

2. A copy of the Plan (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, INCLUDING THOSE RELATING TO THE FUTURE BUSINESS OPERATIONS, THE VALUE OF ASSETS, ANY PROPERTY OR CREDITOR'S CLAIMS INCONSISTENT WITH ANYTHING CONTAINED HEREIN HAVE BEEN AUTHORIZED.** Any representations or inducements made to secure your acceptance or rejection, which are other than as contained in this Disclosure Statement, should not be relied upon by you in arriving at your decision.

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 DEBTOR RECOMMENDS A VOTE “FOR ACCEPTANCE” OF THE PLAN.**

B. Manner of Voting

1. All creditors entitled to vote on the Plan may cast votes for or against the Plan by completing, dating, signing and causing the Ballot Form accompanying this Disclosure Statement to be received no later than 5:00 p.m., prevailing central time, on _____, 2016, at the following Debtor’s Disclosure Statement

address: Russell W. Mills, Hiersche, Hayward, Drakeley & Urbach, P.C., 15303 Dallas Parkway, Suite 700, Addison, Texas 75001.

C. Confirmation of Plan

1. Solicitation of Votes. By the order entered on _____, 2016, the Bankruptcy Court approved this Disclosure Statement in accordance with Section 1125 of the Bankruptcy Code. 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. This Disclosure Statement is intended to assist creditors in evaluating the Plan and in determining whether to accept the Plan.

UNDER THE BANKRUPTCY CODE, YOUR VOTE FOR ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNLESS YOU RECEIVE A COPY OF THIS DISCLOSURE STATEMENT PRIOR TO OR CONCURRENTLY WITH SUCH SOLICITATION. The solicitation of votes on the Plan is governed by the provisions of Section 1125(b) of the Code, the violation of which may result in sanctions by the Court, including disallowance of the solicited vote and loss of the “safe harbor” provisions of Section 1125(e) of the Code.

2. 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 the Plan.

3. Hearing on Confirmation of the Plan. The Bankruptcy Court has set _____, **2016** at _____ **a/p.m.**, for a hearing to determine whether the Plan has been accepted by the requisite number of creditors and whether the other 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.** on _____, **2016**, at the address noted in paragraph B above.

4. Acceptance Necessary to Confirm Plan. At the scheduled hearing, the Bankruptcy Court must determine, among other things, whether the Plan has been accepted by the impaired classes. Under Section 1126 of the Code, an impaired class is deemed to have accepted the Plan if at least two-thirds in amount and more than one-half in number of claims of class members who have voted to accept or reject the Plan have voted for acceptance of the Plan.

5. Confirmation of Plan Without Necessary Acceptance. The Plan may be confirmed even if it is not accepted by all of the impaired classes if one of the impaired classes accepts it and the Bankruptcy Court finds the Plan does not discriminate unfairly against and is fair and equitable to the dissenting class. This provision is set forth in Section 1129(b), a relatively complex provision of the Code. This summary is not intended to be a complete statement of the law. The Debtor may choose to rely upon this provision [Section 1129(b)] to seek confirmation of the Plan if it is not accepted by an impaired class or classes of creditors.

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

1. Ownership of the Debtor.

The Debtor's sole asset is a 112-room hotel located at 11999 East Freeway in Houston, Texas which until recently was operated as a Red Roof Inn franchise. It has 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 runs the day to day operations of the hotel while Jagdishbhai provides managerial assistance. Several family members work at the hotel: Angie Patel, Binal's sister, works as front desk manager; Pooja Patel, Binal's other sister, works as front desk clerk; and Gunvantiben Patel, Binal's mother works 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 Prepetition Financial Performance.

The Debtor's 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.

For the two months the Binals operated the hotel in 2013, Debtor suffered a loss of \$46,062. In its first full year of operation of 2014, Debtor had a loss of \$205,921 on revenues of \$1,394,928. In 2015, Debtor had a gain of \$13,805 and, in the first six months of 2016, Debtor had a gain of \$45,707.

3. Debtor's Secured and Other Debt.

A. First Western SBLC, Inc.

On October 31, 2013, the Debtor executed a (a) promissory note in the principal amount of \$2,400,000.00 (the "Note") in favor of First Western, (b) Deed of Trust and Security Agreement ("Deed of Trust") and (c) Assignment of Leases and Rents ("ALR"). The Deed of Trust and ALR are collectively referred to as Security Instruments.

First Western has filed a proof of claim in the amount of \$2,320, 824.72. First Western asserts that it is entitled to additional amounts of attorneys' fees and expenses and post-petition interest. Debtor asserts that First Western is entitled to such amounts only to the extent permitted under 11 U.S.C. §506.

First Western obtained an appraisal from Michael W. Massey & Associates ("Massey") dated July 11, 2016 which found the Debtor's property to be valued at \$2,640,000.00 on that date (the Debtor's Disclosure Statement

“First Western Report”). First Western filed its Motion For Relief From Automatic Stay Against All Assets (the “Motion to Lift Stay”) requesting that the stay be lifted in order that they foreclose. In the Motion To Lift Stay, First Western recites that its collateral value is \$2,640,579.07 which includes: i) the hotel with an appraised value of \$2,640,000; ii) cash that was held by the Debtor in the amount of \$35,328.92, as of June 30, 2016; iii) \$47,250.15 in funds from the loan that are held in reserve and were never given to Debtor (the “First Western Reserve”); and iv) less estimated 2016 *ad valorem* real property taxes of \$82,000 that were superior to First Western.

Debtor was not in monetary default with First Western on the Petition Date. First Western alleges non-monetary defaults such as the loss of the franchise to Red Roof Inn and the non-payment of *ad valorem* taxes. As noted below, Debtor had secured a payment schedule with the taxing authority for those taxes.

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 refused to allow Debtor to borrow the monies necessary to pay these taxes and, when they went into default, Debtor negotiated a payment schedule with Harris County. Debtor was current on that payment schedule on the Petition Date. First Western subsequently paid off that debt and it is now included in the First Western secured debt.

Unbeknownst to Debtor, 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 unsecured and that \$19,520.01 is unsecured. (Claim #1). Harris County and Houston Spots Authority also filed a secured claim in the amount of \$34,004.50 arising from occupancy taxes owing in 2014. (Claim #3). The Debtor has

objected to Claim #3 as duplicative and because occupancy taxes are not secured pursuant to applicable law.

Debtor also has two vans that it uses in its business. One is a 2008 Ford that it owes \$3,418.75 to First National Bank of Giddings. The other is a Ford 2009 that it owes \$11,169.79 to Ally Financial. Both are being reaffirmed.

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 so, except for the First Western Reserve, all of the funds borrowed were loaned to the Debtor. When First Western stopped funding the loan, the Debtor had insufficient funds to pay for taxes and to make the repairs required by Red Roof Inn. 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.

D. Other Unsecured Debt.

Debtor had obtained an unsecured loan from Fora Financing and owed it \$46,803.30 on the Petition Date. There is additional assorted other unsecured trade debt totaling approximately \$35,166.88. Together with the unsecured portion of the Harris County/Harris Sports claim of \$15,984.49 arising from the default judgment for occupancy taxes, there is a total of approximately \$101,490.19 in other unsecured debt.

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 the inadequate funding from First Western. When Debtor

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was unable to make its *ad valorem* tax payment in the beginning of 2016, it borrowed from a third party. First Western required that the monies be returned citing loan prohibitions against a second lien. Debtor was able to arrange a repayment schedule with the taxing authority. 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); (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 HHDU.

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. The Court has not yet approved that Motion.

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.

6. Debtor's Performance Post-petition As Compared to Pre-petition.

The value of the Red Roof Inn franchise and, in particular, access to its reservations system cannot be overstated. For the year ended February, 2016 (being the last full month before termination), the occupancy rate was 62.2%. Without access to a reservations system, the Debtor has had the following postpetition monthly occupancy rates: June, 2016 was 42%; July, 2016 was 36%; August, 2016 was 39%; September, 2016 was 37%; and October, 2016 was 41%.

Until recently, Debtor was losing money on these occupancies. The Monthly Operating Reports for June, July and August, 2016 show net cash losses of \$10,721.11, \$4,529.74 and \$6,859.39. But, the Monthly Operating Report for September, 2016 shows a positive cash flow of \$20,865.89 showing that the Debtor has finally contained its costs (decreasing monthly from \$122,255 in June to \$85,041 in July, \$83,827 in August to \$61,685 in September). The Monthly Debtor's Disclosure Statement

Operating Report for October, 2016 shows a net cash flow loss of \$7,987.95 but this was because Debtor had to pay its yearly insurance premium of \$25,000. It was also the first month that it paid the \$15,729 in adequate protection payments to First Western. (Without the adequate protection and insurance premium payments, Debtor would have had positive cash flow of approximately \$32,000.)

Revenues are increasing. They were \$111,534.32 in June, \$81,162.03 in July, \$76,968.55 in August, \$82,551.76 in September, and \$105,890 in October, 2016. Debtor's occupancy rates ranged in the 30% range during most of this case but increased to 41% in October. Debtor's occupancy rate for the period of February, 2015 to February, 2016 (the last full month in which the franchise was in place) was 62.2%. Debtor cannot fund its obligations with a 35-40% occupancy rate as it has been experiencing without the franchise. Debtor forecasts that it needs an occupancy rate of no less than 60% in order to maintain profitability and this rate is possible only with a franchise. Debtor believes that it is cheapest to regain the Red Roof Inn franchise, with whom it has a good working relationship, rather than attempt to qualify with another brand.

7. Debtor's Ability to Fund Reorganization, Its Financial Forecast and Its Business Plan.

The Debtor has shown that it can fund its operating costs and debt service with the current revenues but the key to restoring the business to sustained profitability is to regain its Red Roof Inn franchise. The Debtor's plan combines financing from both operations and other sources in order to increase revenues and gain back its Red Roof Inn franchise.

Red Roof Inn has issued a Property Improvement Plan (the "Red Roof PIP") which identifies the needed repairs. A copy of the Red Roof PIP is attached hereto as Exhibit "2." After obtaining other proposals, Debtor has obtained a Proposal from 4th Dimension Builders to perform the renovations identified in the Red Roof PIP. A copy of that Proposal is attached hereto as Exhibit "3." That Proposal is for \$350,000 (the "Renovation Costs"). The Renovation Costs have two components: \$200,000 is for the purchase of guest room furniture (the "Furniture Costs") and the Debtor's Disclosure Statement

remaining \$150,000 is for other assorted renovations identified in the Red Roof PIP (the “Repair Costs”).

The dilemma has been in attracting capital for the Repair Costs. The Debtor made exhaustive efforts to locate this financing but was ultimately unsuccessful. Typically, lenders will not lend such small amounts with the possibility that there wasn't adequate value in the collateral to secure the debt. At least one lender agreed to lend enough to pay off only the First Western debt with the understanding that, once that debt was paid off, the case would be dismissed and then after six months the Debtor would re-apply for an SBA loan to pay off the bridge lender and fund renovations.

The interest rate on that bridge loan was 12%, which would result in an extra \$150,000 in interest payments to the bridge lender over the amount that would be payable to First Western on the current loan. Debtor believes these monies would best be spent on renovations. This plan is premised then on funding the Repair Costs from operations.

Debtor has been in a Catch 22; it can't get its revenues up without a franchise and it can't get a franchise without the money for renovations. The Debtor has negotiated extensively with Red Roof Inn for terms to regain the Red Roof Inn flag and has reached a tentative agreement where Red Roof Inn will turn the reservations system back on and give the Debtor time in which to complete the renovations. The agreement is that:

1. Debtor has obtained financing to fund the Furniture Costs and the furniture required in the Red Roof PIP will be installed immediately after confirmation.
2. Debtor will fund the balance of the Repair Costs and those renovations would begin within 90 days of confirmation and conclude within 1 year from confirmation.
3. Red Roof would turn on the reservations system when it receives a \$25,000

deposit (the “Red Roof Deposit”). The Red Roof Deposit is to secure future franchise fee payments. It would be paid by Jagdishbhai Patel prior to confirmation.

4. The Debtor would pay off the \$28,239 in past due franchise fees (the “Red Roof Cure Fee”) in equal amounts over 6 months beginning the first month after confirmation.

The Furniture Costs are being paid by Binal and Jagdishbhai Patel who are obtaining a personal loan (the “Furniture Loan”). The Debtor will reimburse them for the Furniture Loan through a salary increase. The Furniture Loan is payable over 60 months at 8 % interest resulting in a monthly payment of \$4,000. Binal and Jagdishbhai’s salary will be increased by that amount in order that they repay the Furniture Loan. The Patels are not receiving a salary increase otherwise.

Debtor is mindful that its 2016 taxes will soon be coming due. As First Western’s Motion To Lift Stay reflects, First Western is holding an additional \$47,250.15 that was to have been funded by First Western but was not (the “Reserve Funds”). Debtor intends to utilize the Reserve Funds to pay down the \$85,374 in taxes to decrease the balance owing to approximately \$38,124. Debtor will borrow that amount from Propel Tax. (the “Propel Tax Loan”). A true and correct copy of that proposal is attached hereto as Exhibit “4”. The Propel Tax Loan is payable over 24 monthly installments at 9.99% interest resulting in a monthly payment of \$2,137.27.

Debtor will reaffirm its obligations to First Western and, given that the debt owing to First Western has increased now to \$2,473,064.29, the monthly principal and interest payment on the Adjusted First Western Debt will increase to \$17,763.16. First Western has agreed that it will accept the normal principal and interest payment of \$15,729.37 monthly until one year after confirmation (at expected renovation completion) and then the Note will be re-amortized at the end of the following first quarter. Fourth Dimension has estimated that it would take approximately ninety (90) days to

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complete the Red Roof PIP but, since renovations are being performed as permitted by revenues, this could take as long as a year.

Debtor has estimated that, once the renovations are completed and it is back on a reservations system, it will be able to increase hotel occupancy to 65% by the middle of summer, 2017 and have an average occupancy rate of 57.5% during 2017. Its forecasts are based on an occupancy rate of 46%-50% in the first year during the renovations and then ranges from 58%-60% in the second through fifth years. These rates, which are conservative, are supported by the Debtor's history. These revenues will return the hotel to profitability and also fund renovations. Attached hereto as Exhibit "5" are 1- and 5-year projections of revenues and expenses.

8. Funds Available

As of October 31, 2016, Debtor had \$36,818 in cash available. Debtor's MOR reflects that it also has \$131,659 in receivables and Debtor has been attempting to verify this number with Red Roof Inn who kept these accounts. The Debtor's proposal is that the equity owners will contribute an additional \$10,000 to purchase the equity in the Reorganized Debtor. As noted earlier, Debtor will use the Reserve Funds to pay down a portion of 2016 taxes.

9. Summary of Claims.

The Plan categorizes Debtor's claims as follows:

Class 1 – First Western Secured Claim. The amount of the First Western Secured Claim is \$2,385,643.74 plus costs and fees incurred through August 12, 2016 totaling \$2,473,064.29. Debtor will reaffirm this obligation and continue to pay it monthly in accordance with existing loan documents beginning on the first day of the first month following the Effective Date except that Debtor will continue to pay only \$15,729.37 for the first year following the Effective Date and then the loan will be re-amortized at the end of the first quarter following that year so that the payments will increase to approximately \$17,763.10 per month.

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). Harris County, Texas and Houston Sports Authority also filed a secured claim in the amount of \$34,004.50 arising from those same occupancy taxes owing in 2014. (Claim #3) but Debtor has objected to that claim. Debtor will pay the sum of \$15,984.49 in 48 equal monthly installments bearing interest at the rate of 3.5% beginning on the first day of the first month following the Effective Date and continuing for 47 months thereafter. Debtor estimates that the monthly principal and interest payment will be \$357.35 per month. The balance of \$19,520.01 will be paid 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 (“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). Debtor estimates that the Harris County Secured *Ad Valorem* 2016 Tax Claim to be in the amount of \$85,374 and intends to apply the First Western Reserve and then borrow the balance of those funds from Propel and pay them timely. Debtor understands that First Western has already paid the Harris County Secured *Ad Valorem* 2015 Tax Claim and included it in its loan balance.

Class 4 – First National Bank of Giddings Claim. Debtor scheduled First National Bank of Giddings as having a secured claim in the amount of \$3,418.75 relating to a van the Debtor uses in the operation of its business. The current monthly payment is \$351.45. Debtor will reaffirm this debt.

Class 5 – Ally Financial Claim. Debtor scheduled Ally Financial as having a secured claim in the amount of \$11,169.79 relating to a van the Debtor uses in the operation of its business. The current monthly payment is \$344.78. Debtor will reaffirm this debt

Class 6 – Employee Priority Claims. Debtor owes approximately \$1,600 to three insiders for prepetition wages that the Court would not approve as part of first day motions. Debtor proposes to pay this upon confirmation.

Class 7 – Red Roof Inn Unsecured Claim. Debtor scheduled Red Roof Inn as having a claim in the amount of \$28,239.40 relating to arrearages on the franchise fee. Red Roof Inn has indicated that, in order to have the franchise reinstated, this amount will have to be paid in full but can be paid over time. Debtor proposes to pay such in equal amounts over 6 months beginning the first month after confirmation resulting in a monthly payment of \$4,706.57.

Class 8 – General Unsecured Claims. Debtor scheduled approximately 16 creditors holding claims totaling \$81,970.18. Harris County/Harris Sports filed an unsecured claim in the amount of that \$19,520.01 arising from a judgment. Class 6 Claims are approximately \$101,490.19. These claims are being paid ten percent (10%) of their total such amount to be paid by the end of 2017.

Class 9 – Subordinated Insider Claims. Debtor’s principals, Binal and Jagdishbhai Patel, have contributed personal monies to the Debtor in an amount of not less than \$50,000 including, without limitation, the Red Roof Deposit, and any unpaid, approved legal fees. To the extent that Binal and Jagdishbhai are the successful bidders for the New Equity Interests, the Subordinated Insider Claims will be waived and may be considered a contribution to the Debtor.

Class 10 – Current Equity Interests- These are described in Article II, Paragraph 1 above.

Post-petition payables are current. The only known administrative claims are those owing to professionals. HHDU’s fees and expenses through October 31, 2016 are approximately \$75,000. HHDU holds in trust \$30,000 and the Debtor has not been reserving for additional fees. Reagan Stewart, (“Stewart”) the financial consultant, has or will be paid a retainer of \$5,000 and will have fees and costs of approximately \$10,000. HHDU will permit the Debtor to pay over time any approved fees and expenses over the retainer.

10. Summary of Plan.

The Debtor intends to continue operation of the Hotel and to reorganize its business by:

- (a) reaffirming the debt owing to First Western Bank and paying it from future operations.
- (b) Jagdishbhai and Binal Patel borrowing \$200,000 in Furniture Costs and loaning that money to the Debtor who will repay them only what is necessary to service their debt for that loan.
- (c) Funding \$150,000 in Repair Costs from future operations in the first year following confirmation.
- (d) Applying the First Western Reserve to pay down the *ad valorem* taxes due in 2017 and borrowing the remainder and reserving during 2017 for taxes that will come due in 2018.
- (e) Allowing Jagdishbhai Patel to pay Red Roof Inn \$25,000 necessary to turn the nationwide reservations system back on.
- (f) Paying for past due secured occupancy taxes over 4 years at 3.5% from future operations.
- (g) Paying unsecured creditors approximately \$10,000 by December, 2017 from

future operations.

- (h) Cancelling current equity interests and selling equity interests in the Reorganized Debtor to Jagdishbhai and Binal Patel in their current percentages for \$10,000 and a release of their claims or to such other higher and better bidder.

11. Future Management.

Provided that Jagdishbhai and Binal Patel are able to purchase the equity interests as described herein, they will be the future managers of the business. As before, Binal Patel will render day to day management over the hotel. Both Jagdishbhai and Binal Patel are vital to the Debtor's performance under this Plan. Given that they are borrowing \$200,000 personally to pay for the furniture, paying the \$25,000 deposit to Red Roof Inn, and contributing another \$10,000 for equity, the Debtor believes that they are also providing it significant economic value. The Plan consequently contains an injunction against any lawsuits or other collection activity against them personally for any debt addressed herein so long as the Debtor is current on that particular obligation herein.

12. Anticipated Future of the Company.

Debtor anticipates being able to perform its obligations herein, catch up on its obligations to First Western and the taxing authorities, borrow funds sufficient to renovate the property and regain its Red Roof Inn franchise.

**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 Buyer and the Debtor's creditors. All creditors are urged to read the Plan carefully. If and when the Plan is confirmed, the Debtor expects the Buyer to be able to fully perform its obligations to all classes of creditors as set forth in the Plan through the operating revenues of the Buyer.

ARTICLE 2

CLASSIFICATION OF CLAIMS AND CURRENT EQUITY INTERESTS

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.

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 – Employee Priority 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

Impaired Classes of Claims and Current Equity Interests. Classes 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 are impaired under the Plan.

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

Administrative Expenses. All Administrative Expenses against the Debtor shall be treated as follows:

(1) Administrative Expenses Bar Date. The holder of any Administrative Expense other than: (i) a claim for professional fees and expenses for services rendered up to and including the Confirmation Date, (ii) a liability incurred and paid in the ordinary course of business by the Debtor; or (iii) an Allowed Administrative Expense, must file with the Bankruptcy Court and serve on the Debtor and its counsel, notice of such Administrative Expense within fifteen (15) days after the Confirmation Date. Such notice must identify: (i) the name of the holder of such Claim; (ii) the amount of such Claim; (iii) the basis of such Claim; and (iv) all written documentation supporting such Claim. Failure to file this notice timely and properly shall result in such claim for the Administrative Expense being forever barred and discharged.

(2) Allowance of Administrative Expenses. An Administrative Expense with respect to which notice has been properly filed pursuant to Section 4.1(1) of the Plan shall become an Allowed Administrative Expense if no objection is filed within thirty (30) days after the filing and service of notice of such Administrative Expense. If an objection is timely filed, the Administrative Expense shall become an Allowed Administrative Expense only to the extent Allowed by Final Order.

(3) Payment of Allowed Administrative Expenses. Each holder of an Allowed Claim for an Administrative Expense other than a professional holding such a claim shall receive, at the Debtor's option: (i) the amount of such holder's Allowed Claim in one Cash payment on the later of the Effective Date or the tenth Business Day after such Claim becomes an Allowed Claim; (ii) the amount of such holder's Allowed Claim in accordance with the ordinary business terms of such expense or cost; or (iii) such other treatment as may be agreed to in writing by the holder of such Administrative Expense and the Debtor.

(4) **Payment of Allowed Administrative Expenses to Professionals.** Each holder of an Allowed Administrative Claim that is a professional shall be paid in full by Debtor on the date upon which an order approving such claim becomes final and non-appealable. Debtor and the Fee Guarantors shall make payment of such fees and expenses in full. Professional fees and expenses incurred after the Confirmation Date shall be the obligation of the Debtor and shall be payable by the Debtor and/or the Fee Guarantors promptly and without the need for application to or approval by the Bankruptcy Court. The Fee Guarantor's guarantee of payment of professional fees and expenses is reaffirmed and shall continue until all of such fees and expenses are paid in full.

Priority Tax Claims. Each holder of a Priority Tax Claim, unless addressed otherwise herein, shall receive, at the Debtor's option: (a) the amount of such holder's Allowed Claim in one Cash payment on the Effective Date; or (b) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Debtor.

Un-matured Secured Tax Claims. Each holder of an Un-matured Secured Tax Claim shall be paid by the Debtor at the time the Un-matured Secured Tax Claim becomes due and payable and in accordance with the Debtor's ordinary practice. Additional terms and conditions apply to Harris County Secured *Ad Valorem* 2016 Tax Claim.

ARTICLE 5

TREATMENT OF CLAIMS AND CURRENT EQUITY INTERESTS

Class 1 – Secured First Western Claim. The amount of the First Western Secured Claim shall be \$2,473,064.29, as of August 12, 2016, and shall continue to accrue interest at the rate specified in the Loan Documents. Any additional fees and costs incurred during this case must be approved by the Court with notice to the Debtor such not to include the default rate of interest or penalties. Upon confirmation, First Western shall deliver to the Debtor the amount of the First Western Reserve and Debtor shall apply the First Western Reserve Fee to pay the Harris County Secured *Ad Valorem* 2016 Tax Claim. The Debtor will continue to pay this obligation monthly in accordance with the Loan Documents beginning on the first day of the first month following the Effective Date except that Debtor will continue to pay only \$15,729.37 for the first year following the Effective Date and then the loan will be re-amortized at the end of the first quarter following that year so that the payments will increase to approximately \$17,500 per month at the beginning of the sixteenth (16th) month following the Effective Date. The Debtor reaffirms the Loan Documents except to the extent they are inconsistent with the Debtor's performance of its obligations under this Plan. Nothing shall impair the Lien of First Western in the Collateral but such Lien shall only exist to the extent of the amount of the Secured First Western Claim.

Class 2 – Harris County/Houston Sports Secured Judgment Tax Claim. Harris County/Houston Sports shall receive on account of its Harris County/Houston Sports Secured Judgment Tax Claim forty-eight (48) equal monthly payments bearing interest at the rate of 3.5% such payments to begin on the first day of the first month following the Effective Date.

Class 3 – Harris County Secured *Ad Valorem* Tax Claim. Harris County/Houston Sports shall receive nothing on account of its Harris County/Houston Sports 2015 *Ad Valorem* Tax Claim. Harris County/Houston Sports shall receive on account of its Harris County/Houston Sports 2016 *Ad*

Valorem Tax Claim payment in the normal course of business on or before January 31, 2017 to be funded by the First Western Reserve and with proceeds from the Propel Tax Loan.

Class 4 – First National Bank of Giddings Secured Claim. Debtor shall reaffirm the First National Bank of Giddings Secured Claim and nothing herein shall impair the Lien of First National Bank of Giddings in the Collateral.

Class 5 – Ally Financial Secured Claim. Debtor shall reaffirm the Ally Financial Secured Claim and nothing herein shall impair the Lien of Ally Financial in the Collateral.

Class 6 - Priority Employee Claims. Each holder of an Allowed Priority Employee Claim against the Debtor shall be paid in accordance with the Debtor's pre-petition custom and practice, if not already paid pursuant to order of the Bankruptcy Court entered June 17, 2016.

Class 7 - Red Roof Inn Unsecured Claim. Red Roof Inn shall receive on account of its Red Roof Inn Unsecured Claim six (6) equal monthly payments beginning on the first day of the month following the Effective Date and shall bear no interest or penalties.

Class 8 – General Unsecured Claims. Each holder of an Allowed General Unsecured Claim will receive on account of its Allowed General Unsecured Claim their pro rata share of ten (10%) percent of their Allowed General Unsecured to be paid in full on or before December 31, 2017.

Class 9 – Subordinated Insider Claims. In the event that the Current Equity Interest Owners are the winning bidders of the New Equity Interests in accordance with Article 7 of the Plan, all Subordinated Insider Claims shall be cancelled. In the event that the Current Equity Interest Owners are not the winning bidders of the New Equity Interests in accordance with Article 7 of the Plan, each holder of a Subordinated Insider Claim shall receive on account of its Subordinated Insider Claim their pro rata share of ten (10%) percent of their Subordinated Insider Claim to be paid in full on or before December 31, 2017.

Class 12 – Current Equity Interests. All Current Equity Interests in the Debtor shall be canceled on the Effective Date.

ARTICLE 6

ACCEPTANCE OR REJECTION OF PLAN

Classes Entitled to Vote. Each impaired Class of Claims and Current Equity Interests shall be entitled to vote separately to accept or to reject the Plan. Any unimpaired Class of Claims or Current Equity Interests shall not be entitled to vote to accept or to reject the Plan. Classes 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 are impaired and holders of such Allowed Claims therefore are entitled to vote on the Plan.

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

Equity Interests in such Class that actually have voted on the Plan.

Cramdown. This Section shall constitute the Debtor's request, pursuant to section 1129(b)(1), that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of section 1129(a)(8) may not be met.

Cure Payments and Release of Liability. All cure payments that may be required by Bankruptcy Code Section 365(b)(1) under any executory contract or unexpired lease that is assumed, or assumed and assigned, under this Plan shall be made by the Debtor on or as soon as practicable after the Effective Date; provided, however, in the event of a dispute regarding the amount of any cure payments, the cure of any other defaults, the ability of the Debtor to provide adequate assurance of future performance, or any other matter pertaining to assumption or assignment, the Debtor shall make such cure payments and cure such other defaults and provide adequate assurance of future performance, all as may be required by the Bankruptcy Code Section 365(b)(1), following the entry of a Final Order resolving such dispute. To the extent that a party to an assumed executor contract or unexpired lease has not filed an appropriate pleading with the Bankruptcy Court on or before the thirtieth (30th) day after the Effective Date disputing the amount of any cure payments offered to it by the Debtor, disputing the cure of any other defaults, disputing the promptness of the cure payments, or disputing the provisions of adequate assurance of future performance, then such party shall be deemed to have waived its right to dispute such matters.

ARTICLE 7

MEANS OF IMPLEMENTATION OF THE PLAN

This Plan incorporates a motion to permit the Debtor to incur the debt necessary to perform its obligations under the Plan including, without limitation, the Propel Tax Loan and repayment of the Furniture Loan. The Plan also incorporates a motion to permit the Debtor to enter into contracts necessary to complete the renovations and to enter into any agreements with Red Roof Inn.

Current Equity Interests are cancelled under the Plan. The holders of the Current Equity Interests have offered the following for the purchase of the New Equity Interests: a) \$10,000 in cash to be paid upon the Effective Date; b) a waiver of their Subordinated Equity Interests; c) the Red Roof Deposit; and d) use of their personal credit to obtain the Furniture Loan of benefit to the Debtor. A Bidder may submit a competing bid for the New Equity Interests to the Debtor's counsel on or before the close of business at 5:00 p.m. Central Standard Time fifteen (15) calendar days prior to the Confirmation Hearing. Any bid for the New Equity Interests must include an agreement to assume all of the obligations of the holders of the Current Equity Interests (including the proceeds from a loan in an amount equal to the Furniture Loan) and, to the extent such bid includes additional cash consideration, must include a cashier's check payable to the Debtor in such amount. Such amount will be held in trust by the Debtor's counsel and returned if that Bidder does not become the Buyer. In the event that such competing offer is higher and better than the opening bid by the holders of the Current Equity Interests, the holders of the Current Equity Interest may make another bid up until the time of the confirmation hearing. The Court may entertain additional offers from the competing bidder and the holders of the Current Equity Interests at such hearing and determine which bid is the best and highest bid and that bidder will thereafter own the New Equity Interests. The Bidder who submits the highest and best bid at the time of the Confirmation Hearing shall

become the Buyer subject to the approval of Red Roof Inn.

The Debtor shall have the powers and duties specified in this Plan. Such powers shall include, without limitation, the power to object to Claims, to administer Cash and Cash on Hand and to operate the business of the Debtor subject only to any limitations imposed by the Plan. The Debtor may operate without approval from the Bankruptcy Court. The Buyer of the New Equity Interests shall have all of the rights and responsibilities of an owner of a limited liability company under applicable law.

The Debtor shall own all Avoidance Actions and all Litigation Claims and shall have full power to institute, proceed to trial and appeal, settle or dismiss any Avoidance Action or Litigation Claim without approval from the Bankruptcy Court.

Upon the Effective Date, all Current Equity Interests shall be cancelled and null and void.

Confirmation of the Plan shall be deemed to constitute a permanent injunction against maintenance or commencement of any action against Debtor 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.

Confirmation of the Plan shall also be deemed to constitute an injunction against maintenance or commencement of any action against the Guarantors to collect any debt addressed in this Plan but only to the extent that the Debtor has materially complied with its obligations under the Plan regarding that debt.

The Debtor shall: (i) be solely responsible for pursuing and/or settling all causes of action owned by the Debtor and for distribution of all cash distributions contemplated by the Plan; (ii) have the right and power to enter into any contract or agreements binding the Debtor in connection with the performance of its duties; (iii) have power to borrow funds and/or obtain investors and/or sell or encumber its real estate for valid business purposes including funding any cash obligations pursuant to the Plan, funding expansion of Debtor's business as contemplated by Debtor's business plans submitted in support of confirmation of the Plan; (v) have power to do all acts contemplated by the Plan; and (vi) 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.

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. Due to the complexity and volume of data contained in said documents, this Disclosure Statement can only summarize such information.

ADDITIONAL FINANCIAL INFORMATION AND CLARIFICATION CAN BE FOUND IN THE ABOVE DESCRIBED DOCUMENTS ON FILE WITH THE U.S. BANKRUPTCY CLERK.

ARTICLE V: CONSIDERATIONS IN VOTING ON THE PLAN

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 creditors in deciding how to vote on the Plan. 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 FOR VOTING PURPOSES. 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 will 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. To the extent that a holder of a Claim receives a distribution under the Plan which is less than the full amount of the Claim, and the remainder of the Claim is being discharged under the Plan, that holder of a Claim may be entitled to a deduction from taxable income to the extent of the realized loss on the Claim (but only to the extent the loss has not been recognized in prior tax years).

Each holder of an interest in Debtor will recognize taxable income or gain as a result of the implementation of the Plan to the extent that the holder's allocable share of the gain from the transfer of the Property and/or income from cancellation of indebtedness due to the modification and/or discharge of Claims under the Plan.

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.

ARTICLE VI: LIQUIDATION ANALYSIS

1. Liquidation Analysis

First Western has alleged that its claim is \$2,473,00 and Debtor does not dispute that amount. The *ad valorem* taxes on the property for 2016 are estimated to be \$85,000. First Western has also obtained an appraisal showing the value to be \$2,640,000. A broker's commission of 6% on a sale of the property would result in a broker's fee of \$158,400.

First Western Principal, Interest & Fees as of 8/2/16	\$2,473,000
Estimated Additional Fees	25,000
Brokerage Fees	158,400
Estimated 2016 <i>Ad Valorem</i> Taxes	<u>85,000</u>
Total Fees	\$2,741,400
Estimated Value	<u>2,640,000</u>
Difference	(\$101,400)

The appraised value shown above is a valuation based on an ongoing enterprise and this analysis shows that even an orderly liquidation of an ongoing business would produce no dividends to unsecured creditors. If a Chapter 7 Trustee were forced to sell the hotel at a heavily discounted price and without an orderly marketing and solicitation process being implemented, there would even be less monies and likely not even enough to pay the First Western claim.

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 AS PROPOSED BY THE DEBTOR BE APPROVED BY ITS CREDITORS. DEBTOR BELIEVES THAT REORGANIZATION WOULD PRODUCE MORE DISTRIBUTION TO CREDITORS THAN IF THE DEBTOR WERE LIQUIDATED. ACCORDINGLY, THE

DEBTOR RECOMMENDS THAT ITS CREDITORS VOTE TO CONFIRM THE PLAN AS FILED BY THE DEBTOR.

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Dated: November 21, 2016.

VIGNAHARA, LLC

By: 
Binal M. 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

1.3 “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.

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

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 Debtor’s van.

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 “Bidder” means a bidder who properly and timely submits a bid for the New Equity Interests in accordance with Section 7.2 herein.

1.15 “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.

1.16 “Buyer” means the buyer of the New Equity Interests who submits the highest and best bid in accordance with Section 7.2 herein.

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

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

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

1.20 “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.

1.21 “Claimant” means the holder of a Claim.

1.22 “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.

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

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

1.25 “Convenience Claims” means Allowed Claims of \$250.00 or less Allowed Claims in which the Claimant agrees to reduce its claim to \$250.00.

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

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

1.28 “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.

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

1.30 “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.

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

1.32 “Current Bank Note” means the Promissory Note in the principal amount of \$2,400,000.00 dated October 31, 2013.

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

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

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

1.36 “Deemed Collateral Value” means, unless otherwise determined as provided for herein, a value equal to the amount, as of the Petition Date, of the Allowed Claim it secures that shall be the value of the Collateral solely for purposes of this bankruptcy case.

1.37 “Deficiency Claim” means include the unsecured portions, if any, of the claims of First Western SBLC, Inc.

1.38 “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.

1.39 “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.

1.40 “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 12.1, have been satisfied or waived.

1.41 “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.

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

1.43 “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.

1.44 “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.

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

1.46 “First Western Secured Claim” means the Allowed Claim held by First Western in an amount not to exceed \$2,473,064.29. This amount includes the amount of the Harris County Secured *Ad Valorem* 2015 Tax Claim and the First Western Reserve.

1.47 “First Western Reserve” means the reserve monies that are held by First Western on behalf of the Debtor in the approximate amount of \$47,250.15.

1.48 “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.

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

1.50 “Furniture Costs” means that part of the Renovation Costs that are related to the purchase of furniture at the Hotel not to exceed \$200,000.

1.51 “Furniture Loan” means the loan to be made to J. Patel and B. Patel for the Furniture Costs.

1.52 “General Unsecured Claims” means all Allowed Claims including the Harris County/Houston Sports Unsecured Judgment Claim but not the Secured First Western Claim, Priority Claims, Administrative Claims, Harris County/Houston Sports Secured Judgment Claim, Secured Claims, First National Bank of Giddings Secured Claim, Ally Financial Secured Claim, Red Roof Inn Unsecured Claims, and Current Equity Interests.

1.53 “Guarantors” means Binal Patel, Jagdishbhai Patel, Pooja Patel, Gunvantiben Patel, Denishkumar Patel, and Mehul Patel.

1.54 “Guaranty Agreements” means any guarantees executed by the Guarantors, including without limitation, any guaranty agreements with First Western.

1.55 “Guaranty Litigation” means any litigation brought against the Guarantors to collect any debt addressed by the Plan and/or any order confirming the Plan including, without limitation, litigation brought by First Western against the Guarantors, or any of them, under the Guaranty Agreements for the collection of a deficiency.

1.56 “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.

1.57 “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.

1.58 “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.

1.59 “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 \$85,374, as reflected in Claim #2.

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

1.61 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.

1.62 “IRS” means the Internal Revenue Service.

1.63 “J. Patel” means Jagdishbhai Patel.

1.64 “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.

1.65 “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.

1.66 “Loan Documents” means the Promissory Note, dated October 31, 2013, in the principal amount of \$2,400,000.00, the Deed of Trust and Security Agreement dated October 31, 2013, the Assignment of Leases and Rents, dated October 31, 2013, and any other document related to any amount owing from the Debtor to First Western.

1.67 “New Equity Interests” means the equity interests in the Reorganized Debtor offered to the Buyer pursuant to Article 7.

1.68 “New Equity Interest Owner” means the buyer who purchases the New Equity Interests in accordance with Article 7.

1.69 “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.

1.70 “Objection Deadline” means the date by which Objections to Claims must be filed, to be fixed in the manner prescribed under Section 9 of the Plan.

1.71 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.

1.72 “Person” means any individual.

1.73 “Petition Date” means June 6, 2016.

1.74 “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.

1.75 “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.

1.76 “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.

1.77 “Priority Employee Claim” means Allowed Priority Claims that are held by an employee of the Debtor to the extent that it is entitled to priority in payment under section 507(a)(3) of the Bankruptcy Code.

1.78 “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.

1.79 “Propel Tax Loan” means the loan to the Debtor made by Propel Tax for the purpose of paying the unpaid balance of the Harris County Secured *Ad Valorem* 2016 Tax Claim.

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

1.81 “Renovation Costs” means the Furniture Costs and the Repair Costs as reflected in the proposal submitted by Fourth Dimension Builders not to exceed \$350,000.

1.82 “Renovation Funds” means the funds generated by the Debtor during the course of its normal operations for the purpose of paying the Renovation Costs.

1.83 “Reorganized Debtor” means the Debtor following the Effective Date.

1.84 “Repair Costs” means that part of the Renovation Costs that are related to the repair of the Hotel and excluding the Furniture Costs and not to exceed \$150,000.

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

1.86 “Red Roof PIP” means the Property Improvement Plan submitted by Red Roof Inn.

1.87 “Red Roof Deposit” means the amount of deposit and future fees necessary for Red Roof Inn to reinstate the Franchise Agreement not to exceed \$25,000.

1.88 “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.

1.89 “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.

1.90 “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.

1.91 “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.

1.92 “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.

1.93 “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.

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 – Employee Priority 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. Classes 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 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. All Administrative Expenses against the Debtor shall be treated as follows:

(1) Administrative Expenses Bar Date. The holder of any Administrative Expense other than: (i) a claim for professional fees and expenses for services rendered up to and including the Confirmation Date, (ii) a liability incurred and paid in the ordinary course of business by the Debtor; or (iii) an Allowed Administrative Expense, must file with the Bankruptcy Court and serve on the Debtor and its counsel, notice of such Administrative Expense within fifteen (15) days after the Confirmation Date. Such notice must identify: (i) the name of the holder of such Claim; (ii) the amount of such Claim; (iii) the basis of such Claim; and (iv) all written documentation supporting such Claim. Failure to file this notice timely and properly shall result in such claim for the Administrative Expense being forever barred and discharged.

(2) Allowance of Administrative Expenses. An Administrative Expense with respect to which notice has been properly filed pursuant to Section 4.1(1) of the Plan shall become an Allowed Administrative Expense if no objection is filed within thirty (30) days after the filing and service of notice of such Administrative Expense. If an objection is timely filed, the Administrative Expense shall become an Allowed Administrative Expense only to the extent Allowed by Final Order.

(3) Payment of Allowed Administrative Expenses. Each holder of an Allowed Claim for an Administrative Expense other than a professional holding such a claim shall receive, at the Debtor's option: (i) the amount of such holder's Allowed Claim in one Cash payment on the later of the Effective Date or the tenth Business Day after such Claim becomes an Allowed Claim; (ii) the amount of such holder's Allowed Claim in accordance with the ordinary business terms of such expense or cost; or (iii) such other treatment as may be agreed to in writing by the holder of such Administrative Expense and the Debtor.

(4) Payment of Allowed Administrative Expenses to Professionals. Each holder of an Allowed Administrative Claim that is a professional shall be paid in full by Debtor on the date upon which an order approving such claim becomes final and non-appealable. Debtor and the Fee Guarantors shall make payment of such fees and expenses in full. Professional fees and expenses incurred after the Confirmation Date shall be the obligation of the

Debtor and shall be payable by the Debtor and/or the Fee Guarantors promptly and without the need for application to or approval by the Bankruptcy Court. The Fee Guarantor's guarantee of payment of professional fees and expenses is reaffirmed and shall continue until all of such fees and expenses are paid in full.

4.2 Priority Tax Claims. Each holder of a Priority Tax Claim, unless addressed otherwise herein, shall receive, at the Debtor's option: (a) the amount of such holder's Allowed Claim in one Cash payment on the Effective Date; or (b) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Debtor.

4.3 Un-matured Secured Tax Claims. Each holder of an Un-matured Secured Tax Claim shall be paid by the Debtor at the time the Un-matured Secured Tax Claim becomes due and payable and in accordance with the Debtor's ordinary practice. Additional terms and conditions apply to Harris County Secured *Ad Valorem* 2016 Tax Claim.

ARTICLE 5

TREATMENT OF CLAIMS AND CURRENT EQUITY INTERESTS

5.1 Class 1 – Secured First Western Claim. The amount of the First Western Secured Claim shall be \$2,473,064.29, as of August 12, 2016, and shall continue to accrue interest at the rate specified in the Loan Documents. Any additional fees and costs incurred during this case must be approved by the Court with notice to the Debtor such not to include the default rate of interest or penalties. Upon confirmation, First Western shall deliver to the Debtor the amount of the First Western Reserve and Debtor shall apply the First Western Reserve Fee to pay the Harris County Secured *Ad Valorem* 2016 Tax Claim. The Debtor will continue to pay this obligation monthly in accordance with the Loan Documents beginning on the first day of the first month following the Effective Date except that Debtor will continue to pay only \$15,729.37 for the first year following the Effective Date and then the loan will be re-amortized at the end of the first quarter following that year so that the payments will increase to approximately \$17,500 per month at the beginning of the sixteenth (16th) month following the Effective Date. The Debtor reaffirms the Loan Documents except to the extent they are inconsistent with the Debtor's performance of its obligations under this Plan. Nothing shall impair the Lien of First Western in the Collateral but such Lien shall only exist to the extent of the amount of the Secured First Western Claim.

5.2 Class 2 – Harris County/Houston Sports Secured Judgment Tax Claim. Harris County/Houston Sports shall receive on account of its Harris County/Houston Sports Secured Judgment Tax Claim forty-eight (48) equal monthly payments bearing interest at the rate of 3.5% such payments to begin on the first day of the first month following the Effective Date.

5.3 Class 3 – Harris County Secured *Ad Valorem* Tax Claim. Harris County/Houston Sports shall receive nothing on account of its Harris County/Houston Sports 2015 *Ad Valorem* Tax Claim. Harris County/Houston Sports shall receive on account of its Harris County/Houston Sports 2016 *Ad Valorem* Tax Claim payment in the normal course of business on or before January 31, 2017 to be funded by the First Western Reserve and with proceeds from the Propel Tax Loan.

5.4 Class 4 – First National Bank of Giddings Secured Claim. Debtor shall reaffirm the First National Bank of Giddings Secured Claim and nothing herein shall impair the Lien of First National Bank of Giddings in the Collateral.

5.5 Class 5 – Ally Financial Secured Claim. Debtor shall reaffirm the Ally Financial Secured Claim and nothing herein shall impair the Lien of Ally Financial in the Collateral.

5.6 Class 6 - Priority Employee Claims. Each holder of an Allowed Priority Employee Claim against the Debtor shall be paid in accordance with the Debtor's pre-petition custom and practice, if not already paid pursuant to order of the Bankruptcy Court entered June 17, 2016.

5.7. Class 7 - Red Roof Inn Unsecured Claim. Red Roof Inn shall receive on account of its Red Roof Inn Unsecured Claim six (6) equal monthly payments beginning on the first day of the month following the Effective Date and shall bear no interest or penalties.

5.8 Class 8 – General Unsecured Claims. Each holder of an Allowed General Unsecured Claim will receive on account of its Allowed General Unsecured Claim their pro rata share of ten (10%) percent of their Allowed General Unsecured to be paid in full on or before December 31, 2017.

5.9 Class 9 – Subordinated Insider Claims. In the event that the Current Equity Interest Owners are the winning bidders of the New Equity Interests in accordance with Article 7 of the Plan, all Subordinated Insider Claims shall be cancelled. In the event that the Current Equity Interest Owners are not the winning bidders of the New Equity Interests in accordance with Article 7 of the Plan, each holder of a Subordinated Insider Claim shall receive on account of its Subordinated Insider Claim their pro rata share of ten (10%) percent of their Subordinated Insider Claim to be paid in full on or before December 31, 2017.

5.10 Class 12 – Current Equity Interests. All Current Equity Interests in the Debtor shall be canceled on the Effective Date.

ARTICLE 6

ACCEPTANCE OR REJECTION OF PLAN

6.1 Classes Entitled to Vote. Each impaired Class of Claims and Current Equity Interests shall be entitled to vote separately to accept or to reject the Plan. Any unimpaired Class of Claims or Current Equity Interests shall not be entitled to vote to accept or to reject the Plan. Classes 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 are impaired and holders of such Allowed Claims therefore are entitled to vote on the Plan.

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

6.3 Cramdown. This Section shall constitute the Debtor's request, pursuant to section 1129(b)(1), that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of section 1129(a)(8) may not be met.

6.4 Cure Payments and Release of Liability. All cure payments that may be required by Bankruptcy Code Section 365(b)(1) under any executory contract or unexpired lease that is assumed, or assumed and assigned, under this Plan shall be made by the Debtor on or as soon as practicable after the Effective Date; provided, however, in the event of a dispute regarding the amount of any cure payments, the cure of any other defaults, the ability of the Debtor to provide adequate assurance of future performance, or any other matter pertaining to assumption or assignment, the Debtor shall make such cure payments and cure such other defaults and provide adequate assurance of future performance, all as may be required by the Bankruptcy Code Section 365(b)(1), following the entry of a Final Order resolving such dispute. To the extent that a party to an assumed executor contract or unexpired lease has not filed an appropriate pleading with the Bankruptcy Court on or before the thirtieth (30th) day after the Effective Date disputing the amount of any cure payments offered to it by the Debtor, disputing the cure of any other defaults, disputing the promptness of the cure payments, or disputing the provisions of adequate assurance of future performance, then such party shall be deemed to have waived its right to dispute such matters.

ARTICLE 7

MEANS OF IMPLEMENTATION OF THE PLAN

7.1 This Plan incorporates a motion to permit the Debtor to incur the debt necessary to perform its obligations under the Plan including, without limitation, the Propel tax Loan and repayment of the Furniture Loan. The Plan also incorporates a motion to permit the Debtor to enter into contracts necessary to complete the renovations and to enter into any agreements with Red Roof Inn.

7.2 Current Equity Interests are cancelled under the Plan. The holders of the Current Equity Interests have offered the following for the purchase of the New Equity Interests: a) \$10,000 in cash to be paid upon the Effective Date; b) a waiver of their Subordinated Equity Interests; c) the Red Roof Deposit; and d) use of their personal credit to obtain the Furniture Loan of benefit to the Debtor. A Bidder may submit a competing bid for the New Equity Interests to the Debtor's counsel on or before the close of business at 5:00 p.m. Central Standard Time fifteen (15) calendar days prior to the Confirmation Hearing. Any bid for the New Equity Interests must include an agreement to assume all of the obligations of the holders of the Current Equity Interests (including the proceeds from a loan in an amount equal to the Furniture Loan) and, to the extent such bid includes additional cash consideration, must include a cashier's check payable to the Debtor in such amount. Such amount will be held in trust by the Debtor's counsel and returned if that Bidder does not become the Buyer. In the event that such competing offer is higher and better than the opening bid by the holders of the Current Equity Interests, the holders of the Current Equity Interest may make another bid up until the time of the confirmation hearing. The Court may entertain additional offers from the competing bidder and the holders of the Current Equity Interests at such hearing and determine which bid is the best and highest bid and that bidder will thereafter own the New Equity Interests. The Bidder who submits the

highest and best bid at the time of the Confirmation Hearing shall become the Buyer subject to the approval of Red Roof Inn.

7.3 The Debtor shall have the powers and duties specified in this Plan. Such powers shall include, without limitation, the power to object to Claims, to administer Cash and Cash on Hand and to operate the business of the Debtor subject only to any limitations imposed by the Plan. The Debtor may operate without approval from the Bankruptcy Court. The Buyer of the New Equity Interests shall have all of the rights and responsibilities of an owner of a limited liability company under applicable law.

7.4 The Debtor shall own all Avoidance Actions and all Litigation Claims and shall have full power to institute, proceed to trial and appeal, settle or dismiss any Avoidance Action or Litigation Claim without approval from the Bankruptcy Court.

7.5 Upon the Effective Date, all Current Equity Interests shall be cancelled and null and void.

7.6 Confirmation of the Plan shall be deemed to constitute a permanent injunction against maintenance or commencement of any action against Debtor 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.

7.7 Confirmation of the Plan shall also be deemed to constitute an injunction against maintenance or commencement of any action against the Guarantors to collect any debt addressed in this Plan but only to the extent that the Debtor has materially complied with its obligations under the Plan regarding that debt.

7.8 The Debtor shall: (i) be solely responsible for pursuing and/or settling all causes of action owned by the Debtor and for distribution of all cash distributions contemplated by the Plan; (ii) have the right and power to enter into any contract or agreements binding the Debtor in connection with the performance of its duties; (iii) have power to borrow funds and/or obtain investors and/or sell or encumber its real estate for valid business purposes including funding any cash obligations pursuant to the Plan, funding expansion of Debtor's business as contemplated by Debtor's business plans submitted in support of confirmation of the Plan; (v) have power to do all acts contemplated by the Plan; and (vi) 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.

7.9 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 All payments or distributions to be made by the Debtor pursuant to the Plan shall be made to the holders of Allowed Claims. Any payments or distributions to be made by the Debtor pursuant to the Plan shall be made on the Effective Date except as otherwise provided for in the Plan, or as may be ordered by the Bankruptcy Court. Any payment or distribution by the Debtor 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 to be made to any holder of an Allowed Claim under the Plan shall be made by the Debtor.

8.3 Payments of Cash to be made by the Debtor pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer from a domestic bank.

8.4 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.

8.5 Checks issued by the Debtor 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 Debtor 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.

8.6 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.

8.7 The Debtor expressly reserves the right, in its sole discretion, to prepay in Cash any obligation created pursuant to the Plan, and no interest shall accrue with respect to such obligation from and after the date of such prepayment. There shall be no penalty associated with the Debtor's prepayment of any obligation in the Plan. The Debtor also expressly reserves the right to negotiate post-confirmation with the holder of any Allowed Claim who may desire to change the treatment elected with respect to such Allowed Claim and to agree to any change of treatment of such Allowed Claim, provided such treatment does not result in a violation of the absolute priority rule or otherwise materially affect any treatment of any class of creditors under this Plan.

8.8 Any monies utilized to pay obligations hereunder shall become general funds of the Debtor.

ARTICLE 9

PROCEDURES FOR RESOLVING AND TREATING CONTESTED AND CONTINGENT CLAIMS

9.1 Unless a different date is set by order of the Bankruptcy Court, all objections to Claims shall be served and filed no later than one hundred eighty (180) days after the Confirmation Date or one hundred twenty (120) days after a particular proof of claim is filed, whichever is later. All proofs of claim filed after the Claims Bar Date shall be of no force and effect, shall be deemed disallowed, and will not require objection.

9.2 (a) Notwithstanding any other provision of the Plan, no payment or distribution shall be made with respect to any Contested Claim unless and until such Contested Claim becomes an Allowed Claim.

(b) In determining the amount of distributions to be made under the Plan to holders of Allowed Claims, the appropriate distributions required by the Plan shall be made according to estimates and subject to the provisions of the Plan.

(c) As soon as practicable after a Contested Claim becomes fixed, the holder of an Allowed Claim shall receive a distribution in an amount equal to the aggregate of all the distributions that such holder would have received had such Contested Claim been an Allowed Claim on the Effective Date. No interest shall be paid on account of a Contested Claim that later becomes an Allowed Claim.

9.3 Distributions to each holder of a Contested Claim, to the extent that such Claim becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan governing the Class of Claims to which such Claim belongs, and such holders shall receive all distributions to which such holders would have been entitled had such Claim been an Allowed Claim on the Effective Date.

ARTICLE 10

EXECUTORY CONTRACTS AND LEASES

10.1 There are no known unexpired executory contracts or leases.

ARTICLE 11

MAINTENANCE OF CAUSES OF ACTION

11.1 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 12

CONDITIONS PRECEDENT TO EFFECTIVENESS OF PLAN

12.1 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 13

DISCHARGE

13.1 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 14

SUBSTANTIAL CONSUMMATION

14.1 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 15

RETENTION OF JURISDICTION

15.1 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.

15.2 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 16

MODIFICATIONS TO THE PLAN

16.1 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.

16.2 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 17

MISCELLANEOUS PROVISIONS

17.1 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 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.

17.2 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.

17.3 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.

17.4 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.

17.5 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.

17.6 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.

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

17.8 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.

17.9 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.

17.10 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.

17.11 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: November 21, 2016.

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

**Property Improvement Plan - Red Roof Inn
#811 Houston East**

The owner is responsible for ensuring the property is in compliance with all federal and state ADA regulation at all times.

Franchisee shall perform the following renovations to the Inn in accordance with Red Roof's manuals and standards, including but not limited to the Brand Standards Manual, Design Standard's branding guidelines, signage standards, and paint specifications, all of which may be amended by Red Roof from time to time.

Franchisee shall maintain and operate the Inn in accordance with Red Roof Brand Standards Manual, which may be amended by Red Roof from time to time.

Room Count: 112

Throughout the duration of the renovation, it is recommended that the franchisee and personnel from Red Roof Inn Design and Construction department work closely together to ensure the renovations are completed timely, efficiently and to Red Roof Inn standards.

I. PHASE I – THE FOLLOWING RENOVATIONS MUST BE COMPLETED PRIOR TO OPENING IN ACCORDANCE WITH THE RED ROOF INN DESIGN AND FF&E STANDARDS MANUAL AND RED ROOF'S PAINT SCHEDULE.

EX	Other	Complete exterior building paint including all stucco, doors, siding, railings, and trim.
EX	Other	Repair all damaged paving areas throughout the property.
EX	Other	Re-stripe and seal coat the parking lot.
EX	Other	Install new coach lamps.
EX	Other	Update landscaping.
EX	Other	Repair damaged sidewalk finishes and restore to consistent texture and paint surface.
EX	Signs	Replace all exterior signage to Red Roof Inn to include: door number plaques, directional signage, exterior building signage, and pylon signage. Any and all such signs must be shrouded/covered until the approved Opening Date.
EX	Swimming Pool	Install all required signs and notices
EX	Swimming Pool	Refinish pool surface.
EX	Swimming Pool	Refinish pool deck surface.
EX	Swimming Pool	Install new pool furniture.
EX	Swimming Pool	The pool/spa area must comply with all Federal and State guidelines
EX	Swimming Pool	Update landscaping around the pool area
INT	Bathrooms	Replace the shower head.
INT	Bathrooms	Install vanity cubbies.
INT	Bathrooms	Install granite vanity tops.
INT	Bathrooms	Install vessel sink.
INT	Bathrooms	Install new sink faucet
INT	Bathrooms	Replace vanity light
INT	Bathrooms	Replace vanity mirror
INT	Bathrooms	Replace bath finish hardware.
INT	Breakfast Area	If breakfast is to be served, it must meet Red Roof Inn standards.
INT	Breakfast Area	Remove and replace wall covering.
INT	Breakfast Area	Paint walls, ceiling, doors and trim.
INT	Breakfast Area	Replace all lighting.
INT	Breakfast Area	Refinish or replace cabinets and countertop laminate.
INT	Breakfast Area	Replace all breakfast tables and chairs.
INT	Breakfast Area	Replace flooring.



INT	Breakfast Area	Replace tile above counter with knock down texture and paint.
INT	Business Center	Remove and replace wallpaper and install knock down texture and paint.
INT	Business Center	Paint walls, ceiling, doors and trim.
INT	Business Center	Replace flooring.
INT	Guestrooms	Replace all draperies.
INT	Guestrooms	Replace all wall lights, desk lights, and ceiling lights.
INT	Guestrooms	Replace all desk chairs and lounge chairs.
INT	Guestrooms	Replace artwork.
INT	Guestrooms	Replace all case goods.
INT	Guesrooms	Install standard bedding package to include 200 thread count long top sheet and pillow cases, blanket, pillows, pillow protectors, mattress pad, and pillows.
INT	Guestrooms	Replace all flooring in 1st floor rooms with vinyl plank wood flooring, carpet tiles, and vinyl cove base.
INT	Guestrooms	Paint entry doors, frame, and trim.
INT	Lobby	Install Red Roof Inn plaque on stone wall. You must get prior written approval from Red Roof's Design and Construction Department for lobby layout.
INT	Lobby	Install marketing TV.
INT	Lobby	Install new ceiling lights.
INT	Lobby	Paint walls, ceiling, doors and trim.
INT	Lobby	Replace all flooring in the lobby to tile and carpet tiles.
INT	Lobby	Replace face laminates on front desk and any counters or cabinets visible to guest.
INT	Lobby	Install granite countertop on front desk check-in counter.
INT	Lobby	Install new lobby/office artwork, marketing posters and brand signage.
INT	Lobby	Replace lobby furniture.
INT	Lobby	Install Red Roof Inn standard coffee service.
INT	Lobby	Remove and replace window valances.
INT	Lobby	Install stone wall.
INT	Lobby	Repair damaged ceiling areas.
INT	Signs	Replace all interior signage to Red Roof Inn to include door number plaques and directional signs.
INT	Vending	Install snack machine
INT	Vending	Install drink machine
INT	Vending	Install ice machine
OTHER	Other	To the extent Franchisee is required by La Quinta to remove other La Quinta items that are not otherwise covered herein, Franchisee shall replace such items with applicable Red Roof Inn standard items.

IV. PHASE IV – THE FOLLOWING RENOVATIONS MUST BE COMPLETED WITHIN 18 MONTHS OF THE OPENING DATE AS DEFINED IN THE FRANCHISE AGREEMENT, IN ACCORDANCE WITH THE RED ROOF INN NEXT GEN DESIGN AND FF&E STANDARDS MANUAL AND RED ROOF'S NEXTGEN PAINT SCHEDULE.

INT	Guestrooms	Replace all flooring in 2nd floor rooms with vinyl plank wood flooring, carpet tiles, and vinyl cove base.
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Franchisee shall not display La Quinta logo items at the Inn, including but not limited to signage, prior to the approved Opening Date. To the extent La Quinta signage is installed prior to the Opening Date, such signage shall be completely covered.

Franchisee has reviewed this Property Improvement Plan as it pertains to the Inn and agrees to perform the work as set forth in this document pursuant to the guidelines set forth above and in accordance with the Brand Standards Manual. **Notwithstanding anything stated herein, Franchisor reserves the right to require Franchisee to make renovations, alterations, repairs, and replacements to the Inn at any time pursuant to the terms of the Franchise Agreement.**

FRANCHISEE:

FRANCHISOR:

_____	Red Roof Franchising, LLC
a(n) _____	a Delaware limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____



4th dimension
BUILDERS

An unimaginable world of creation

PROPOSAL

DATE: 1-Jun-16
PROP #: RRI-001

SERVICE PROVIDER	CUSTOMER
Chirag Patel 4th Dimensin Builders, Inc. 1220 Blalock Rd., Ste 150 Houston, TX 77055 Phone: (866) 272-3232 Fax: (713) 481-0909 Email: Jayson@4dbuilders.com	Binal Patel Red Roof Inn 11999 East Fwy Houston, TX 77021 Phone: Fax: Email:

PROJECT DESCRIPTION: Redroof PIP List

ID	DESCRIPTION	QTY	AMOUNT (\$)	TOTAL
1	Exterior Building Color	1	27000	\$ 27,000.00
2	Striping	1	3500	\$ 3,500.00
3	Exterior Wall scones	120	35	\$ 4,200.00
4	Sidewalk Damage Repair	1	4140	\$ 4,140.00
5	Door Sign	120	20	\$ 2,400.00
6	Shower Head	112	30	\$ 3,360.00
7	Vanity Cubbies	112	150	\$ 16,800.00
8	Granite Vanity Tops	112	90	\$ 10,080.00
9	Vessei Sink	112	35	\$ 3,920.00
10	Vanity Faucet	112	35	\$ 3,920.00
11	Vanity light	112	35	\$ 3,920.00
12	Granite Install	112	90	\$ 10,080.00
13	Furniture & Bath Accessorie Install	112	225	\$ 25,200.00
14	Guestroom Draperies	112	180	\$ 20,160.00
15	Guestroom Lights - Wall Lights, Desk Lights, & Ceiling Light	112	60	\$ 6,720.00
16	Guestroom Caseloads	112	1400	\$ 156,800.00
17	Bathroom Paint Material Labor	112	75	\$ 8,400.00
18	Electric Labor	112	75	\$ 8,400.00
19	Bathroom Floor	112	250	\$ 28,000.00
20	Business Center	1	3000	\$ 3,000.00
			TOTAL	\$ 350,000.00

EXHIBIT
3



August 29, 2016

Dear Valued Customer(s),

Thank you for your interest in Propel Tax. Per your request, I am sending you the terms of the tax lien transfer for Harris County that we discussed.

Total taxes owed: \$91,350.20
Our fees: \$899.00
Our Interest Rate: 9.99 %
Type of Lien: Principal & Interest

Payment Terms

2 Year Payment	\$4,256.41	7 Year Payment	\$1,530.97
3 Year Payment	\$2,976.19	8 Year Payment	\$1,399.32
4 Year Payment	\$2,339.24	9 Year Payment	\$1,298.25
5 Year Payment	\$1,959.57	10 Year Payment	\$1,218.57
6 Year Payment	\$1,708.53		

****NO PENALTY for paying off early**

If you have any questions or need any additional information, please feel free to call me directly at (972) 855-3556 x 44092 or you can e-mail me at dcollins@propelfs.com

Thanks,

Danny Collins
Propel Tax

P.O. Box 100350
San Antonio, TX 78201
(210) 582-2880 • (866) 206-9310

EXHIBIT
4

VIGNAHARA, LLC
 DEBTOR IN POSSESSION
 PLAN TREATMENT OF PRE-PETITION LIABILITIES

	<u>Pre-petition Claims</u>	<u>Plan Adjustment</u>	<u>Paid at Confirmation</u>	<u>Confirmation Balance</u>	<u>Comments</u>
Class 1 - Secured Claims	\$ 2,320,824.72	\$ 129,250.15		\$ 2,450,074.87	6% note with 20 year amortization, paid monthly
Class 2 - Occupancy Tax Claim	\$ 15,984.49			\$ 15,984.49	Paid over 48 months with 3.5% interest
Class 3 - Secured Ad Valorem Taxes (2016)	\$ 93,613.01		\$ 93,613.01		Partially funded through loan by Propel Tax
Class 4 - First National Bank of Giddings Claim	\$ 3,418.75			\$ 3,418.75	Assumed through Plan
Class 5 - Ally Financial Claim	\$ 11,169.79			\$ 11,169.79	Assumed through Plan
Class 6 - Employee Priority Claim	\$ 1,600.00			\$ 1,600.00	Paid at Confirmation
Class 7 - Unsecured Red Roof Inn Claim	\$ 28,239.40			\$ 28,239.40	Paid over first six months after Confirmation
Class 8 - Unsecured Claims	\$ 101,490.19	\$ (91,341.17)		\$ 10,149.02	Paid in cash by December 2017
Class 9 - Subordinated Insider Claims	Unknown				Converted to new equity if Claimants are successful bidders
Totals	<u>\$ 2,576,340.35</u>	<u>\$ 37,908.98</u>	<u>\$ 93,613.01</u>	<u>\$ 2,520,636.32</u>	

Revenue Assumptions:

Total Number of Rooms	112	112	112	112	112	112	112	112	112	112	112	112
Occupancy Percentage	50%	50%	55%	55%	60%	60%	65%	65%	60%	60%	55%	55%
Occupancy Room Count Average	56	56	62	62	67	67	73	73	67	67	62	62
Monthly Rooms Rented	1,680	1,680	1,848	1,848	2,016	2,016	2,184	2,184	2,016	2,016	1,848	1,848
Average Daily Rate	\$ 46	\$ 46	\$ 47	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 48	\$ 47	\$ 46	\$ 46

Post Confirmation Month	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Revenue													
Room Revenue	77,280	77,280	86,856	92,400	100,800	100,800	109,200	109,200	96,768	94,752	85,008	85,008	1,115,352
Other Revenue	166	166	167	167	167	167	167	167	167	167	166	166	2,000
Total Revenue	77,446	77,446	87,023	92,567	100,967	100,967	109,367	109,367	96,935	94,919	85,174	85,174	1,117,352
Expenses													
Advertising and Promotion	360	360	360	360	360	360	360	360	360	360	360	360	4,320
Amortization	596	596	596	596	596	596	596	596	596	596	596	596	7,152
Automobile Expense	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	21,900
Bank Service Charges	25	25	25	25	25	25	25	25	25	25	25	25	300
Breakfast Exp	3,864	3,864	4,343	4,620	5,040	5,040	5,460	5,460	4,838	4,738	4,250	4,250	55,768
Cable Exp	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	16,200
Commission													-
Cleaning Supplies	850	850	955	1,016	1,109	1,109	1,201	1,201	1,064	1,042	935	935	12,269
Computer and Internet Expenses													-
Credit Card Charges	1,700	1,700	1,911	2,033	2,218	2,218	2,402	2,402	2,129	2,085	1,870	1,870	24,538
Depreciation	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	159,996
Dues and Subscriptions													-
Franchise Fee	5,410	5,410	6,080	6,468	7,056	7,056	7,644	7,644	6,774	6,633	5,951	5,951	78,075
Inspection	41	41	42	42	42	42	42	42	42	42	41	41	500
Insurance Expense	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Interest Expense Mortgage	12,250	12,233	12,215	12,198	12,180	12,163	12,145	12,127	12,109	12,091	12,072	12,054	145,837
Interest Expense Vans	61	58	55	53	50	47	45	42	39	38	34	33	555
Interest Expense Tax Notes	429	414	398	383	367	351	335	319	303	286	270	253	4,107
Landscaping and Groundskeeping	360	360	360	360	360	360	360	360	360	360	360	360	4,320
Legal Exp													-
License and Permit Fees	90	90	90	90	90	90	90	90	90	90	90	90	1,080
Management Fees													-
Meals and Entertainment													-
Miscellaneous	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Office Expense	50	50	50	50	50	50	50	50	50	50	50	50	600
Payroll Expenses	17,524	17,524	19,200	20,170	21,640	21,640	23,110	23,110	20,934	20,582	18,876	18,876	243,187
Payroll Taxes	1,314	1,314	1,440	1,513	1,623	1,623	1,733	1,733	1,570	1,544	1,416	1,416	18,239
Pest Control Exp	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Postage	25	25	25	25	25	25	25	25	25	25	25	25	300
Professional Fees	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Repairs and Maintenance	1,000	1,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	162,000
Security Exp	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Small tools and equipment													-
Supplies	3,284	3,284	3,691	3,927	4,284	4,284	4,641	4,641	4,113	4,027	3,613	3,613	47,402
Taxes	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	85,380
Telephone Expense	760	760	760	760	760	760	760	760	760	760	760	760	9,120
Travel and Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Utilities	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	92,400
Total Expenses	83,917	83,881	102,520	104,611	107,798	107,761	110,947	110,910	106,104	105,295	101,517	101,481	1,226,744
Net Income	(6,471)	(6,435)	(15,497)	(12,044)	(6,831)	(6,794)	(1,580)	(1,543)	(9,169)	(10,376)	(16,343)	(16,307)	(109,392)

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
ASSETS												
Current Assets												
Checking and Savings	13,687	14,874	6,963	2,469	3,153	3,837	14,405	24,973	27,878	29,556	25,564	11,423
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	<u>13,687</u>	<u>14,874</u>	<u>6,963</u>	<u>2,469</u>	<u>3,153</u>	<u>3,837</u>	<u>14,405</u>	<u>24,973</u>	<u>27,878</u>	<u>29,556</u>	<u>25,564</u>	<u>11,423</u>
Fixed Assets												
Accumulated Depreciation	(567,583)	(580,916)	(594,249)	(607,582)	(620,915)	(634,248)	(647,581)	(660,914)	(674,247)	(687,580)	(700,913)	(714,247)
Air Conditioner	36,125	36,125	36,125	36,125	36,125	36,125	36,125	36,125	36,125	36,125	36,125	36,125
Buildings and Improvements	2,405,000	2,405,000	2,405,000	2,405,000	2,405,000	2,405,000	2,405,000	2,405,000	2,405,000	2,405,000	2,405,000	2,405,000
Camera System	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
Equipment	372,275	372,275	372,275	372,275	372,275	372,275	372,275	372,275	372,275	372,275	372,275	372,275
Ice Machine	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650
Land	415,000	415,000	415,000	415,000	415,000	415,000	415,000	415,000	415,000	415,000	415,000	415,000
Sign	29,750	29,750	29,750	29,750	29,750	29,750	29,750	29,750	29,750	29,750	29,750	29,750
Total Fixed Assets	<u>2,712,417</u>	<u>2,699,084</u>	<u>2,685,751</u>	<u>2,672,418</u>	<u>2,659,085</u>	<u>2,645,752</u>	<u>2,632,419</u>	<u>2,619,086</u>	<u>2,605,753</u>	<u>2,592,420</u>	<u>2,579,087</u>	<u>2,565,753</u>
Other Assets												
Accumulated Amortization	(18,189)	(18,785)	(19,381)	(19,977)	(20,573)	(21,169)	(21,765)	(22,361)	(22,957)	(23,553)	(24,149)	(24,745)
Franchise Fees	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Loan Closing Fees	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242	15,242
SBA Closing Fees	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Total Other Assets	<u>89,053</u>	<u>88,457</u>	<u>87,861</u>	<u>87,265</u>	<u>86,669</u>	<u>86,073</u>	<u>85,477</u>	<u>84,881</u>	<u>84,285</u>	<u>83,689</u>	<u>83,093</u>	<u>82,497</u>
TOTAL ASSETS	<u><u>2,815,157</u></u>	<u><u>2,802,415</u></u>	<u><u>2,780,575</u></u>	<u><u>2,762,152</u></u>	<u><u>2,748,907</u></u>	<u><u>2,735,661</u></u>	<u><u>2,732,300</u></u>	<u><u>2,728,939</u></u>	<u><u>2,717,916</u></u>	<u><u>2,705,665</u></u>	<u><u>2,687,744</u></u>	<u><u>2,659,673</u></u>
LIABILITIES & EQUITY												
Liabilities												
Current Liabilities												
Accrued Property Taxes	7,115	14,230	21,345	28,460	35,575	42,690	49,805	56,920	64,035	71,150	78,265	85,380
Red Roof Inn Franchise Fee	23,533	18,826	14,120	9,413	4,707	-	-	-	-	-	-	-
Accounts Payable	60,149	57,649	55,149	52,649	50,149	47,649	45,149	42,649	40,149	37,649	35,149	22,500
Total Current Liabilities	<u>90,797</u>	<u>90,705</u>	<u>90,614</u>	<u>90,522</u>	<u>90,431</u>	<u>90,339</u>						
Long Term Liabilities												
N/P First Western	2,446,596	2,443,099	2,439,586	2,436,054	2,432,505	2,428,938	2,425,354	2,421,751	2,418,130	2,414,492	2,410,835	2,407,160
N/P Tax Notes	60,282	58,201	56,105	53,993	51,865	49,721	47,561	45,386	43,194	40,985	38,760	36,519
N/P Vans	13,953	13,315	12,674	12,031	11,385	10,736	10,084	9,430	8,773	8,131	7,820	7,508
Total Long Term Liabilities	<u>2,520,831</u>	<u>2,514,615</u>	<u>2,508,364</u>	<u>2,502,078</u>	<u>2,495,755</u>	<u>2,489,395</u>	<u>2,482,999</u>	<u>2,476,567</u>	<u>2,470,097</u>	<u>2,463,608</u>	<u>2,457,415</u>	<u>2,451,186</u>
Total Liabilities	<u>2,611,628</u>	<u>2,605,321</u>	<u>2,598,978</u>	<u>2,592,600</u>	<u>2,586,185</u>	<u>2,579,734</u>	<u>2,577,953</u>	<u>2,576,136</u>	<u>2,574,281</u>	<u>2,572,407</u>	<u>2,570,829</u>	<u>2,569,066</u>
Equity												
Owner's Capital	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Net Income	(6,471)	(12,906)	(28,404)	(40,448)	(47,278)	(54,073)	(55,653)	(57,197)	(66,366)	(76,742)	(93,085)	(109,393)
Total Equity	<u>203,529</u>	<u>197,094</u>	<u>181,596</u>	<u>169,552</u>	<u>162,722</u>	<u>155,927</u>	<u>154,347</u>	<u>152,803</u>	<u>143,634</u>	<u>133,258</u>	<u>116,915</u>	<u>100,607</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,815,157</u></u>	<u><u>2,802,415</u></u>	<u><u>2,780,575</u></u>	<u><u>2,762,152</u></u>	<u><u>2,748,907</u></u>	<u><u>2,735,661</u></u>	<u><u>2,732,300</u></u>	<u><u>2,728,939</u></u>	<u><u>2,717,916</u></u>	<u><u>2,705,665</u></u>	<u><u>2,687,744</u></u>	<u><u>2,659,673</u></u>

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Cash Flow From Operations:													
Net Income	(6,471)	(6,435)	(15,497)	(12,044)	(6,831)	(6,794)	(1,580)	(1,543)	(9,169)	(10,376)	(16,343)	(16,307)	(109,392)
Plus: Depreciation	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	159,996
Plus: Amortization	596	596	596	596	596	596	596	596	596	596	596	596	7,152
Operating Cash Flow	7,458	7,494	(1,568)	1,885	7,098	7,135	12,349	12,386	4,760	3,553	(2,414)	(2,378)	57,756
Changes in Working Capital													
Changes in Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in Accounts Payable	2,409	(92)	(92)	(92)	(92)	(92)	4,615	4,615	4,615	4,615	4,615	(5,534)	19,492
Net Changes in Working Capital	2,409	(92)	(92)	(92)	(92)	(92)	4,615	4,615	4,615	4,615	4,615	(5,534)	19,492
Cash Available for Long Term Items	9,867	7,402	(1,660)	1,793	7,007	7,043	16,964	17,001	9,375	8,168	2,201	(7,912)	77,248
Uses of Net Operating Cash													
First Western Principal	(3,479)	(3,496)	(3,514)	(3,531)	(3,549)	(3,567)	(3,585)	(3,603)	(3,621)	(3,639)	(3,657)	(3,675)	(42,915)
Tax Notes Principal	(2,066)	(2,081)	(2,096)	(2,112)	(2,128)	(2,144)	(2,160)	(2,176)	(2,192)	(2,208)	(2,225)	(2,242)	(25,829)
Vans Principal	(635)	(638)	(641)	(643)	(646)	(649)	(651)	(654)	(657)	(642)	(311)	(312)	(7,081)
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses of Op. Cash	(6,180)	(6,215)	(6,251)	(6,287)	(6,323)	(6,359)	(6,396)	(6,433)	(6,470)	(6,490)	(6,193)	(6,229)	(75,825)
Net Monthly Cash Flow	3,687	1,187	(7,911)	(4,494)	684	684	10,568	10,568	2,905	1,678	(3,992)	(14,141)	1,423

Revenue Assumptions:

Total Number of Rooms	112	112	112	112	112
Occupancy Percentage	57.5%	58.0%	58.5%	59.0%	60.0%
Occupancy Room Count Average	64.40	65	66	66	67
Annual Rooms Rented	23,506	23,710	23,915	24,119	24,528
Average Daily Rate	\$ 48	\$ 49	\$ 50	\$ 51	\$ 52

Post Confirmation Year	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Revenue					
Room Revenue	1,115,352	1,161,810	1,195,740	1,230,079	1,275,456
Other Revenue	2,000	2,000	2,000	2,000	2,000
Total Revenue	<u>1,117,352</u>	<u>1,163,810</u>	<u>1,197,740</u>	<u>1,232,079</u>	<u>1,277,456</u>
Expenses					
Advertising and Promotion	4,320	4,560	4,800	5,040	5,280
Amortization	7,152	7,152	7,152	7,152	7,152
Automobile Expense	21,900	23,000	24,000	25,000	25,000
Bank Service Charges	300	300	300	300	300
Breakfast Exp	55,768	58,090	59,787	61,504	63,773
Cable Exp	16,200	16,200	16,200	16,200	16,200
Commission	-	-	-	-	-
Cleaning Supplies	12,269	12,780	13,153	13,531	14,030
Computer and Internet Expenses	-	-	-	-	-
Credit Card Charges	24,538	25,560	26,306	27,062	28,060
Depreciation	159,996	170,000	170,000	170,000	170,000
Dues and Subscriptions	-	-	-	-	-
Franchise Fee	78,075	81,327	83,702	86,106	89,282
Inspection	500	500	500	500	500
Insurance Expense	18,000	18,000	18,000	18,000	18,000
Interest Expense Mortgage	145,837	142,820	138,546	133,944	129,058
Interest Expense Tax Notes	4,107	1,688	225	80	-
Interest Expense Vans	555	288	91	-	-
Landscaping and Groundskeeping	4,320	4,320	4,320	4,320	4,320
Legal Exp	-	-	-	-	-
License and Permit Fees	1,080	1,080	1,080	1,080	1,080
Management Fees	-	-	-	-	-
Meals and Entertainment	-	-	-	-	-
Miscellaneous	3,000	3,000	3,000	3,000	3,000
Office Expense	600	600	600	600	600
Payroll Expenses	243,187	261,407	269,042	276,768	286,978
Payroll Taxes	18,239	19,606	20,178	20,758	21,523
Pest Control Exp	1,800	1,800	1,800	1,800	1,800
Postage	300	300	300	300	300
Professional Fees	1,200	1,200	1,200	1,200	1,200
Repairs and Maintenance	162,000	13,000	14,000	15,000	16,000
Security Exp	6,000	6,000	6,000	6,000	6,000
Small tools and equipment	-	-	-	-	-
Supplies	47,402	49,377	50,819	52,278	54,207
Taxes	85,380	85,380	85,380	85,380	85,380
Telephone Expense	9,120	9,120	9,120	9,120	9,120
Travel and Entertainment	1,200	1,200	1,200	1,200	1,200
Utilities	92,400	92,400	92,400	92,400	92,400
Total Expenses	<u>1,226,744</u>	<u>1,112,054</u>	<u>1,123,200</u>	<u>1,135,622</u>	<u>1,151,743</u>
Net Income	<u>(109,392)</u>	<u>51,755</u>	<u>74,540</u>	<u>96,457</u>	<u>125,713</u>

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
ASSETS					
Current Assets					
Checking and Savings	11,423	121,497	290,855	481,042	699,808
Accounts Receivable	-	-	-	-	-
Total Current Assets	<u>11,423</u>	<u>121,497</u>	<u>290,855</u>	<u>481,042</u>	<u>699,808</u>
Fixed Assets					
Accumulated Depreciation	(714,247)	(884,247)	(1,054,247)	(1,224,247)	(1,394,247)
Air Conditioner	36,125	36,125	36,125	36,125	36,125
Buildings and Improvements	2,405,000	2,405,000	2,405,000	2,405,000	2,405,000
Camera System	6,200	6,200	6,200	6,200	6,200
Equipment	372,275	372,275	372,275	372,275	372,275
Ice Machine	15,650	15,650	15,650	15,650	15,650
Land	415,000	415,000	415,000	415,000	415,000
Sign	29,750	29,750	29,750	29,750	29,750
Total Fixed Assets	<u>2,565,753</u>	<u>2,395,753</u>	<u>2,225,753</u>	<u>2,055,753</u>	<u>1,885,753</u>
Other Assets					
Accumulated Amortization	(24,745)	(31,897)	(39,049)	(46,201)	(53,353)
Franchise Fees	27,000	27,000	27,000	27,000	27,000
Loan Closing Fees	15,242	15,242	15,242	15,242	15,242
SBA Closing Fees	65,000	65,000	65,000	65,000	65,000
Total Other Assets	<u>82,497</u>	<u>75,345</u>	<u>68,193</u>	<u>61,041</u>	<u>53,889</u>
TOTAL ASSETS	<u><u>2,659,673</u></u>	<u><u>2,592,595</u></u>	<u><u>2,584,800</u></u>	<u><u>2,597,836</u></u>	<u><u>2,639,449</u></u>
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accrued Property Taxes	85,380	85,380	85,380	85,380	85,380
Red Roof Inn Franchise Fee	-	-	-	-	-
Accounts Payable	22,500	-	-	-	-
Total Current Liabilities	<u>107,880</u>	<u>85,380</u>	<u>85,380</u>	<u>85,380</u>	<u>85,380</u>
Long Term Liabilities					
N/P First Western	2,407,160	2,342,923	2,268,311	2,189,096	2,104,997
N/P Tax Notes	36,519	8,271	4,208	-	-
N/P Vans	7,508	3,658	-	-	-
Total Long Term Liabilities	<u>2,451,186</u>	<u>2,354,853</u>	<u>2,272,519</u>	<u>2,189,096</u>	<u>2,104,997</u>
Total Liabilities	<u>2,559,066</u>	<u>2,440,233</u>	<u>2,357,899</u>	<u>2,274,476</u>	<u>2,190,377</u>
Equity					
Owner's Capital	210,000	210,000	210,000	210,000	210,000
Net Income	(109,393)	(57,638)	16,902	113,359	239,073
Total Equity	<u>100,607</u>	<u>152,362</u>	<u>226,902</u>	<u>323,359</u>	<u>449,073</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,659,673</u></u>	<u><u>2,592,595</u></u>	<u><u>2,584,800</u></u>	<u><u>2,597,836</u></u>	<u><u>2,639,449</u></u>

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Cash Flow From Operations:					
Net Income	(109,392)	51,755	74,540	96,457	125,713
Plus: Depreciation	159,996	170,000	170,000	170,000	170,000
Plus: Amortization	7,152	7,152	7,152	7,152	7,152
Operating Cash Flow	<u>57,756</u>	<u>228,907</u>	<u>251,692</u>	<u>273,609</u>	<u>302,865</u>
Changes in Working Capital					
Changes in Accounts Receivable	-	-	-	-	-
Changes in Accounts Payable	19,492	(22,500)	-	-	-
Net Changes in Working Capital	<u>19,492</u>	<u>(22,500)</u>	-	-	-
Cash Available for Long Term Items	77,248	206,407	251,692	273,609	302,865
Uses of Net Operating Cash					
First Western Principal	(42,915)	(64,237)	(74,612)	(79,214)	(84,100)
Tax Notes	(25,829)	(28,247)	(4,063)	(4,208)	-
Vans Principal	(7,081)	(3,849)	(3,658)	-	-
Capital Expenditures	-	-	-	-	-
Total Uses of Op. Cash	<u>(75,825)</u>	<u>(96,333)</u>	<u>(82,334)</u>	<u>(83,422)</u>	<u>(84,100)</u>
Net Annual Cash Flow	1,423	110,074	169,358	190,187	218,766