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

In re:	§	
	§	Chapter 11
VIGNAHARA, LLC,	§	
	§	Case No. 16-32261-11
Debtor.	§	

DEBTOR'S FIFTH AMENDED DISCLOSURE STATEMENT- LIQUIDATION

ARTICLE I: INTRODUCTION

A. General

1. Vignahara, LLC ("Debtor") provides this Fifth Amended Disclosure Statement-Liquidation ("Disclosure Statement") to all of the Debtor's¹ known creditors entitled to same pursuant to Section 1125 of the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the "Code"). The purpose of this Disclosure Statement is to provide creditors of the Debtor with such information as may be deemed material, important and necessary in order for the creditors to make a reasonably informed decision regarding the Plan presently on file with the Bankruptcy Court and described below.

2. A copy of the Third Amended Plan-Liquidation (the "Plan") accompanies this Disclosure Statement as Exhibit "1" and is incorporated herein by reference. The definitions found

in Article 1.0 of the Plan are incorporated herein by reference and should be referred to in reading and analyzing the Plan and this Disclosure Statement.

3. **NO REPRESENTATIONS CONCERNING THE DEBTOR, THE VALUE OF ASSETS, ANY PROPERTY OR CREDITOR'S CLAIMS INCONSISTENT WITH ANYTHING CONTAINED HEREIN HAVE BEEN AUTHORIZED.** Any representations or inducements made other than as contained in this Disclosure Statement should not be relied upon by you.

4. The financial information contained herein has not been subject to an audit, certified or otherwise. **FOR THIS REASON AND BECAUSE OF FINANCIAL CONSTRAINTS, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT INACCURACIES, ALTHOUGH DEBTOR HAS MADE AN EFFORT TO PRESENT SUCH INFORMATION FAIRLY AND ACCURATELY.** Additional information can be found in Debtor's Statement of Financial Affairs and its Schedules of Assets and Liabilities and its operating reports on file with the Bankruptcy Court.

5. The Debtor proposes the Plan which accompanies this Disclosure Statement. The Plan proposes to pay all allowed claims 100% and, since there are no “impaired” claims, no creditor may vote for or against the Plan.

B. Manner of Voting

1. No voting is permitted. Creditors may still file legal objections to the Plan, however, and the deadline for those objections will be set by the Court pursuant to order.

¹ Unless otherwise noted, all capitalized terms herein shall have the same meaning as in the Plan.

C. Confirmation of Plan

1. No Solicitation of Votes. The Debtor has contemporaneously filed a motion seeking hearing on this Disclosure Statement on the same date and time as confirmation of the Plan. As noted above, there will be no solicitation of votes. Separate notice will be given of the date and time for hearing on this Disclosure Statement and the Plan. This Disclosure Statement is provided to each creditor whose claim has been scheduled by the Debtor and each creditor who has filed a proof of claim in order that they better understand the procedure for liquidating the Debtor's business and the implications of such liquidation.

2. No Persons Entitled to Vote on the Plan. Only the votes of members of classes of claimants which are impaired under the Plan are counted in connection with confirmation of any plan of reorganization. As noted, there are no impaired creditors in the Plan and, consequently, no creditor is permitted to vote on the Plan. No ballots will be distributed.

3. Hearing on Confirmation of the Plan. The Debtor has requested that the Court set hearing on this Disclosure Statement along with hearing on the Plan. The Bankruptcy Court will set a date by order to determine whether the requirements for confirmation of the Plan have been satisfied. Each creditor will receive either with this Disclosure Statement or separately, the Bankruptcy Court's Notice of Hearing on Confirmation of the Plan. Any objections to confirmation of the Plan must be filed in writing with the Bankruptcy Court and served upon Russell W. Mills so as to be received by **5:00 p.m. (CST) on August 18, 2017**, at the address noted in paragraph B above.

ARTICLE II: DESCRIPTION OF THE DEBTOR AND STATUS OF THE CASE

1. Ownership of the Debtor.

The Debtor's sole asset was a 112-room hotel located at 11999 East Freeway in Houston, Texas which had been operated as a Red Roof Inn franchise. It operated under the name of Red Roof Inn East Houston.

The Debtor is a Texas limited liability company formed on August 12, 2013. It is a family run business. Jagdishbhai Patel and Binal Patel are the sole managers and members of the Debtor. Jagdishbhai is Binal's father. Binal ran the day to day operations of the hotel while Jagdishbhai provided managerial assistance. Several family members worked at the hotel: Angie Patel, Binal's sister, worked as front desk manager; Pooja Patel, Binal's other sister, worked as front desk clerk; and Gunvantiben Patel, Binal's mother worked in the laundry. The family has a significant investment in the business; when they purchased the hotel, they put more than \$900,000 of their own funds into the purchase. The Debtor acquired the property on October 31, 2013.

2. The Debtor, Its Market, and Its Postpetition Sale.

The hotel is located on Interstate Highway 10 in East Houston in what is considered a commercial corridor along IH-10 between Loop 610 on the west and Sam Houston Tollway on the east. The area is heavily developed with office, retail, hotels, restaurant and commercial properties. There are large industrial parks and chemical and oil refineries located nearby. The Houston Ship Channel is also very close. There are also many hotels nearby including Motel 7, Quality Inn, Best Western and others.

The Debtor operated during the bankruptcy and, after it was able to regain the Red Roof Inn franchise, was able to operate at a profit. The Debtor proposed a plan that would allow it to continue to operate and to fund its PIP requirements from Red Roof Inn and make payments on past due *ad*

valorem taxes from owner contributions and from subsequent operating revenues. The Debtor's lender opposed that plan and the Court ultimately denied confirmation largely because of the narrow margin that the Debtor had forecast.

Following denial of confirmation, the Debtor located a potential buyer, Minesh Patel ("M. Patel"), who signed a contract to purchase the Debtor's property for \$3,450,000. On May 16, 2017, the Court entered an order (the "Sale Order") permitting the Debtor to sell the property, pay off certain secured debt and closing costs, and to remit the balance to an escrow account at Stewart Title Company (the "Escrow Agent") who would then, pursuant to orders from this Court, make disbursements out to creditors and, ultimately, remit the balance to the principals. On June 19, 2017 (the "Closing Date"), the sale to M. Patel's assignee, Diwali Houston East, LLC (the "Buyer"), closed and after deduction for the permitted payments, the sum of \$727,829.25 (the "Escrow Fund") was remitted to the Escrow Agent for eventual distribution upon orders of this Court. A true and correct copy of the Settlement Statement is attached hereto as Exhibit "2." The Debtor, who has now ceased operation, proposes a distribution of 100% to all of its allowed administrative and prepetition creditors. These debts and the procedure for their distribution are discussed in more detail below.

3. Debtor's Secured and Other Debt.

A. First Western SBLC, Inc.

First Western filed a proof of claim in the amount of \$2,320, 824.72. The Sale Order permitted First Western to be paid the total amount of \$2,420,414.82, which included its prepetition claim and reimbursement of \$99,590.10 in *ad valorem* taxes that it had paid. A subsequent order approving some of First Western's 506(b) charges permitted the additional payment of a net of \$106,735.54 relating primarily to legal fees and other minor costs and fees. In all, First Western was paid \$2,527,150.36 at closing. First Western has now filed a motion seeking an additional payment

of \$53,840.23 but has represented that it will reduce this request to \$14,866.83 due to certain errors.

There are sufficient monies held in trust to pay this final balance to First Western.

B. Other Secured Debt.

Debtor owed Harris County \$99,590 in 2015 property taxes. These were *ad valorem* taxes that were owing to Harris County at the beginning of 2016. First Western subsequently paid off that debt and included it in the First Western secured debt which, as noted above, has now been paid off.

Harris County filed a claim for 2016 property taxes in the amount of \$85,125.01. These were *ad valorem* taxes that were owing to Harris County at the beginning of 2017.

Buyer received a credit of \$38,714.39 relating to 2017 property taxes that had accrued through the Closing Date. Buyer will now be responsible for payment of all of the 2017 property taxes.

Prior to the Petition Date, Harris County and an entity known as Houston Sports Authority acquired a judgment lien relating to past taxes in the amount of \$35,504.50. Harris County and Houston Sports Authority filed a claim asserting that \$15,984.49 is secured and that \$19,520.01 is unsecured. (Claim #1). Harris County and Houston Sports Authority also filed a secured claim in the amount of \$34,004.50 arising from occupancy taxes owing in 2014. (Claim #3). On December 6, 2016, the Court entered an order disallowing Claim #3 as duplicative and because occupancy taxes are not secured, unless secured by a judgment. The Debtor has sufficient funds to pay both the unsecured and secured portions of this claim. While there is no practical difference given that this is a 100% plan, \$15,984.49 will be treated and paid as a secured claim and \$19,520.01 will be treated and paid as an unsecured claim.

The Debtor used two vans in the operation of its business. One is a 2008 Ford that it owed \$3,418.75 to First National Bank of Giddings. This was transferred to Buyer who indicated that he was assuming and paying off the note. The other is a Ford 2009 and the amount owing to

Ally Financial on that van was \$11,169.79. The Debtor mistakenly believed it held title to this van. Instead, J. Patel holds title to the van and he will negotiate directly with Ally Financial.

Debtor is therefore not responsible for either debt and no payments are proposed.

C. Red Roof Franchising, Inc.

Debtor had a franchise agreement with Red Roof Franchising, Inc. (“Red Roof Inn”). Many of the funds loaned from First Western were for renovations to the hotel that Red Roof Inn had required in order that Debtor retain the franchise agreement. The cost to make these repairs was evidently underestimated and there were cost overruns. On or about March 24, 2016, Red Roof Inn informed the Debtor that it was terminating the franchise and removing the Debtor from its reservation system. On the Petition Date, the Debtor owed Red Roof Inn \$28,239 in franchise fees.

During the bankruptcy case, the Debtor negotiated with Red Roof Inn to allow the reinstatement of a franchise agreement and, on December 6, 2016, the Court entered an order allowing the Debtor to enter into that agreement. Following that order, the Debtor began operating as a Red Roof Inn franchisee again and, in January, 2017, it again became listed on Red Roof Inn’s national franchise system. Part of the agreement with Red Roof Inn was that it would pay off the \$28,239 in prepetition debt in a plan and also that B. Patel and J. Patel would pay a deposit to Red Roof Inn of \$25,000 to secure payment of additional future royalties. The deposit was paid to Red Roof Inn. The Debtor believes that its possession of a nationally recognized franchise agreement made it an attractive purchase and the Debtor understands Buyer ultimately assumed that agreement. The Debtor therefore owes the \$28,239 in prepetition fees but the Debtor believes that it is due a refund of that deposit. It proposes to pay Red Roof Inn the difference of \$3,239.40. Regardless, there are sufficient funds in escrow to pay all of those amounts.

D. Other Unsecured Debt.

The Court did not permit the Debtor to pay prepetition wages to any insiders so \$1,600 in prepetition wages are still owing; Angie Patel-\$400.00; Binal Patel-\$800; Gunvantiben Patel-\$400; and Pooja Patel-\$400.

Debtor had obtained an unsecured loan from Fora Financing and owed it \$46,803.30 on the Petition Date but it was scheduled as disputed. Ultimately, Fora Financial filed a claim late and, when the Debtor objected to the late claim, Fora withdrew its claim. There may be a personal guaranty given to Fora Financial by B. Patel and/or J. Patel but if so, Fora will have to settle that claim with the principal. The Debtor will not pay Fora Financial on its claim.

There is additional assorted other unsecured trade debt totaling \$37,815.06. A larger number of creditors were shown on the Debtor's schedules but a number of them were paid off by either the Buyer or the Debtor's principals. **Since these scheduled creditors, none of whom filed claims, have been paid already, the Debtor proposes no payment to them in the Plan. The list of all Class 8 General Unsecured Claims to be paid under the Plan is shown in Exhibit "3". Any creditor who objects to their exclusion from this list or to the amount of their claim stated in the list should file an objection to this Plan.**

4. Events Leading to Bankruptcy.

As Debtor was beginning to make a profit, it began to run out of money due to the renovations required by Red Roof Inn and its inability to fund them. And when Debtor was unable to complete the renovations, Red Roof Inn cancelled the franchise and removed the Debtor from its reservations system. Without access to a reservations system, Debtor became a "walk in only" hotel and its revenues plummeted and it was unable to service the debt owing to First Western. First Western posted the property for foreclosure in June, 2016 citing the loss of the franchise and other nonmonetary defaults.

5. The Bankruptcy Filing and the Status of the Bankruptcy Case.

On June 6, 2016, the Debtor filed its petition for relief under Chapter 11 of the United States Bankruptcy Code. Soon thereafter, the Debtor filed (a) an Application pursuant to 11 U.S.C. §§ 327, 328 & 329 and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure for an order authorizing the retention of Hiersche, Hayward, Drakeley & Urbach, P.C.; (b) a Motion For Entry of Interim and Final Orders Authorizing Use Of Cash Collateral Pursuant to 11 U.S.C. § 363; (c) a Motion for Entry of Interim and Final Orders Under 11 U.S.C. § 366(b) Prohibiting Utilities from Altering, Refusing or Discontinuing Service, and Establishing Procedures for Determining Adequate Assurances of Payment and (d) a Motion for Order Authorizing the Debtor to Pay Prepetition Wages.

On June 17, 2016, the Court entered its Order wherein it (a) approved the Debtor to pay prepetition employee obligations (and, thus, there are no more Schedule E priority wages owing other than insider obligations for which the Court did not permit payment); (b) approved the Debtor's use of cash collateral until June 23, 2016 on certain terms (the court entered a subsequent agreed order regarding the use of cash collateral allowing the Debtor to use cash collateral until August 1, 2016 in the Agreed Second Interim Cash Collateral Order entered on June 29, 2016 on certain terms); and (c) approved the adequate protection proposal made by the Debtor. On July 15, 2016, the Court entered its Order wherein it approved the employment of HH DU.

On August 5, 2016, the Court entered its Final Order Regarding the use of cash collateral allowing the Debtor to use cash collateral through the effective date of a confirmed plan of reorganization on certain terms (the "Cash Collateral Order"). On September 20, 2016, the Debtor filed an Application to Employ Financial Consultants.

On August 15, 2016, First Western filed a Motion for Relief From Automatic Stay Under 11 U.S.C. § 362(d)(2) ("Lift Stay Motion"). First Western attached the First Western Report in support of the Lift Stay Motion which asserts that the value of First Western's collateral is \$2,640,000.00.

On September 19, 2016, the Debtor filed a Response in opposition to the Lift Stay Motion. On October 27, 2016, the Court entered its Agreed Order On First Western SBLC, Inc.'s Motion For Relief From Automatic Stay Against All Assets (#62) wherein the automatic stay would be lifted to allow First Western to foreclose its interests in the event that the Debtor failed to: a) pay adequate protection payments of \$15,729.37 per month; b) file a plan of reorganization by November 21, 2016; or c) be placed on Red Roof Inn's national reservation system by December 5, 2016. Debtor met all of those requirements and went to confirmation with a plan of reorganization.

First Western objected to the Debtor's proposed plan of reorganization and, after a full day's hearing, the Court entered its Order denying confirmation on March 9, 2016. Subsequent to the confirmation hearing and denial of confirmation, First Western filed a motion to lift the stay and the Debtor and First Western ultimately agreed that the Debtor would have until July 5, 2017 in which to sell the Debtor's property and, if the property wasn't sold by then, the stay would be lifted to allow First Western to post the property for foreclosure but that there could be no foreclosure before August 1, 2017. The Debtor met that deadline. As discussed more fully above, the Debtor did ultimately obtain approval of a sale of the property and, on June 19, 2017, closed the sale for a total price of \$3,450,000.

a. Debtor's Liquidation And Its Ability To Fund Payments To All Creditors With Allowed Claims.

Following the closing of the sale and the transfer of its property to the Buyer, the Debtor now needs to liquidate its assets. It's only asset is the Escrow Fund. The Escrow Fund is being held by the Escrow Agent who is subject to the Sale Order which instructed that the Escrow Agent could not make any distributions, except as noted in the Sale Order and except upon further Court order. The Debtor now seeks to implement the procedures whereby it can obtain those orders.

First Western has a pending motion whereby it seeks an order permitting payment of \$14,866.83. Otherwise, First Western will be paid in full. Debtor's primary remaining prepetition debt is the 2016 *ad valorem* taxes in the filed amount of \$85,125. The only other significant unsecured prepetition debt is the approximately \$28,000 owing to Red Roof Inn (which the Debtor proposes to offset by an unused deposit of \$25,000). There are also some minor trade debts owing which, including the unsecured portion of the claim filed by Houston/Harris County Sports, total \$37,815.06. There are ample funds to pay all of these. To the extent that they are not addressed herein, they will be dealt with in subsequent orders.

That leaves administrative claims. Debtor has sought an order setting a deadline for all administrative claimants to file their claims or they will be otherwise barred. The most significant administrative claimants are professional fees. At present, the unadjusted and unbilled amount of fees and expenses owing to HHDU is approximately \$200,000 (and HHDU holds \$30,000 in trust for payment). An additional \$28,000 is owing to the Debtor's financial consultant. Debtor believes that there will be minimal administrative claims beyond those. Even if all known claims that are addressed herein are paid in full, the Debtor estimates that there will be an additional \$300,000 with which to pay administrative claims.

8. Funds Available

As noted, the Escrow Fund has a balance of \$727,829.25. The Debtor also has a retainer with HHDU of \$30,000 to be applied toward those fees and costs.

9. Summary of Claims.

The Plan categorizes Debtor's claims as follows:

Class 1 – First Western Secured Claim. The entirety of the First Western Secured Claim has now been satisfied. First Western filed a request for additional 506(b) fees in the amount of \$53,839 but has agreed that the correct number is \$14,866.83. The Escrow Agent will pay that amount upon presentation of an order permitting the distribution.

Class 2 – Harris County/Houston Sports Secured Judgment Tax Claim. Harris County, Texas and Houston Sports Authority filed two claims for the same 2014 occupancy tax debt. It filed a claim in the amount of \$35,504.50 arising from a judgment that they obtained for unpaid occupancy taxes and asserted that \$15,984.49 is secured and that \$19,520.01 is unsecured. (Claim #1). The Escrow Agent will pay the sum of \$15,984.49 upon presentation of an order permitting the distribution. (As noted below, the balance of \$19,520.01 will be paid by the Escrow Agent in full as a General Unsecured Claim).

Class 3 – Harris County Secured *Ad Valorem* Tax Claims. Harris County, Texas filed a secured claim in the amount of \$195,203.11 which included:

a) \$93,613.01 in estimated taxes for 2016 which are due in January, 2017, which it later amended to \$85,125.01. (“Harris County Secured *Ad Valorem* 2016 Tax Claim”); and

b) \$99,590.01 in taxes for 2015 which were due in January, 2016. (“Harris County Secured *Ad Valorem* 2015 Tax Claim”) (Claim #2).

The Escrow Agent will pay the Harris County Secured *Ad Valorem* 2016 Tax Claim upon presentation of an order permitting the distribution. The Harris County Secured *Ad Valorem* 2015 Tax Claim has already been paid by First Western who has now been reimbursed by Debtor at closing. Debtor has already paid the 2017 taxes that were owing through the Closing Date to Buyer who will be responsible for the full amount of 2017 *ad valorem* taxes.

Class 4 – First National Bank of Giddings Claim. The Buyer is responsible for payment of the First National Bank of Giddings Claim.

Class 5 – Ally Financial Claim. J. Patel is responsible for payment of the Ally Financial Claim.

Class 6 – Employee Priority Claims. Debtor owes \$1,600 in prepetition wages: Angie Patel-\$400.00; Binal Patel-\$800; Gunvantiben Patel-\$400; and Pooja Patel-\$400. The Escrow Agent will pay these sums upon presentation of an order permitting the distribution.

Class 7 – Red Roof Inn Unsecured Claim. Red Roof Inn holds a claim of \$28,239.40 relating to arrearages on the franchise fee. J. Patel contributed \$25,000 to Red Roof Inn as a deposit to secure future royalties over a period of time and Debtor believes that it should be returned. Debtor proposes to allow Red Roof Inn to retain the deposit and Escrow Agent will pay Red Roof Inn the sum of \$3,239.40 upon presentation of an order permitting the distribution.

Class 8 – General Unsecured Claims. The Escrow Agent will pay each of the Allowed General Unsecured Claims upon presentation of an order permitting their payment. Attached as Exhibit “3” is a chart identifying which claims will be paid and the amount to be paid. With the unsecured portion of the claim filed by Harris County/Houston Sports, these claims total \$37,815.06.

Class 9 – Subordinated Insider Claims. B. Patel and J. Patel have waived these claims in lieu of receiving their Class 10 distributions.

Class 10 – Current Equity Interests- Current Equity Interests are cancelled and, upon the conclusion of distribution of all other monies to holders of Allowed Claims and upon presentation of an order permitting the distribution, the Escrow Agent will pay 70% of the balance of the Escrow Fund to J. Patel and 30% of the balance of the Escrow Fund to B. Patel.

Post-petition payables are current though there could be “run off” monthly claims that had accrued through the Closing Date but had not been billed. The only known administrative claims are those owing to professionals. HHDU’s fees and expenses through October 31, 2016 are approximately \$200,000. HHDU holds in trust \$30,000. Reagan Stewart, (“Stewart”) the financial consultant has fees and costs of approximately \$28,000. HHDU and Stewart will submit their applications for payment in accordance with local rules. The Escrow Agent will pay the holders of Allowed Administrative Claims upon presentation of an order permitting their payment.

10. Summary of Plan.

The Plan provides a mechanism for the payment of all claims by the Escrow Agent. Pursuant to the Sale Order, the Escrow Agent requires an order to make a distribution from the Escrow Fund.

The Debtor has requested that the Court set an administrative claims bar date for a date that is prior to confirmation of the Plan. The Court will be able to assess and determine the amount of these claims at the time of confirmation in order to better assess confirmation. In order to obtain an order suitable for presentation to the Escrow Agent, the Debtor will either object to an administrative expense claim or else seek an order approving it.

The Schedules identified several trade and other unsecured creditors. Evidently, the Buyer has paid some of the unsecured claims or they else were paid by the Debtor's principals and so these creditors are no longer owed by the Debtor. The Plan clarifies any ambiguity about which general unsecured claims are to be paid by providing a specific listing of all allowed unsecured claims as well as all other secured claims and priority claims.

The Debtor should be able to submit orders to the Escrow Agent on all pre-and postpetition claims after confirmation to be paid by the Escrow Agent after they become final and non-appealable.

**ARTICLE III: SELECTED SIGNIFICANT
EXCERPTS FROM THE PLAN OF REORGANIZATION**

The following is a brief summary of the Plan, and is qualified in its entirety by the full text of the Plan itself. The Plan, if confirmed, will be binding upon the Debtor's creditors. All creditors are urged to read the Plan carefully.

PLAN ARTICLE 2

CLASSIFICATION OF CLAIMS AND CURRENT EQUITY INTERESTS

2.1 The following is a designation of the Classes of Claims and Current Equity Interests under this Plan. Administrative Expense Claims and Priority Tax Claims have not been classified and are excluded from the following classes in accordance with section 1123(a)(1) of the Bankruptcy Code. A Claim or Current Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Current Equity Interest qualifies within the description of that Class. A Claim or Current Equity Interest is in a particular Class only to the extent that the Claim or Current Equity Interest is an Allowed Claim or Current Equity Interest in that Class.

2.2 Claims and Current Equity Interests:

Class 1 –First Western Secured Claim

Class 2 – Harris County/Houston Sports Secured Judgment Tax Claim

Class 3 – Harris County Secured *Ad Valorem* Tax Claims

Class 4 – First National Bank of Giddings Claim

Class 5- Ally Financial Claim

Class 6 – Priority Employee Claim

Class 7 - Red Roof Inn Unsecured Claim

Class 8 – General Unsecured Claims

Class 9 – Subordinated Insider Claims

Class 10 – Current Equity Interests

PLAN ARTICLE 3

IDENTIFICATION OF IMPAIRED CLASSES OF CLAIMS AND CURRENT EQUITY INTERESTS

3.1 Impaired Classes of Claims and Current Equity Interests. No Classes are impaired under the Plan.

3.2 Impairment Controversies. If a controversy asserted in an objection to confirmation or other written pleading arises as to whether any Class of Claims or Current Equity Interest is

impaired under the Plan, the Bankruptcy Court shall determine such controversy after notice and a hearing and, if no such pleading is filed, then the identity of any impaired class will be conclusively determined by Section 3.1 of the Plan.

PLAN ARTICLE 4

TREATMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS

4.1 Administrative Expenses. The Court will have set a deadline for all Administrative Expenses separate from the Plan which date should be in advance of confirmation of the Plan. The Debtor shall either object to an Administrative Expense or else file a motion seeking approval of payment of an Administrative Expense. Upon entry of an order by the Court either approving that motion or sustaining the objection and presentation of that order to the Escrow Agent, the Escrow Agent shall pay such Allowed Administrative Expense.

4.2 Un-matured Secured Tax Claims. The only Unmatured Secured Tax Claim is for the 2017 *ad valorem* taxes owing to Harris County. Buyer is responsible for payment of those taxes and not the Debtor.

PLAN ARTICLE 5

TREATMENT OF CLAIMS AND CURRENT EQUITY INTERESTS

5.1 Class 1 – Secured First Western Claim. The Secured First Western Claim has been satisfied in full and shall receive no further distributions. First Western shall retain the right to seek payment for postpetition fees and expenses pursuant to 11 U.S.C. § 506.

5.2 Class 2 – Harris County/Houston Sports Secured Judgment Tax Claim. The Escrow Agent will pay Harris County/Houston Sports 100% of Harris County/Houston Sports Secured Judgment Tax Claim in the total sum of \$15,984.49 in full satisfaction of the Harris County/Houston Sports Secured Judgment Tax Claim upon presentation of an order permitting the distribution.

5.3 Class 3 – Harris County Secured *Ad Valorem* Tax Claim. The Escrow Agent will pay Harris County 100% of its Harris County Secured *Ad Valorem* Tax Claim in the total sum of \$85,125.01 in full satisfaction of the Harris County Secured *Ad Valorem* Tax Claim upon presentation of an order permitting the distribution.

5.4 Class 4 – First National Bank of Giddings Secured Claim. First National Bank of Giddings shall receive nothing and the First National Bank of Giddings Secured Claim shall be deemed satisfied.

5.5 Class 5 – Ally Financial Secured Claim. Ally Financial shall receive nothing and the Ally Financial Secured Claim shall be deemed satisfied.

5.6 Class 6 - Priority Employee Claims. The Escrow Agent will pay each holder of a Priority Employee Claim 100% of their Priority Employee Claim upon presentation of an order

permitting the distribution.

5.7. Class 7 - Red Roof Inn Unsecured Claim. The Escrow Agent will pay Red Roof Inn 100% of its Red Roof Inn Unsecured Claim in the sum of \$3,239.40 in full satisfaction of the Red Roof Inn Unsecured Claim upon presentation of an order permitting the distribution.

5.8. Class 8 – General Unsecured Claims. The Escrow Agent will pay each holder of a General Unsecured Claim 100% of their General Unsecured Claims upon presentation of an order permitting the distribution.

5.9. Class 9 – Subordinated Insider Claims. Holders of Subordinated Insider Claims shall receive nothing and the Subordinated Insider Claims shall be deemed satisfied.

5.10. Class 10 – Current Equity Interests. Current Equity Interests are cancelled and, upon the conclusion of distribution of all other monies to holders of Allowed Claims and upon presentation of an order permitting the distribution, the Escrow Agent will pay 70% of the balance of the Escrow Fund to J. Patel and 30% of the balance of the Escrow Fund to B. Patel.

PLAN ARTICLE 6

ACCEPTANCE OR REJECTION OF PLAN

6.1. Classes Entitled to Vote. No classes are impaired and, as such, no classes are entitled to vote.

PLAN ARTICLE 7

MEANS OF IMPLEMENTATION OF THE PLAN

7.1. The Debtor shall have the powers and duties specified in this Plan. Such powers shall include, without limitation, the power to object to Claims and the power to seek orders from this Court approving payments from the Escrow Agent.

7.2. Upon the Effective Date, all Current Equity Interests shall be cancelled and null and void and the Debtor shall take such action to terminate its authority to operate.

7.3. Confirmation of the Plan shall be deemed to constitute a permanent injunction against maintenance or commencement of any action against Debtor or the Escrow Agent arising out of any events occurring prior to the filing of this case and all holders of Claims against Debtor are permanently enjoined with respect to such Claims: (a) from commencing or continuing any action or proceeding of any kind with respect to any such Claim against the Debtor and/or the Assets; (b) from enforcing, attaching, collecting, or recovering by any manner or means, any judgment, award, decree, or order against the Assets and/or the Debtor; (c) from creating, perfecting, or enforcing any encumbrance of any kind against the Assets and/or the Debtor; (d) from asserting any right of subrogation or recoupment of any kind against any obligation due the Debtor; and (e) from performing any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan and all Claims and causes of action held by all Entities against the

Debtor are released and discharged except the obligations of the Debtor pursuant to the provisions of the Plan; provided, however, that each holder of a Contested Claim may continue to prosecute its proof of Claim in the Bankruptcy Court and all holders of Claims and Equity Interests shall be entitled to enforce their rights under the Plan and any agreements executed or delivered pursuant to or in connection with the Plan.

7.4 The Debtor shall: (i) have power to do all acts contemplated by the Plan; and (ii) have sole discretion to settle or compromise any claim, cause of action, chose-in-action or litigation and settle any such claim, cause of action, chose-in-action or litigation, without approval of the Bankruptcy Court.

7.5 Subject to the following, the Debtor reserves the right to revoke and withdraw this Plan before the entry of the Confirmation Order. If the 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 Debtor or to prejudice in any manner the rights of the Debtor, or person in any further proceedings involving the Debtor or to provide the basis for any claim against Debtor.

ARTICLE IV: FINANCIAL INFORMATION REGARDING DEBTOR

Debtor's Statement of Financial Affairs, detailed schedules of assets and liabilities, and amendments thereto, and the periodic Operating Reports and interim statements required to be filed by the Bankruptcy Court, have been filed with the Court.

ARTICLE V: SPECIAL CONSIDERATIONS

The Debtor has proposed a Plan that it believes treats all creditors fairly and equitably and is in the best interest of the creditors. In order to assist the creditors in evaluating the Plan, the Debtor provides the following summary of items which Debtor believes to be significant considerations for the creditors. References are made to paragraphs in this Disclosure Statement and Plan of Reorganization which discuss and have summarized topics in greater detail. **THE FOLLOWING IS ONLY A BRIEF SUMMARY AND SHOULD NOT BE RELIED UPON EXCLUSIVELY. YOU ARE URGED TO READ ALL OF THIS DISCLOSURE STATEMENT, THE PLAN OF REORGANIZATION IN FULL AND ALL OTHER RELEVANT ORDERS AND DOCUMENTS ON FILE IN THESE PROCEEDINGS.**

1. Possible Tax Consequences. Implementation of the Plan may result in income, gain, or loss for federal income tax purposes to holders of claims against and interests in Debtor. Tax consequences to a particular Creditor or holder of an interest in Debtor may depend on the particular circumstances or facts regarding the Claim of the Creditor or the interest of such holder in Debtor.

THE TAX CONSEQUENCES TO EACH CLAIMANT RESULTING FROM ANY REORGANIZATION OF DEBTOR OR LIQUIDATION OF DEBTOR'S ASSETS ARE COMPLEX AND MAY VARY AND WILL DEPEND UPON THE PARTICULAR CIRCUMSTANCES OF EACH CLAIMANT. CONSEQUENTLY, EACH CLAIMANT IS URGED TO CONSULT HIS OWN TAX ADVISOR WITH SPECIFIC REFERENCE TO HIS PARTICULAR CIRCUMSTANCES AND TO THE TAX CONSEQUENCES OF BOTH THE PLAN AND ANY ALTERNATIVE TO THE PLAN AND NO CLAIMANT IS AUTHORIZED TO RELY FOR TAX ADVICE OR INFORMATION ON THIS DISCLOSURE STATEMENT.

Debtor's Recommendation:

BASED ON THE CONTENTS OF THIS DISCLOSURE STATEMENT, THE DEBTOR BELIEVES IT IS IN THE BEST INTERESTS OF ALL CREDITORS THAT THE PLAN BE APPROVED BY THE COURT. DEBTOR BELIEVES THAT ITS ASSETS BE LIQUIDATED AND DISTRIBUTED TO CREDITORS.

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Dated: July 3, 2017.

VIGNAHARA, LLC

By: 

Binal M. Patel, Managing Member

Submitted by:

**HIERSCHE, HAYWARD, DRAKELEY
& URBACH, P.C.**

By: /s/ Russell W. Mills
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Attorneys for Debtor

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

In re:	§	
	§	Chapter 11
VIGNAHARA, LLC,	§	
	§	Case No. 16-32261-11
Debtor.	§	

DEBTOR'S THIRD AMENDED PLAN-LIQUIDATION

Vignahara, LLC, Debtor herein (the "Debtor"), proposes the following Third Amended Plan-Liquidation (the "Plan") pursuant to 11 U.S.C. § 1121(c):

ARTICLE 1

DEFINITIONS

1.1 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 applicable equally to both the singular and plural, masculine and feminine forms of the terms defined).

1.2 "Administrative Expense" means an administrative expense or any Allowed Claim constituting a cost or expense of administration of the Chapter 11 Case allowed under subsections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estate of the Debtor, any actual and necessary expenses of operating the business of the Debtor, all compensation to professionals or reimbursement of expenses of professionals to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code (including any commissions earned by any broker employed by the Debtor and approved by the Bankruptcy Court) and any Allowed Claim against the Debtor arising after the Petition Date and prior to the Effective Date. This shall include statutory fees owing to the Office of the United States Trustee.

1.3 “Administrative Expense Creditor” means any Person entitled to payment on account of an Administrative Expense.

1.4 “Administrative Tax Claim” means a General Unsecured Claim by a governmental unit for taxes (including interest or penalties related to such taxes) for any tax year or period, all or a portion of which occurs or falls within the period from and including the Petition Date through the Effective Date.

1.5 “Allowed” when used with respect to a Claim or Current Equity Interest, 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, unless such Claim is the subject of a pending action in a forum other than the Bankruptcy Court, in which case such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of the Bankruptcy Court; or (ii) as to which an objection was filed by the Objection Deadline, to the extent allowed by a Final Order. “Allowed,” when used with respect to an Administrative Expense of a Professional shall mean an Administrative Expense approved by application to the Bankruptcy Court and entry of an Order approving such Administrative Expense.

1.6 “Ally Financial Secured Claim” means all claims held by Ally Financial Claim for the payment of the debt owing on the van owned by J. Patel and/or B. Patel.

1.7 “Assets” means all of the right, title, and interest in and to property of whatsoever type or nature owned by the Debtor as of the Petition Date, together with assets subsequently acquired by the Debtor, and including, but not limited to, property defined in section 541 of the Bankruptcy Code (each identified item of property being herein sometimes referred to as an Asset), the available insurance or insurance policies, or any cause of action pursued, pursuable, or owned by Debtor including all Avoidance Actions and Litigation Claims.

1.8 “Avoidance Action” means a cause of action assertable by the Debtor against all Entities and brought under sections 541, 542, 543, 544, 545, 547, 548, 549, 550, 552, or 553 of the Bankruptcy Code.

1.9 “B. Patel” means Binal Patel.

1.10 “Ballot” means the form of ballot provided to holders of Claims or Current Equity Interests pursuant to Bankruptcy Rule 3017(d), by which each holder may accept or reject the Plan and select any optional treatment for an Allowed Claim or Allowed Current Equity Interest.

1.11 “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended and codified at title 11 of the United States Code, as applicable to this Chapter 11 Case.

1.12 “Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of Texas, or such other court having jurisdiction over all or any part of the Chapter 11 Case.

1.13 “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to this Chapter 11 Case, including applicable Local Rules of the Bankruptcy Court.

1.14 “Business Day” means any day other than Saturday, Sunday, a legal holiday, or a day on which national banking institutions in New York, New York are authorized or obligated by law or executive order to close.

1.15 “Buyer” means Diwali Houston East, LLC, assignee of Minesh Patel.

1.16 “Case” means this Chapter 11 Bankruptcy Case in the Bankruptcy Court.

1.17 “Cash” means legal tender of the United States of America.

1.18 “Chapter 11 Case” means the above captioned and numbered reorganization proceeding of the Debtor under Chapter 11 of the Bankruptcy Code.

1.19 “Claim” means: (a) a right to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, un-liquidated, fixed, contingent, matured, un-matured (including potential and un-matured 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 from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, un-matured (including potential and un-matured tort and contract claims), disputed, undisputed, secured or unsecured.

1.20 “Claimant” means the holder of a Claim.

1.21 “Claims Bar Date” means the date on which all Creditors, other than Creditors with Administrative Expense Claims as described in Article 4.1 of the Plan, must have filed a Proof of Claim with the Bankruptcy Court, as follows: for Creditors other than governmental units, October 12, 2016; for Creditors who are governmental units, one hundred eighty (180) days from the Petition Date.

1.22 “Class” means a category or group of holders of Claims or Current Equity Interests as designated in Article 2.0 of the Plan.

1.23 “Closing Date” means June 19, 2017.

1.24 “Collateral” means any Asset subject to a valid and enforceable Lien to secure payment of a Claim.

1.25 “Confirmation” means the entry by the Bankruptcy Court of a Confirmation Order confirming this Plan.

1.26 “Confirmation Date” means the date of entry of the Confirmation Order.

1.27 “Confirmation Hearing” means the hearing 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 continued from time to time.

1.28 “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.29 “Contested,” when used with respect to a Claim, means a Claim against the Debtor (a) that is listed in the Debtor's Schedules as disputed, contingent, or un-liquidated; (b) that is listed in the Debtor's Schedules as undisputed, liquidated, and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim amount exceeds the scheduled amount; or (c) as to which an objection has been or may be timely filed and has not been denied by Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Contested Claim only to the extent of the objection.

1.30 “Creditor” means a “creditor,” as defined in section 101(10) of the Bankruptcy Code.

1.31 “Current Equity Interests” means the equity interests in the Debtor owned by the Current Equity Owners on the Petition Date.

1.32 “Current Equity Interest Owners” means B. Patel and J. Patel.

1.33 “Debtor” means Vignahara, LLC, Federal ID No. 46-3644040.

1.34 “Disallowed,” when used with respect to all or any part of a Claim or Current Equity Interest, means that portion of a Claim or Current Equity Interest to which an Objection or Motion to Disallow has been sustained by a Final Order.

1.35 “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 3018.

1.36 “Effective Date” means the first Business Day after the Confirmation Date on which all conditions to the effectiveness of the Plan, as specified in Paragraph 11.1, have been satisfied or waived.

1.37 “Entity” means any corporation, general partnership, limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government, or any political subdivision thereof or other entity, and any Person.

1.38 “Escrow Agent” means Stewart Title Company who is holding the Escrow Funds pending further orders from the Court.

1.39 “Escrow Funds” means the amount of funds that are being held by the Escrow Agent pursuant to the Sale Order and which totaled \$727,829.25 on the Closing Date.

1.40 “Exhibits” All exhibits to the Plan are incorporated into and are a part of the Plan as if set forth in full herein.

1.41 “Fee Guarantors” means Binal Patel and Jagdishbhai Patel who guaranteed the debt for legal fees and costs owing to Hiersche, Hayward, Drakeley & Urbach, P.C.

1.42 “Final Order” means an order or judgment of the Bankruptcy Court or any other court or adjudicative body as to which order or judgment the time to appeal or seek rehearing or petition for *certiorari* shall have expired or which order or judgment no longer shall be subject to appeal, rehearing, or *certiorari* proceeding and with respect to which no appeal, motion for rehearing, or *certiorari* proceeding or stay then shall be pending.

1.43 “First National Bank of Giddings Secured Claim” means all claims held by First National Bank of Giddings for the payment of the debt owing on the Debtor’s van.

1.44 “First Western” means First Western SBLC, Inc. and its agents, affiliates and representatives and any predecessors or successors in interest.

1.45 “First Western Secured Claim” means the Allowed Secured Claim held by First Western.

1.46 “General Unsecured Claims” means those claims that are held by those entities identified on Exhibit “3” (Class 8) to the Fifth Amended Disclosure Statement and only in the amounts noted therein.

1.47 “Harris County/Houston Sports Secured Judgment Claim” means the Secured Claim of Harris County, Texas and Houston Sports Authority for payment of a judgment obtained for unpaid occupancy taxes, as reflected in Claim #1, to exclude the Harris County/Houston Sports Unsecured Judgment Claim not to exceed \$15,984.49.

1.48 “Harris County/Houston Sports Unsecured Judgment Claim” means the Unsecured Claim of Harris County, Texas and Houston Sports Authority for payment of a judgment obtained for unpaid occupancy taxes, as reflected in Claim #1, to exclude the Harris County/Houston Sports Secured Judgment Claim not to exceed \$19,520.01.

1.49 “Harris County Secured Ad Valorem 2015 Tax Claim” means the Secured Claim of Harris County, Texas for the payment of *ad valorem* taxes for the Real Property for 2015, payable in January, 2016, not to exceed \$99,590.01, as reflected in Claim #2.

1.50 “Harris County Secured Ad Valorem 2016 Tax Claim” means the Secured Claim of Harris County, Texas for the payment of *ad valorem* taxes for the Real Property for 2016, payable in January, 2017, not to exceed \$55,125.01 and which is the subject of a pending claim objection.

1.51 “Hotel” means the hotel located at the Real Property and operated by the Debtor.

1.52 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.

1.53 “IRS” means the Internal Revenue Service.

1.54 “J. Patel” means Jagdishbhai Patel.

1.55 “Lien” means any mortgage, lien, charge, security interest, encumbrance, or other security device of any kind affecting any asset or property of the Debtor contemplated by section 101(37) of the Bankruptcy Code.

1.56 “Litigation Claims” means all claims and causes of action of any kind owned by Debtor on the Effective Date other than Avoidance Actions regardless of whether any suits or other proceedings have been instituted on such claims and causes of action and regardless of whether same have been identified herein or in the Schedules, Statement of Affairs or Disclosure Statement.

1.57 “New Franchise Agreement” means the agreement between Red Roof and the Debtor dated November 30, 2016.

1.58 “Objection” means an objection to the allowance of a Claim or Current Equity Interest 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.

1.59 “Objection Deadline” means the date by which Objections to Claims must be filed, to be fixed in the manner prescribed under Section 4 of the Plan.

1.60 “Old Franchise Agreement” means the agreement between Red Roof and the Debtor dated October 9, 2013.

1.61 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. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

1.62 “Person” means any individual.

1.63 “Petition Date” means June 6, 2016.

1.64 “Plan” means this Chapter 11 Plan of Reorganization, either in its present form or as it may be altered, amended, or modified from time to time.

1.65 “Plan Documents” means the exhibits to the Plan that will be filed in the Bankruptcy Court at least ten (10) calendar days prior to the date fixed by order of the Bankruptcy Court for the commencement of the Confirmation Hearing, if any.

1.66 “Priority Claim” means an Allowed Claim other than a Claim for an Administrative Expense to the extent that it is entitled to priority in payment under section

507(a) of the Bankruptcy Code including, without limitation, Priority Employee Claims and Priority Tax Claims.

1.67 “Priority Employee Claim” means those claims that are held by those employees identified on Exhibit “3” (Class 6) to the Fifth Amended Disclosure Statement and only in the amounts noted therein.

1.68 “Priority Tax Claim” means an Allowed Claim of a governmental unit of the kind specified in subsection 507(a)(8) of the Bankruptcy Code but not including Priority IRS Tax Claims and Comptroller Claims.

1.69 “Real Property” means the real property located at 11999 East Freeway, Houston, Texas 77029 to include the Hotel.

1.70 “Red Roof Deposit” means the amount of deposit and future fees paid by J. Patel in the amount of \$25,000 in connection with the New Franchise Agreement.

1.71 “Red Roof Inn” means Red Roof Franchising, LLC, and its agents, affiliates, and representatives and any predecessors or successors in interest.

1.72 “Red Roof Inn Unsecured Claim” means the claim held by Red Roof Inn for the payment of franchise fees owing under the Franchise Agreement not to exceed \$28,239.40.

1.73 “Sale Order” means the Order Authorizing The Sale Of Property Free And Clear Of Liens And Other Interest And Procedure For Distribution And/Or Escrow Of Sale Proceeds entered by the Bankruptcy Court on May 16, 2017 and recorded as Document 146.

1.74 “Schedules” means the schedules of assets and liabilities and the statement of financial affairs filed by the Debtor as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules or statements have been or may be amended subsequently.

1.75 “Secured Claim” shall mean: (a) an Allowed Claim secured by a Lien on an Asset, which Lien is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or other applicable non-bankruptcy law, and that is duly Allowed, but only to the extent that such Claim does not exceed the value of Assets that the Bankruptcy Court finds are valid security for such Claim; and (b) an Un-matured Secured Tax Claim.

1.76 “Subordinated Insider Claims” means the Allowed Claim of any insider as defined in 11 USC § 101(31) including, without limitation, any Allowed Claim held by B. Patel and J. Patel.

1.77 “Un-matured Secured Tax Claim” means any Claim for pre-petition *ad valorem* and business personal property taxes that has not yet matured and excluding the Harris County Secured *Ad Valorem* 2016 Tax Claim.

1.78 “Unclaimed Property” means any Cash, distribution, or any other property of the Debtor unclaimed for a period of sixty (60) days after the Effective Date as set forth in Section 8.4 of the Plan.

ARTICLE 2

CLASSIFICATION OF CLAIMS AND CURRENT EQUITY INTERESTS

2.1 The following is a designation of the Classes of Claims and Current Equity Interests under this Plan. Administrative Expense Claims and Priority Tax Claims have not been classified and are excluded from the following classes in accordance with section 1123(a)(1) of the Bankruptcy Code. A Claim or Current Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Current Equity Interest qualifies within the description of that Class. A Claim or Current Equity Interest is in a particular Class only to the extent that the Claim or Current Equity Interest is an Allowed Claim or Current Equity Interest in that Class.

2.2 Claims and Current Equity Interests:

Class 1 –First Western Secured Claim

Class 2 – Harris County/Houston Sports Secured Judgment Tax Claim

Class 3 – Harris County Secured *Ad Valorem* Tax Claims

Class 4 – First National Bank of Giddings Claim

Class 5- Ally Financial Claim

Class 6 – Priority Employee Claim

Class 7 - Red Roof Inn Unsecured Claim

Class 8 – General Unsecured Claims

Class 9 – Subordinated Insider Claims

Class 10 – Current Equity Interests

ARTICLE 3

IDENTIFICATION OF IMPAIRED CLASSES OF CLAIMS AND CURRENT EQUITY INTERESTS

3.1 Impaired Classes of Claims and Current Equity Interests. No Classes are impaired under the Plan.

3.2 Impairment Controversies. If a controversy asserted in an objection to confirmation or other written pleading arises as to whether any Class of Claims or Current Equity Interest is impaired under the Plan, the Bankruptcy Court shall determine such controversy after notice and a hearing and, if no such pleading is filed, then the identity of any impaired class will be conclusively determined by Section 3.1 of the Plan.

ARTICLE 4

TREATMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS

4.1 Administrative Expenses. The Court will have set a deadline for all Administrative Expenses separate from the Plan which date should be in advance of confirmation of the Plan. The Debtor shall either object to an Administrative Expense or else file a motion seeking approval of payment of an Administrative Expense. Upon entry of an order by the Court either approving that motion or sustaining the objection and presentation of that order to the Escrow Agent, the Escrow Agent shall pay such Allowed Administrative Expense.

4.2 Un-matured Secured Tax Claims. The only Unmatured Secured Tax Claim is for the 2017 *ad valorem* taxes owing to Harris County. Buyer is responsible for payment of those taxes and not the Debtor.

ARTICLE 5

TREATMENT OF CLAIMS AND CURRENT EQUITY INTERESTS

5.1 Class 1 – Secured First Western Claim. The Secured First Western Claim has been satisfied in full and shall receive no further distributions. First Western shall retain the right to seek payment for postpetition fees and expenses pursuant to 11 U.S.C. § 506.

5.2 Class 2 – Harris County/Houston Sports Secured Judgment Tax Claim. The Escrow Agent will pay Harris County/Houston Sports 100% of Harris County/Houston Sports Secured Judgment Tax Claim in the total sum of \$15,984.49 in full satisfaction of the Harris County/Houston Sports Secured Judgment Tax Claim upon presentation of an order permitting the distribution.

5.3 Class 3 – Harris County Secured *Ad Valorem* Tax Claim. The Escrow Agent will pay Harris County 100% of its Harris County Secured *Ad Valorem* Tax Claim in the total sum of \$55,125.01 in full satisfaction of the Harris County Secured *Ad Valorem* Tax Claim upon presentation of an order permitting the distribution.

5.4 Class 4 – First National Bank of Giddings Secured Claim. First National Bank of Giddings shall receive nothing and the First National Bank of Giddings Secured Claim shall be deemed satisfied.

5.5 Class 5 – Ally Financial Secured Claim. Ally Financial shall receive nothing and the Ally Financial Secured Claim shall be deemed satisfied.

5.6 Class 6 - Priority Employee Claims. The Escrow Agent will pay each holder of a Priority Employee Claim 100% of their Priority Employee Claim upon presentation of an order permitting the distribution.

5.7. Class 7 - Red Roof Inn Unsecured Claim. The Escrow Agent will pay Red Roof Inn 100% of its Red Roof Inn Unsecured Claim in the sum of \$3,239.40 in full satisfaction of the Red Roof Inn Unsecured Claim upon presentation of an order permitting the distribution.

5.8 Class 8 – General Unsecured Claims. The Escrow Agent will pay each holder of an General Unsecured Claim 100% of their General Unsecured Claims upon presentation of an order permitting the distribution.

5.9 Class 9 – Subordinated Insider Claims. Holders of Subordinated Insider Claims shall receive nothing and the Subordinated Insider Claims shall be deemed satisfied.

5.10 Class 10 – Current Equity Interests. Current Equity Interests are cancelled and, upon the conclusion of distribution of all other monies to holders of Allowed Claims and upon presentation of an order permitting the distribution, the Escrow Agent will pay 70% of the balance of the Escrow Fund to J. Patel and 30% of the balance of the Escrow Fund to B. Patel.

ARTICLE 6

ACCEPTANCE OR REJECTION OF PLAN

6.1 Classes Entitled to Vote. No classes are impaired and, as such, no classes are entitled to vote.

ARTICLE 7

MEANS OF IMPLEMENTATION OF THE PLAN

7.1 The Debtor shall have the powers and duties specified in this Plan. Such powers shall include, without limitation, the power to object to Claims and the power to seek orders from this Court approving payments from the Escrow Agent.

7.2 Upon the Effective Date, all Current Equity Interests shall be cancelled and null and void and the Debtor shall take such action to terminate its authority to operate.

7.3 Confirmation of the Plan shall be deemed to constitute a permanent injunction against maintenance or commencement of any action against Debtor or the Escrow Agent arising out of any events occurring prior to the filing of this case and all holders of Claims against Debtor are permanently enjoined with respect to such Claims: (a) from commencing or continuing any action or proceeding of any kind with respect to any such Claim against the Debtor and/or the Assets; (b) from enforcing, attaching, collecting, or recovering by any manner or means, any judgment, award, decree, or order against the Assets and/or the Debtor; (c)

from creating, perfecting, or enforcing any encumbrance of any kind against the Assets and/or the Debtor; (d) from asserting any right of subrogation or recoupment of any kind against any obligation due the Debtor; and (e) from performing any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan and all Claims and causes of action held by all Entities against the Debtor are released and discharged except the obligations of the Debtor pursuant to the provisions of the Plan; provided, however, that each holder of a Contested Claim may continue to prosecute its proof of Claim in the Bankruptcy Court and all holders of Claims and Equity Interests shall be entitled to enforce their rights under the Plan and any agreements executed or delivered pursuant to or in connection with the Plan.

7.4 The Debtor shall: (i) have power to do all acts contemplated by the Plan; and (ii) have sole discretion to settle or compromise any claim, cause of action, chose-in-action or litigation and settle any such claim, cause of action, chose-in-action or litigation, without approval of the Bankruptcy Court.

7.5 Subject to the following, the Debtor reserves the right to revoke and withdraw this Plan before the entry of the Confirmation Order. If the 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 Debtor or to prejudice in any manner the rights of the Debtor, or person in any further proceedings involving the Debtor or to provide the basis for any claim against Debtor.

ARTICLE 8

PROVISIONS GOVERNING DISTRIBUTION

8.1 Any payment or distribution by the Escrow Agent pursuant to this Plan, to the extent delivered by the United States Mail, shall be deemed made when deposited by the Debtor into the United States Mail.

8.2 Distributions and deliveries to holders of Allowed Claims shall be made at the addresses set forth on the proofs of Claim or proofs of interest filed by such holders (or at the last known addresses of such holders if no proof of Claim or proof of interest is filed; or if the Debtor has been notified of a change of address, at the address set forth in such notice). All Unclaimed Property shall revert to the estate for distribution of an additional *pro rata* Share to holders of General Unsecured Claims, and the Claim of any holder with respect to such property shall be discharged and forever barred.

8.3 Checks issued by the Escrow Agent in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of delivery thereof. Requests for re-issuance of any check shall be made directly to the Escrow Agent by the holder of the Allowed Claim to whom 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 Effective Date or ninety (90) days after the date of delivery of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

8.4 Except as provided otherwise herein, no interest shall be paid on any Claim after the Petition Date. Except as provided otherwise herein, interest will be paid through the Petition Date only in accordance with the applicable loan documents.

ARTICLE 9

EXECUTORY CONTRACTS AND LEASES

9.1 There are no known unexpired executory contracts or leases. To the extent that the Old Franchise Agreement and the New Franchise Agreement are not otherwise already terminated or assigned, are rejected.

ARTICLE 10

MAINTENANCE OF CAUSES OF ACTION

10.1 The Debtor shall retain all causes of action belonging to the estate pursuant to section 541 of the Bankruptcy Code. All Avoidance Actions and Litigation Claims shall be the property of the Debtor.

ARTICLE 11

CONDITIONS PRECEDENT TO EFFECTIVENESS OF PLAN

11.1 The Effective Date of the Plan shall not occur unless and until the following conditions shall have been satisfied: (a) the Confirmation Order shall have been entered; and (b) no stay of the Confirmation Order shall be in effect on the Effective Date.

ARTICLE 12

DISCHARGE

12.1 To the extent permitted by section 1141 of the Bankruptcy Code, all consideration and Assets distributed under the Plan shall be in exchange for and in complete satisfaction, discharge, and release of all Claims of any nature whatsoever against the Debtor or any of its assets or properties; and except as otherwise provided herein, upon the Effective Date, the Debtor and its successors-in-interest shall be deemed discharged and released pursuant to section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims treated in the Plan, as well as all other Claims, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not: (a) a proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code; (c) the holder of a Claim based upon such debt has accepted this Plan; or (d) the Claim has been Allowed, disallowed, or estimated pursuant to section 502(c) of the Bankruptcy Code. The Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtor and its successors-in-interest other than those obligations specifically set forth pursuant to this Plan.

ARTICLE 13

SUBSTANTIAL CONSUMMATION

13.1 This Plan of Reorganization shall be consummated substantially upon the commencement of the first distributions of Cash to the holders of Allowed Claims under this Plan.

ARTICLE 14

RETENTION OF JURISDICTION

14.1 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 Chapter 11 Cases and the Plan, for the purposes of sections 105(a) and 1142 of the Bankruptcy Code, and, subject to the provisions of the following subparagraph (b), for, among other things, the following purposes:

(a) To hear and to 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 (except fees and expenses of professionals as described in subparagraph [b] below), Claim, or Current Equity Interest;

(b) To hear and determine any and all applications for payment of fees and expenses to be paid from the Debtor's estate to attorneys or other Professionals 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 to Professionals from the Debtor's estate under the Bankruptcy Code, and any and all objections thereto, provided, however, that no jurisdiction is retained to hear or allow fees and expenses of Professionals arising after the Effective Date, including, without limitations, any Professionals who are retained to pursue Avoidance Actions or Litigation Claims;

(c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of unexpired leases and executory contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect of the assumption or rejection of any executory contract or lease or any claimed termination thereof, including any rights affected by confirmation of this Plan;

(d) To hear and determine any and all adversary proceedings, applications, or contested matters, including any remands from any appeals with respect to causes of action arising before or during the pendency of the Chapter 11 Case;

(e) To hear and to determine all controversies, disputes, and suits that 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 provided that jurisdiction shall not be retained for the purpose of supervision or

review of the Debtor's economic performance, business operations or financial status and transactions after the Effective Date;

(f) To liquidate any disputed, contingent, or unliquidated claims;

(g) To ensure that distributions to holders of Allowed Claims are accomplished as provided herein;

(h) To enter and to 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 enable the Debtor to bring any and all proceedings that may be brought to set aside liens or encumbrances and to recover any transfers, assets, properties or damages to which the Debtor may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state or local laws, including causes of action, controversies, disputes and conflicts between the Debtor or Buyer and any other party, including but not limited to, any causes of action or objections to Claims, Avoidance Actions or equitable subordination.

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

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

(l) To hear and to 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; and

(m) To enter a final decree closing the Chapter 11 Case.

14.2 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 this Chapter 11 Case, this Section 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.

ARTICLE 15

MODIFICATIONS TO THE PLAN

15.1 Modifications of this Plan may be proposed in writing by the Debtor 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 Debtor shall have complied with section 1125 of the Bankruptcy Code. This Plan may be modified at any time after confirmation and before the Effective Date, 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.

15.2 The Debtor, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Current Equity Interests, may correct any nonmaterial defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The 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 Current Equity Interest holder who has not accepted in writing the modification.

ARTICLE 16

MISCELLANEOUS PROVISIONS

16.1 Severability. Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Current Equity Interest or transaction, the Debtor may modify the Plan in accordance with Section 15.1 or 15.2 of the Plan, as applicable, so that such provision shall not be applicable to the holder of any Claim or Current Equity Interest.

16.2 Setoffs. The Debtor may, but shall not be required to, set off against any Claim and the payments or other distributions to be made pursuant to this Plan in respect of such Claim, claims of any nature whatsoever the Debtor may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor of any such claim that the Debtor may have against such holder.

16.3 Compliance with All Applicable Laws. If notified by any governmental authority that they are in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its businesses, the Debtor shall comply with such law, rule, regulation, or order; provided 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 Debtor.

16.4 Binding Effect. The Plan shall be binding upon, and shall inure to the benefit of, the Debtor, the Buyer, the holders of the Claims, the holders of Current Equity Interests, and all Entities receiving notice of the Plan and their respective successors and assigns.

16.5 Governing Law. Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, or a specific choice of law provision is provided, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, without regard to conflicts of law.

16.6 Payment of Statutory Fees. The Debtor shall be responsible for the timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6) until the clerk of the court closes the case. The Debtor shall file with the Bankruptcy Court, and serve on the United States Trustee, a quarterly financial report for each quarter (or portion thereof) that the case remains open in a format prescribed by the United States Trustee and provided to the Debtor by the United States Trustee.

16.7 Post-Confirmation Professional Fees. Post-Confirmation fees and expenses of professionals shall not be subject to approval by the Court.

16.8 Timing of Distributions. 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.

16.9 Filing of Additional Documents. The Debtor may file, as Plan Documents, such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. Nothing herein requires or supposes that implementation of the Plan requires any Plan Documents to be executed or filed.

16.10 Certifications. The failure to make any certification required to be made pursuant to the Plan on a timely basis shall result in the Debtor withholding, without interest, any distribution to which the Person required to make such certification would otherwise be entitled. Such withheld distribution shall be made only upon such Person's compliance with the certification requirements of the Plan.

16.11 Payment of Fees. The Debtor shall be responsible for the timely payment of all fees incurred pursuant to 28 U.S.C. § 1030(a)(6). After confirmation, the Debtor shall file with the Court and serve on the United States Trustee a monthly financial report for each month (or portion thereof) the case remains open. Such report shall be in the form prescribed by the United States Trustee. Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Current Equity Interest or transaction, the Debtor may modify the Plan in accordance with Section 16.1 or 16.2 of the Plan, as applicable, so that such provision shall not be applicable to the holder of any Claim or Current Equity Interest.

Dated: July 3, 2017.

VIGNAHARA, LLC

By:



Binal Patel, Managing Member

Submitted by:

HIERSCHE, HAYWARD,
DRAKELEY & URBACH, P.C.

By: /s/ Russell W. Mills
Russell W. Mills (SBN 00784609)

15303 Dallas Parkway, Suite 700
Addison, Texas 75001
Telephone: (972) 701-7000
Facsimile: (972) 701-8765

A. Settlement StatementU.S. Department of Housing
and Urban Development

OMB Approval No. 2502-0265

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> Conv. Unins.	6. File Number: 00150-2048	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.	<input type="checkbox"/> Other			

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(POC)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower: Diwali Houston East, LLC

E. Name & Address of Seller: Vignahara, LLC

F. Name & Address of Lender: Access Point Financial, Inc.

G. Property Location: 11999 East Freeway Houston, Texas 77029

H. Settlement Agent: Stewart Title Company, 17950 Preston Rd, Ste 650, Dallas, TX 75252, (972) 248-3900
Place of Settlement: 17950 Preston Rd, Ste 650, Dallas, TX 75252

I. Settlement Date: 6/16/2017 **Proration Date:** 6/16/2017 **Disbursement Date:** 6/16/2017

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due from Borrower		400. Gross Amount Due to Seller	
101. Contract sales price		401. Contract sales price	\$3,450,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)		403.	
104.		404.	
105.		405.	
Adjustments for Items paid by seller in advance		Adjustments for Items paid by seller in advance	
106. City/town taxes		406. City/town taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due from Borrower		420. Gross Amount Due to Seller	\$3,450,000.00
200. Amounts Paid by or in Behalf of Borrower		500. Reductions in Amount Due to Seller	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	\$156,306.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506. Funds Held in Escrow to Stewart Title Compa	\$727,829.25
207.		507. Partial Payoff of 1st Mortgage loan to First We	\$2,527,150.36
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for Items unpaid by seller	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213. 2017 Real Property Taxes 1/1/2017 to 6/16/20		513. 2017 Real Property Taxes 1/1/2017 to 6/16/20	\$38,714.39
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid by/for Borrower		520. Total Reduction Amount Due Seller	\$3,450,000.00
300. Cash at Settlement from/to Borrower		600. Cash at Settlement to/from Seller	
301. Gross amount due from borrower (line 120)		601. Gross amount due to seller (line 420)	\$3,450,000.00
302. Less amounts paid by/for borrower (line 220)		602. Less reductions in amount due seller (line 520)	(\$3,450,000.00)
303. Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower		603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$0.00

SUBSTITUTE FORM 1099 SELLER STATEMENT - The information contained in Blocks E, G, H and I and on line 401 (or, if line 401 is asterisked, lines 403 and 404), 406, 407 and 408-412 (applicable part of buyer's real estate tax reportable to the IRS) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

SELLER INSTRUCTION - If this real estate was your principal residence, file form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of form 4797, Form 6252 and/or Schedule D (Form 1040).

You are required to provide the Settlement Agent with your correct taxpayer identification number.

If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties.

Vignahara, LLC

EXHIBIT
"2"

6/15/2017 10:57:48 AM		File Number: 00150-2048	
5-32261-bjh11 Doc 157 Filed 07/03/17 Entered 07/03/17 18:16:31 Page 39 of 40			
2. Settlement Charges			
700. Total Sales/Broker's Commission		Paid From	Paid From
Division of commission (line 700) as follows:		Borrower's	Seller's
701. \$138,000.00 to Marcus & Millichap		Funds at	Funds at
702.		Settlement	Settlement
703. Commission paid at settlement			\$138,000.00
704.			
800. Items Payable In Connection with Loan			
801. Loan origination fee			
802. Loan discount			
803. Appraisal fee			
804. Credit report			
805. Lender's inspection fee			
806. Mortgage insurance application fee			
807. Assumption fee			
808.			
809.			
810.			
811.			
812.			
813.			
900. Items Required by Lender to Be Paid in Advance			
901. Interest from			
902. Mortgage insurance premium for			
903. Hazard insurance premium for			
904.			
905.			
1000. Reserves Deposited with Lender			
1001. Hazard insurance			
1002. Mortgage insurance			
1003. City property taxes			
1004. County property taxes			
1005. Annual assessments			
1006.			
1007.			
1008.			
1009.			
1100. Title Charges			
1101. Settlement or closing fee to Stewart Title Company-150			\$500.00
1102. Abstract or title search			
1103. Title examination			
1104. Title insurance binder			
1105. Document preparation			
1106. Notary fees			
1107. Attorney's fees to Thomas J. Irons, P.C.			\$500.00
Includes above item numbers:			
1108. Title Insurance to Stewart Title Company			\$17,033.00
Includes above item numbers:			
1109. Lender's coverage			
1110. Owner's coverage \$3,450,000.00 \$17,033.00			
1111. Tax Certificate fee to Stewart Title Company-150			
1112. Delivery fees to Stewart Title Company-150			\$20.00
1113. Policy Guaranty fee to Policy Guaranty Fee			\$3.00
1200. Government Recording and Transfer Charges			
1201. Recording fees: Deed \$46.00; Mortgage \$174.00; Release \$30.00; Other \$108.00			
1202. City/county tax/stamps:			
1203. State tax/stamps:			
1204. eRecord fee to Stewart Title Company-150			
1205.			
1206.			
1300. Additional Settlement Charges			
1301. Survey			
1302. Pest inspection			
1303. Court Doc Copies to Pacer			\$250.00
1304. Payoff for 2008 Ford PK to First National Bank			
1305.			
1306.			
1307.			
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)			\$156,306.00

Items marked "POC" were paid outside the closing by: Borrower (POCB), Lender (POCL), Mortgage Broker (POCM), Other (POCO), Real Estate Agent (POCR), or Seller (POCS).

CERTIFICATION:

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of HUD-1 Settlement Statement. The Settlement Agent does not warrant or represent the accuracy of information provided by any party, including information concerning POC items and information supplied by the lender, if any, in this transaction appearing on this HUD-1 Settlement Statement and the parties hold harmless the Settlement Agent as to any inaccuracies in such matters. The parties have read the above sentences, recognize that the recitations herein are material, agree to same, and recognize Title Company is relying on the same.

Diwali Houston East, LLC

Vignahara, LLC

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Stewart Title Company

Date

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18: U.S. Code Section 1001 and Section 1010.

A. Settlement Statement		U.S. Department of Housing and Urban Development		OMB Approval No. 2502-0265
B. Type of Loan				
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> Conv. Unins.	6. File Number: 00150-2048	7. Loan Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.	<input type="checkbox"/> Other		8. Mortgage Insurance Case Number:
C. Note:		This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(POC)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.		
D. Name & Address of Borrower:		Diwali Houston East, LLC		
E. Name & Address of Seller:		Vignahara, LLC		
F. Name & Address of Lender:		Access Point Financial, Inc.		
G. Property Location:		11999 East Freeway Houston, Texas 77029		
H. Settlement Agent:		Stewart Title Company, 17950 Preston Rd, Ste 650, Dallas, TX 75252, (972) 248-3900		
Place of Settlement:		17950 Preston Rd, Ste 650, Dallas, TX 75252		
I. Settlement Date:		Proration Date:	Disbursement Date:	
6/16/2017		6/16/2017	6/16/2017	
J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction		
100. Gross Amount Due from Borrower		400. Gross Amount Due to Seller		
101. Contract sales price		401. Contract sales price		\$3,500,000.00
102. Personal property		402. Personal property		
103. Settlement charges to borrower (line 1400)		403.		
104.		404.		
105.		405.		
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance		
106. City/town taxes		406. City/town taxes		
107. County taxes		407. County taxes		
108. Assessments		408. Assessments		
109.		409.		
110.		410.		
111.		411.		
112.		412.		
120. Gross Amount Due from Borrower		420. Gross Amount Due to Seller		\$3,500,000.00
200. Amounts Paid by or in Behalf of Borrower		500. Reductions in Amount Due to Seller		
201. Deposit or earnest money		501. Excess deposit (see instructions)		
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)		\$158,534.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to		
204.		504. Payoff of first mortgage loan		
205.		505. Payoff of second mortgage loan		
206.		506. Funds Held in Escrow to Stewart Title Compa		\$725,601.25
207.		507. Partial Payoff of 1st Mortgage loan to First We		\$2,527,150.36
208. Credit to Buyer at Closing		508. Credit to Buyer at Closing		\$50,000.00
209.		509.		
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller		
210. City/town taxes		510. City/town taxes		
211. County taxes		511. County taxes		
212. Assessments		512. Assessments		
213. 2017 Real Property Taxes 1/1/2017 to 6/16/20		513. 2017 Real Property Taxes 1/1/2017 to 6/16/20		\$38,714.39
214.		514.		
215.		515.		
216.		516.		
217.		517.		
218.		518.		
219.		519.		
220. Total Paid by/for Borrower		520. Total Reduction Amount Due Seller		\$3,500,000.00
300. Cash at Settlement from/to Borrower		600. Cash at Settlement to/from Seller		
301. Gross amount due from borrower (line 120)		601. Gross amount due to seller (line 420)		\$3,500,000.00
302. Less amounts paid by/for borrower (line 220)		602. Less reductions in amount due seller (line 520)		(\$3,500,000.00)
303. Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower		603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller		\$0.00

SUBSTITUTE FORM 1099 SELLER STATEMENT - The information contained in Blocks E, G, H and J and on line 401 (or, if line 401 is asterisked, lines 403 and 404), 406, 407 and 408-412 (applicable part of buyer's real estate tax reportable to the IRS) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

SELLER INSTRUCTION - If this real estate was your principal residence, file form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of form 4797, Form 6252 and/or Schedule D (Form 1040).

You are required to provide the Settlement Agent with your correct taxpayer identification number.

If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties.

Vignahara, LLC

700. Total Sales/Broker's Commission	Paid From	Paid From
Division of commission (line 700) as follows:	Borrower's	Seller's
701. \$140,000.00 to Marcus & Millichap	Funds at	Funds at
702.	Settlement	Settlement
703. Commission paid at settlement		\$140,000.00
704.		
800. Items Payable In Connection with Loan		
801. Loan origination fee		
802. Loan discount		
803. Appraisal fee		
804. Credit report		
805. Lender's inspection fee		
806. Mortgage insurance application fee		
807. Assumption fee		
808.		
809.		
810.		
811.		
812.		
813.		
900. Items Required by Lender to Be Paid In Advance		
901. Interest from		
902. Mortgage insurance premium for		
903. Hazard insurance premium for		
904.		
905.		
1000. Reserves Deposited with Lender		
1001. Hazard insurance		
1002. Mortgage insurance		
1003. City property taxes		
1004. County property taxes		
1005. Annual assessments		
1006.		
1007.		
1008.		
1009.		
1100. Title Charges		
1101. Settlement or closing fee to Stewart Title Company-150		\$500.00
1102. Abstract or title search		
1103. Title examination		
1104. Title insurance binder		
1105. Document preparation		
1106. Notary fees		
1107. Attorney's fees to Thomas J. Irons, P.C.		\$500.00
Includes above item numbers:		
1108. Title Insurance to Stewart Title Company		\$17,261.00
Includes above item numbers:		
1109. Lender's coverage \$2,700,000.00 \$100.00 Not Payable Taxes Charge only No Form STG T19 r 1 14 REM STG T23 Access 1 STG T30 Tax Deletion STG		
1110. Owner's coverage \$3,500,000.00 \$17,261.00		
1111. Tax Certificate fee to Stewart Title Company-150		
1112. Delivery fees to Stewart Title Company-150		\$20.00
1113. Policy Guaranty fee to Policy Guaranty Fee		\$3.00
1200. Government Recording and Transfer Charges		
1201. Recording fees: Deed \$46.00; Mortgage \$174.00; Release \$30.00; Other \$108.00		
1202. City/county tax/stamps:		
1203. State tax/stamps:		
1204. eRecord fee to Stewart Title Company-150		
1205.		
1206.		
1300. Additional Settlement Charges		
1301. Survey		
1302. Pest inspection		
1303. Court Doc Copies to Pacer		\$250.00
1304. Payoff for 2008 Ford PK to First National Bank		
1305.		
1306.		
1307.		
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)		\$158,534.00

Items marked "POC" were paid outside the closing by: Borrower (POCB), Lender (POCL), Mortgage Broker (POCM), Other (POCO), Real Estate Agent (POCR), or Seller (POCS).

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of HUD-1 Settlement Statement. The Settlement Agent does not warrant or represent the accuracy of information provided by any party, including information concerning POC items and information supplied by the lender, if any, in this transaction appearing on this HUD-1 Settlement Statement and the parties hold harmless the Settlement Agent as to any inaccuracies in such matters. The parties have read the above sentences, recognize that the recitations herein are material, agree to same, and recognize Title Company is relying on the same.

Diwali Houston East, LLC

Vignahara, LLC

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Stewart Title Company

Date

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<u>Type of Claim and Identity of Creditor</u>		<u>Amount of Proposed Allowed Claim</u>
<u>Class 1 - First Western Secured Claim.</u>		
First Western SBLC (506(b))		\$14,899.83
<u>Class 2 - Harris County/Houston Sports Secured Judgement Tax Claim.</u>		
Harris County, Texas and Houston Sports		\$15,984.49
<u>Class 3 - Harris County Secured <i>Ad Valorem</i> Tax Claims.</u>		
Harris County, Texas (objection filed)		\$85,125.01
<u>Class 4 - First National Bank of Giddings Claim.</u>		
First National Bank of Giddings		\$0
<u>Class 5 - Ally Financial Claim.</u>		
Ally Financial (POC #10)(objection filed)		\$0
<u>Class 6 - Employee Priority Claims.</u>		
Angie Patel	\$400	
Binal Patel	\$800	
Gunvantiben Patel	\$400	
Pooja Patel	\$400	
Class 6 Total		\$2,000
<u>Class 7 - Red Roof Inn Unsecured Claim.</u>		
Red Roof Inn (after deduction)		\$3,239.40
<u>Class 8 - General Unsecured Claims.</u>		
Harris County, Texas and Houston Sports	\$19,520.01	
City of Houston Water (POC #8)	\$10,166.82	
One Call Houston	\$1,250	
Texcot Hospitality	\$4,951.72	
Property Valuation Services	\$1,926.51	
Class 8 Total		\$37,815.06
GRAND TOTAL		\$159,063.79

EXHIBIT
"3"