECTIONS				
4. LOANS AND ADVANCES				
5. SALE OF ASSETS				
6. LEASE & RENTAL INCOME				
7. WAGES				
8. OTHER (ATTACH LIST)	\$2,931.89	\$1,886.00	\$819,094.53	\$0.00
9. TOTAL RECEIPTS	\$2,931.89	\$1,886.00	\$ 819,094.53	\$ -
<b>DISBURSEMENTS</b>				
10. NET PAYROLL				
11. PAYROLL TAXES PAID				
12. SALES, USE & OTHER TAXES PAID				
13. INVENTORY PURCHASES				
14. MORTGAGE PAYMENTS				
15. OTHER SECURED NOTE PAYMENTS				
16. RENTAL & LEASE PAYMENTS				
17. UTILITIES	\$0.00	\$0.00	\$0.00	\$0.00
18. INSURANCE	\$202.88	\$202.88	\$202.88	\$405.76
19. VEHICLE EXPENSES	\$0.00	\$0.00	\$0.00	\$67.98
20. TRAVEL (Gas/Convenient Stores)	\$537.34	\$441.66	\$289.85	\$396.45
21. ENTERTAINMENT	\$170.28	\$46.00	\$23.00	\$45.85
22. REPAIRS & MAINTENANCE		\$882.17	\$161.94	\$0.00
23. SUPPLIES				
24. ADVERTISING				
25. HOUSEHOLD EXPENSES- Meals	478.22	\$669.24	\$653.96	\$803.54
26. CHARITABLE CONTRIBUTIONS	\$ 214.00	\$ 389.70	\$ -	\$ -
27. GIFTS				
28. OTHER (ATTACH LIST)	\$917.73	\$467.00	\$774.10	\$155.75
29. TOTAL ORDINARY DISBURSEMENTS	\$ 2,520.45	\$ 3,098.65	\$ 2,105.73	\$ 1,875.33
<b>REORGANIZATION EXPENSES</b>				
30. PROFESSIONAL FEES				
31. U.S. TRUSTEE FEES		\$975.00		
32. OTHER (ATTACH LIST)				
33. TOTAL REORGANIZATION EXPENSES	\$0.00	\$975.00	\$0.00	\$0.00
34. TOTAL DISBURSEMENTS	\$2,520.45	\$ 4,073.65	\$ 2,105.73	\$ 1,875.33
35. NET CASH FLOW	\$411.44	(\$2,187.65)	\$ 816,988.80	\$ (1,875.33)
36. CASH - END OF MONTH	\$ 93,490.28	\$ 91,302.63	\$ 908,291.43	\$ 906,416.10

**Monthly Operating Report  
CASH BASIS-1A**

**2016**

<b>CASE NAME:</b>	Lenard Emmitt Jowell, Jr.
<b>CASE NUMBER:</b>	13-45648-rfn11

**CASH DISBURSEMENTS DETAIL** MONTH: July

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
<b>TOTAL CASH DISBURSEMENTS</b>				\$ -

BANK ACCOUNT DISBURSEMENTS				
CK#	DATE	PAYEE	PURPOSE	AMOUNT
DC	07/01/16	Omaha Ins Co.	Insurance	\$202.88
DC	07/05/16	McDonalds	Meals	\$1.08
DC	07/05/16	La Madeleine	Meals	\$5.19
DC	07/05/16	La Madeleine	Meals	\$5.40
DC	07/05/16	Lisa Food Mart	Travel	\$5.86
DC	07/05/16	Break Time	Meals	\$6.61
DC	07/05/16	Break Time	Meals	\$6.61
DC	07/05/16	Lisa Food Mart	Travel	\$7.15
DC	07/05/16	La Madeleine	Meals	\$8.97
DC	07/05/16	Brite Express	Car Wash	\$16.00
DC	07/05/16	Modern Art Café	Meals	\$28.24
DC	07/05/16	7 Eleven	Travel	\$52.55
DC	07/06/16	McDonalds	Meals	\$1.50
DC	07/06/16	La Madeleine	Meals	\$8.65
DC	07/06/16	Lisa Food Mart	Travel	\$10.00
DC	07/06/16	Break Time	Meals	\$12.47
DC	07/07/16	UMG Smine	Household	\$1.95
DC	07/07/16	La Madeleine	Meals	\$5.40

DC	7/7/16	JWL Club	Entertainment	\$ 7.90
DC	7/7/16	Cobblestone Quality Shoe	Shoe Repair	\$10.83
DC	7/7/16	JWL Club	Entertainment	\$12.95
DC	7/7/16	Break Time	Meals	\$16.61
DC	7/7/16	Lisa Food Mart	Travel	\$17.14
DC	7/8/16	La Madeleine	Meals	\$8.65
DC	7/8/16	Batteries Plus	Household	\$12.98
DC	7/8/16	Ft. Worth Laundry & Dry	Dry Cleaning	\$78.23
DC	7/8/16	Value Plus	Medical	\$19.95
DC	7/11/16	Break Time	Meals	\$4.61
DC	7/11/16	La Madeleine	Meals	\$6.48
DC	7/11/16	Stroud Auto Supply	Vehicle Expenses	\$8.65
DC	7/11/16	La Madeleine	Meals	\$8.65
DC	7/11/16	Cracker Barrel	Meals	\$10.65
DC	7/11/16	Texaco	Travel	\$10.99
DC	7/11/16	Lisa Food Mart	Travel	\$12.43
DC	7/11/16	Lisa Food Mart	Travel	\$15.00
DC	7/11/16	Break Time	Meals	\$16.61
DC	7/11/16	Break Time	Meals	\$16.61
DC	7/11/16	Lisa Food Mart	Travel	\$40.68
DC	7/12/16	La Madeleine	Meals	\$5.40
DC	7/12/16	Lisa Food Mart	Travel	\$7.05
DC	7/12/16	The Tavern	Meals	\$134.21
DC	7/13/16	La Madeleine	Meals	\$5.19
DC	7/13/16	Break Time	Meals	\$6.61
DC	7/14/16	La Madeleine	Meals	\$5.40
DC	7/14/16	Break Time	Meals	\$8.24
DC	7/14/16	Break Time	Meals	\$11.61
DC	7/14/16	Lisa Food Mart	Travel	\$20.00
DC	7/15/16	Lisa Food Mart	Travel	\$5.00
DC	7/15/16	La Madeleine	Meals	\$5.40
DC	7/18/16	McDonalds	Meals	\$1.08
DC	7/18/16	La Madeleine	Meals	\$5.19

DC	07/18/16	Walgreens	Medical	\$5.40
DC	07/18/16	Break Time	Meals	\$6.61
DC	07/18/16	Brite Express	Car Wash	\$8.00
DC	07/18/16	La Madeleine	Meals	\$8.65
DC	07/18/16	Break Time	Meals	\$18.23
DC	07/18/16	Ramona Rivera	Entertainment	\$25.00
DC	07/18/16	Modern Art Café	Meals	\$25.84
DC	07/18/16	Lisa Food Mart	Travel	\$39.06
DC	07/18/16	Rachels Little Place	Haircut	\$40.00
DC	07/19/16	Whataburger	Meals	\$6.85
DC	07/19/16	La Madeleine	Meals	\$8.65
DC	07/19/16	Lisa Food Mart	Travel	\$13.52
DC	07/20/16	Lisa Food Mart	Travel	\$5.00
DC	07/20/16	La Madeleine	Meals	\$5.19
DC	07/21/16	La Madeleine	Meals	\$6.15
DC	07/21/16	Lisa Food Mart	Travel	\$15.00
DC	07/22/16	Lisa Food Mart	Travel	\$5.00
DC	07/22/16	Break Time	Meals	\$9.85
DC	07/25/16	McDonalds	Meals	\$1.08
DC	07/25/16	La Madeleine	Meals	\$5.40
DC	07/25/16	Lisa Food Mart	Travel	\$5.86
DC	07/25/16	La Madeleine	Meals	\$8.97
DC	07/25/16	Theresa's Dixie House Café	Meals	\$12.23
DC	07/25/16	Break Time	Meals	\$18.11
DC	07/25/16	Lisa Food Mart	Travel	\$33.44
DC	07/25/16	Modern Art Café	Meals	\$34.15
DC	07/26/16	Braums	Meals	\$2.44
DC	07/26/16	La Madeleine	Meals	\$2.48
DC	07/26/16	Lisa Food Mart	Travel	\$4.07
DC	07/26/16	La Madeleine	Meals	\$5.19
DC	07/26/16	Break Time	Meals	\$6.61
DC	07/26/16	OI South Pancake House	Meals	\$7.99
DC	07/26/16	Brite Express	Car Wash	\$9.00

DC	07/27/16	Lisa Food Mart	Travel	\$5.00
DC	07/27/16	La Madeleine	Meals	\$5.40
DC	07/27/16	Ft. Worth Laundry & Dry	Dry Cleaning	\$76.12
DC	07/28/16	Break Time	Meals	\$1.49
DC	07/28/16	La Madeleine	Meals	\$3.25
DC	07/28/16	Break Time	Meals	\$5.00
DC	07/28/16	La Madeleine	Meals	\$5.40
DC	07/28/16	Lisa Food Mart	Travel	\$15.75
DC	07/28/16	Break Time	Meals	\$16.72
DC	07/29/16	Lisa Food Mart	Travel	\$5.86
DC	07/29/16	La Madeleine	Meals	\$8.65
DC	07/29/16	Texaco	Travel	\$8.43
DC	07/29/16	Omaha Ins Co.	Insurance	\$202.88
DC	07/30/16	Jack In The Box	Meals	\$5.81
DC	07/30/16	La Madeleine	Meals	\$8.65
DC	07/30/16	Theresa's Dixie House Café	Meals	\$10.23
DC	07/30/16	Texaco	Travel	\$15.00
DC	07/30/16	Texaco	Travel	\$16.61
DC	07/30/16	Rivercrest Service Center	Vehicle Expenses	\$46.35
DC	07/31/16	La Madeleine	Meals	\$8.65
DC	07/31/16	CVS Pharmacy	Medical	\$38.38
DC	07/31/16	CVS Pharmacy	Medical	\$8.19
DC	07/31/16	Texaco	Travel	\$5.00
<b>TOTAL BANK ACCOUNT DISBURSEMENTS</b>				<b>\$1,875.33</b>

		Monthly Operating Report CASH BASIS-1B			
<b>CASE NAME:</b>	Lenard Emitt Jowell, Jr.				
<b>CASE NUMBER:</b>	13-45648-rfn11				
<b>CASH RECEIPTS AND DISBURSEMENTS</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	
	<b>Apr-16</b>	<b>May-16</b>	<b>Jun-16</b>	<b>Jul-16</b>	
<b>8. RECEIPTS OTHER (ATTACH LIST)</b>					
SOCIAL SECURITY	\$2,931.89	\$1,886.00	\$2,701.48		
TEXAS 150			\$1,500.00		
ELECTRIC SHAVER					
XTO ENERGY					
TX 150 REAL ESTATE SALE PROCEEDS			\$814,893.05		
<b>TOTAL RECEIPTS OTHER</b>	<b>\$2,931.89</b>	<b>\$1,886.00</b>	<b>\$819,094.53</b>	<b>\$0.00</b>	
<b>28. OTHER (ATTACH LIST)</b>					
SETTLEMENT PAYMENTS					
MEDICAL	\$737.73	\$123.59	\$758.10	\$71.92	
MEALS	Added To Household	Added To Household	Added To Household	Added To Household	
BRITE EXPRESS CAR WASH		\$7.00	\$16.00	\$33.00	
HANIS TEXAS TIRE		\$5.41			
ATM FEE		\$1.00			
RACHELS LITTLE PLACE (HAIRCUT)		\$40.00		\$40.00	
BURLESON B.I. & PERMIT		\$290.00			
CALHOUN GARAGE					
COBBLESTONE QUALITY SHOE REPAIR				\$10.83	
ANDERSON COUNTY TX PROP					
ELECTRICAL REPAIRS TO TX 150 OFFICE	\$180.00				
<b>TOTAL OTHER LISTINGS - LINE 28</b>	<b>\$ 917.73</b>	<b>\$ 467.00</b>	<b>\$ 774.10</b>	<b>\$ 155.75</b>	
<b>32. OTHER (ATTACH LIST)</b>					
FNB (ADEQUATE PROTECTION)					
FORT WORTH MUNICIPAL COURT					
<b>TOTAL OTHER LISTINGS - LINE 32</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	

**Monthly Operating Report**  
CASH BASIS-2

<b>CASE NAME:</b>	Lenard Emmitt Jowell, Jr.
<b>CASE NUMBER:</b>	13-45648-rfn11

BANK RECONCILIATIONS				
	Acct #1	Acct #2	Acct #3	
A. BANK:	NBT	NBT		TOTAL
B. ACCOUNT NUMBER:	3465	6443		
C. PURPOSE (TYPE):	DIP Acct	DIP Acct*		
1. BALANCE PER BANK STATEMENT	\$ 3,776.06	\$ 893,788.66		\$ 897,564.72
2. ADD: TOTAL DEPOSITS NOT CREDITED				
3. SUBTRACT: OUTSTANDING CHECKS				
4. OTHER RECONCILING ITEMS				
5. MONTH END BALANCE PER BOOKS	\$ 3,776.06	\$ 893,788.66		\$ 897,564.72
6. NUMBER OF LAST CHECK WRITTEN	1213	1001		

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$ -	\$ -

CASH	
12. CURRENCY ON HAND	\$ -
13. TOTAL CASH - END OF MONTH	\$ 897,564.72

\*Separate DIP Account established as required by Order [Docket No. 150] entered on June 9, 2015.

**Monthly Operating Report**  
CASH BASIS-3

<b>CASE NAME:</b>	Lenard Emitt Jowell, Jr.
<b>CASE NUMBER:</b>	13-45648-rfn11

**ASSETS OF THE ESTATE**

SCHEDULE "A" REAL PROPERTY	SCHEDULE AMOUNT	MONTH		
		May-16	Jun-16	Jul-16
1.2443 Upper Burma Rd. Graford, TX 76449	\$ 1,299,000.00	\$ -	\$ -	\$ -
2.Stephens, RP #1H Gas Well	\$ 24,790.00	\$ 24,790.00	\$ 24,790.00	\$ 24,790.00
3.JW Mills #1 Oil Well	Unknown	Unknown	Unknown	Unknown
4. OTHER (ATTACH LIST)	Unknown	Unknown	Unknown	Unknown
5. TOTAL REAL PROPERTY ASSETS	\$ 1,323,790.00	\$ 24,790.00	\$ 24,790.00	\$ 24,790.00
SCHEDULE "B" PERSONAL PROPERTY				
1. CASH ON HAND	\$ -	\$ -	\$ -	\$ -
2. CHECKING, SAVINGS, ETC.	\$ 200.00	\$ 82,511.52	\$ 899,510.04	\$ 897,564.72
3. SECURITY DEPOSITS				
4. HOUSEHOLD GOODS	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
5. BOOKS, PICTURES, ART				
6. WEARING APPAREL	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
7. FURS AND JEWELRY	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
8. FIREARMS & SPORTS EQUIPMENT	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00
9. INSURANCE POLICIES				
10. ANNUITIES				
11. EDUCATION				
12. RETIREMENT & PROFIT SHARING				
13. STOCKS	Unknown	Unknown	Unknown	Unknown
14. PARTNERSHIPS & JOINT VENTURES				
15. GOVERNMENT & CORPORATE BONDS				
16. ACCOUNTS RECEIVABLE				
17. ALIMONY				
18. OTHER LIQUIDATED DEBTS	\$ 34,600.00	\$ 34,600.00	\$ 34,600.00	\$ 34,600.00
19. EQUITABLE INTERESTS				
20. CONTINGENT INTERESTS				
21. OTHER CLAIMS	Unknown	Unknown	Unknown	Unknown
22. PATENTS & COPYRIGHTS				
23. LICENSES & FRANCHISES				
24. CUSTOMER LISTS				
25. AUTOS, TRUCKS & OTHER VEHICLES	\$ 43,550.00	\$ -	\$ -	\$ -
26. BOATS & MOTORS	\$ 44,330.00	\$ 4,250.00	\$ 4,250.00	\$ 4,250.00
27. AIRCRAFT				
28. OFFICE EQUIPMENT				
29. MACHINERY, FIXTURES & EQUIPMENT				
30. INVENTORY				
31. ANIMALS	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
32. CROPS				
33. FARMING EQUIPMENT				
34. FARM SUPPLIES				
35. OTHER (ATTACH LIST)		\$ 9,531.50	\$ 9,531.50	\$ 9,531.50 *
36. TOTAL PERSONAL PROPERTY ASSETS	\$ 124,491.00	\$ 132,704.02	\$ 949,702.54	\$ 947,757.22
37. TOTAL ASSETS	\$ 1,448,281.00	\$ 157,494.02	\$ 974,492.54	\$ 972,547.22

\* Remaining real estate sale proceeds held in IOLTA trust account of Forshey & Prostok, LLP



**Monthly Operating Report**  
**CASH BASIS-3A**

<b>CASE NAME:</b>	Lenard Emitt Jowell, Jr.
<b>CASE NUMBER:</b>	13-45648-rfn11

<b>ASSETS OF THE ESTATE</b>				
<b>SCHEDULE "A" REAL PROPERTY (CON'T)</b>	<b>AMOUNT</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
		<b>May-16</b>	<b>Jun-16</b>	<b>Jul-16</b>
4a. Rhodes Gas Well	Unknown	Unknown	Unknown	Unknown
TOTAL "OTHER" REAL PROPERTY ASSETS	Unknown	Unknown	Unknown	Unknown

**Monthly Operating Report  
CASH BASIS-4**

<b>CASE NAME:</b>	Lenard Emitt Jowell, Jr.
<b>CASE NUMBER:</b>	13-45648-rfn11

MONTH: July

LIABILITIES OF THE ESTATE		
PREPETITION LIABILITIES	SCHEDULE AMOUNT	PAYMENTS
1. SECURED	\$ 438,766.59	\$ -
2. PRIORITY		
3. UNSECURED	\$ 1,354,132.82	\$ -
4. OTHER (ATTACH LIST)		
5. TOTAL PREPETITION LIABILITIES	\$ 1,792,899.41	\$ -

POSTPETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES				
2. FICA/MEDICARE				
3. STATE TAXES				
4. REAL ESTATE TAXES				\$ -
5. OTHER TAXES (ATTACH LIST)				
6. TOTAL TAXES		\$ -		\$ -
OTHER POSTPETITION LIABILITIES INCLUDING TRADE CREDITORS (LIST NAMES OF CREDITORS)				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL ATTACH LIST)				
30. TOTAL OF LINES 7 - 29		\$ -		\$ -
31. TOTAL POSTPETITION LIABILITIES		\$ -		\$ -

**Monthly Operating Report**  
CASH BASIS-4A

<b>CASE NAME:</b>	Lenard Emitt Jowell, Jr.
<b>CASE NUMBER:</b>	13-45648-rfn11

MONTH: July

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
1. 0 - 30				
2. 31 - 60				
3. 61 - 90				
4. 91 +				
5. TOTAL ACCOUNTS RECEIVABLE	\$ -	\$ -	\$ -	\$ -
6. AMOUNT CONSIDERED UNCOLLECTIBLE				
7. ACCOUNTS RECEIVABLE (NET)	\$ -	\$ -	\$ -	\$ -

AGING OF POSTPETITION TAXES AND PAYABLES	0 - 30 DAYS	31-60 DAYS	90+ DAYS	Total
TAXES PAYABLE				
1. FEDERAL				\$ -
2. STATE				\$ -
3. LOCAL				\$ -
4. OTHER (ATTACH LIST)				\$ -
5. TOTAL TAXES PAYABLE	\$ -	\$ -	\$ -	

6. ACCOUNTS PAYABLE				\$ -
---------------------	--	--	--	------

STATUS OF POSTPETITION TAXES	BEGINNING TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING				\$ -
2. FICA-EMPLOYEE				\$ -
3. FICA-EMPLOYER				\$ -
4. UNEMPLOYMENT				\$ -
5. INCOME				\$ -
6. OTHER (ATTACH LIST)				\$ -
7. TOTAL FEDERAL TAXES	\$ -	\$ -	\$ -	\$ -
STATE AND LOCAL				\$ -
8. WITHHOLDING				\$ -
9. SALES				\$ -
10. EXCISE				\$ -
11. UNEMPLOYMENT				\$ -
12. REAL PROPERTY		\$ -		
13. PERSONAL PROPERTY				\$ -
14. OTHER (ATTACH LIST)				\$ -
15. TOTAL STATE & LOCAL	\$ -	\$ -		
16. TOTAL TAXES	\$ -	\$ -	\$ -	

**Monthly Operating Report  
CASH BASIS-5**

<b>CASE NAME:</b>	Lenard Emitt Jowell, Jr.
<b>CASE NUMBER:</b>	13-45648-rfn11

MONTH: July

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TTL PD TO DATE
1.			
2.			
3.			
4.			
5.			
<b>TOTAL PAYMENTS TO INSIDERS</b>		\$ -	\$ -

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TTL PAID TO DATE	TOTAL INCURRED & UNPAID
1. Forshey & Prostok, LLP	10/15/14; 8/7/15; 8/25/15	\$233,179.74		\$175,000.00	Unknown
Jay M. Wilson, P.C.		\$0.00	\$0.00	\$0.00	Unknown
Pondera Partners, LLC	3/13/14; 8/25/14	\$51,000.00		\$51,000.00	\$0.00
Law Office of Alex Tandy	03/09/16	\$ 5,000.00	\$ -	\$ 5,000.00	\$ -
5.					
<b>TOTAL PAYMENTS TO PROFESSIONALS</b>		\$ 289,179.74	\$ -	\$ 231,000.00	\$ -

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
4.			
5.			
<b>6. TOTAL</b>	\$ -	\$ -	\$ -

**Monthly Operating Report  
CASH BASIS-6**

**2016**

<b>CASE NAME:</b>	Lenard Emitt Jowell, Jr.
<b>CASE NUMBER:</b>	13-45648-rfn11

MONTH: July

**QUESTIONNAIRE**

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES", PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

**INSURANCE**

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO" OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

**INSTALLMENT PAYMENTS**

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY

# EXHIBIT "C"

Monthly Operating Report  
CASH BASIS

CASE NAME:	LEJ Properties, Inc.
CASE NUMBER:	14-40965-rfn11
JUDGE:	Honorable Russell F. Nelms

UNITED STATES BANKRUPTCY COURT  
NORTHERN & EASTERN DISTRICTS OF TEXAS  
REGION 6

MONTHLY OPERATING REPORT

MONTH ENDING: July 2016  
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

*LE Jowell Jr* President TITLE  
 ORIGINAL SIGNATURE OF RESPONSIBLE PARTY  
 Leonard Emmitt Jowell, Jr. 8/24/16 DATE  
 PRINTED NAME OF RESPONSIBLE PARTY

PREPARER:

*[Signature]* CPA TITLE  
 ORIGINAL SIGNATURE OF PREPARER  
 Juy M. Wilson 15-Aug-16 DATE  
 PRINTED NAME OF PREPARER

**Monthly Operating Report**  
**CASH BASIS-1**

<b>CASE NAME:</b>	LBJ Properties, Inc.
<b>CASE NUMBER:</b>	14-40965-rfn-11

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	MONTH
	Apr-16	May-16	Jun-16	Jul-16
1. CASH - BEGINNING OF MONTH	\$ 1,735.96	\$ 1,724.28	\$ 1,062.19	\$ 1,050.26
<b>RECEIPTS</b>				
2. CASH SALES				
3. ACCOUNTS RECEIVABLE COLLECTIONS				
4. LOANS AND ADVANCES				
5. SALE OF ASSETS				
6. LEASE & RENTAL INCOME	\$ -	\$ -	\$ -	\$ -
7. WAGES				
8. OTHER (ATTACH LIST)				
9. TOTAL RECEIPTS	\$ -	\$ -	\$ -	\$ -
<b>DISBURSEMENTS</b>				
10. NET PAYROLL				
11. PAYROLL TAXES PAID				
12. SALES, USE & OTHER TAXES PAID				
13. INVENTORY PURCHASES				
14. MORTGAGE PAYMENTS				
15. OTHER SECURED NOTE PAYMENTS				
16. RENTAL & LEASE PAYMENTS				
17. UTILITIES				
18. INSURANCE				
19. VEHICLE EXPENSES				
20. TRAVEL				
21. ENTERTAINMENT				
22. REPAIRS & MAINTENANCE				
23. SUPPLIES				
24. ADVERTISING				
25. HOUSEHOLD EXPENSES				
26. CHARITABLE CONTRIBUTIONS				
27. GIFTS				
28. OTHER (ATTACH LIST)	\$ 11.68	\$ 11.83	\$ 11.93	\$ 11.75
29. TOTAL ORDINARY DISBURSEMENTS	\$ 11.68	\$ 11.83	\$ 11.93	\$ 11.75
<b>REORGANIZATION EXPENSES</b>				
30. PROFESSIONAL FEES				
31. U.S. TRUSTEE FEES		\$ 650.26		
32. OTHER (ATTACH LIST)				
33. TOTAL REORGANIZATION EXPENSES	\$ -	\$ 650.26	\$ -	\$ -
34. TOTAL DISBURSEMENTS	\$ 11.68	\$ 662.09	\$ 11.93	\$ 11.75
35. NET CASH FLOW	\$ (11.68)	\$ (662.09)	\$ (11.93)	\$ (11.75)
36. CASH - END OF MONTH	\$ 1,724.28	\$ 1,062.19	\$ 1,050.26	\$ 1,038.51



**Monthly Operating Report  
CASH BASIS-1A**

**2016**

<b>CASE NAME:</b>	LEJ Properties, Inc.
<b>CASE NUMBER:</b>	14-40965rfn11

**CASH DISBURSEMENTS DETAIL** MONTH: July

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
<b>TOTAL CASH DISBURSEMENTS</b>				\$ -

BANK ACCOUNT DISBURSEMENTS				
CK#	DATE	PAYEE	PURPOSE	AMOUNT
Debit	7/31/2016	National Bank Of Texas	Account Fees	\$11.75
<b>TOTAL BANK ACCOUNT DISBURSEMENTS</b>				\$11.75

<b>TOTAL DISBURSEMENTS FOR THE MONTH</b>	\$ 11.75
------------------------------------------	----------

Monthly Operating Report				
CASH BASIS-1B				
<b>CASE NAME:</b>	LEJ Properties, Inc			
<b>CASE NUMBER:</b>	14-40965-rfn-11			
<b>CASH RECEIPTS AND DISBURSEMENTS</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
<b>RECEIPTS</b>	<b>Apr-16</b>	<b>May-16</b>	<b>Jun-16</b>	<b>Jul-16</b>
<b>8. OTHER (ATTACH LIST)</b>				
<b>TOTAL OTHER</b>				
<b>28. OTHER (ATTACH LIST)</b>				
BANK SERVICE FEE	\$11.68	\$11.83	\$11.93	\$11.75
ATM BANK FEE	\$0.00	\$0.00	\$0.00	\$0.00
WALMART				
MEALS				
NSF Fee				
CLOSING COSTS (REAL ESTATE SALE)				
National Farm & Life				
<b>TOTAL OTHER LISTINGS - LINE 28</b>	<b>\$11.68</b>	<b>\$11.83</b>	<b>\$11.93</b>	<b>\$11.75</b>
<b>REORGANIZATION EXPENSES</b>				
32. National Farm & Life	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL OTHER LISTINGS - LINE 32</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Monthly Operating Report**  
CASH BASIS-2

<b>CASE NAME:</b>	LEJ Properties, Inc.
<b>CASE NUMBER:</b>	14-40965rfn11

BANK RECONCILIATIONS			
	Acct #1	Acct #2	Acct #3
A. BANK:	NBT		
B. ACCOUNT NUMBER:	411		
C. PURPOSE (TYPE):	DIP Acct		
1. BALANCE PER BANK STATEMENT	\$ 1,038.51		
2. ADD: TOTAL DEPOSITS NOT CREDITED			
3. SUBTRACT: OUTSTANDING CHECKS			
4. OTHER RECONCILING ITEMS			
5. MONTH END BALANCE PER BOOKS	\$ 1,038.51		\$ 1,038.51
6. NUMBER OF LAST CHECK WRITTEN	1037		

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$ -	\$ -

CASH	
12. CURRENCY ON HAND	\$ -
13. TOTAL CASH - END OF MONTH	\$ 1,038.51

**Monthly Operating Report**  
**CASH BASIS-3**

<b>CASE NAME:</b>	LEJ Properties, Inc.
<b>CASE NUMBER:</b>	14-40965rfn11

ASSETS OF THE ESTATE				
SCHEDULE "A" REAL PROPERTY	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		May-16	Jun-16	Jul-16
1.9-15 & 18-24, Block 23A, Fort Worth, TX	\$ 1,000,000.00	Unknown	Unknown	Unknown
2.Hickman #1H Gas Well	Unknown	Unknown	Unknown	Unknown
3.Hickman #3H Gas Well	Unknown	Unknown	Unknown	Unknown
4. OTHER (ATTACH LIST)				
5. TOTAL REAL PROPERTY ASSETS	\$ 1,000,000.00	Unknown	Unknown	Unknown
SCHEDULE "B" PERSONAL PROPERTY				
1. CASH ON HAND				
2. CHECKING, SAVINGS, ETC.	\$ 2,300.00	\$ 1,062.19	\$ 1,050.26	\$ 1,038.51
3. SECURITY DEPOSITS				
4. HOUSEHOLD GOODS				
5. BOOKS, PICTURES, ART				
6. WEARING APPAREL				
7. FURS AND JEWELRY				
8. FIREARMS & SPORTS EQUIPMENT				
9. INSURANCE POLICIES				
10. ANNUITIES				
11. EDUCATION				
12. RETIREMENT & PROFIT SHARING				
13. STOCKS				
14. PARTNERSHIPS & JOINT VENTURES				
15. GOVERNMENT & CORPORATE BONDS				
16. ACCOUNTS RECEIVABLE				
17. ALIMONY				
18. OTHER LIQUIDATED DEBTS				
19. EQUITABLE INTERESTS				
20. CONTINGENT INTERESTS				
21. OTHER CLAIMS	Unknown	Unknown	Unknown	Unknown
22. PATENTS & COPYRIGHTS				
23. LICENSES & FRANCHISES				
24. CUSTOMER LISTS				
25. AUTOS, TRUCKS & OTHER VEHICLES				
26. BOATS & MOTORS				
27. AIRCRAFT				
28. OFFICE EQUIPMENT				
29. MACHINERY, FIXTURES & EQUIPMENT				
30. INVENTORY				
31. ANIMALS				
32. CROPS				
33. FARMING EQUIPMENT				
34. FARM SUPPLIES				
35. OTHER (ATTACH LIST)				
36. TOTAL PERSONAL PROPERTY ASSETS	\$ 2,300.00	\$ 1,062.19	\$ 1,050.26	\$ 1,038.51
37. TOTAL ASSETS	\$ 1,002,300.00	\$ 1,062.19	\$ 1,050.26	\$ 1,038.51

**Monthly Operating Report**  
**CASH BASIS-3A**

**CASE NAME:** LEJ Properties, Inc.  
**CASE NUMBER:** 14-40965rfn11

**ASSETS OF THE ESTATE**

<b>SCHEDULE "A"</b> <b>REAL PROPERTY (CON'T)</b>	<b>SCHEDULE</b> <b>AMOUNT</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
		<b>May-16</b>	<b>Jun-16</b>	<b>Jul-16</b>
4a. Hickman #4H Gas Well	Unknown	Unknown	Unknown	Unknown
4b. Hickman #5H Gas Well	Unknown	Unknown	Unknown	Unknown
<b>TOTAL "OTHER" REAL PROPERTY ASSETS</b>	Unknown	Unknown	Unknown	Unknown

**Monthly Operating Report**  
CASH BASIS-4

<b>CASE NAME:</b>	LEJ Properties, Inc.
<b>CASE NUMBER:</b>	14-40965rfn11

**MONTH:** July

LIABILITIES OF THE ESTATE		
PREPETITION LIABILITIES	SCHEDULE AMOUNT	PAYMENTS
1. SECURED	\$ 665,987.28	\$ -
2. PRIORITY	\$ -	
3. UNSECURED	\$ 4,353.00	
4. OTHER (ATTACH LIST)		
5. TOTAL PREPETITION LIABILITIES	\$ 670,340.28	\$ -

POSTPETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES				
2. FICA/MEDICARE				
3. STATE TAXES				
4. REAL ESTATE TAXES				
5. OTHER TAXES (ATTACH LIST)				
6. TOTAL TAXES		\$ -		\$ -
OTHER POSTPETITION LIABILITIES INCLUDING TRADE CREDITORS (LIST NAMES OF CREDITORS)				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL ATTACH LIST)				
30. TOTAL OF LINES 7 - 29		\$ -		\$ -
31. TOTAL POSTPETITION LIABILITIES		\$ -		\$ -

**Monthly Operating Report**  
CASH BASIS-4A

<b>CASE NAME:</b>	LEJ Properties, Inc.
<b>CASE NUMBER:</b>	14-40965rfn11

MONTH: July

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
1. 0 - 30				
2. 31 - 60				
3. 61 - 90				
4. 91 +				
5. TOTAL ACCOUNTS RECEIVABLE	\$ -	\$ -	\$ -	\$ -
6. AMOUNT CONSIDERED UNCOLLECTIBLE				
7. ACCOUNTS RECEIVABLE (NET)	\$ -	\$ -	\$ -	\$ -

AGING OF POSTPETITION TAXES AND PAYABLES	0 - 30 DAYS	31-60 DAYS	90+ DAYS	Total
TAXES PAYABLE				
1. FEDERAL				\$ -
2. STATE				\$ -
3. LOCAL				\$ -
4. OTHER (ATTACH LIST)				\$ -
5. TOTAL TAXES PAYABLE	\$ -	\$ -	\$ -	\$ -

6. ACCOUNTS PAYABLE				\$ -
---------------------	--	--	--	------

STATUS OF POSTPETITION TAXES	BEGINNING TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING				\$ -
2. FICA-EMPLOYEE				\$ -
3. FICA-EMPLOYER				\$ -
4. UNEMPLOYMENT				\$ -
5. INCOME				\$ -
6. OTHER (ATTACH LIST)				\$ -
7. TOTAL FEDERAL TAXES	\$ -	\$ -	\$ -	\$ -
STATE AND LOCAL				\$ -
8. WITHHOLDING				\$ -
9. SALES				\$ -
10. EXCISE				\$ -
11. UNEMPLOYMENT				\$ -
12. REAL PROPERTY				\$ -
13. PERSONAL PROPERTY				\$ -
14. OTHER (ATTACH LIST)				\$ -
15. TOTAL STATE & LOCAL	\$ -	\$ -	\$ -	\$ -
16. TOTAL TAXES	\$ -	\$ -	\$ -	\$ -

**Monthly Operating Report  
CASH BASIS-5**

<b>CASE NAME:</b>	LEJ Properties, Inc.
<b>CASE NUMBER:</b>	14-40965rfn11

MONTH: July

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TTL PD TO DATE
1.			
2.			
3.			
4.			
5.			
<b>TOTAL PAYMENTS TO INSIDERS</b>		\$ -	\$ -

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TTL PAID TO DATE	TOTAL INCURRED & UNPAID
1. Forshey & Prostok, LLP	03/13/2014,04/03/14,10/15/14	\$40,819.63	\$0.00	\$12,000.00	Unknown
2. Jay M. Wilson, P.C.		\$ -	\$0.00	\$0.00	Unknown
3. Coldwell Banker	4/18/14 & 12/10/14	\$ 44,100.00	\$ -	\$ 44,100.00	\$ -
4. Simmons Property Tax Service	05/28/14	\$ 750.00	\$ -	\$ 750.00	\$ -
5.					
<b>TOTAL PAYMENTS TO PROFESSIONALS</b>		\$ 85,669.63	\$ -	\$56,850.00	Unknown

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1.			
2.			
3.			
4.			
5.			
<b>6. TOTAL</b>	\$ -	\$ -	\$ -



**Monthly Operating Report**  
CASH BASIS-6

2016

<b>CASE NAME:</b>	LEJ Properties, Inc.
<b>CASE NUMBER:</b>	14-40965rfn11

MONTH: July

**QUESTIONNAIRE**

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES", PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

**INSURANCE**

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?		
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?		
3. PLEASE ITEMIZE POLICIES BELOW		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO" OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

**INSTALLMENT PAYMENTS**

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY