

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

IN RE:

KHAN GROUP, LLC

Debtor.

§
§
§
§
§

**CASE NO. 17-32886-hdh
Chapter 11**

**DISCLOSURE STATEMENT
DATED JANUARY 12, 2018**

**Joyce W. Lindauer
Joyce W. Lindauer Attorney, PLLC
12720 Hillcrest Road, Suite 625
Dallas, Texas 75230
Telephone: (972) 503-4033
Facsimile: (972) 503-4034
Counsel for Debtor and Debtor-in-
Possession**

TABLE OF CONTENTS

ARTICLE I: INTRODUCTION	4
ARTICLE II: REPRESENTATIONS	11
ARTICLE III: FINANCIAL HISTORY AND BACKGROUND OF THE DEBTOR	12
ARTICLE IV: ANALYSIS AND VALUATION OF PROPERTY	13
Liquidation Analysis	13
\$950,000.00 Liquidation Analysis	14
\$1,300,000.00 Liquidation Analysis	14
ARTICLE V: SUMMARY OF THE PLAN OF REORGANIZATION	15
Designation of Classes of Claims and Interests	15
Claims against Khan Group, LLC, Case No. 17-30761	16
Class 1 / Allowed Administrative Claims	18
Class 2 / Allowed Priority Claim of the Texas Comptroller of Public Accounts	18
Class 3 / Allowed Priority Unsecured Claim of Internal Revenue Service	18
Class 4 / Allowed Priority Unsecured Claim of the City of Sweetwater Comptroller	20
Class 5 / Allowed Priority Unsecured Claim of the Texas Workforce Commission	20
Class 6 / Allowed Priority Claims of Employees	21
Class 7 / Allowed Secured Claim of Benevolent Management Trust	21
Class 8 / Allowed Secured Claim of California Connection Auto Leasing	22
Class 9 / Allowed Secured Claim of Thacker Family Investment	22
Class 10 / Allowed General Unsecured Claims	23
Class 11 / Allowed Equity Interests	24
ARTICLE VI: MEANS FOR IMPLEMENTATION OF PLAN	25
ARTICLE VII: TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES	26
ARTICLE VIII: FEASIBILITY OF PLAN	26
ARTICLE IX: ALTERNATIVES TO DEBTOR' PLAN	27
ARTICLE X: RISKS TO CREDITORS UNDER THE DEBTOR' PLAN	27
ARTICLE XI: TAX CONSEQUENCES	27
ARTICLE XII: PENDING LITIGATION	30
ARTICLE XIII: SUMMARY OF SIGNIFICANT ORDERS ENTERED DURING THE CASE	30

EXHIBITS:

- A** Plan of Reorganization
- B** Summary of Monthly Operating Reports
- C** Projections
- D** Claims Chart with Estimated Monthly Payments

ARTICLE I:
INTRODUCTION

Identity of the Debtor

1.01. Khan Group, LLC ("Debtor"), filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. Section 101, et seq. ("Code") on July 31, 2017 in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division ("Court"), initiating the above-styled and referenced bankruptcy proceeding. The Debtor operates an economy hotel in the Sweetwater, Texas area. The Debtor is operating its business as Debtor-in-Possession pursuant to Sections 1107 and 1108 of the Code.

Purpose of Disclosure Statement; Source of Information

1.02. The Debtor submits this Disclosure Statement pursuant to Section 1125 of the Code to all known Claimants of Debtor for the purpose of disclosing that information which the Court has determined is material, important, and necessary for Creditors of, and the Members of, Debtor in order to arrive at an intelligent, reasonably informed decision in exercising the right to vote for acceptance or rejection of the Debtor's Plan. A copy of the Plan is attached hereto as **Exhibit "A"** and incorporated herein by this reference. The Plan sets forth in detail the repayment arrangement between the Debtor and its creditors. This Disclosure describes the operations of the Debtor contemplated under the Plan. Any accounting information contained herein has been provided by the Debtor and has been prepared using the cash method of accounting.

Explanation of Chapter 11

1.03. Chapter 11 is the principal reorganization chapter of the Code. Pursuant to Chapter 11, a debtor is authorized to reorganize its business for its own benefit and that of its creditors and equity interest holders. Formulation of a Plan of reorganization is the principal purpose of a Chapter 11 reorganization case. A Plan of reorganization sets forth the means for satisfying claims against and interests in the Debtor. After a Plan of reorganization has been filed, it must be accepted by holders of claims against, or interests in, the Debtor. Section 1125 of the Code requires full disclosure before solicitation of acceptances of a Plan of reorganization. This Disclosure Statement is presented to Claimants to satisfy the requirements of Section 1125 of the Code.

Explanation of the Process of Confirmation

1.04. Even if all Classes of Claims accept the Plan, its confirmation may be refused by the Court. Section 1129 of the Code sets forth the requirements for confirmation and, among other things, requires that a Plan of reorganization be in the best interests of Claimants. It generally requires that the value to be distributed to Claimants and Equity Interest Holders may not be less than such parties would receive if the Debtor were liquidated under Chapter 7 of the Code.

1.05. Acceptance of the Plan by the Creditors and Equity Interest Holders is important. In order for the Plan to be accepted by each class of claims, the creditors that hold at least two thirds (2/3) in amount and more than one-half (1/2) in number of the allowed claims actually voting on the Plan in such class must vote for the Plan and the equity interest holders that hold at least two thirds (2/3) in amount of the allowed interests actually voting on the Plan in such class must vote for the Plan. Chapter 11 of the Code does not require that each holder of a claim against, or interest in, the Debtor vote in favor of the Plan in order for it to be confirmed by the Court. The Plan, however, must be accepted by: (i) at least the holder of one (1) class of claims by a majority in number and two-thirds (2/3) in amount of those claims of such class actually voting; or (ii) at least the holders of one (1) class of allowed interests by two-thirds (2/3) in amount of the allowed interests of such class actually voting.

1.06. The Court may confirm the Plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a Plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code.

1.07. Confirmation of the Plan discharges the Debtor from all of its pre-confirmation debts and liabilities except as expressly provided for in the Plan and Section 1141(d) of the Code. Confirmation makes the Plan binding upon the Debtor and all claimants and other parties-in-interest, regardless of whether or not they have accepted the Plan.

Voting Procedures

1.08. Unimpaired Class. Classes 1-5 are not Impaired Classes.

1.09. Impaired Classes. The Class 6-11 Claimants are impaired as defined by Section 1124 of the Code. The Debtor are seeking the acceptance of the Plan by Claimants in Classes. Each holder of an Allowed Claim in Classes 6-10 may vote on the Plan by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below. One ballot will be sent to each Claimant eligible to vote on the Plan. For all Classes, the ballot must be returned to the Debtor's attorney, Joyce W. Lindauer, 12720 Hillcrest Road, Suite 625, Dallas, Texas 75230 (972) 503-4033 telephone, (972) 503-4034 facsimile. In order to be counted, ballots must be RECEIVED no later than at the time and on the date stated on the ballot.

1.10. Acceptances. Ballots that are signed and returned but fail to indicate either an acceptance or rejection will not be counted.

Best Interests of Creditors Test

1.11. Section 1129(a)(7) of the Code requires that each impaired class of claims or interests accept the Plan or receive or retain under the Plan on account of such claim or interest, property of a value as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. If Section 1111(b)(2) of the Code applies to the claims of such class, each holder of a claim of such class will receive or retain under the Plan, on account of such claim, property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims. In order for the Plan to be confirmed, the Court must determine that the Plan is in the best interests of the Debtor's creditors.

Accordingly, the proposed Plan must provide the Debtor's creditors with more than they would receive in a Chapter 7 liquidation. Accordingly, since the Plan proposes to pay all secured and priority creditors in full and the unsecured creditors a dividend, Debtor believes that the creditors are receiving as much as they would receive in a Chapter 7 liquidation. Without the continued operation of the Debtor's business there would be no funds to pay unsecured creditors any amount of the Allowed Claims. A liquidation analysis is provided in Article IV. Accordingly, the Debtor contends that the Plan satisfies the requirements of Section 1129(a)(7).

Cramdown

1.12. The Court may confirm the Plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a Plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code.

Accordingly, Debtor, as the Plan proponent, requests the Court to determine that the Plan does not discriminate unfairly, and is fair and equitable with respect to any objecting creditor. A discussion of the specific requirements for Cramdown of a Plan are set forth starting below.

Definition of Impairment

1.13. As set forth in section 1124 of the Bankruptcy Code, a class of claims or equity interests is impaired under a Plan of reorganization unless, with respect to each claim or equity interest of such class, the Plan: (a) leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or equity interest; or (b) notwithstanding any contractual provision or applicable law that entitles the holder of a claim or equity interest to demand or receive accelerated payment of such claim or equity interest after the occurrence of a default: (i) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code; (ii) reinstates the maturity of such claim or interest as it existed before such default; (iii) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; and (iv) does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

Classification and Treatment of Claims and Interests

1.14. The Plan classifies Claims separately in accordance with the Bankruptcy Code and provides different treatment for different classes of Claims.

1.15. Only holders of Allowed Claims are entitled to receive distributions under the Plan. Allowed Claims are Claims that are not in dispute, are not contingent, are liquidated in amount, and are not subject to objection or estimation. Initial distributions or other transfers of Cash or other consideration specified in the Plan otherwise available to the holders of Allowed Claims will be made on the Effective Date, or (b) the date on which such Claim becomes an Allowed Claim, as otherwise provided in the Plan, or as may be ordered by the Bankruptcy Court.

1.16. In accordance with the Plan, unless otherwise provided in the Plan or the Confirmation Order, the treatment of any Claim under the Plan will be in full satisfaction, settlement, release, and discharge of and in exchange for each and every Claim.

Requirements for Confirmation of the Plan

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

- (1) The Plan complies with the applicable provisions of the Bankruptcy Code.
- (2) The proponents of the Plan comply with the applicable provisions of the Bankruptcy Code.
- (3) The Plan has been proposed in good faith and not by any means forbidden by law.

(4) Any payment made or to be made by the Plan proponent, by the Debtor or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the case, or in connection with the Plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable.

(5) (A) (i) The proponent of the Plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint Plan with the Debtor, or a successor to the Debtor under the Plan; and (ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and (B) the proponent of the Plan has disclosed the identity of any insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for such insider.

(6) Any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtor has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval.

(7) With respect to each impaired class of claims or interests: (i) each holder of a claim or interest of such class has (A) accepted the Plan or (B) will receive or retain under the Plan on account of such claim or interest property of a value, as of the effective date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated on such date under chapter 7 of the Bankruptcy Code on such date; or (ii) if section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the holder of a claim of such class will receive or retain under the Plan on account of such claim property of a value, as of the effective date of the Plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.

(8) With respect to each class of claims or interests: (i) such class has accepted the Plan; or (ii) such class is not impaired under the Plan.

(9) Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the Plan provides that: (i) with respect to a claim of a kind specified in section 507(a)(1) or 507(a)(2) of the Bankruptcy Code, on the effective date of the Plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim; (ii) with respect to a class of claims of a kind specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7) of the Bankruptcy Code, each holder of a claim of such class will receive: (i) if such class has accepted the Plan, deferred cash payments of a value, as of the effective date of the Plan, equal to the allowed amount of such claim; or (ii) if such class has not accepted the Plan, cash on the effective date of the Plan equal to the allowed amount of such claim; and (iii) with respect to a claim of a kind specified in section 507(a)(7) of the Bankruptcy Code, the holder of a claim will receive on account of such claim, regular installments in cash – of a total value, as of the effective date of the Plan, equal to the allowed amount of such claim; over a period ending not later than 5 years after the date of the order for relief under section 301, 302 or 303; and in a manner not less favorable than the most favored non-priority unsecured claim provided for

by the Plan (other than cash payments made to any class of creditors under section 1122(b)); and with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, cash payments of a total value, as of the effective date of the Plan, equal to the allowed amount of such claim; over a period ending not later than 5 years after the date of the order for relief under section 301, 302 or 303; and in a manner not less favorable than the most favored non-priority unsecured claim provided for by the Plan (other than cash payments made to any class of creditors under section 1122(b)).

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

(11) Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

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

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

The Debtor believes that the Plan satisfies all the statutory requirements of Chapter 11 of the Bankruptcy Code, that the Debtor has complied with or will have complied with all the requirements of Chapter 11, and that the Plan is proposed in good faith. At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims or Allowed Equity Interests would receive greater distributions under the Plan than they would receive in liquidation under chapter 7.

The Debtor believes that the feasibility requirement for confirmation of the Plan is satisfied by the fact that the future operating revenues will be sufficient to satisfy the obligations under the Plan in addition to supporting sustainable growth of the company. These facts and others demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.

Cramdown

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

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

With respect to a class of secured claims, the Plan provides:

(a) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the Debtor or transferred to another entity, to the extent of the allowed amount of such claims; and (ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the Plan, of at least the value of such holder’s interest in the estate’s interest in such property;

(b) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or

(c) the realization by such holders of the “indubitable equivalent” of such claims.

With respect to a class of unsecured claims, the Plan provides:

(a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the Plan, equal to the allowed amount of such claim; or

(b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the Plan on account of such junior claim or interest any property.

With respect to a class of interests, the Plan provides:

(a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the Plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest; or

(b) that the holder of any interest that is junior to the interests of such class will not receive or retain under the Plan on account of such junior interest any property.

1.20. In the event that one or more classes of impaired Claims or Equity Interests reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired class of Claims. The Debtor believes that its unsecured creditors will vote for the Plan. SO LONG

AS THE CLASSES OF UNSECURED CREDITORS VOTE FOR THE PLAN THEN THE PLAN WILL NOT VIOLATE THE ABSOLUTE PRIORITY RULE. The absolute priority rule requires that prior to the Debtor retaining or receiving any property or interest the senior classes of claims must be paid in full or vote to accept the Plan.

The Debtor believes the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired class of Claims or Equity interests.

ARTICLE II: **REPRESENTATIONS**

2.01. This Disclosure Statement is provided pursuant to Section 1125 of the Code to all of the Debtor's known Creditors and other parties in interest in connection with the solicitation of acceptance of its Plan of reorganization, as amended or modified. The purpose of this Disclosure Statement is to provide such information as will enable a hypothetical, reasonable investor, typical of the holders of Claims, to make an informed judgment in exercising its rights either to accept or reject the Plan.

2.02. The information contained in this Disclosure Statement has been derived from information submitted by the Debtor, unless specifically stated to be from other sources.

2.03. All initially capitalized and bolded words used in this Disclosure Statement has the same definitions provided for in Article I of the Plan.

2.04. No representations by the Debtor are authorized other than those set forth in this Disclosure Statement. The Debtor recommends that any representation or inducement made to secure your acceptance or rejection of the Plan which is not contained in this Disclosure Statement should not be relied upon by you in reaching your decision on how to vote on the Plan. Any representation or inducement made to you not contained herein should be reported to the attorneys for the Debtor who shall deliver such information to the Court for such action as may be appropriate.

2.05. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. FOR THE FOREGOING REASON, AS WELL AS BECAUSE OF THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES AND PROJECTIONS INTO THE FUTURE WITH ACCURACY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETELY ACCURATE, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THE APPROVAL BY THE COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OR GUARANTEE THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

2.06. THE DEBTOR BELIEVES THAT THE PLAN WILL PROVIDE CLAIMANTS WITH AN OPPORTUNITY ULTIMATELY TO RECEIVE MORE THAN

THEY WOULD RECEIVE IN A LIQUIDATION OF THE DEBTOR'S ASSETS, AND SHOULD BE ACCEPTED. CONSEQUENTLY, THE DEBTOR URGES THAT CLAIMANTS VOTE FOR THE PLAN.

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

**ARTICLE III:
FINANCIAL HISTORY AND BACKGROUND OF THE DEBTOR**

3.01. Khan Group, LLC operates an economy hotel in the Sweetwater, Texas area. The Debtor is owned and operated by Sharif Khan.

Events Leading to Chapter 11 Filing

The Debtor owns and operates a Stay Express Inn & Suites economy motel in Sweetwater, Texas. Mr. Khan has been in the hospitality industry for more than 22 years and has experience in all areas of the hospitality industry. The Debtor has been operating as a Stay Express Inn & Suites Motel in Sweetwater, Texas since 2006. Most clientele of the motel are oil & gas workers, wind farm workers and farming workers.

In 2016, revenue dropped more than 70% due to decrease in oil price. By first quarter of 2016, Texas lost more than 84,000 oil and gas jobs as a result of the steep decline of oil prices. In addition, clean energy investments fell to \$287.5 billion, down 18% from a record high of \$384.5 billion in 2015. Central and West Texas, where the Debtor is located, suffered the most as a result of the economic down turn, and business in the area has steadily declined over the last 20/22 months. Loss of jobs and economic down turn reduced the number of guests/workers in Sweetwater. Subsequently, the motel property was not profitable during 2016 and early months of 2017.

The Debtor felt that due to this down turn they had no option but to file for a petition of relief under the bankruptcy code. Since the filing, the market area and guest numbers are improving. Due to the increased activity of oil production in West Texas and the oil prices stabilizing, the Debtor believes that with time they will be able to make a recovery, with the proposed adjustments.

Current Operations

3.02. Since the Debtor has been in bankruptcy its current operations are described in the **Exhibit “B”**.

Future Income and Expenses under the Plan

3.03. The Debtor’s projections of Plan payments are set forth on **Exhibit “C”** attached hereto. Dollars to fund the Plan will come from the Debtor’s continued business operations.

Future Management of the Debtor

3.04. The Plan contemplates the continued management and operation of the Debtor’s business by Sharif Khan, the owner and manager of the Debtor. The Debtor will keep current its payments for post-petition payables as it has throughout this case.

**ARTICLE IV:
ANALYSIS AND VALUATION OF PROPERTY**

4.01. The Debtor Khan Group, LLC owns real and personal property described as follows as of the Petition Date:

Property	Value as of Petition Date
Real property – 701 SE Georgia (hotel) (CAD Value)	\$512,740.00
Real property – 2000 Lamar (closed gas station, being rented as storage) (CAD Value)	\$113,260.00
2013 Dodge Caravan (Blue Book Value)	\$4,000.00
Bank Accounts and Cash on Hand	\$7,584.46
Hotel furnishings	\$94,100.00
Office Furniture, Fixtures, and Equipment	\$300.00
Hotel equipment	\$1,375.00
Office Technology	\$2,390.00
TOTALS	\$735,749.46

Liquidation Analysis

In order to confirm a plan of reorganization, one of the things that the Debtor must prove is that it is paying to Creditors at least the liquidation value—not the fair market value—of its assets. If the Debtor’s assets were sold in a Chapter 7 case by a trustee on the Confirmation Date, in a forced liquidation scenario, rather than continuing its business operations called for by the Plan, the Debtor believes the Unsecured Creditors would not receive any payment, as illustrated below:

Because the Debtor's assets consist of both real and personal property that work together to create a hotel, normally the value of the personal property assets is absorbed into the value of the real property and considered as one unit. However, because real property and personal property liquidate at different prices, Debtor has broken these into separate line items for this liquidation analysis. If forced to liquidate in a rapid fashion, the Debtor contends that only about 75% of the real property's actual value would be realized, and hotel furnishings and equipment will likely receive only 10% of the value.

Debtor believes the Real Property at 701 SE Georgia to be worth less than the amount owed on it, somewhere in the range of \$950,000.00.

\$950,000.00 Liquidation Analysis

Liquidation Analysis – Debtor's Estimated Value	\$950,000.00
Forced Liquidation of Real Property (hotel) (75% of FMV – sale date 3/1/2018)	\$712,500.00
Forced Liquidation of Real Property (other) (75% of FMV – sale date 3/1/2018)	\$84,945.00
6% real estate commission	(\$42,750.00)
3% closing costs	(\$21,375.00)
Gross Proceeds from Sale of Real Property	\$733,320.00
Ad Valorem Property Taxes (est. prorated 2018)	(\$3,500.00)
Forced Liquidation of Furnishings, Equipment, Etc (10% of FMV – sale date 3/1/2018)	\$9,816.00
Forced Liquidation Value of Vehicle	\$2,500.00
Cash and bank accounts	\$7,000.00
Total Funds Available for Creditors	\$749,136.00
Secured Lien of Benevolent Trust	(\$1,696,778.81)
Secured Lien of Thacker Family Investment	(\$57,371.00)
Secured Lien of California Car Connection	(\$3,357.19)
Balance Available for Priority and Unsecured Creditors	(\$1,008,371.00)

\$1,300,000.00 Liquidation Analysis

The Secured Creditor on the Hotel has an appraisal of the property for \$1.3 million, so the Debtor has also prepared a liquidation analysis using that figure, in the interests of demonstrating that under either scenario, reorganization is a superior option for unsecured creditors than liquidation.

Liquidation Analysis – Benevolent Management Appraised Value	\$1,300,000.00
Forced Liquidation of Real Property (hotel) (75% of FMV – sale date 3/1/2018)	\$975,000.00
Forced Liquidation of Real Property (other)	\$84,945.00

(75% of FMV – sale date 3/1/2018)	
6% real estate commission	(\$58,000.00)
3% closing costs	(\$29,250.00)
Gross Proceeds from Sale of Real Property	\$972,695.00
Ad Valorem Property Taxes (est. prorated 2018)	(\$3,500.00)
Forced Liquidation of Furnishings, Equipment, Etc (10% of FMV – sale date 3/1/2018)	\$9,816.00
Forced Liquidation Value of Vehicle	\$2,500.00
Cash and bank accounts	\$7,000.00
Total Funds Available for Creditors	\$988,511.00
Secured Lien of Benevolent Trust	(\$1,696,778.81)
Secured Lien of Thacker Family Investment	(\$57,371.00)
Secured Lien of California Car Connection	(\$3,357.19)
Balance Available for Priority and Unsecured Creditors	(\$768,996.00)

All real and personal property of the Debtor are subject to liens from the Secured Creditors and the remaining assets have no significant value. Unsecured creditors would receive nothing in a liquidation.

The Debtor has prepared this Liquidation Analysis based on its opinion of the value of the assets. The Debtor is proposing to pay unsecured creditors \$72,000.00 over the life of the Plan, which is more than the Debtor believes unsecured creditors would receive in a Chapter 7. Since each holder of an unsecured claim will receive an amount that is not less than the amount that such holder would receive if the Debtor were liquidated under chapter 7, the Debtor believes the Plan has been proposed in good faith and is reasonable.

ARTICLE V: SUMMARY OF THE PLAN OF REORGANIZATION

The Plan will be funded from the continuing operations of the Debtor's business. A summary of the claims and estimated payments is attached hereto as **Exhibit "D."**

Designation of Classes of Claims and Interests

The Debtor designates the following Classes of Claims and Interests pursuant to Bankruptcy Code Section 1123. The Debtor shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtor are otherwise released from such obligations by the Court.

The Claims and Interests classified herein shall be treated in the manner set forth in this Article V.

Administrative Expenses and Priority Tax Claims of the kinds specified in §§ 507(a)(1), 502(i) and 507(a)(8) of the Bankruptcy Code are excluded from the Debtor's respective classes below in accordance with § 1123(a)(1) and are not separately classified. Such expenses and claims shall be treated as specified in this Article.

Claims against *Khan Group, LLC*, Case No. 17-30761

Class	Claims	Estimated Amount
1	Allowed Administrative Claims	\$15,000.00
2	Allowed Priority Unsecured Claim of the Texas Comptroller of Public Accounts	\$4,565.34
3	Allowed Priority Unsecured Claim of Internal Revenue Service	\$1,354.06
4	Allowed Priority Unsecured Claim of the City of Sweetwater Comptroller	\$9,455.52
5	Allowed Priority Unsecured Claim of the Texas Workforce Commission	\$91.68
6	Allowed Priority Claims of Employees	\$9,000.00
7	Allowed Secured Claim of Benevolent Management Trust	\$1,100,000.00
8	Allowed Secured Claim of California Car Connection	\$3,357.19
9	Allowed Secured Claim of Thacker Family Investment	\$57,371.00
10	Allowed General Unsecured Claims	\$1,006,698.55
11	Equity Interests	\$0.00

Treatment of Allowed Administrative Expenses

Administrative Claims. Each holder of an Administrative Claim other than Professional Fee Administrative Claims shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Administrative Claim, (i) Cash equal to the unpaid portion of such Allowed Administrative Claim or (ii) such other treatment as to which the Debtor and such holder shall have agreed upon in writing; *provided, however*, that Allowed Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Bankruptcy Case shall be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto. On or before the Effective Date, the Debtor shall pay or has paid in full all Allowed Administrative Claims for fees payable pursuant to 28 U.S.C. §1930.

Professional Fee Administrative Claims. All persons that are awarded compensation or reimbursement of expenses by the Bankruptcy Court in accordance with sections 330 or 331 of the Bankruptcy Code or entitled to the priorities established pursuant to sections 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code, shall be paid in full, in Cash, the

amounts allowed by the Bankruptcy Court on or as soon as reasonably practicable following the later of the Effective Date or the date on which the order allowing such Claim becomes a Final Order, or upon such other terms as may be mutually agreed upon between such holder of an Allowed Professional Fee Claim and the Reorganized Debtor.

Treatment of Allowed Priority Claims

Priority Unsecured Tax Claims. Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed by the holder of a Priority Unsecured Tax Claim and the Debtor or the Reorganized Debtor, each holder of an Allowed Priority Unsecured Tax Claim will receive, in full satisfaction of its Priority Unsecured Tax Claim, deferred cash payments over a period not exceeding five (5) years from the date of assessment of such Priority Unsecured Tax Claim. Payments will be made in equal annual installments of principal, plus interest payable at the rate provided under otherwise applicable state law from the Effective Date on the unpaid portion of each Allowed Priority Unsecured Tax Claim (or upon such other terms determined by the Bankruptcy Court to provide the holder of a Priority Unsecured Tax Claim with deferred cash payments having a value, as of the Effective Date, equal to the Allowed amount of such Priority Unsecured Tax Claim). Unless otherwise agreed by the holder of a Priority Unsecured Tax Claim and the Debtor, the first payment on account of such Priority Unsecured Tax Claim will be payable on the Effective Date or (i) after the date on which an order allowing such Priority Unsecured Tax Claim becomes a Final Order or (ii) an agreement relating to the amount and nature of the Priority Unsecured Tax Claim is executed by the Reorganized Debtor and the holder of the Priority Unsecured Tax Claim; *provided, however*, that the Reorganized Debtor shall have the right to pay any Allowed Priority Unsecured Tax Claim, or any remaining balance of such Allowed Priority Unsecured Tax Claim, in full at any time on or after the Effective Date without premium or penalty.

Title 28 U.S.C. Section 1930 Fees

Debtor shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtor are otherwise released from such obligations by the Court. All fees payable pursuant to 28 U.S.C. §1930 after the Effective Date shall be paid by the Reorganized Debtor when they are due until the Bankruptcy Case is closed pursuant to a final decree, order of dismissal, or order of conversion. Until entry of such an order, the Reorganized Debtor shall file with the Bankruptcy Court and serve upon the United States Trustee a quarterly financial report.

Class 1 / Allowed Administrative Claims.

- a. Treatment. The Class 1 Claims will be paid once Allowed in full by the Debtor before the Effective Date. These claims are priority claims pursuant to Section 507(a)(2) of the Bankruptcy Code. These claims include claims for Debtor's attorney's fees, U.S. Trustee's fees, as well as any post-petition unpaid taxes. U.S. Trustee's fees must be paid until the case is closed. The Debtor must file quarterly reports following confirmation and until the case is closed. The Class 1 Claims may agree to a different treatment.
- b. Impairment and Voting. The Class 1 Claims are Unimpaired and the holders of the Class 1 Claims are not entitled to vote to accept or reject the Plan.

Class 2 / Allowed Priority Claim of the Texas Comptroller of Public Accounts

Class 2 shall consist of the shall consist of the Allowed Priority Claim of the Texas Comptroller of Public Accounts (the "**Class 2 Claims**") in the estimated amount of \$4,565.34.

- a. Treatment. The Class 2 Claims will be paid once Allowed over sixty (60) months from the date of the order for relief, with interest on such amounts at the rate of 4.75% per annum by the Debtor, as required by 11 U.S.C §1129(a)(9)(C). The estimated amount in this Class is \$4,565.34.
- b. The Texas Comptroller will not be subject to setoff rights of the Debtor. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter until paid in full.
- c. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the Texas Comptroller of Public Accounts pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default from the Texas Comptroller of Public Accounts, then the Texas Comptroller of Public Accounts may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the priority tax creditors may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Texas Comptroller of Public Accounts may proceed with the state law remedies for collection of all amounts due under state law.
- d. The Class 2 Claims are Impaired and the holders of the Class 2 Claims are entitled to vote to accept or reject the Plan.

Class 3 / Allowed Priority Unsecured Claim of Internal Revenue Service

Class 3 shall consist of the Allowed Priority Unsecured Claim of the IRS (the “**Class 3 Claim**”) in the estimated amount of \$1,354.06.

- a. Treatment. The Class 3 Claims shall be paid in full over 12 months at an interest rate of 4.25% per annum. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter until paid in full.
- b. Events of Default for IRS. The occurrence of any of the following shall constitute an event of default under the Plan:
 1. Failure to Make Payments. Failure on the part of Debtor to pay fully when due any payment required to be made in respect of the Plan debt. However, due to the size and ongoing nature of the IRS’s claim, upon a default under the Plan, the administrative collection powers and the rights of the IRS shall be reinstated as they existed prior to the filing of the bankruptcy petition, including, but not limited to, the assessment of taxes, the filing of a notice of Federal (or state) tax lien and the powers of levy, seizure, and as provided under the Internal Revenue Code. As to the IRS:
 - (A) If the Debtor or its successor in interest fails to make any plan payment, or deposits of any currently accruing employment or sales tax liability; or fails to make payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or if the Debtor or its successor in interest failed to file any required federal or state tax return by the due date of such return, then the United States may declare that the Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or Debtor is in default.
 - (B) If the United States declares the Debtor or the successor in interest to be in default of the Debtor’s obligations under the Plan, then the entire imposed liability, together with any unpaid current liabilities, may become due and payable immediately upon written demand to the Debtor or the successor in interest.
 - (C) If full payment is not made within 14 days of such demand, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. The IRS shall only be required to send two notices of default, and upon the third event of Default, the IRS may proceed to collect on all amounts owed without recourse to the Bankruptcy Court and without further notice to the Debtor. The collection statute expiration date will be extended from the Petition Date until substantial default under the Plan. All payments will be sent to: IRS, **1100 Commerce Street, Mail Code 5026, DAL, Dallas, Texas 75242 Attn: Dorothy Claiborne.**

- (D) The Internal Revenue Service shall not be bound by any release provisions in the Plan that would release any liability of the responsible persons of the Debtor to the IRS. The Internal Revenue Service may take such actions as it deems necessary to assess any liability that may be due and owing by the responsible persons of the Debtor to the Internal Revenue Service; but the Internal Revenue Service shall not take action to actually collect from such persons unless and until there is a default under the Plan and as set forth above.
- c. Impairment and Voting. Class 3 Claim is not impaired by the Plan. The holder of a Class 3 Claim is not entitled to vote to accept or reject the Plan.

Class 4 / Allowed Priority Unsecured Claim of the City of Sweetwater Comptroller

Class 4 shall consist of the Allowed Priority Unsecured Claim of the City of Sweetwater Comptroller (the “**Class 4 Claim**”) in the estimated amount of \$9,455.52.

- a. Treatment. The Class 4 Claims shall be paid in full over 60 months at an interest rate of 4.25% per annum. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter until paid in full.
- b. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the City of Sweetwater Comptroller pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default, then the Claimant may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the priority tax creditors may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Claimant may proceed with the state law remedies for collection of all amounts due under state law.
- c. Impairment and Voting. The Class 4 Claim is not Impaired and the holder of this Claim is not entitled to vote to accept or reject the Plan.

Class 5/ Allowed Priority Unsecured Claim of the Texas Workforce Commission

Class 5 shall consist of the Allowed Priority Unsecured Claim of the Texas Workforce Commission (the “**Class 5 Claim**”) in the estimated amount of \$91.68.

- a. Treatment. The Class 5 Claims shall be paid in full on the Effective Date.

- b. Impairment and Voting. The Class 5 Claim is not Impaired and the holder of this Claim is not entitled to vote to accept or reject the Plan.

Class 6 / Allowed Priority Claims of Employees

Class 6 shall consist of the Allowed Priority Claims of Employees (the “**Class 6 Claim**”) in the estimated amount of \$9,000.00.

- a. Treatment. The Class 6 Claims shall be paid in full over 36 months from the Effective Date. Payments shall be made on the first day of the month following the Effective Date and shall bear interest at 3% per annum.
- b. Impairment and Voting. The Class 6 Claims are Impaired and the holders of these Claims is entitled to vote to accept or reject the Plan.

Class 7 / Allowed Secured Claim of Benevolent Management Trust

Class 7 shall consist of the Allowed Secured Claim of Benevolent Management Trust (“Benevolent”) (the “**Class 7 Claim**”) in the amount of \$950,000.00.

- a. Treatment. Debtor will pay the Allowed Secured Claim based on a 30 year amortization at an interest rate of 5.25% per annum as of the Confirmation. Benevolent shall be secured for an Allowed Secured Claim on the Debtor’s real and personal property described in its loan documents and financing statements (the “Collateral”), in the amount of \$950,000.00 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from any adequate protection payments made by the Debtor. Any unsecured claim of Benevolent shall be treated in Debtor’s Allowed General Unsecured Claims Class below.
- b. This claim is a secured claim. The creditor shall retain its liens to secure its claims until paid in full under this Plan.
- c. Payments shall be made on the 15th day of the month for 60 months. If the Effective Date occurs after the fifteenth (15th) day of the month, the first payment shall be due on the fifteenth (15th) day of the following month. The entire amount shall be due and payable five (5) years following the first payment date under the Plan.
- d. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the Class 7 Claim pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default, then the Claimant may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the creditor may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the

Claimant may proceed with the state law remedies for collection of all amounts due under state law.

- e. There shall be no prepayment penalty if this Claim is paid early.
- f. Impairment and Voting. The Class 7 Claim is impaired by the Plan. The holder of the Class 7 Claim is entitled to vote to accept or reject the Plan.

Class 8 / Allowed Secured Claim of California Connection Auto Leasing

Class 8 shall consist of the Allowed Secured Claim of California Connection Auto Leasing (the “**Class 8 Claim**”) in the amount of \$3,357.19.

- a. Treatment. Debtor will pay the Allowed Secured Claim over 48 months at an interest rate of 3.5% per annum as of the Confirmation. California Connection Auto Leasing shall be secured for an Allowed Secured Claim on the Debtor’s personal property described in its loan documents and financing statements (the “Collateral”), in the amount of \$3,357.19 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from any adequate protection payments made by the Debtor.
- b. Payments shall be made on the 15th day of the month for 48 months. If the Effective Date occurs after the fifteenth (15th) day of the month, the first payment shall be due on the fifteenth (15th) day of the following month. The entire amount shall be due and payable five (5) years following the first payment date under the Plan.
- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the Class 8 Claim pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default, then the Claimant may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the creditor may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Claimant may proceed with the state law remedies for collection of all amounts due under state law.
- e. Impairment and Voting. Class 8 Claim is impaired by the Plan. The holder of the Class 8 Claim is entitled to vote to accept or reject the Plan.

Class 9 / Allowed Secured Claim of Thacker Family Investment

Class 9 shall consist of the Allowed Secured Claim of Thacker Family Investment (the “**Class 9 Claim**”) in the amount of \$57,371.00.

- a. Treatment. Debtor will pay the Allowed Secured Claim over 96 months at an interest rate of 5.5% per annum as of the Confirmation. Class 9 Creditor shall be secured for an Allowed Secured Claim on the Debtor's real property described in its loan documents and mortgage (the "Collateral"), in the amount of \$57,371.00 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from any adequate protection payments made by the Debtor. Any unsecured claim of Creditor shall be treated in Debtor's Allowed General Unsecured Claims Class.
- b. This claim is a secured claim. The creditor shall retain its liens to secure its claims until paid in full under this Plan.
- c. Payments shall be made on the 15th day of the month for 84 months. If the Effective Date occurs after the fifteenth (15th) day of the month, the first payment shall be due on the fifteenth (15th) day of the following month. The entire amount shall be due and payable seven (7) years following the first payment date under the Plan.
- d. There shall be no prepayment penalty if this Claim is paid early.
- e. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the Class 9 Claim pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default, then the Claimant may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the creditor may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Claimant may proceed with the state law remedies for collection of all amounts due under state law.
- f. Impairment and Voting. Class 9 Claim is impaired by the Plan. The holder of the Class 9 Claim is entitled to vote to accept or reject the Plan.

Class 10 / Allowed General Unsecured Claims.

Class 10 shall consist of Allowed General Unsecured Claims (the "**Class 10 Claims**") and is estimated to be approximately \$1,156,698.55. The Debtor has not filed claims objections and may object to certain of the unsecured claims.

- a. Treatment. Each holder of an Allowed General Unsecured Claim shall be paid its pro-rata share of \$1,200.00 a month over sixty (60) months, beginning on the 20th of the month following the Effective Date and continuing on the twentieth day of each month thereafter until paid in full pursuant to the Plan.

- b. Impairment and Voting. Class 10 is impaired by the Plan. The holders of Class 10 Claims are entitled to vote to accept or reject the Plan.

Class 11 / Allowed Equity Interests.

Class 11 shall consist of all Allowed Interests in the Debtor (the “**Class 11 Claims**”).

- a. Impairment and Voting. Class 11 is impaired by the Plan. The holders of Class 11 Interests are not entitled to vote to accept or reject the Plan.
- b. On the Confirmation Date, all Equity Interests shall be treated as follows:

The Debtor believes that the Plan will not violate the absolute priority rule and will be consensual as to the unsecured creditors.

An auction procedure has been built into the Plan to assure the creditors that equity will not retain or receive any financial benefit without offering such benefit to third parties including the creditor body. The auction process is described in greater detail as follows:

Upon Confirmation of the Plan by the Bankruptcy Court, Khan Group LLC shall cancel all of its equity interests, as well as any options, warrants, calls, subscriptions, or other similar rights, agreements, or commitments, contractual or otherwise, obligating Khan Group LLC to issue, transfer, or sell any shares of equity interests. After cancellation, Khan Group, LLC and shall then issue new equity interests.

In the interest of ensuring that the Plan provides the greatest benefit to creditors and equity interest holders and in order to satisfy the requirements of the absolute priority rule, prior to the confirmation hearing for the Plan, Khan Group shall hold an equity auction for purchase of its newly-issued equity.

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

- a. Any party interested in bidding to acquire the new equity interests must provide notice to Khan Group and its counsel ten (10) business days prior to the Confirmation hearing, and also attend the Confirmation hearing and advise the Bankruptcy Court at the commencement of the hearing of the party's interest in participating in the auction of the equity interests, at which point the Bankruptcy Court may direct that an auction be conducted prior to the continuation of the Confirmation hearing;
- b. The opening bid at any auction shall be by the existing equity interest holder in the amount of \$10,000.00 (the “Opening Bid”). The \$10,000.00 value of the Opening Bid was arrived at through the use of an analysis of the current market value of the combined total of each of the reorganizing Debtor’s equity interests.

- c. Each subsequent bid following the Opening Bid must exceed any previous highest bid in an amount of at least \$1,000.00.
- d. Any party submitting a bid at the auction must have proof of funds to pay the party's bid at the auction;
- e. The reorganized Debtor's new equity interest shall be sold to the bidder submitting the highest non-contingent cash offer at the auction;
- f. The winning bidder must actually deposit the funds in the Debtor's bank account within 48 hours of the announcement of the winning bid, or be deemed to have defaulted on the purchase of the Debtor's equity.
- g. If the winning bidder at the auction fails to close on the purchase as set forth above, the party submitting the next highest bid shall be deemed the winning bidder;
- h. The prevailing party at the auction must assume all of the obligations of the Debtor under the Plan.
- i. The funds from the auction sale shall be deposited into the Debtor's account and used to fund the Plan including the payment of administrative claims.
- j. The Debtor shall solicit such bids by noticing the Plan out to creditors in this Case.

Furthermore, irrespective of who wins the equity auction, the equity auction shall only go into effect the Bankruptcy Court confirms the Plan. If the Bankruptcy Court does not confirm the Plan, then the Debtor shall not cancel its equity and any equity auction shall be null and void and have no effect as to the ownership of the Debtor. Further, if, after confirmation, the Bankruptcy Court revokes its confirmation of the Plan or the Bankruptcy Court's confirmation of the Plan is overturned on appeal, then the equity auction shall be null and void and have no effect, and the ownership of the equity of the respective Debtor shall remain with or revert to (as appropriate) the pre-confirmation owner.

ARTICLE VI: **MEANS FOR IMPLEMENTATION OF PLAN**

6.01. Implementation of the Plan. This Plan will be implemented, pursuant to § 1123(a)(5) of the Code, by the commencement of payments as called for above. The Plan will be implemented, pursuant to Section 1123(a)(5) of the Code, by the commencement of payments as called for in the Plan. The Debtor shall be responsible for making payments to the Classes 1-6 Creditor Classes. Projections for this Plan are attached to the Disclosure Statement and incorporated herein by this reference as if set forth in full for all purposes. No liens shall be preserved unless expressly reflected as continuing in this Plan.

The funds necessary for the satisfaction of the creditors' claims shall be generated from Debtor's continued business operations called for by this Plan.

ARTICLE VII:
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.01. Assumption of Executory Contracts and Unexpired Leases. On the Effective Date, and to the extent permitted by applicable law, every executory contract and unexpired lease of the Debtor shall be deemed accepted unless such executory contract or unexpired lease (a) has been rejected pursuant an order of the Bankruptcy Court; (b) is identified in the Plan, a Plan Supplement or the Confirmation Order to be rejected; or (c) is the subject of a pending motion to assume filed on or before the Confirmation Hearing.

The contract with Hudson Energy shall be assumed on the Effective Date, with no separate motion required. Any pre-petition claim of Hudson Energy shall be treated as an administrative claim.

7.02. Reservation of Rights. The Debtor has the right to assume or reject, pursuant to Bankruptcy Code 365, prior to the Confirmation Date, any executory contract or unexpired lease of real property (to the extent permitted under the Bankruptcy Code) and to the terms of this Plan. Neither the exclusion nor inclusion of any contract or lease in the Plan shall constitute an admission by the Debtor that any such contract or lease is in fact an executory contract or unexpired lease or that the Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtor or Reorganized Debtor, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease

7.03. Bar Date for Claims Based on Rejection. If the rejection of an executory contract or an unexpired lease by the Debtor results in damages to the other party or parties to such contract or lease, a Claim for such damages shall be forever barred and shall not be enforceable against the Debtor or its agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtor, by the earlier of (a) the end of the month following the period in which the Effective Date occurs or (b) such other deadline as the Court may set for asserting a Claim for such damages. Any Rejection Claim arising from the rejection of an unexpired lease or executory contract shall be treated as a General Unsecured Claim; *provided, however*, that any Rejection Claim based upon the rejection of an unexpired lease or real property either prior to the Confirmation Date or upon the entry of the Confirmation Order shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed an admission by the Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtor of any objections to such Claim if asserted.

ARTICLE VIII:
FEASIBILITY OF PLAN

8.01. The Debtor assert that this Plan is feasible based on the information attached hereto as **Exhibit "C"** which summarizes the projected operations of the Debtor's business following confirmation of a Plan in this case.

Procedure for Filing Proofs of Claims and Proofs of Interests

8.02. All proofs of claims and proofs of interests must be filed by those Claimants who have not filed such instruments on or before the Bar Date fixed by the Court.

8.03. If Claimants have already filed a proof of claim with the Court or are listed in the Debtor's Schedules as holding non-contingent, liquidated, and undisputed claims, a proof of claim need not be filed. The schedules and amendments thereto are on file with the Court and are open for inspection during regular Court hours. If the equity security interest of an Equity Interest Holder is properly reflected in the Schedules of the Debtor, a proof of interest need not be filed.

ARTICLE IX:
ALTERNATIVES TO DEBTOR' PLAN

10.01. If the Debtor's Plan is not confirmed, the Debtor's bankruptcy case may be converted to a case under Chapter 7 of the Code, in which case a trustee would be appointed to liquidate the assets of the Debtor for distribution to its Creditors in accordance with the priorities of the Code. Since the Debtor's primary assets are subject to liens there would be no distribution to unsecured creditors in Chapter 7.

10.02. The Debtor has no avoidable transactions according to its pre-petition books and records.

ARTICLE X:
RISKS TO CREDITORS UNDER THE DEBTOR' PLAN

11.01. Claimants should be aware that there are a number of substantial risks involved in consummation of the Plan. The Plan contemplates that the Debtor's business will generate revenue sufficient to pay the obligations accruing from its operations. The Debtor does not "guarantee" that the expenses will equal those in the projections; however, the Debtor believes that the projections are reasonable, based on the Debtor's past and present business operations.

ARTICLE XI:
TAX CONSEQUENCES

12.01 Implementation of the Plan may result in federal income tax consequences to holders of claims and to the Debtor. Tax consequences to a particular Creditor may depend on the particular circumstances or facts regarding the Claim of the Creditor.

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF CLAIMS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED OR RELIED UPON, AND CANNOT BE USED OR RELIED UPON, BY HOLDERS OF CLAIMS OR INTERESTS OR ANY OTHER PERSONS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF CLAIMS OR ANY OTHER PERSONS UNDER THE INTERNAL REVENUE CODE; (B)

SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF U.S. TREASURY DEPARTMENT CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND INTERESTS SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

A. Introduction

The following discussion summarizes certain material U.S. federal income tax consequences of the Plan to the Debtor and holders of Claims and Interests. The summary is provided for general informational purposes only and is based on the United States Internal Revenue Code of 1986, as amended (the "Tax Code"), the treasury regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all as in effect as of the date hereof (except as otherwise noted below with regard to the American Recovery and Reinvestment Act of 2009), and all of which are subject to change, possibly with retroactive effect. Changes in any of these authorities or in its interpretation could cause the United States federal income tax consequences of the Plan to differ materially from the consequences described below. The United States federal income tax consequences of the Plan are complex and in important respects uncertain. No ruling has been requested from the Internal Revenue Service; no opinion has been requested from Debtor's counsel concerning any tax consequence of the Plan; and no tax opinion is given by this Disclosure Statement.

The following discussion does not address all aspects of federal income taxation that may be relevant to a particular holder of a Claim or Interest in light of its particular facts and circumstances or to particular types of holders of Claims subject to special treatment under the Tax Code. For example, the discussion does not address issues of concern to broker-dealers or other dealers in securities, or foreign (non-U.S.) persons, nor does it address any aspects of state, local, or foreign (non-U.S.) taxation, or the taxation of holders of Interests in a Debtor. In addition, a substantial amount of time may elapse between the Confirmation Date and the receipt of a final distribution under the Plan. Events subsequent to the date of this Disclosure Statement, such as the enactment of additional tax legislation, court decisions or administrative changes, could affect the federal income tax consequences of the Plan and the transactions contemplated hereunder.

On February 13, 2009, the House of Representatives and the Senate passed H.R.1, the American Recovery and Reinvestment Act of 2009 (the Recovery Act), a stimulus bill that includes tax breaks for businesses and individuals. The President signed the Recovery Act on February 17, 2009. The following discussion does not address any aspects of the Recovery Act, some of which may be relevant to a particular holder of a Claim or an Interest.

THE DISCUSSION THAT FOLLOWS IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND PROFESSIONAL TAX ADVICE BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS URGED TO CONSULT WITH ITS TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. Certain Definitions

Except as expressly otherwise provided or unless the context otherwise requires, all capitalized terms not otherwise defined herein or in the Plan shall have the respective meanings assigned to them in this Article.

“**COD**” shall mean cancellation of indebtedness income.

“**NOL**” shall mean net operating loss.

C. Certain Material Federal Income Tax Consequences to the Debtor

Cancellation of a debtor’s debt is generally taxable income to the Debtor. COD is the amount by which the indebtedness of a debtor discharged exceeds any consideration given in exchange therefore. Cancellation of a debt may not necessarily be COD, however. To the extent that the debtor is insolvent, or if the Debtor is in bankruptcy, as is the case here, the Tax Code permits the Debtor to exclude the COD from its gross income. The statutory exclusion for COD in a title 11 case generally excludes COD from gross income if the discharge is granted by a court to a Debtor under its jurisdiction in a title 11 case, as is sought herein.

The price for the bankruptcy COD exclusion (as well as the insolvency exclusion) is reduction of the Debtor’s tax attributes to the extent of the COD income, generally in the following order: NOLs for the year of the discharge and NOL carryovers from prior years; general business tax credit carryovers; minimum tax credit available as of the beginning of the year following the year of discharge; net capital loss for the year of discharge and capital loss carryovers from prior years; basis of the Debtor’s assets; passive activity loss and credit carryovers from the year of discharge; and foreign tax credit carryovers to or from the year of discharge. The reduction of attributes does not occur until after the end of the Debtor’s tax year in which the COD occurred, so they are available to the Debtor in determining the amount of its income, loss and tax liability for the year of discharge.

The United States federal income tax consequences of payment of Allowed Claims pursuant to the Plan will depend on, among other things, the consideration received, or deemed to have been received, by the holder of the Allowed Claim, whether such holder reports income on the accrual or cash method, whether such holder receives distributions under the Plan in more than one taxable year, whether such holder’s Claim is allowed or disputed at the Effective Date, whether such holder has taken a bad debt deduction or worthless security deduction with respect to its Claim.

In general, a holder of a Claim should recognize gain or loss equal to the amount realized under the Plan in respect of its Claim less the amount of such holder’s basis in its Claim. Any gain or loss recognized in the exchange may be long-term or short-term capital gain or loss or ordinary income or loss, depending upon the nature of the Claim and the holder, the length of time the holder held the Claim and whether the Claim was acquired at a market discount. If the holder realizes a capital loss, its deduction of the loss may be subject to limitations under the Tax Code. The holder’s aggregate tax basis for any property received under the Plan generally will equal the amount realized. The amount realized by a holder generally will equal the sum of the cash and the fair market value of any other property received (or deemed received) by the holder under the Plan.

on the Effective Date and/or any subsequent distribution date, less the amount (if any) allocable to Claims for interest. All holders of Allowed Claims are urged to consult its tax advisors. A holder of a Claim constituting an installment obligation for tax purposes may be required to recognize currently any gain remaining with respect to the obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than its face value, distributed, transmitted, sold or otherwise disposed of within the meaning of Section 453B of the Tax Code.

D. Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of certain U.S. federal income tax consequences of the Plan, and is not a substitute for careful tax planning with a tax professional. The above discussion is for general information purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a holder's individual circumstances. CLAIMANTS ARE URGED TO CONSULT ITS OWN TAX ADVISOR AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS.

ARTICLE XII: **PENDING LITIGATION**

13.01. As of the date of the filing of this Disclosure Statement, the significant matters pending as follows:

- None.

ARTICLE XIII: **SUMMARY OF SIGNIFICANT ORDERS ENTERED DURING THE CASE**

14.01. As of the date of the filing of this Disclosure Statement the following significant orders has been entered in this case: Employment of Professionals, Interim Orders on Cash Collateral, and those relating to general administration of the case.

Respectfully submitted,

/s/ Joyce W. Lindauer

Joyce W. Lindauer
State Bar No. 21555700
Joyce W. Lindauer Attorney, PLLC
12720 Hillcrest Road, Suite 625
Dallas, Texas 75230
Telephone: (972) 503-4033
Facsimile: (972) 503-4034

/s/ Sharif Khan

Member and Manager,
Khan Group, LLC

Joyce W. Lindauer
State Bar No. 21555700
Sarah M. Cox
California State Bar No. 245475
Jeffery M. Veteto
State Bar No. 24098548
Joyce W. Lindauer Attorney, PLLC
12720 Hillcrest Road, Suite 625
Dallas, Texas 75230
Telephone: (972) 503-4033
Facsimile: (972) 503-4034
ATTORNEYS FOR DEBTOR

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

IN RE:

KHAN GROUP, LLC

Debtor.

§
§
§
§
§

**CASE NO. 17-32886-hdh
Chapter 11**

**KHAN GROUP, LLC PLAN OF REORGANIZATION
DATED JANUARY 12, 2018**

Khan Group, LLC (the “Debtor”), proposes the following Plan of Reorganization (“Plan”) Dated January 12, 2018, pursuant to Chapter 11 of the United States Bankruptcy Code on behalf of the Debtor. The Debtor’s profitability to fund the Plan is based on the amount of money that it will earn through the continuation of its business. The Debtor shall file periodic financial reports with the Court, as required by the Code, covering the Debtor’s profitability, projections of cash receipts and disbursements for a reasonable period and a comparison of actual cash receipts and disbursements with projections in prior reports. These reports shall be available on the Court’s PACER site at www.txnb.uscourts.gov using the Debtor’s name and/or case number as referenced above.

TABLE OF CONTENTS

ARTICLE I: DEFINITIONS AND USE OF TERMS.....	3
ARTICLE II: CONCEPT OF THE PLAN	7
ARTICLE III: GENERAL TERMS AND CONDITIONS.....	7
ARTICLE IV: DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS	8
ARTICLE V: PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS	8
TREATMENT OF ALLOWED ADMINISTRATIVE EXPENSES	9
TREATMENT OF ALLOWED PRIORITY CLAIMS.....	9
TITLE 28 U.S.C. SECTION 1930 FEES.....	9
ARTICLE VI: TREATMENT OF CLAIMS AND INTERESTS	9
<i>Class 1 / Allowed Administrative Claims.....</i>	<i>9</i>
<i>Class 2 / Allowed Priority Claim of the Texas Comptroller of Public Accounts.....</i>	<i>10</i>
<i>Class 3 / Allowed Priority Unsecured Claim of Internal Revenue Service</i>	<i>10</i>
<i>Class 4 / Allowed Priority Unsecured Claim of the City of Sweetwater Comptroller.....</i>	<i>12</i>
<i>Class 5/ Allowed Priority Unsecured Claim of the Texas Workforce Commission.....</i>	<i>12</i>
<i>Class 6 / Allowed Priority Claims of Employees.....</i>	<i>13</i>
<i>Class 7 / Allowed Secured Claim of Benevolent Management Trust.....</i>	<i>13</i>
<i>Class 8 / Allowed Secured Claim of California Connection Auto Leasing</i>	<i>14</i>
<i>Class 9 / Allowed Secured Claim of Thacker Family Investment</i>	<i>14</i>
<i>Class 10 / Allowed General Unsecured Claims.....</i>	<i>15</i>
<i>Class 11 / Allowed Equity Interests.</i>	<i>16</i>
ARTICLE VII: VOTING.....	17
ARTICLE VIII: MEANS FOR IMPLEMENTATION OF PLAN.....	17
ARTICLE IX TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES	18
ARTICLE X: ENFORCEMENT, SETTLEMENT, OR ADJUSTMENT OF CLAIMS.....	19
ARTICLE XI: EFFECT OF CONFIRMATION.....	20
ARTICLE XII: MISCELLANEOUS PROVISIONS	21
ARTICLE XIII: MODIFICATION OF THE PLAN	23
ARTICLE XIV: ADMINISTRATIVE PROVISIONS.....	24

ARTICLE I:
DEFINITIONS AND USE OF TERMS

1.01 Introduction

This Plan is proposed by and on behalf of the Debtor under Chapter 11 of the Bankruptcy Code. Reference is made to the associated Disclosure Statement for a discussion of the Debtor's history, results of operations, historical financial information, and assets, and for a summary and analysis of the Plan. All holders of Claims against and Interests in the Debtor are encouraged to read the Plan and the Disclosure Statement in their entirety before voting to accept or reject the Plan.

1.02 Defined Terms. Unless the context otherwise requires, capitalized terms shall have the meanings set forth in this section

1.02.1 Administrative Claim or Expense means an administrative expense or Claim described in Section 503 of the Bankruptcy Code and entitled to administrative priority pursuant to Section 507(a)(1) of the Bankruptcy Code, including, but not limited to, Claims for compensation of professionals made pursuant to Sections 330 and 331 of the Bankruptcy Code, and all fees and charges assessed against the Debtor and Debtor's property under 28 U.S.C. Section 1930.

1.02.2 Administrative Tax Claim means an Unsecured Claim by any 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.

1.02.3 Allowed Claim means a Claim against the Debtor allowable under the Bankruptcy Code to the extent that (i) a proof of Claim, proof of Interest, or request for payment was timely Filed or, with leave of the Bankruptcy Court, late Filed, and as to which no objection has been timely Filed or, if Filed, is allowed by a Final Order, unless otherwise provided in this Plan or (ii) the Claim is scheduled and not listed as disputed, contingent, or unliquidated, and to which no objection has been timely Filed or, if Filed, is allowed by a Final Order.

1.02.4 Allowed Secured Claim means any Allowed Claim secured by a lien, security interest, or other charge or interest in property in which the Debtor has an interest, to the extent of the value thereof (determined in accordance with Bankruptcy Code Section 506(a)).

1.02.5 Bankruptcy Code or Code means the United States Bankruptcy Code, Title 11 of the United States Code Section 101 et seq., as amended.

- 1.02.6 **Bankruptcy Court** means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division or such other court that may have jurisdiction with respect to the reorganization of the Debtor pursuant to Chapter 11 of the Bankruptcy Code.
- 1.02.7 **Bankruptcy Rule** means the Federal Rules of Bankruptcy Procedure.
- 1.02.8 **Bar Date** means subsequent to which a proof of pre-petition Claim may not timely be Filed or the date by which proofs of claims held by governmental agencies must be filed.
- 1.02.9 **Case** means this Chapter 11 Bankruptcy Case in the Bankruptcy Court.
- 1.02.10 **Claim** shall have the meaning set forth in Bankruptcy Code Section 101(5).
- 1.02.11 **Claimant** means any person or entity having or asserting a Claim in the case.
- 1.02.12 **Class** or **Classes** mean all of the holders of Claims or Interests that the Debtor has designated pursuant to Section 1123(a)(1) of the Bankruptcy Code as having substantially similar characteristics as described in Article IV of this Plan.
- 1.02.13 **Confirmation** means the entry by the Bankruptcy Court of a Confirmation Order confirming this Plan.
- 1.02.14 **Confirmation Date** means the date on which the Confirmation Order is entered.
- 1.02.15 **Confirmation Hearing** means the hearing or hearings held before the Bankruptcy Court in which the Debtor will seek Confirmation of this Plan.
- 1.02.16 **Confirmation Order** means the Order of the Court confirming this Plan under Section 1129 of the Bankruptcy Code.
- 1.02.17 **Contested** when used with respect to a Claim, means a Claim against the Debtor (a) that is listed in the Debtor's Schedules of Assets and Liabilities as disputed, contingent, or unliquidated; (b) that is the subject of a pending action in a forum other than the Bankruptcy Court unless such Claim has been determined by Final Order in such other forum and Allowed by Final Order of the Bankruptcy Court; 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.
- 1.02.18 **Creditor** shall have the meaning specified by Section 101(9) of the Code.

- 1.02.19 **Debtor** means Khan Group, LLC.
- 1.02.20 **Disputed Claim** means any Claim that is not an Allowed Claim.
- 1.02.21 **Effective Date** means thirty days after the Confirmation Date.
- 1.02.22 **Estate** means the estate created pursuant to Bankruptcy Code Section 541 with respect to the Debtor.
- 1.02.23 **Fee Claim** means a Claim under Bankruptcy Code Sections 330 or 503 for allowance of compensation and reimbursement of expenses to professionals in the Debtor's Chapter 11 case.
- 1.02.24 **Filed** means delivered to the Clerk of the Bankruptcy Court.
- 1.02.25 **Final Order** means an Order as to which any appeal that has been taken has not been stayed following the expiration of the time for appeal or has been resolved, or as to which the time for appeal has expired.
- 1.02.26 **General Unsecured Claim** means Unsecured Claim that is not entitled to priority under Section 507(a) of the Bankruptcy Code.
- 1.02.27 **Impaired** means the treatment of an Allowed Claim pursuant to the Plan unless, with respect to such Claim, either (I) the Plan leaves unaltered the legal, equitable and contractual rights to which such Claim entitles the holder of such Claim, or (ii) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after occurrence of a default, the Debtor (A) cures any default that occurred before or after the commencement of the Chapter 11 Case on the Petition Date, other than default of the kind specified in Section 365(b)(2) of the Bankruptcy Code; (B) reinstates the maturity of such Claim as such maturity existed before such default; (C) compensates the holder of such Claim for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (D) does not otherwise alter the legal, equitable or contractual rights to which such Claim entitles the holder of such Claim; or (iii) the Plan provides that on the Effective Date, the holder of such Claim receives, on account of such Claim, cash equal to the Allowed Amount of such Claim.
- 1.02.28 **Petition Date** means July 31, 2017, the date the Debtor's petition was filed commencing this bankruptcy case.
- 1.02.29 **Plan** means this Plan of Reorganization, as it may be amended or modified from time to time as permitted herein and by the Bankruptcy Court.

- 1.02.30** **Pre-petition** means prior to the Petition Date.
- 1.02.31** **Priority Tax Claim** means a Claim entitled to priority pursuant to Bankruptcy Code Section 507(a)(8).
- 1.02.32** **Pro Rata** means proportionately, based on the percentage that the amount of an Allowed Claim within a particular Class bears to the aggregate amount of all Allowed Claims in such Class.
- 1.02.33** **Property of the Estate** means all property in which the Debtor holds a legal or an equitable interest, including all property described in Bankruptcy Code Section 541.
- 1.02.34** **Rejection Claim** means any Claim arising pursuant to Bankruptcy Code Section 502(g) by reason of rejection by the Debtor of an executory contract or unexpired lease pursuant to Bankruptcy Code Sections 365 or 1123(b)(2).
- 1.02.35** **Secured Claim** means any Claim secured by a lien, security interest, or other charge or interest in property in which the Debtor has an interest, to the extent of the value thereof (determined in accordance with Bankruptcy Code Section 506(a)).
- 1.02.36** **Secured Tax Claim** means any Tax Claim which is secured by real or personal property.
- 1.02.37** **Secured Creditor** or **Secured Claimant** means any Claimant holding a Secured Claim.
- 1.02.38** **Unimpaired** means not Impaired.
- 1.02.39** **Unsecured Claim** means any Claim not collateralized (or the extent not fully collateralized) by assets of the Debtor.
- 1.02.40** **Unsecured Claimants** or **Unsecured Creditors** means any holder of an Unsecured Claim.
- 1.02.41** **Voidable Transfer** means all transfers voidable under Sections 544, 545, 547, 548, 549 and/or 550 of the Code or any other state or federal transfer.

1.03 **Number and Gender of Words.** Whenever the singular number is used, it shall include the plural, and the plural shall include the singular, as appropriate to the context. Words of any gender shall include each other gender where appropriate.

1.04 **Terms Defined in the Bankruptcy Code.** Capitalized terms not specifically

defined in section 1.01 of the Plan shall have the definitions given those terms, if applicable, in the Bankruptcy Code.

1.05 Headings. The headings and captions used in this Plan are for convenience only and shall not be deemed to limit, amplify or modify the terms of this Plan nor affect the meaning thereof.

1.06 Time Computation. In computing any period of time prescribed herein, the provisions of Federal Rule of Bankruptcy Procedure Rule 9006(a) shall apply.

ARTICLE II: **CONCEPT OF THE PLAN**

2.01 Generally. The Plan is a plan of reorganization. The Debtor shall continue its business after the Confirmation Date. The Debtor is a budget hotel in the Sweetwater, Texas area. The Debtor held off filing a Plan in this case until it felt it had solid numbers with which to formulate a plan payment schedule. The hotel has been doing much better since the filing as the Debtor's principal Sharif Kahn has committed significant time and personal income to raising the occupancy at the hotel.

2.02 The Plan will be funded from the continuing operations of the Debtor. No changes to management or otherwise are expected. The business's primary asset is the hotel itself.

2.03 Reorganized Debtor. After Confirmation of the Plan by the Bankruptcy Court and upon the occurrence of the Effective Date, the Debtor shall become the Reorganized Debtor.

ARTICLE III: **GENERAL TERMS AND CONDITIONS**

3.01 Treatment of Claims. This Plan is intended to resolve all Claims against the Debtor and/or property of the Debtor of whatever character, whether contingent or liquidated, or whether allowed by the Bankruptcy Court pursuant to Bankruptcy Code Section 502(a). However, only Allowed Claims will receive treatment afforded by the Plan. The Plan is designed to ensure that Claimants shall receive at least as much pursuant to this Plan as they would receive in a liquidation pursuant to Chapter 7 of the Bankruptcy Code.

Liabilities incurred from the Petition Date through the Effective Date in the ordinary course of business shall be paid in the ordinary course of business by the Debtor.

3.02 Modification to the Plan. In accordance with Bankruptcy Rule 3019, to the extent applicable, this Plan may be modified or amended upon application of the Debtor, or corrected prior to the Confirmation Date, provided that notice and an opportunity for hearing have been given to any affected party. The 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, the circumstances warrant such modification and Debtor consents thereto in writing. If the debtor is an individual

the plan may be modified at any time after confirmation of the plan, but before the completion of payments under the plan, whether or not the plan has been substantially consummated upon request of the debtor, the trustee, the United States Trustee, or the holder of an allowed unsecured claim, to - (1) increase or reduce the amount of payments on claims of a particular class provided for by the plan; (2) extend or reduce the time period for such payments; or (3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim made other than under the plan.

ARTICLE IV:
DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

The Debtor designates the following Classes of Claims and Interests pursuant to Bankruptcy Code Section 1123. The Debtor shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtor is otherwise released from such obligations by the Court.

Class	Claims	Estimated Amount
1	Allowed Administrative Claims	\$15,000.00
2	Allowed Priority Unsecured Claim of the Texas Comptroller of Public Accounts	\$4,565.34
3	Allowed Priority Unsecured Claim of Internal Revenue Service	\$1,354.06
4	Allowed Priority Unsecured Claim of the City of Sweetwater Comptroller	\$9,455.52
5	Allowed Priority Unsecured Claim of the Texas Workforce Commission	\$91.68
6	Allowed Priority Claims of Employees	\$9,000.00
7	Allowed Secured Claim of Benevolent Management Trust	\$1,100,000.00
8	Allowed Secured Claim of California Car Connection	\$3,357.19
9	Allowed Secured Claim of Thacker Family Investment	\$57,371.00
10	Allowed General Unsecured Claims	\$1,006,698.55
11	Equity Interests	\$0.00

ARTICLE V:
PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS

5.01 Administrative Claims. Each holder of an Administrative Claim other than Professional Fee Administrative Claims shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Administrative Claim, (i) Cash equal to the unpaid portion of such Allowed Administrative Claim or (ii) such other treatment as to which the Debtor and such holder shall have agreed upon in writing; provided, however, that Allowed

Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during the Bankruptcy Case shall be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto. On or before the Effective Date, the Debtor shall pay or have paid in full all Allowed Administrative Claims. U.S. Trustee fees shall be paid by the Reorganized Debtor when they are due until the Bankruptcy Case is closed pursuant to a final decree, order of dismissal, or order of conversion. Until entry of such an order, the Reorganized Debtor shall file with the Bankruptcy Court and serve upon the United States Trustee a quarterly financial report. Any administrative ad valorem tax claims shall be paid pursuant to otherwise applicable state law.

5.02 Professional Fee Administrative Claims. All persons that are awarded compensation or reimbursement of expenses by the Bankruptcy Court in accordance with sections 330 or 331 of the Bankruptcy Code or entitled to the priorities established pursuant to sections 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code, shall be paid in full, in Cash, the amounts allowed by the Bankruptcy Court on or as soon as reasonably practicable following the later of the Effective Date or the date on which the order allowing such Claim becomes a Final Order, or upon such other terms as may be mutually agreed upon between such holder of an Allowed Professional Fee Claim and the Reorganized Debtor.

Treatment of Allowed Administrative Expenses

Allowed Administrative Expenses will be paid in full once Allowed, on or before the Effective Date, or at a later date as set by the Court if the allowance process extends beyond the Effective Date. Provided, however, that the holder of an Allowed Administrative Expense may agree to a different treatment.

Treatment of Allowed Priority Claims

Allowed Priority Claims not classified below will be paid by the Reorganized Debtor once Allowed over five (5) years with interest on such amounts at the rate of 12% per annum until paid in full. The payments shall be made in equal monthly payments on the first day of the month following the Effective Date and shall continue on the first day of each month thereafter until paid in full.

Title 28 U.S.C. Section 1930 Fees

Debtor shall pay all fees assessed by the Office of the United States Trustee until this Case is closed by the Court or the Debtor is otherwise released from such obligations by the Court.

ARTICLE VI: **TREATMENT OF CLAIMS AND INTERESTS**

Debtor designates the following Classes of Claims and Interests pursuant to Bankruptcy Code Section 1122, which shall be treated in the manner set forth in this Article.

Class 1 / Allowed Administrative Claims.

- a. Treatment. The Class 1 Claims will be paid once Allowed in full by the Debtor before the Effective Date. These claims are priority claims pursuant to Section 507(a)(2) of the Bankruptcy Code. These claims include claims for Debtor's attorney's fees, U.S. Trustee's fees, as well as any post-petition unpaid taxes. U.S. Trustee's fees must be paid until the case is closed. The Debtor must file quarterly reports following confirmation and until the case is closed. The Class 1 Claims may agree to a different treatment.
- b. Impairment and Voting. The Class 1 Claims are Unimpaired and the holders of the Class 1 Claims are not entitled to vote to accept or reject the Plan.

Class 2 / Allowed Priority Claim of the Texas Comptroller of Public Accounts

Class 2 shall consist of the shall consist of the Allowed Priority Claim of the Texas Comptroller of Public Accounts (the "**Class 2 Claims**") in the estimated amount of \$4,565.34.

- a. Treatment. The Class 2 Claims will be paid once Allowed over sixty (60) months from the date of the order for relief, with interest on such amounts at the rate of 4.75% per annum by the Debtor, as required by 11 U.S.C §1129(a)(9)(C). The estimated amount in this Class is \$4,565.34.
- b. The Texas Comptroller will not be subject to setoff rights of the Debtor. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter until paid in full.
- c. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the Texas Comptroller of Public Accounts pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default from the Texas Comptroller of Public Accounts, then the Texas Comptroller of Public Accounts may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the priority tax creditors may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Texas Comptroller of Public Accounts may proceed with the state law remedies for collection of all amounts due under state law.
- d. The Class 2 Claims are Impaired and the holders of the Class 2 Claims are entitled to vote to accept or reject the Plan.

Class 3 / Allowed Priority Unsecured Claim of Internal Revenue Service

Class 3 shall consist of the Allowed Priority Unsecured Claim of the IRS (the "**Class 3**")

Claim”) in the estimated amount of \$1,354.06.

- a. Treatment. The Class 3 Claims shall be paid in full over 12 months at an interest rate of 4.25% per annum. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter until paid in full.
- b. Events of Default for IRS. The occurrence of any of the following shall constitute an event of default under the Plan:
 1. Failure to Make Payments. Failure on the part of Debtor to pay fully when due any payment required to be made in respect of the Plan debt. However, due to the size and ongoing nature of the IRS’s claim, upon a default under the Plan, the administrative collection powers and the rights of the IRS shall be reinstated as they existed prior to the filing of the bankruptcy petition, including, but not limited to, the assessment of taxes, the filing of a notice of Federal (or state) tax lien and the powers of levy, seizure, and as provided under the Internal Revenue Code. As to the IRS:
 - (A) If the Debtor or its successor in interest fails to make any plan payment, or deposits of any currently accruing employment or sales tax liability; or fails to make payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or if the Debtor or its successor in interest failed to file any required federal or state tax return by the due date of such return, then the United States may declare that the Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or Debtor is in default.
 - (B) If the United States declares the Debtor or the successor in interest to be in default of the Debtor’s obligations under the Plan, then the entire imposed liability, together with any unpaid current liabilities, may become due and payable immediately upon written demand to the Debtor or the successor in interest.
 - (C) If full payment is not made within 14 days of such demand, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. The IRS shall only be required to send two notices of default, and upon the third event of Default, the IRS may proceed to collect on all amounts owed without recourse to the Bankruptcy Court and without further notice to the Debtor. The collection statute expiration date will be extended from the Petition Date until substantial default under the Plan. All payments will be sent to: IRS, **1100 Commerce Street, Mail Code 5026, DAL, Dallas, Texas 75242 Attn: Dorothy Claiborne.**
 - (D) The Internal Revenue Service shall not be bound by any release provisions

in the Plan that would release any liability of the responsible persons of the Debtor to the IRS. The Internal Revenue Service may take such actions as it deems necessary to assess any liability that may be due and owing by the responsible persons of the Debtor to the Internal Revenue Service; but the Internal Revenue Service shall not take action to actually collect from such persons unless and until there is a default under the Plan and as set forth above.

- c. Impairment and Voting. Class 3 Claim is not impaired by the Plan. The holder of a Class 3 Claim is not entitled to vote to accept or reject the Plan.

Class 4 / Allowed Priority Unsecured Claim of the City of Sweetwater Comptroller

Class 4 shall consist of the Allowed Priority Unsecured Claim of the City of Sweetwater Comptroller (the “**Class 4 Claim**”) in the estimated amount of \$9,455.52.

- a. Treatment. The Class 4 Claims shall be paid in full over 60 months at an interest rate of 4.25% per annum. Payments shall commence on the twentieth day of the month following the Effective Date and continue on the twentieth day of each month thereafter until paid in full.
- b. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the City of Sweetwater Comptroller pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default, then the Claimant may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the priority tax creditors may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Claimant may proceed with the state law remedies for collection of all amounts due under state law.
- c. Impairment and Voting. The Class 4 Claim is not Impaired and the holder of this Claim is not entitled to vote to accept or reject the Plan.

Class 5/ Allowed Priority Unsecured Claim of the Texas Workforce Commission

Class 5 shall consist of the Allowed Priority Unsecured Claim of the Texas Workforce Commission (the “**Class 5 Claim**”) in the estimated amount of \$91.68.

- a. Treatment. The Class 5 Claims shall be paid in full on the Effective Date.

- b. Impairment and Voting. The Class 5 Claim is not Impaired and the holder of this Claim is not entitled to vote to accept or reject the Plan.

Class 6 / Allowed Priority Claims of Employees

Class 6 shall consist of the Allowed Priority Claims of Employees (the “**Class 6 Claim**”) in the estimated amount of \$9,000.00.

- a. Treatment. The Class 6 Claims shall be paid in full over 36 months from the Effective Date. Payments shall be made on the first day of the month following the Effective Date and shall bear interest at 3% per annum.
- b. Impairment and Voting. The Class 6 Claims are Impaired and the holders of these Claims is entitled to vote to accept or reject the Plan.

Class 7 / Allowed Secured Claim of Benevolent Management Trust

Class 7 shall consist of the Allowed Secured Claim of Benevolent Management Trust (“Benevolent”) (the “**Class 7 Claim**”) in the amount of \$950,000.00.

- a. Treatment. Debtor will pay the Allowed Secured Claim based on a 30 year amortization at an interest rate of 5.25% per annum as of the Confirmation. Benevolent shall be secured for an Allowed Secured Claim on the Debtor’s real and personal property described in its loan documents and financing statements (the “Collateral”), in the amount of \$950,000.00 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from any adequate protection payments made by the Debtor. Any unsecured claim of Benevolent shall be treated in Debtor’s Allowed General Unsecured Claims Class below.
- b. This claim is a secured claim. The creditor shall retain its liens to secure its claims until paid in full under this Plan.
- c. Payments shall be made on the 15th day of the month for 60 months. If the Effective Date occurs after the fifteenth (15th) day of the month, the first payment shall be due on the fifteenth (15th) day of the following month. The entire amount shall be due and payable five (5) years following the first payment date under the Plan.
- d. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the Class 7 Claim pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default, then the Claimant may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the creditor may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the

Claimant may proceed with the state law remedies for collection of all amounts due under state law.

- e. There shall be no prepayment penalty if this Claim is paid early.
- f. Impairment and Voting. The Class 7 Claim is impaired by the Plan. The holder of the Class 7 Claim is entitled to vote to accept or reject the Plan.

Class 8 / Allowed Secured Claim of California Connection Auto Leasing

Class 8 shall consist of the Allowed Secured Claim of California Connection Auto Leasing (the “**Class 8 Claim**”) in the amount of \$3,357.19.

- a. Treatment. Debtor will pay the Allowed Secured Claim over 48 months at an interest rate of 3.5% per annum as of the Confirmation. California Connection Auto Leasing shall be secured for an Allowed Secured Claim on the Debtor’s personal property described in its loan documents and financing statements (the “Collateral”), in the amount of \$3,357.19 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from any adequate protection payments made by the Debtor.
- b. Payments shall be made on the 15th day of the month for 48 months. If the Effective Date occurs after the fifteenth (15th) day of the month, the first payment shall be due on the fifteenth (15th) day of the following month. The entire amount shall be due and payable five (5) years following the first payment date under the Plan.
- c. There shall be no prepayment penalty if this Claim is paid early.
- d. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the Class 8 Claim pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default, then the Claimant may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the creditor may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Claimant may proceed with the state law remedies for collection of all amounts due under state law.
- e. Impairment and Voting. Class 9 Claim is impaired by the Plan. The holder of the Class 9 Claim is entitled to vote to accept or reject the Plan.

Class 9 / Allowed Secured Claim of Thacker Family Investment

Class 9 shall consist of the Allowed Secured Claim of Thacker Family Investment (the

“Class 9 Claim”) in the amount of \$57,371.00.

- a. Treatment. Debtor will pay the Allowed Secured Claim over 96 months at an interest rate of 5.5% per annum as of the Confirmation. Class 9 Creditor shall be secured for an Allowed Secured Claim on the Debtor’s real property described in its loan documents and mortgage (the "Collateral"), in the amount of \$57,371.00 as of Confirmation Date. This amount does not take into consideration the adjustments, if any, arising from any adequate protection payments made by the Debtor. Any unsecured claim of Creditor shall be treated in Debtor’s Allowed General Unsecured Claims Class.
- b. This claim is a secured claim. The creditor shall retain its liens to secure its claims until paid in full under this Plan.
- c. Payments shall be made on the 15th day of the month for 84 months. If the Effective Date occurs after the fifteenth (15th) day of the month, the first payment shall be due on the fifteenth (15th) day of the following month. The entire amount shall be due and payable seven (7) years following the first payment date under the Plan.
- d. There shall be no prepayment penalty if this Claim is paid early.
- e. Events of Default. In the event of a default under the plan, counsel for holder of a claim in this class shall provide notice of the default via facsimile to counsel for the Debtor. A failure by the reorganized Debtor to make a payment to the Class 9 Claim pursuant to the terms of the Plan shall be an Event of Default. If the reorganized debtor fails to cure an Event of Default as to such payments within ten (10) days after receipt of written notice of default, then the Claimant may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the creditor may have under applicable state law; and/or (c) seek such relief as may be appropriate in the Court. The reorganized debtor shall have the opportunity to cure two (2) times over the life of the plan. In the event of the third default, the Claimant may proceed with the state law remedies for collection of all amounts due under state law.
- f. Impairment and Voting. Class 9 Claim is impaired by the Plan. The holder of the Class 9 Claim is entitled to vote to accept or reject the Plan.

Class 10 / Allowed General Unsecured Claims.

Class 10 shall consist of Allowed General Unsecured Claims (the **“Class 10 Claims”**) and is estimated to be approximately \$1,156,698.55. The Debtor has not filed claims objections and may object to certain of the unsecured claims.

- a. Treatment. Each holder of an Allowed General Unsecured Claim shall be paid its pro-rata share of \$1,200.00 a month over sixty (60) months, beginning on the 20th of the month following the Effective Date and continuing on the twentieth day of each month thereafter until paid in full pursuant to the Plan.

- b. Impairment and Voting. Class 10 is impaired by the Plan. The holders of Class 10 Claims are entitled to vote to accept or reject the Plan.

Class 11 / Allowed Equity Interests.

Class 11 shall consist of all Allowed Interests in the Debtor (the “**Class 11 Claims**”).

- a. Impairment and Voting. Class 11 is impaired by the Plan. The holders of Class 11 Interests are not entitled to vote to accept or reject the Plan.
- b. On the Confirmation Date, all Equity Interests shall be treated as follows:

The Debtor believes that the Plan will not violate the absolute priority rule and will be consensual as to the unsecured creditors.

An auction procedure has been built into the Plan to assure the creditors that equity will not retain or receive any financial benefit without offering such benefit to third parties including the creditor body. The auction process is described in greater detail as follows:

Upon Confirmation of the Plan by the Bankruptcy Court, Khan Group LLC shall cancel all of its equity interests, as well as any options, warrants, calls, subscriptions, or other similar rights, agreements, or commitments, contractual or otherwise, obligating Khan Group LLC to issue, transfer, or sell any shares of equity interests. After cancellation, Khan Group, LLC and shall then issue new equity interests.

In the interest of ensuring that the Plan provides the greatest benefit to creditors and equity interest holders and in order to satisfy the requirements of the absolute priority rule, prior to the confirmation hearing for the Plan, Khan Group shall hold an equity auction for purchase of its newly-issued equity.

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

- a. Any party interested in bidding to acquire the new equity interests must provide notice to Khan Group and its counsel ten (10) business days prior to the Confirmation hearing, and also attend the Confirmation hearing and advise the Bankruptcy Court at the commencement of the hearing of the party's interest in participating in the auction of the equity interests, at which point the Bankruptcy Court may direct that an auction be conducted prior to the continuation of the Confirmation hearing;
- b. The opening bid at any auction shall be by the existing equity interest holder in the amount of \$10,000.00 (the “Opening Bid”). The \$10,000.00 value of the Opening Bid was arrived at through the use of an analysis of the current market value of the combined total of each of the reorganizing Debtor’s equity interests.

- c. Each subsequent bid following the Opening Bid must exceed any previous highest bid in an amount of at least \$1,000.00.
- d. Any party submitting a bid at the auction must have proof of funds to pay the party's bid at the auction;
- e. The reorganized Debtor's new equity interest shall be sold to the bidder submitting the highest non-contingent cash offer at the auction;
- f. The winning bidder must actually deposit the funds in the Debtor's bank account within 48 hours of the announcement of the winning bid, or be deemed to have defaulted on the purchase of the Debtor's equity.
- g. If the winning bidder at the auction fails to close on the purchase as set forth above, the party submitting the next highest bid shall be deemed the winning bidder;
- h. The prevailing party at the auction must assume all of the obligations of the Debtor under the Plan.
- i. The funds from the auction sale shall be deposited into the Debtor's account and used to fund the Plan including the payment of administrative claims.
- j. The Debtor shall solicit such bids by noticing the Plan out to creditors in this Case.

Furthermore, irrespective of who wins the equity auction, the equity auction shall only go into effect the Bankruptcy Court confirms the Plan. If the Bankruptcy Court does not confirm the Plan, then the Debtor shall not cancel its equity and any equity auction shall be null and void and have no effect as to the ownership of the Debtor. Further, if, after confirmation, the Bankruptcy Court revokes its confirmation of the Plan or the Bankruptcy Court's confirmation of the Plan is overturned on appeal, then the equity auction shall be null and void and have no effect, and the ownership of the equity of the respective Debtor shall remain with or revert to (as appropriate) the pre-confirmation owner.

ARTICLE VII: **VOTING**

7.01 Voting pursuant to Section 1126 of the Bankruptcy Code shall take place by ballot. Ballots will be distributed with the "solicitation package" approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

ARTICLE VIII: **MEANS FOR IMPLEMENTATION OF PLAN**

8.01 Implementation of Plan. This Plan will be implemented, pursuant to Section 1123(a)(5) of the Code, by the commencement of payments as called for above. Projections for this Plan are attached to the Disclosure Statement and incorporated herein by this reference as if set forth in full for all purposes.

8.02 Corporate Existence and Management. On and after the Effective Date, the Debtor shall continue in existence as Khan Group, LLC, a corporation formed under the laws of the State of Texas.

8.03 Vesting of Assets. On and after the Effective Date, all property of the estate shall revert in the Reorganized Debtor. The Reorganized Debtor shall operate its business and may use, acquire and dispose of all such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court, and shall be free and clear of all claims liens, debts, liabilities, charges, interests, and other encumbrances except as specifically provided in the Plan or the Confirmation Order.

8.04 Effectuating Documents. The Reorganized Debtor shall be authorized, without any further action of the Bankruptcy Court, without the consent or approval of any other party, and without any further act or action under applicable law, regulation, order or rule, to execute, deliver, file or record such contracts, instruments, release, and other agreements or documents and take such actions, as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

ARTICLE IX

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.01 Rejection of Executory Contracts and Unexpired Leases. On the Effective Date, and to the extent permitted by applicable law, every executory contract and unexpired lease of the Debtor shall be deemed accepted unless such executory contract or unexpired lease (a) has been rejected pursuant an order of the Bankruptcy Court; (b) is identified in the Plan, a Plan Supplement or the Confirmation Order to be rejected; or (c) is the subject of a pending motion to assume filed on or before the Confirmation Hearing.

The contract with Hudson Energy shall be assumed on the Effective Date, with no separate motion required. Any pre-petition claim of Hudson Energy shall be treated as an administrative claim.

9.02 Reservation of Rights. The Debtor shall have the right to assume or reject, pursuant to Bankruptcy Code Section 365, prior to the Confirmation Date, any executory contract or unexpired lease of real property (to the extent permitted under the Bankruptcy Code).

9.03 Bar Date for Claims Based on Rejection. If the rejection of an executory contract or an unexpired lease by the Debtor results in damages to the other party or parties to such contract or lease, a Claim for such damages shall be forever barred and shall not be enforceable against the Debtor or its properties or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtor, by the earlier of (a) the end of the month following the period in which the Effective Date occurs or (b) such other deadline as the Court may set for asserting a Claim for such damages. Any Rejection Claim arising from the rejection of an unexpired lease or executory contract shall be treated as a General Unsecured Claim; *provided, however,* that any Rejection Claim based upon the rejection of an unexpired lease of real property either prior to the Confirmation Date or upon the entry of the Confirmation Order shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation

requirements. Nothing contained herein shall be deemed an admission by the Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtor of any objections to such Claim if asserted.

ARTICLE X:
ENFORCEMENT, SETTLEMENT, OR ADJUSTMENT OF CLAIMS

10.01 Preservation of Claims and Causes of Action. Debtor expressly reserves all of its rights to pursue causes of action and all such causes of action are preserved. Except as otherwise released pursuant to the Plan, all Claims recoverable under Chapter 5 of the Bankruptcy Code, all Claims against third parties on account of an indebtedness, and all other Claims of any kind or character whatsoever owed to or in favor of the Estate to the extent not specifically compromised and released pursuant to this Plan or any agreement referred to and incorporated herein, are hereby preserved and retained for enforcement by the Reorganized Debtor. Nothing in the Plan shall act as a bar as it relates to any claims of the Estate against third parties, except as expressly released pursuant to the Plan or as time-barred, precluded or released under the Court's final order authorizing use of cash collateral. Nothing in this Plan or the confirmation of the Plan shall otherwise estop the Debtor from asserting claims against third parties.

10.02 Retention of Avoidance Actions and Causes of Action. The Reorganized Debtor shall retain, pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, and shall prosecute as appropriate all causes of action belonging to the bankruptcy estate pursuant to section 541 of the Bankruptcy Code. All creditors and parties in interest are hereby placed on notice that despite any provision which may be contained in this Plan providing for satisfaction of claims, if a Claim is Allowed, any and all rights are reserved to commence, prosecute to judgment, and to collect upon any cause of action listed in the Schedule of Liabilities or Statement of Affairs as an asset of the bankruptcy estate of the

10.03 Time for Filing Claims. The holder of any Administrative Claim other than (i) a Fee Claim, (ii) a liability incurred and paid in the ordinary course of business by the Debtor, or (iii) an Allowed Administrative Claim, must file with the Bankruptcy Court and serve on the Debtor and its counsel, notice of such Administrative Claim within thirty (30) days after the Effective Date. At a minimum, such notice must identify (i) the name of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. Failure to file this notice timely and properly shall result in the Administrative Claim being forever barred and discharged.

Each Person asserting an Administrative Expense that is a Fee Claim incurred before the Effective Date shall be required to file with the Bankruptcy Court, and serve on the Debtor's counsel and the U. S. Trustee, a Fee Application within sixty (60) days after the Effective Date.

A person who is found to have received a voidable transfer shall have thirty (30) days following the date upon which the order ruling that such transfer is avoidable becomes a Final Order in which to file a Claim in the amount of such avoided transfer.

A Person asserting a claim based on the rejection of an executory contract or lease shall be governed by the terms above in the Article on Executory Contracts and Unexpired Leases.

Liabilities incurred from the Petition Date through the Effective Date in the ordinary course of business shall be paid in the ordinary course of business by the Debtor.

Each Person holding a claim not otherwise described in this Section shall file a proof of claim with the Clerk of the Bankruptcy Court and serve notice on Debtor and counsel by the Bar Date. Unless otherwise provided for by the Bankruptcy Code or Rules, failure to do so shall result in the Claim being forever barred and discharged.

10.04 Objections to Claims. Any party authorized by the Bankruptcy Code may object to the allowance of Pre-petition Claims at any time prior to sixty (60) days after the Effective Date and, as to Rejection Claims, at any time prior to sixty (60) days after the filing of any such Rejection Claim. Any proof of Claim filed after the Court sets bar dates shall be of no force and effect and shall be deemed disallowed. All Contested Claims shall be litigated to Final Order; *provided, however*, that the Debtor may compromise and settle any Contested Claim, subject to the approval of the Bankruptcy Court. Notwithstanding the foregoing, a person who is found to have received a voidable transfer shall have thirty (30) days following the date upon which the order ruling that such transfer is avoidable becomes a Final Order in which to file a Claim in the amount of such avoided transfer.

No distributions under this Plan shall be made to the holder of a Claim that is in dispute, unless and until such Claim becomes an Allowed Claim. If a Claim is disputed in whole or in part because the Debtor asserts a right of offset against such Claim or recoupment against the holder of such Claim, then, if and to the extent the Claim giving rise to the offset or recoupment is sustained by Final Order, the Claim in dispute shall be reduced or eliminated and, if applicable, the holder of such Claim shall be required to pay the amount of such offset or recoupment, less the amount of its Allowed Claim. In addition, any party authorized by the Bankruptcy Code, at any time, may request that the Court estimate any contingent, disputed or unliquidated Claim pursuant to Section 502(c) of the Bankruptcy Code, regardless of any prior objections.

ARTICLE XI: **EFFECT OF CONFIRMATION**

11.01 Discharge and Release of Debtor. Pursuant to Bankruptcy Code Section 1141(d), confirmation of this Plan does discharge the Debtor, and except as otherwise specifically provided herein or in the order confirming the Plan, vests all property of the estate in the Reorganized Debtor free and clear of all liens, claims, and encumbrances of any kind.

11.02 Legal Binding Effect. The provisions of this Plan, pursuant to the Bankruptcy Code Section 1141 shall bind the Debtor and all Creditors, whether or not they accept this Plan. The distributions provided for Claimants shall not be subject to any Claim by another creditor or interest holder by reason of any assertion of a contractual right of subordination.

11.03 Permanent Injunction. Confirmation of the Plan shall result in the inability to commence or continue any judicial, administrative, or other action or proceeding on account of any Pre-Petition Date Claims against the Debtor. Confirmation of the Plan shall result in the issuance of an injunction such that all entities who have held, hold, or may hold Claims against or

Interests in a Debtor are, with respect to any such Claims or Interests, permanently enjoined from and after the Confirmation Date from:

- a. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting any Debtor or Reorganized Debtor, any of their professionals, any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any Debtor, or any property of any such transferee or successor;
- b. enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, of any judgment, award, decree or order against any Debtor or Reorganized Debtor, any of their professionals, any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any Debtor, or any property of any such transferee or successor;
- c. creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against any Debtor or Reorganized Debtor, any of their professionals, any of their property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing entities;
- d. asserting any right of setoff, subrogation, or recoupment of any kind, directly or indirectly, against any obligation due to any Debtor or Reorganized Debtor, any of their professionals, any of their property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing entities; and
- e. acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with 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 shall be entitled to enforce their rights under the Plan and any agreements executed or delivered pursuant to or in connection with the Plan.

In the event that any Entity takes any action that is prohibited by, or is otherwise inconsistent with the provisions of this Section of the Plan, then, upon notice to the Bankruptcy Court, the action or proceeding in which the claim of such entity is asserted shall automatically be transferred to the Bankruptcy Court for enforcement of the provisions of this Section of the Plan.

ARTICLE XII: **MISCELLANEOUS PROVISIONS**

12.01 Request for Relief Under Bankruptcy Code Section 1129. In the event any Impaired Class shall fail to accept this Plan in accordance with Bankruptcy Code Section 1129(a), the Debtor reserves the right to, and does hereby request the Bankruptcy Court to confirm the Plan in accordance with Bankruptcy Code Section 1129(b).

12.02 Revocation. The Debtor reserves the right to revoke and withdraw this Plan at any time prior to the Confirmation Date.

12.03 Effect of Withdrawal or Revocation. If the Debtor revokes or withdraws this Plan prior to the Confirmation Date, or if the Confirmation Date or the Effective Date does not occur, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any person in any further proceedings involving the Debtor.

12.04 Due Authorization by Creditors. Each and every Claimant who elects to participate in the distributions provided herein warrants that it is authorized to accept in consideration of its Claim against the Debtor the distributions provided in the Plan and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by it under this Plan.

12.05 Entire Agreement. This Plan, as described herein, the Confirmation Order, and all other documents and instruments to effectuate this Plan provided for herein, constitute the entire agreement and understanding among the parties hereto relating to the subject matter hereof and supersedes all prior discussions and documents.

12.06 Section 1146 Exemption. Pursuant to Section 1146 of the Bankruptcy Code, the issuance, transfer or exchange or any security under this Plan or the making or delivery of any instrument or transfer pursuant to, in implementation of or as contemplated by this Plan or the transfer of any property pursuant to this Plan shall not be taxed under any federal, state or local law imposing a stamp, transfer or similar tax or fee.

12.07 Provisions Governing Distributions. All payments and distributions under the Plan shall be made by the Debtor as indicated. Any payments or distributions to be made by the Debtor pursuant to the Plan shall be made as soon as reasonably practicable after 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 the Plan, to the extent delivered by the United States Mail, shall be deemed made when deposited into the United States Mail.

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.

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). All Claims for undeliverable distributions shall be made on or before the second anniversary of the Effective Date. After such date, all unclaimed property shall remain the property of the Debtor and the Claim of any other holder with respect to such unclaimed property shall be discharged and forever barred.

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 reissuance 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 within 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, and the amount of such checks shall become Unclaimed Property and returned to the Debtor.

No interest shall be paid on any Claim unless, and only to the extent that, the Plan specifically provides otherwise.

12.08 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.

12.09 Default. Unless otherwise stated in this Plan, if the Debtor fails to satisfy any of the obligations under this Plan and such default is not cured within 30 business days of the date of transmission of notice of the default to the Debtor, then the defaulted party may pursue all of its remedies outside of the Bankruptcy Court, including, but not limited to, foreclosure on its lien(s) on property. For purposes of this provision, notice shall be provided to the Debtor, c/o Joyce Lindauer, Esq. at (972) 503-4034.

12.10 Severability. If any term or provision of the Plan is determined by a Court to be invalid, void, or unenforceable, such determination shall in no way limit or affect the enforceability or operative effect of any other provision of the Plan. If any term or provision of the Plan is of such a character as to deny Confirmation, the Debtor reserves the right to strike or modify such provision and seek Confirmation of the Plan as modified. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

12.11 No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed as an admission by any Entity with respect to any matter set forth herein.

ARTICLE XIII: **MODIFICATION OF THE PLAN**

13.01 The Debtor may propose amendments to or modifications of this Plan at any time prior to Confirmation, upon notice to all parties-in-interest. After Confirmation, the Debtor may, with approval of the Court and so long as it does not materially or adversely affect the interest of creditors, modify to remedy any defect or omission or reconcile any inconsistencies in the Confirmation Order in such manner as may be necessary to carry out the purposes and effect of this Plan.

ARTICLE XIV:
ADMINISTRATIVE PROVISIONS

14.01 Retention of Jurisdiction

Notwithstanding confirmation of the Plan or the Effective Date having occurred, the Court will retain jurisdiction for the following purposes:

- 1) **Allowance of Claims.** To hear and determine the allowability of all Claims upon objections to such Claims.
- 2) **Executory Contracts and Unexpired Leases Proceedings.** To act with respect to proceedings regarding the assumption of any executory contract or unexpired lease of the Debtor pursuant to Section 365 and 1123 of the Code and Article VII of the Plan.
- 3) **Plan Interpretation.** To resolve controversies and disputes regarding the interpretation of the Plan.
- 4) **Plan Implementation.** To implement and enforce the provisions of the Plan and enter orders in aid of confirmation and implementation of the Plan.
- 5) **Plan Modification.** To modify the Plan pursuant to Section 1127 of the Code and applicable Bankruptcy Rules.
- 6) **Adjudication of Controversies.** To adjudicate such contested matters and adversary proceedings as may be pending or subsequently initiated in the Court against the Debtor.
- 7) **Injunctive Relief.** To issue any injunction or other relief as appropriate to implement the intent of the Plan, and to enter such further orders enforcing any injunctions or other relief issued under the Plan or in the Confirmation Order.
- 8) **Interpleader Action.** To entertain interpleader actions concerning assets to be distributed or other assets of the Estate.
- 9) **Correct Minor Defects.** To correct any defect, cure any omission or reconcile any inconsistency or ambiguity in the Plan, the Confirmation Order or any document executed or to be executed in connection therewith, as may be necessary to carry out the purposes and intent of the Plan, provided that the rights of any holder or an Allowed Claim are not materially and adversely affected thereby.
- 10) **Authorization of Fees and Expenses.** To review and authorize payment of professional fees incurred prior to the Effective Date.

- 11) **Post-Confirmation Orders Regarding Confirmation.** To enter and implement such orders as may be appropriate in the event the Confirmation Order is, for any reason, stayed, reversed, revoked, modified, or vacated.
- 12) **Final Decree.** To enter a final decree closing the Case pursuant to Bankruptcy Rule 3022.

14.02 Successors and Assigns

The rights, benefits, and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, not just the entity but also the heirs, executors, administrators, successors, and assigns of such entity.

14.03 Notices

After Confirmation, all notices, requests or demands for payments provided for in the Plan shall be in writing and shall be addressed to:

Joyce W. Lindauer
12720 Hillcrest Road, Suite 625
Dallas, Texas 75230
Phone: (972) 503-4033
Fax: (972) 503-4034
Email: joyce@joycelindauer.com

with copies to:

Khan Group, LLC
dba Stay Express Inn & Suites Sweetwater Texas
701 S.W. Georgia Ave
Sweetwater, TX 79556
Phone: 325-235-4853
Fax: 888-746-3527
Email: kgtxusa@gmail.com

For so long as the Chapter 11 Case remains open, any of the above may, from time to time, change its address for future notices and other communications hereunder by filing a notice of the change of address with the Bankruptcy Court. After the Chapter 11 Case is closed, any of the above may, from time to time, change its address for future notices and other communications hereunder by service upon any party in interest expressly requesting notice of same. Any and all notices given under the Plan shall be effective when received.

Respectfully Submitted,

/s/ Joyce W. Lindauer
Joyce W. Lindauer
State Bar No. 21555700
Sarah M. Cox
California State Bar No. 245475
Jamie N. Kirk
State Bar No. 24076485
Jeffery M. Veteto
State Bar No. 24098548
JOYCE W. LINDAUER ATTORNEY, PLLC
12720 Hillcrest Road, Suite 625
Dallas, Texas 75230
Telephone: (972) 503-4033
Facsimile: (972) 503-4034
ATTORNEYS FOR DEBTOR

/s/ Sharif Khan
Member-Manager, Khan Group LLC

Summary of Monthly Operating Reports

Column1	July-August	September	October	November	December
Income	\$ 32,530.22	\$ 42,215.51	\$ 53,424.88	\$ 40,550.09	\$ 30,588.62
Expenses	\$ (15,811.11)	\$ (41,413.95)	\$ (36,191.98)	\$ (41,294.74)	\$ (37,045.42)
Net Cash Flow	\$ 16,719.11	\$ 801.56	\$ 17,232.90	\$ (744.65)	\$ (6,456.80)

EXHIBIT "B"

CHAPTER 11 DEBTOR PROJECTIONS**Khan Group, LLC****1/11/2018**

		May	June	July	August	September	October	November	December	January	February	March	April	May	June
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14
REVENUE	Available Rooms	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954	3,954
	Rooms Sold	1,463	1,582	1,661	1,661	1,582	1,384	1,186	1,186	1,354	1,186	1,186	1,186	1,463	1,582
	Occupancy	37.00%	40.00%	42.00%	42.00%	40.00%	35.00%	30.00%	30.00%	34.25%	30.00%	30.00%	30.00%	37.00%	40.00%
	Average Rate	\$ 37.00	\$ 37.00	\$ 40.00	\$ 37.00	\$ 37.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00
	RevPAR	\$ 13.69	\$ 14.80	\$ 16.80	\$ 15.54	\$ 14.80	\$ 14.00	\$ 12.00	\$ 12.00	\$ 12.67	\$ 11.10	\$ 11.10	\$ 11.10	\$ 13.69	\$ 14.80
	Gross Revenue	\$ 54,132.54	\$ 58,521.67	\$ 66,430.00	\$ 61,447.75	\$ 58,521.67	\$ 55,358.33	\$ 47,450.00	\$ 47,450.00	\$ 50,109.18	\$ 43,891.25	\$ 43,891.25	\$ 43,891.25	\$ 54,132.54	\$ 58,521.67
	6010 STATE OCCUPANCY TAX	\$ (2,176.13)	\$ (2,352.57)	\$ (2,670.49)	\$ (2,470.20)	\$ (2,352.57)	\$ (2,225.41)	\$ (1,907.49)	\$ (1,907.49)	\$ (2,014.39)	\$ (1,764.43)	\$ (1,764.43)	\$ (1,764.43)	\$ (2,176.13)	\$ (2,352.57)
	6015 CITY OCCUPANCY TAXES	\$ (4,871.93)	\$ (5,266.95)	\$ (5,978.70)	\$ (5,530.30)	\$ (5,266.95)	\$ (4,982.25)	\$ (4,270.50)	\$ (4,270.50)	\$ (4,509.83)	\$ (3,950.21)	\$ (3,950.21)	\$ (3,950.21)	\$ (4,871.93)	\$ (5,266.95)
	6520 OTHER INCOME 2000 LAMAR RENT	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
	NET REVENUE	\$ 47,834.48	\$ 51,652.15	\$ 58,530.81	\$ 54,197.25	\$ 51,652.15	\$ 48,900.68	\$ 42,022.01	\$ 42,022.01	\$ 44,334.96	\$ 38,926.61	\$ 38,926.61	\$ 38,926.61	\$ 47,834.48	\$ 51,652.15
EXPENSES	7000 SALARIES	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80
	7200 REPAIRS	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
	7310 BANK & MERCHANT CC FEES	\$ 1,000.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,000.00	\$ 1,150.00
	7800 CONTRACT LABOR	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
	7815 PEST CONTROL	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58
	7820 FRANCHISE FEES	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
	7900 SUPPLIES	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
	7910 OFFICE SUPPLIES	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00
	8100 VEHICLE/FUEL	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
	8104 VEHICLE-OTHER	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77
	8200 PROPERTY TAXES ESCROW	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
	8201 FRANCHISE TAX	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
	8212 EMPLOYER FICA ()	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
	8213 EMPLOYER FUTA ()	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
	8214 EMPLOYER TWC ()	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
	8215 PAYROLL SVC FEES	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00
	8300 INSURANCE	\$ 7,500.00	\$ 7,500.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
	8400 UTILITIES	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00
	8401 T.V. CABLE	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00
	8410 TELEPHONE	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
	8500 SHIPPING/FREIGHT/POSTAGE/DELIVERY	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
	8710 LEGAL & PROFESSIONAL FEES	\$ 250.00	\$ 250.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
	8730 COMMISSIONS ONLINE TRAVEL AGENT	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
	8740 DUES & SUBSCRIPTIONS	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00
	8750 TRAVEL	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
	8780 GUEST BREAKFAST SUPP/AMENITIES	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
	8800 LAUNDRY & LINENS	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
	8801 OFFICER SALARY	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
	8802 RETAINAGE PETTY CASH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00
	8803 RETAINAGE FOR RENOVATION	\$ 36,344.15	\$ 36,494.15	\$ 37,244.15	\$ 37,244.15	\$ 37,244.15	\$ 37,244.15	\$ 37,244.15	\$ 37,244.15	\$ 37,244.15	\$ 37,244.15	\$ 36,494.15	\$ 36,494.15	\$ 37,344.15	\$ 37,494.15
	TOTAL EXPENSES	\$ 11,490.33	\$ 15,158.00	\$ 21,286.66	\$ 16,953.10	\$ 14,408.00	\$ 11,656.53	\$ 4,777.86	\$ 4,777.86	\$ 7,090.81	\$ 1,682.46	\$ 2,432.46	\$ 2,432.46	\$ 10,490.33	\$ 14,158.00
INCOME		\$ 11,490.33	\$ 15,158.00	\$ 21,286.66	\$ 16,953.10	\$ 14,408.00	\$ 11,656.53	\$ 4,777.86	\$ 4,777.86	\$ 7,090.81	\$ 1,682.46	\$ 2,432.46	\$ 2,432.46	\$ 10,490.33	\$ 14,158.00
PLAN PAYMENTS															
1	Allowed Administrative Claims:	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ -	\$ -
	2 Allowed Priority Unsecured Claim of the Texas Comptroller of Public Account	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62
	3 Allowed Priority Unsecured Claim of Internal Revenue Service	\$ 115.45	\$ 115.45	\$ 115.45	\$ 115.45	\$ 115.45	\$ 115.45	\$ 115.45	\$ 115.45	\$ 115.45	\$ 115.45	\$ 115.45	\$ 115.45	\$ -	\$ -
	4 Allowed Priority Unsecured Claim of the City of Sweetwater Comptroll	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21
	5 Allowed Priority Unsecured Claim of the Texas Workforce Commissio	\$ 91.68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	6 Allowed Priority Claims of Employee	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73	\$ 261.73
	7 Allowed Secured Claim of Benevolent Management Trus	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94
	8 Allowed Secured Claim of California Car Connectio	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05	\$ 75.05
	9 Allowed Secured Claim of Thacker Family Investmer	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05
	10 Allowed General Unsecured Claim:	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
	11 Equity Interests	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PLAN PAYMENTS		\$ 9,259.73	\$ 9,168.05	\$ 9,168.05	\$ 9,168.05	\$ 9,168.05	\$ 9,168.05	\$ 9,168.05	\$ 9,168.05	\$ 9,168.05	\$ 9,168.05	\$ 9,168.05	\$ 9,168.05	\$ 7,802.60	\$ 7,802.60
NET INCOME		\$ 2,230.60	\$ 5,989.95	\$ 12,118.61	\$ 7,785.05	\$ 5,239.95	\$ 2,488.48	\$ (4,390.19)	\$ (4,390.19)	\$ (2,077.24)	\$ (7,485.59)	\$ (6,735.59)	\$ (6,735.59)	\$ 2,687.73	\$ 6,355.40
CASH FLOW		\$ 3,030.60	\$ 8,220.55	\$ 20,339.16	\$ 28,124.22	\$ 33,364.16	\$ 35,852.64	\$ 31,462.45	\$ 27,072.26	\$ 24,995.02	\$ 17,509.43	\$ 10,773.84	\$ 4,038.25	\$ 6,725.99	\$ 13,081.38

[illegible]

[illegible]

November Month 55	December Month 56	January Month 57	February Month 58	March Month 59	April Month 60
3,954 1,186 30.00% \$ 40.00 \$ 12.00	3,954 1,186 30.00% \$ 40.00 \$ 12.00	3,954 1,354 34.25% \$ 37.00 \$ 12.67	3,954 1,186 30.00% \$ 37.00 \$ 11.10	3,954 1,186 30.00% \$ 37.00 \$ 11.10	3,954 1,186 30.00% \$ 37.00 \$ 11.10
\$ 47,450.00	\$ 47,450.00	\$ 50,109.18	\$ 43,891.25	\$ 43,891.25	\$ 43,891.25
\$ (1,907.49)	\$ (1,907.49)	\$ (2,014.39)	\$ (1,764.43)	\$ (1,764.43)	\$ (1,764.43)
\$ (4,270.50)	\$ (4,270.50)	\$ (4,509.83)	\$ (3,950.21)	\$ (3,950.21)	\$ (3,950.21)
\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
\$ 42,022.01	\$ 42,022.01	\$ 44,334.96	\$ 38,926.61	\$ 38,926.61	\$ 38,926.61
\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80	\$ 3,390.80
\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00	\$ 1,150.00
\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58	\$ 112.58
\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00
\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77	\$ 115.77
\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00
\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 7,500.00	\$ 7,500.00
\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00
\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00
\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 250.00	\$ 250.00
\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00
\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
\$ 38,244.15	\$ 38,244.15	\$ 38,244.15	\$ 38,244.15	\$ 37,494.15	\$ 37,494.15
\$ 3,777.86	\$ 3,777.86	\$ 6,090.81	\$ 682.46	\$ 1,432.46	\$ 1,432.46
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62	\$ 104.62
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21	\$ 175.21
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94	\$ 5,245.94
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05	\$ 740.05
\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,465.82	\$ 7,465.82	\$ 7,465.82	\$ 7,465.82	\$ 7,465.82	\$ 7,465.82
\$ (3,687.96)	\$ (3,687.96)	\$ (1,375.01)	\$ (6,783.36)	\$ (6,033.36)	\$ (6,033.36)
\$ 69,194.75	\$ 65,506.79	\$ 64,131.78	\$ 57,348.42	\$ 51,315.06	\$ 45,281.70

Class	Creditor	Total Claim	Secured Claim	Priority Claim	Unsecured Claim	Interest Rate (%)	Proposed Monthly Payment
7	Benevolent Management Trust	\$ 1,696,778.81	\$ 950,000.00		\$ 746,778.81	5.25	\$ 5,245.94
9	Thacker Family Investment Ltd	\$ 57,371.00	\$ 57,371.00		\$ -	5.5	\$ 740.05
8	California Connection Auto Leasing	\$ 3,357.19	\$ 3,357.19		\$ -	3.5	\$ 75.05
4	City of Sweetwater Comptroller	\$ 9,455.52		\$ 9,455.52	\$ -	4.25	\$ 175.21
2	Texas Comptroller of Public Accounts	\$ 4,728.89		\$ 4,565.34	\$ 163.55	4.75	\$ 104.62
3	IRS	\$ 1,354.06		\$ 1,354.06	\$ -	4.25	\$ 115.45
5	Texas Workforce Commision	\$ 91.68		\$ 91.68	\$ -		\$ 91.68
10	American Express	\$ 70,134.94			\$ 70,134.94		
10	Atmos Energy	\$ 1,004.54			\$ 1,004.54		
10	Atmos Energy	\$ 103.16			\$ 103.16		
10	BBVA Compass Bank	\$ 3,937.66			\$ 3,937.66		
6	Bharat Vakharia	\$ 2,000.00		\$ 2,000.00	\$ -	3	\$ 261.73
10	Burnett Fire and Safety LLC	\$ 867.21			\$ 867.21		
10	Chase Business Quick Capital	\$ 129,137.59			\$ 129,137.59		
10	Chase Ink	\$ 10,246.79			\$ 10,246.79		
10	City Janitorial Supply	\$ 74.18			\$ 74.18		
10	City of Sweetwater	\$ 6,500.00			\$ 6,500.00		
10	City of Sweetwater	\$ 125.00			\$ 125.00		
10	Commercial Appliance Services	\$ 1,600.78			\$ 1,600.78		
10	Fabian Castillo	\$ 4,800.00			\$ 4,800.00		
10	In the Swim	\$ 1,356.81			\$ 1,356.81		
6	Kanige Humira	\$ 1,000.00		\$ 1,000.00	\$ -		
10	Lamar Glass and Mirror	\$ 109.43			\$ 109.43		
10	Lone Star Logos Management	\$ 1,950.00			\$ 1,950.00		
6	Lutfay Faroque Chisty	\$ 2,500.00		\$ 2,500.00	\$ -		
10	N&S Hospitality Group Inc	\$ 120,718.15			\$ 120,718.15		
10	Orkin	\$ 450.32			\$ 450.32		
6	Salim Chotani	\$ 3,500.00		\$ 3,500.00	\$ -		
10	Sam's Club Discover	\$ 24,250.00			\$ 24,250.00		
10	Stay Express World Wide	\$ 27,001.00			\$ 27,001.00		
10	Universal Printing Solutions	\$ 135.54			\$ 135.54		
10	US Food	\$ 3,389.00			\$ 3,389.00		
10	West Texas Fire	\$ 1,700.70			\$ 1,700.70		
10	Willis Supply	\$ 163.39			\$ 163.39		\$ 1,200.00
	TOTALS	\$ 2,191,893.34	\$ 1,010,728.19	\$ 24,466.60	\$ 1,156,698.55		

EXHIBIT "D"