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

In Re: §  
PSH Properties, LLC , §  
Debtor. §  
Case No. 17-50102-rjl11  
Chapter 11 Proceeding

**DEBTOR’S COMBINED DISCLOSURE STATEMENT  
AND PLAN OF REORGANIZATION**

**July 31, 2017**

This *Debtor’s Disclosure Statement and Plan of Reorganization* is filed by the above-referenced Debtor.

**ARTICLE I  
DEFINITIONS**

**Definitions:** The following terms, when used in the Plan, shall, unless the context otherwise requires, have the following meanings, respectively:

**Allowed Amount** shall mean:

- a. with respect to any Administrative Claim, other than a Current Obligation, if the claim is based upon a fee application, the amount of such fee application that has been approved by a Final Order of the Bankruptcy Court; with respect to any current obligation, the amount of such claim that has been agreed to by the Debtor and such creditor, failing which, the amount thereof as fixed by a Final Order of the Bankruptcy Court;
- b. with respect to a Tax Claim, the amount of such claim that has been agreed to by the Debtor and such creditor, failing which, the amount thereof as fixed by a Final Order of the Bankruptcy Court;
- c. with respect to any Priority Claim, Secured Claim, Unsecured Claim, or Subordinated Claim, (i) if the holder of such claim has not filed proof thereof with the Bankruptcy Court within the applicable period of time fixed by the Bankruptcy Court pursuant to Rule 3003(c)(3) of the Bankruptcy Rules and a Final Order issued thereunder, the amount of such claim as listed in the Debtor’s Schedules, as amended, as neither disputed, contingent or unliquidated; or (ii) if the holder of such claim has filed proof thereof with the Bankruptcy Court within the applicable period of time fixed by the Bankruptcy Court pursuant to Rule 3003(c)(3) of the Bankruptcy Rules and a Final Order issued thereunder, (1) the amount stated in such proof if no objection to such Proof of Claim was interposed within applicable period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (2) the amount thereof as fixed by Final Order of the Bankruptcy Court if an objection to such proof was interposed within the applicable period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court;

d. otherwise, an Allowed Amount shall mean any claim for which an allowed amount has been determined.

**Ballot Date:** shall mean the date set by the Bankruptcy Court as the last date for timely submission by a creditor or interest holder of a ballot accepting or rejecting the Plan.

**Chapter 7:** Chapter 7 of the United States Bankruptcy Code.

**Chapter 11:** Chapter 11 of the United States Bankruptcy Code.

**Claim:** shall mean:

a. a right to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or

b. a right existing or deemed to exist as at the filing date as against the Debtor to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

c. The deadline to file proofs of claim is August 21, 2017.

**Clerk:** Clerk shall mean the Clerk of the Bankruptcy Court for the Northern District of Texas, Lubbock Division, who is located at George Mahon Federal Building, 1205 Texas Ave., Rm 306, Lubbock, TX 79401-4002.

**Confirmation of the Plan:** The entry by the Court of an Order Confirming the Plan in accordance with Chapter 11 of the United States Bankruptcy Code.

**Consummation of the Plan:** The commencement of payments provided for in the Plan.

**Court:** The United States Bankruptcy Court for the Northern District of Texas, Lubbock Division, acting in this case.

**Current Obligations:** "Current Obligations" shall mean any accounts payable or other claims, liabilities or obligations of the Debtor which arose or accrued in the ordinary course of business between the filing date and the confirmation date (excluding interest, penalties, costs, assessments, or other charges incurred or accruing during the Chapter 11 case on any claim which arose before the filing date) which obligations of the Debtor arose or shall arise in the ordinary course of the Debtor's business between the filing date and the confirmation date and any post-confirmation amounts as referenced in Article VIII. "Means for Execution of Plan" and including professional, U.S. Trustee, and Disbursing Agent fees and expenses.

**Debtor:** PSH Properties,, LLC (sometimes the "Debtor").

**Disclosure Statement:** "Disclosure Statement" shall mean the Disclosure Statement filed on behalf of the Debtor pursuant to § 1125 of the Bankruptcy Code in aid of confirmation of the Plan, as may be amended, modified or supplemented.

**Disputed Claim:** "Disputed Claim" shall mean any claim or any portion thereof (including any fee claim but excluding all allowed claims):

a. which is scheduled in the Debtor's Amended Schedules as being disputed, contingent or unliquidated; or

b. as to which (i) a proof of claim has timely been filed, (ii) an objection has been timely filed by or on behalf of the Debtor or any other party in interest and not withdrawn, and (iii) no Final Order exists allowing or disallowing such claim or portion thereof.

In the event that any part of a claim is disputed, such claim in its entirety shall be deemed a disputed claim for purposes of distribution under the Plan, unless the Debtor and the holder thereof otherwise agree.

**Effective Date:** The date upon which the Order of Confirmation of the Plan becomes final and non-appealable.

**Equity Interest Holders:** The holders of any equity interests in the Debtor.

**Estate:** The estate of the Debtor created in this Reorganization Case by Section 541 of the Bankruptcy Code.

**Filing Date:** April 10, 2017, the date of filing of the Debtor's Petition for Relief under Chapter 11.

**Final Order:** An order or judgment of the Court (i) as to which the time for appeal has expired and no appeal was filed timely or if an appeal has been filed no stay has been issued or (ii) from which any appeal has been finally determined or dismissed.

**Internal Revenue Code:** Title 26 of the United States Code, as last amended.

**IRS:** The United States Internal Revenue Service.

**IRS Priority Claim:** Any Tax Priority Claim due and payable to the IRS, specifically excluding IRS Non-Priority Unsecured Claims.

**IRS Unsecured Non-Priority Claim:** Any Claim of the IRS that is not entitled to priority under Section 507 of the Bankruptcy Code.

**Plan:** This Plan of Reorganization. Pursuant to 11 U.S.C. § 1121, the Debtor has the exclusive right to file a plan until after 120 days after the date of the order for relief under this chapter. After the 120-day period, any party in interest may file a plan. 11 U.S.C. § 1121(B) establishes August 8, 2017 as the deadline for the Debtor's exclusivity period.

**Plan Payment(s):** "Plan Payment(s)" shall mean any payment made by the Debtor to a creditor or class of creditors under this Plan, or to a Confirmation Deposit Account.

**Priority Claim:** Any Claim entitled to priority pursuant to Section 507 of the Bankruptcy Code, except a Claim that is an Administrative Expense.

**Pro Rata:** The same proportion an Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims in such Class.

**Reorganized Debtor:** PSH Properties, LLC, as existing subsequent to the Effective Date after reorganization pursuant to the Plan.

**Schedules:** "Schedules" shall mean the Schedules of Assets and Liabilities filed by the Debtor with the Bankruptcy Court in accordance with Bankruptcy Rule 1007, as they have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

**Secured Claim:** Any Claim secured by a lien or security interest on property of the Debtor, which is valid, perfected, and enforceable under applicable law, is not subject to avoidance under the

Bankruptcy Code or other applicable non-bankruptcy law, and is duly established in the Reorganization Case, but only to the extent of the value of the property that secures payment of the Claim.

**Secured Claimant:** The holder of a Secured Claim.

**Secured Tax Claim:** Any Secured Claim due and payable to a taxing authority.

**Tax Priority Claim:** Any Priority Claim due and payable to a taxing authority.

**Unsecured Claim:** Any Claim that is not an Administrative Expense, Secured Claim or a Priority Claim and may also be referred to herein as "General Unsecured Claim."

**Unsecured Claimant:** The holder of an Unsecured Claim.

**With Interest:** This term shall mean an annual fixed percentage rate of five percent (5%) unless text indicates a different rate of interest.

## **ARTICLE II EXPLANATION OF PLAN AND DISCLOSURE STATEMENT**

### **A. Purpose of Disclosure Statement**

**PSH Properties, LLC** (the "Debtor") submits this Plan and Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code in connection with the Debtor's Plan, which is incorporated herein.

The Disclosure Statement component of the pleading is being sent to all Creditors of the Debtor and of its bankruptcy estate, for the purpose of disclosing information which the Bankruptcy Court has determined is material, important and necessary for such Creditors to arrive at a reasonably informed decision in exercising the right to vote for acceptance or rejection of the Debtor's Plan. This Disclosure Statement describes various transactions contemplated under the Plan.

### **B. Explanation of Chapter 11 and Cases under Chapter 11**

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to Chapter 11, a debtor is authorized to reorganize its business for its own benefit and that of its creditors. Chapter 11 also contemplates that a debtor, or a trustee of a debtor, may take advantage of the administrative aspects available in a Chapter 11 case to realize either an orderly liquidation or reorganization of the debtor's estate.

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 a debtor. After a plan of reorganization has been filed, it must be accepted by holders of claims against a debtor. Section 1125 of the Bankruptcy Code requires full disclosure before solicitation of acceptances of a plan of reorganization. This Disclosure Statement is presented to Creditors, and parties in interest, to satisfy the requirements of Section 1125 of the Bankruptcy Code.

There are two methods by which a plan can be confirmed: (1) the "acceptance" method, in which all impaired classes of claims and interests vote in the requisite amounts to accept the plan, or (2) the "nonacceptance" or "cram down" method, in which at least one class of impaired claims or interests votes in the requisite amounts to accept the plan and certain other requirements are met with respect to all other impaired classes of claims and interests, such that the Bankruptcy Court is nonetheless authorized to confirm the Plan.

A claim that will not be repaid in full or as to which the legal rights are altered, or an interest that is adversely affected, is impaired. A holder of a claim or interest that is impaired by a plan is entitled to vote to accept or reject that plan if such claim or interest has been allowed or is deemed allowed under Section 502 of the Bankruptcy Code, or is temporarily allowed for voting purposes under Rule 3018 of the Bankruptcy Rules.

Chapter 11 does not require that each holder of a claim against a debtor vote in favor of a plan of reorganization in order for such plan to be confirmed by the Bankruptcy Court; rather, Chapter 11 provides that acceptance is obtained by aggregating the votes of similarly situated creditors by classes. In order for a class of claims to accept a plan, votes representing at least two-thirds in amount and more than one-half in number of claims that actually vote in that class must be cast for acceptance of the plan. In order for a class of interests to accept a plan, votes of holders of at least two-thirds in amount of the allowed interests in that class must cast a ballot for acceptance of the plan.

Regardless of the acceptance of a proposed plan by any or all of the classes of claims, the plan, to be confirmable, must comply with certain designated provisions of the Bankruptcy Code, specifically, Section 1129. Section 1129 sets forth the requirements of confirmation and, among other things, requires that a plan of reorganization be in the best interests of claimants.

The Bankruptcy Court may confirm a plan of reorganization even though less than all of the classes of claims accept the plan of reorganization. Specifically, the Bankruptcy Court must find that the plan is fair and equitable with respect to each impaired class that does not accept the plan. Confirmation of a plan of reorganization over the objection of one or more classes of claims or interests is generally referred to as a "cram-down." With respect to a class of secured creditors, the fair and equitable test requires that a secured creditor (i) retain its lien(s) and receive cash payments equal to the allowed amount of its claims, (ii) receive the proceeds from the sale of its collateral, or (iii) realize the indubitable equivalent of its claim. With respect to a class of unsecured claims, subject to certain exceptions, the fair and equitable test, also referred to as the "Absolute Priority Rule," requires that if the creditors in such class do not receive property with a value equal to the alleged amount of their claims, no junior class can receive anything pursuant to the plan. In other words, if the full present value of unsecured claims is not proposed to be paid in the plan, then the debtor's interest holders cannot retain their stock interests, unless the unsecured classes vote in favor of the plan. This Plan proposes to pay Unsecured Claimants one-hundred percent (100%) of their Allowed Claims, without interest. The Debtor's Interest holder will retain her stock interests in the Debtor. The Debtor is requesting that the Unsecured Claimants vote in favor of the Plan.

The Plan proposes that the Unsecured Claimants will receive 100%, with 3% interest, of their Allowed Claims. The Interest holders will not be entitled to receive distributions on account of their stock interests if there are any defaults on payments required under the Plan, including to the Unsecured Claimants. Accordingly, the Debtor believes that it is in the Interest holders' interests to ensure that all Plan payments are made as required under the Plan, including payments to the holders of Unsecured Claims. Moreover, the Debtor believes that the continued ownership of and involvement with the Debtor and Reorganized Debtor by the present management are critical to post-petition operations, the financial success of the Plan and the ability to make the required Plan payments, in part because the present management are the most knowledgeable person to run the business and own the land on which the Debtor operates. For these reasons, the Debtor urges all Creditors to vote in favor of the Plan as the best opportunity for recovery on Claims against the Debtor.

In the event that all impaired Classes do not vote to accept the Plan, the Debtor will nonetheless seek Confirmation of the Plan through a cram-down of the objecting Classes of Creditors.

**ARTICLE III  
HISTORY OF THE DEBTOR AND SUBSEQUENT OPERATIONS**

**A. Debtor's Background**

PSH Properties, LLC was incorporated in August of 2006 by David and Kim Hodges. The purpose of the LLC was to purchase and maintain rental property in the Lubbock Texas area. Over the last 11 years PSH Properties, LLC has purchased rental property and has grown to have more than 40 rental units.

As of April 10, 2017, PSH Properties, LLC was 30-60 days past due on all bank mortgages and had 2016 taxes that were not paid.

**B. Summary of Events Leading to the Debtor's Bankruptcy Filing.**

PSH Properties, LLC had approximately 30% of its tenants move out in 2016 creating a shortage of cash flow. Due to the shortage of cash flow PSH Properties, LLC was unable to fix the properties that were vacant. Without units rented mortgages were not able to be paid.

**C. Debtor's Operations**

**1. Post Petition Operations/Current Status**

Since filing for protection under the Bankruptcy Chapter 11 laws, PSH Properties, LLC has been renovating the vacant properties in the most cost-efficient way to make the units livable. PSH Properties, LLC has gone from approximately 14 vacant units to 7 vacant units. PSH Properties, LLC is now screening applicants to find the best tenants for units, which sometimes takes a little longer. PSH Properties, LLC has also reduced insurance expense by using a new insurance company and is looking an alternate flood insurance agencies due to the 25% increase in flood insurance on properties that are in flood zones.

**2. Post Petition Projections**

A summary of Debtor's projected monthly income and expense going forward, is as follows:

Income .....	\$20,900.00
Expenses .....	\$6,334.83
Profit before Plan Payments <sup>1</sup> .....	\$14,565.17

Attached as Exhibit "C" are Debtor's cash flow projections.

**3. The Debtor's Assets and Current Values**

The Debtor has expended considerable time and effort to make the information herein as accurate as possible, however, given the fact that the information contains estimations, valuations and projections, the Debtor cannot represent all of the information herein is precisely correct. Further, the information herein is based on the Debtor's management 's knowledge and while the Debtor's management has been in

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<sup>1</sup> These numbers are based on 100% occupancy with no repairs or maintenance

the business for several years, the Debtor is not in the business of purchasing, selling or valuing assets as an ordinary part of its business. Therefore, no assurance can be given that the values of the Debtor's assets set forth below will in fact be realized.

The Debtor's assets as of the Petition Date, consisting of rental property, are valued at \$1,288,157.00. More complete information is set forth on the Debtor's Schedules. A complete copy of the Debtor's Schedules are available from the Court's PACER docket <<http://www.txwb.uscourts.gov/pacer/>> or by written request submitted to counsel for the Debtor via facsimile at (806) 368-9785, via e-mail at [max@tarboxlaw.com](mailto:max@tarboxlaw.com) or via mail to Max R. Tarbox, Tarbox Law, P.C., 2301 Broadway, Lubbock, Texas 79401.

The Debtor's Liquidation Analysis is set forth in item 5, below. It is the Debtor's intent to pay all claimants, including unsecured creditors, in full with interest.

### 3. The Debtor's Liabilities

The Debtor's liabilities as of the Petition Date, including its secured (\$1,159,970.63) and unsecured (\$20,378.36) debt but excluding contingent debt totaled approximately \$1,180,348.99. More complete information is set forth on the Debtor's Schedules. A complete copy of the Debtor's Schedules are available from the Court's PACER docket <<http://www.txwb.uscourts.gov/pacer/>> or by written request submitted to counsel for the Debtor via facsimile at (806) 368-9785, via e-mail at [max@tarboxlaw.com](mailto:max@tarboxlaw.com) or via mail to Max R. Tarbox, Tarbox Law, P.C., 2301 Broadway, Lubbock, Texas 79401.

The Debtor believes that the Secured Creditors are accurately listed in the following liquidation analysis.

### 4. Creditors' Committee

No creditors' committee has been formed at this time.

### 5. What if the Debtor was Liquidated instead of Reorganized?

Section 1129(a) of the Bankruptcy Code states that the Bankruptcy Court may confirm a plan of reorganization only if certain requirements are met. One of the requirements is that each non-accepting holder of an allowed claim or interest in an impaired class must receive or retain under the plan on account of such claim or interest, property having a value as of the effective date of the plan at least equal to the value that such holder would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code on the effective date.

The following is an analysis which assumes a hypothetical Chapter 7 liquidation in which a chapter 7 trustee would have liquidated all of the assets of the Debtor. Such values are estimates only.

### Real Property:

#### 1.

1 <sup>st</sup> Lien -	\$3,371.69	Lubbock Central Appraisal District
2 <sup>nd</sup> Lien -	\$90,310.05	AIM Bank (Account Ending in -4392)
3 <sup>rd</sup> Lien -	\$37,930.27	AIM Bank (Account Ending in -5507)
4 <sup>th</sup> Lien -	\$60,000.00	TMT Investments, Inc. (Account Ending in -222) Secured: \$2,943.99, Unsecured: \$57,056.01

Total Debt: \$191,612.01

**Collateral:**

7521 W. 19th Street [R14273]  
Lubbock, Texas  
Annual Gross Rental Income: \$53,340.00  
Annual Net Rental Income: \$12,600.00  
Market Value: \$134,556.00

Total Equity: none

**2.**

1<sup>st</sup> Lien - \$3,630.87 Lubbock Central Appraisal District  
2<sup>nd</sup> Lien - \$4,606.01 Home Tax Solutions  
3<sup>rd</sup> Lien - \$129,802.92 Platinum Bank (Account Ending in -981)

Total Debt:

**Collateral:**

4215 41st Street [R116128]  
Lubbock, Texas  
Annual Gross Rental Income: \$11,700.00  
Annual Net Rental Income: \$1,200.00  
Market Value: \$111,793.00

2104 48th Street [R128878]  
Lubbock, Texas  
Annual Gross Rental Income: \$8,400.00  
Annual Net Rental Income: \$1,200.00  
Market Value: \$49,526.00

Total Equity: \$23,279.20

**3.**

1<sup>st</sup> Lien - \$5,759.13 Lubbock Central Appraisal District  
2<sup>nd</sup> Lien - \$7,305.83 Home Tax Solutions  
3<sup>rd</sup> Lien - \$211,134.34 Platinum Bank (Account Ending in -981)

Total Debt: \$224,119.30

**Collateral:**

1506 48th Street [R63721]  
Lubbock, Texas  
Annual Gross Rental Income: \$9,600.00  
Annual Net Rental Income: \$1,000.00  
Market Value: \$89,222.00

1308 48th Street [R64135]  
Lubbock, Texas  
Annual Gross Rental Income: \$9,600.00  
Annual Net Rental Income: \$1,000.00  
Market Value: \$74,242.00



2101 Avenue M [R109901]  
Lubbock, Texas  
Annual Gross Rental Income: \$12,600.00  
Annual Net Rental Income: \$6,000.00  
Market Value: \$35,044.00

1510 38th Street [R98076]  
Lubbock, Texas  
Annual Gross Rental Income: \$6,000.00  
Annual Net Rental Income: \$1,200.00  
Market Value: \$39,592.00

215 37th Street [R54622]  
Lubbock, Texas  
Annual Gross Rental Income: \$6,000.00  
Annual Net Rental Income: \$1,800.00  
Market Value: \$17,776.00

Total Equity: \$31,676.70

**4.**

1<sup>st</sup> Lien - \$3,412.57 Lubbock Central Appraisal District  
2<sup>nd</sup> Lien - \$4,329.11 Home Tax Solutions  
3<sup>rd</sup> Lien - \$124,929.47 Platinum Bank (Account Ending in -641)

Total Debt: \$132,671.15

**Collateral:**

1717 39th Street [R48330]  
Lubbock, Texas  
Annual Gross Rental Income: \$8,400.00  
Annual Net Rental Income: \$1,300.00  
Market Value: \$67,164.00

1909 Dixie [R123733]  
Lubbock, Texas  
Annual Gross Rental Income: \$15,900.00  
Annual Net Rental Income: \$5,040.00  
Market Value: \$41,036.00

1314 27th Street [R30626]  
Lubbock, Texas  
Annual Gross Rental Income: \$13,200.00  
Annual Net Rental Income: \$6,780.00  
Market Value: \$43,420.00

Total Equity: \$18,948.85

**5.**

1<sup>st</sup> Lien - \$2,960.05 Lubbock Central Appraisal District  
2<sup>nd</sup> Lien - \$3,755.02 Home Tax Solutions  
3<sup>rd</sup> Lien - \$121,899.56 Platinum Bank (Account Ending in -831)

4<sup>th</sup> Lien - \$14,664.72 Platinum Bank (Account Ending in -391)

Total Debt: \$143,279.35

**Collateral:**

2208 Avenue T [R109602]

Lubbock, Texas

Annual Gross Rental Income: \$19,500.00

Annual Net Rental Income: \$7,500.00

Market Value: \$131,515.00

Total Equity: (11,764.35)

**6.**

1<sup>st</sup> Lien - \$3,437.78 Lubbock Central Appraisal District

2<sup>nd</sup> Lien - \$4,361.06 Home Tax Solutions

3<sup>rd</sup> Lien - \$140,774.34 Platinum Bank (Account Ending in -741)

4<sup>th</sup> Lien - \$36,465.37 TMT Investments, Inc. (Account Ending in -111) Secured: \$4,418.85,  
Unsecured: \$32,046.52

Total Debt: \$15,038.55

**Collateral:**

2310 Avenue T [R79815]

Lubbock, Texas

Annual Gross Rental Income: \$24,780.00

Annual Net Rental Income: \$7,500.00

Market Value: \$152,741.00

Total Equity: (\$32,297.55)

**7.**

1<sup>st</sup> Lien - \$1,335.98 Lubbock Central Appraisal District

2<sup>nd</sup> Lien - \$1,694.80 Home Tax Solutions

3<sup>rd</sup> - Lien \$51,301.46 Platinum Bank (Account Ending in -931)

Total Debt: \$54,332.24

**Collateral:**

1903 41st Street [R25715]

Lubbock, Texas

Annual Gross Rental Income: \$12,000.00

Annual Net Rental Income: \$2,400.00

Market Value: \$59,358.00

Total Equity: \$5,025.76

**8.**

1<sup>st</sup> Lien - \$4,588.51 Lubbock Central Appraisal District

2<sup>nd</sup> Lien - \$89,016.35 AIM Bank (Account Ending in -1980)

Total Debt: \$93,604.86

**Collateral:**

2434 East 28th Street [R93558]  
 Lubbock, Texas  
 Annual Gross Rental Income: \$6,600.00  
 Annual Net Rental Income: \$1,200.00  
 Market Value: \$18,021.00

2407 East 10th Street [R31896]  
 Lubbock, Texas  
 Annual Gross Rental Income: \$7,200.00  
 Annual Net Rental Income: \$1,200.00  
 Market Value: \$21,860.00

2619 East Cornell [R137266]  
 Lubbock, Texas  
 Annual Gross Rental Income: \$6,600.00  
 Annual Net Rental Income: \$1,200.00  
 Market Value: \$28,006.00

512 Zenith [R90863]  
 Lubbock, Texas  
 Annual Gross Rental Income: \$6,600.00  
 Annual Net Rental Income: \$1,200.00  
 Market Value: \$21,665.00

Total Equity: (\$4,052.86)

<b>Description</b>	<b>Value</b>	<b>Liens</b>	<b>Net</b>
<b>Personal Property:</b>	\$00.00		\$00.00
<b>Total Personal Prop.:</b>	\$00.00		\$00.00
<b>Total All Property:</b>	\$1,288,257.00	\$1,159,970.63	\$68,286.40

Less:

Estimated Ch. 7 Professionals' Fees & Expenses:	\$20,000.00
Estimated Ch. 7 Trustee's Fees & Expenses :	\$20,000.00
Priority Claims:	\$00.00
Liquidation Expenses:	\$100,000.00
<b>Total:</b>	<b>\$140,000.00</b>

Estimated value available for unsecured claims in Ch. 7 case: \$00.00.

The approximate scheduled value of total allowed unsecured claims is \$109,731.92.

**6. Current Financing**

Debtor is not receiving financing while in Chapter 11.

#### **D. Management Under the Plan**

The Debtor has the following members: David Hodges and Kimberly Hodges. These persons, upon confirmation, will continue to serve in these positions.

Upon Confirmation of the Plan, Reorganized Debtor intends to operate its business as determined by its members, and to comply with the terms of the Plan as Confirmed and/or as it may be amended from time to time. The liability for and obligations under the Plan shall be assumed by and become obligations of the Reorganized Debtor.

#### **E. Significant Events in Chapter 11.**

##### **1. Employment of Professionals.**

On April 18, 2017, the Debtor filed a motion to employ Max Tarbox of Tarbox Law, P.C. as attorney for the Debtor in this bankruptcy case. [doc. no. 11]. On May 19, 2017, the employment of Tarbox Law, P.C. was approved by the Bankruptcy Court. [doc. no. 27].

##### **2. Entry of Interim Order Granting the Use of Cash Collateral.**

On April 18, 2017, the Debtor filed a motion for interim and final order authorizing the use of cash collateral. [doc. no. 8]. On May 3, 2017, the Bankruptcy Court approved the first interim order granting the temporary use of cash collateral. [doc. no. 23]. On June 5, 2017, the Bankruptcy Court approved the second interim order granting the temporary use of cash collateral. [doc. no. 32]. On June 30, 2017 the Bankruptcy Court approved the final order granting the temporary use of cash collateral. [doc. no. 38]. As of the date of the filing of this Plan and Disclosure Statement, the Debtor has operated with the consensual use of cash collateral under the terms of the approved budgets.

##### **3. Meeting of the Creditors and Bar Date.**

On May 23, 2017, the United States Trustee conducted the section 341 meeting of creditors. David Hodges appeared for the Debtor. The meeting was concluded.

#### **F. Source Of Information**

The financial information contained herein was prepared by the management of the Debtor. The estimated Claims set forth in this Disclosure Statement were determined from the Debtor's books and records, the Schedules and discussions with various Creditors.

### **ARTICLE IV. SUMMARY OF THE PLAN**

#### **A. Overview of the Plan**

The Plan contemplates the continued operations by the Debtor and payment in full to all its Creditors within a ten year period. It is anticipated that the Plan will be fully consummated ten years from the Effective Date. The Debtor expressly reserves the right to pay Creditors earlier than the ten year time period if cash flow permits.

**B. Funding of the Plan**

The Plan will be funded by the Debtor's continued operations.

**C. Classification and Treatment of Claims Against and Interests in the Debtor**

The Plan classifies and treats various Classes of Creditors of the Estate. The following is a summary of classification and treatment of Creditors' Claims under the Plan.

**ARTICLE V  
CLASSIFICATION OF CLAIMS AND INTERESTS**

The Bankruptcy Code requires the debtor to divide creditors into classes. That is, creditors with similar legal rights are put into the same class. For purposes of proposing plan payment treatment, the secured creditors are put into separate classes, unless more than one creditor is secured by the same collateral. Administrative claimants are also put in separate classes. The classes claims and interests shall be classified as follows:

Administrative Expenses

Professionals Fees

Class 1: County and City Taxing Authorities

- a. Lubbock County Appraisal District
- b. Home Tax Solutions

Class 2: Platinum Bank

Class 3. AimBank

Class 4. TMT

Class 5: Unsecured claims

Class 6: Debtor

Class 7: Member Owners

All classes, except equity owners, are impaired by virtue of 11 U.S.C. § 1124(1) and are entitled to vote.

**ARTICLE VI**

**A. What about Administrative Payments?**

Administrative claimants consist of the Debtor's professionals retained to work in this case.

**Max R. Tarbox** of Tarbox Law, P.C. is the attorney currently representing the Debtor in this

case. It was paid a retainer of \$15,000.00 at the beginning of the case. It is anticipated that the fees and expenses will total up to approximately \$20,000.00. All fees and expenses will be submitted to the Court for final approval at the conclusion of the case. Any fees owing above the retainer will be due the later of an order approving claimants fee application or 30 days following confirmation. Parties can object to fee applications if they so desire.

All other payments to allowed administrative claims to professionals, if any, will be due and payable within 30 days from the date this Court enters an Order approving their respective compensation, unless other arrangements are agreed between the Debtor and the professional.

**B. What about County and City Taxing Authorities?**

**Class 1a** is the claim of the **Lubbock Central Appraisal District** which arises from a pre-petition priority/secured claim which totals \$26,051.83. This claim will be amortized over 60 months at 12.00% interest with payments beginning October 10, 2017. Interest begins to accrue on the petition date. Total monthly payments in the amount of \$710.61 will be made for 55 months. Payments will be made on the 10th of each month. Such payments will result in the entire claim being paid in full in 5 years or otherwise will be made until the entire claim is paid in full.

Ad valorem taxes for the 2017 tax year are incorporated into the Plan. Ad valorem taxes for the years 2018 and beyond are hereby designated to be post-confirmation debt incurred in the ordinary course of business to be timely paid in the ordinary course without the necessity of the filing of administrative expense claims or requests for payment, and if not so timely paid, will be subject to state court collection procedures without the necessity of further recourse to the bankruptcy court.”

**Class 1b** is the claim of **Home Tax Solutions, LLC** which arises from a pre-petition priority/secured claim which totals \$26,051.83. This claim will be amortized over 108 months at 9.99% interest with payments beginning October 10, 2017. Interest begins to accrue on the petition date. Total monthly payments in the amount of \$393.66 will be made for 103 months. Payments will be made on the 10th of each month. Such payments will result in the entire claim being paid in full in 9 years or otherwise will be made until the entire claim is paid in full.

**J. What about the Secured Creditors?**

**Class 2** is the claim of **Platinum Bank** Lubbock, Texas (“Platinum) which arises from a claim secured by rental properties in the amount of \$794,255.78.<sup>2</sup> This Plan treats Platinum as fully secured. Platinum has 6 notes with the Debtor. Each note will be treated as a subclass of Class 2.

All claims will be paid in full with interest at 6.0% (six percent) annually. The respective claims will be amortized over 216 months (18 years at 6.00% interest with payments beginning October 10, 2017. Interest begins to accrue on the petition date. For the first the first 3 years, the claims will be amortized over 20 years. For the remaining 15 years, the claims will be amortized over 15 years. Payments will be made on the 10th of each month. Such payments will result in the entire claim being paid in full in 18 years, but in any event payments will be made until the entire claim is paid in full.

Platinum is receiving adequate protection payments monthly amounting to the monthly interest accruing on each note. Such payments will be applied to the claims of Platinum according to the amount of and time each adequate protection is paid. Although the monthly payments, set forth below, will

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<sup>2</sup> Value is subject to ad valorem taxes.

remain as stated, the adequate protection payments will have the affect of shortening the term of the payment schedule.

**Class 2a: Note dated May 17, 2016**, having a current balance of \$14,674.09. The note is secured by the land and improvements located at:

2208 Ave. T, City of Lubbock, Lubbock County, Texas.

Beginning October 10, 2017, Debtor will make monthly payments of \$956.94 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$117.43 for 180 months. Such payments should satisfy the claim in full.

**Class 2b: Note dated January 28, 2016**, having a current balance of \$128,802.92. The note is secured by the land and improvements located at:

4215 41<sup>st</sup> Street, City of Lubbock, Lubbock County, Texas  
2104 48<sup>th</sup> Street, City of Lubbock, Lubbock County, Texas

Beginning October 10, 2017, Debtor will make monthly payments of \$956.54 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$1,030.75 for 180 months. Such payments should satisfy the claim in full.

**Class 2c: Note dated December 22, 2015**, having a current balance of \$211,134.34. The note is secured by the land and improvements located at:

1506 48th Street, City of Lubbock, Lubbock County, Texas  
1308 48th Street, City of Lubbock, Lubbock County, Texas  
2101 Avenue M, City of Lubbock, Lubbock County, Texas  
1510 38th Street, City of Lubbock, Lubbock County, Texas  
215 37th Street, City of Lubbock, Lubbock County, Texas

Beginning October 10, 2017, Debtor will make monthly payments of \$1,567.97 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$1,689.61 for 180 months. Such payments should satisfy the claim in full.

**Class 2d: Note dated July 14, 2015**, having a current balance of \$124,929.47. The note is secured by the land and improvements located at:

1717 39th Street, City of Lubbock, Lubbock County, Texas  
1909 Dixie, City of Lubbock, Lubbock County, Texas  
1314 27th Street, City of Lubbock, Lubbock County, Texas

Beginning October 10, 2017, Debtor will make monthly payments of \$927.77 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$999.76 for 180 months. Such payments should satisfy the claim in full.

**Class 2e: Note dated April 23, 2015**, having a current balance of \$51,301.46. The note is secured by the land and improvements located at:

1903 41st Street, City of Lubbock, Lubbock County, Texas

Beginning October 10, 2017, Debtor will make monthly payments of \$381.02 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$410.59 for 180 months. Such payments should satisfy the claim in full.

**Class 2f: Note dated March 19, 2015**, having a current balance of \$121,899.56. The note is secured by the land and improvements located at:

2208 Ave. T, City of Lubbock, Lubbock County, Texas

Beginning October 10, 2017, Debtor will make monthly payments of \$905.27 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$975.51 for 180 months. Such payments should satisfy the claim in full.

**Class 2g: Note dated March 12, 2015**, having a current balance of \$140,774.34. The note is secured by the land and improvements located at:

2208 Ave. T, City of Lubbock, Lubbock County, Texas.

Beginning October 10, 2017, Debtor will make monthly payments of \$1,045.45 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$1,126.55 for 180 months. Such payments should satisfy the claim in full.

**Class 3** is the claim of **AimBank** of Lubbock, Texas which arises from a claim secured by rental properties in the amount of \$224,108.00.<sup>3</sup> This Plan treats AimBank as fully secured. AimBank has 3 notes with the Debtor. Each note will be treated as a subclass of Class 3.

All claims will be paid in full with interest at 6.0% (six percent) annually. The respective claims will be amortized over 216 months (18 years at 6.00% interest with payments beginning October 10, 2017. Interest begins to accrue on the petition date. For the first the first 3 years, the claims will be amortized over 20 years. For the remaining 15 years, the claims will be amortized over 15 years. Payments will be made on the 10th of each month. Such payments will result in the entire claim being paid in full in 18 years, but in any event payments will be made until the entire claim is paid in full.

AimBank is receiving adequate protection payments monthly amounting to the monthly interest accruing on each note. Such payments will be applied to the claims of AimBank according to the amount of and time each adequate protection is paid. Although the monthly payments, set forth below, will remain as stated, the adequate protection payments will have the affect of shortening the term of the payment schedule.

**Class 3a: Note no. 1054392**, having a current balance of \$90,310.05. The note is secured by the land and improvements located at:

7521 W. 19<sup>th</sup> Street, City of Lubbock, Lubbock County, Texas

Beginning October 10, 2017, Debtor will make monthly payments of \$670.68 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$722.71 for 180 months. Such payments should satisfy the claim in full.

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<sup>3</sup> Value is subject to ad valorem taxes.



**Class 3b: Note no. 1091980**, having a current balance of \$89,016.35. The note is secured by the land and improvements located at:

2434 East 28th Street, City of Lubbock, Lubbock County, Texas  
2407 East 10th Street, City of Lubbock, Lubbock County, Texas  
2619 East Cornell, City of Lubbock, Lubbock County, Texas  
512 Zenith, City of Lubbock, Lubbock County, Texas

Beginning October 10, 2017, Debtor will make monthly payments of \$661.07 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$712.36 for 180 months. Such payments should satisfy the claim in full.

**Class 3c: Note no. 1215507**, having a current balance of \$37,930.27. The note is secured by the land and improvements located at:

7521 W. 19<sup>th</sup> Street, City of Lubbock, Lubbock County, Texas.  
Beginning October 10, 2017, Debtor will make monthly payments of \$281.68 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$303.54 for 180 months. Such payments should satisfy the claim in full.

**Class 4** is the claim of TMT of Lubbock, Texas, in the total amount of \$96,465.37, which arises from a claim secured by rental properties in the amount of \$287,297.00.<sup>4</sup> This Plan treats TMT as having a secured claim of \$7,111.81 and an unsecured claim of \$89,353.56. TMT has 2 notes with the Debtor. The 2 notes will be combined into one class. The unsecured portion will be treated in Class 5 below.

The secured portion of TMT's claim will be paid in full with interest at 6.0% (six percent) annually. The respective claims will be amortized over 216 months (18 years at 6.00% interest with payments beginning October 10, 2017. Interest begins to accrue on the petition date. For the first the first 3 years, the claims will be amortized over 20 years. For the remaining 15 years, the claims will be amortized over 15 years. Payments will be made on the 10th of each month. Such payments will result in the entire claim being paid in full in 18 years, but in any event payments will be made until the entire claim is paid in full.

The notes are secured by the land and improvements located at:

2208 Ave. T, City of Lubbock, Lubbock County, Texas  
7521 W. 19<sup>th</sup> Street, City of Lubbock, Lubbock County, Texas

Beginning October 10, 2017, Debtor will make monthly payments of \$52.82 for 31 months. Beginning on May 10, 2020, Debtor will make monthly payments of \$56.91 for 180 months. Such payments should satisfy the claim in full.

**C. What about Unsecured Payments?**

**Class 5** are the **Unsecured Claims** that total \$109,731.92.

A list of unsecured claims is set forth in the attached Exhibit "B".

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<sup>4</sup> Value is subject to ad valorem taxes and prior liens.

The claimants will receive one hundred percent (100.0%) of their respective claims over a 10 year term (accruing interest from the petition date), to be paid on a monthly basis, **beginning October 10, 2017** at 3.0% interest. Subsequent payments will be made on the 10<sup>th</sup> of each month thereafter. Claimants will receive their pro-rata share of each payment, based upon the percentages set forth in Exhibit "B."

The Plan calls for 115 monthly payments each of \$1,113.11. Monthly payment for each is set forth in Exhibit B.

Debtor reserves the right to prepay a claim at the balance amount of the claim at the time of the payment. Debtor also reserves the right to settle a claim with a claimant at an amount agreeable to both the Debtor and the affected claimant.

No claimant of this Class shall have or retain any lien against the Debtor upon Confirmation of the Plan.

**D. What about the Debtor?**

**Class 6** is the **Debtor**. The will retain possession of the all property. The Debtor is a non-voting class.

**E. What about Member Owners?**

**Class 7** is the **Member Owners**. The members of this Class shall retain their respective equity interest that they owned when the case was filed. Note that the Plan pays all claimants in full, therefore it is the opinion of the Debtor that its retention of her equity interest does not violate the absolute priority rule.<sup>5</sup>

**PLEASE NOTE THAT THE DEBTOR RESERVES THE RIGHT TO OBJECT TO THE ALLOWANCE OR AMOUNT OF ANY CLAIMS REFERRED TO ABOVE OR IN THE ATTACHED EXHIBITS.**

**ARTICLE VII**

**CREDITORS' RIGHTS UNDER THE PLAN**

**Section 7.1.** Creditors Have the Right to Vote on the Plan.

**Section 7.2.** After reading this plan and disclosure statement, Creditors will have the right to vote on whether the Bankruptcy Court should "confirm" the Debtor's plan. Each creditor should read this combined plan and disclosure statement carefully, discuss it with a lawyer, and then fill out the ballot that will be provided. PSH Properties, LLC 's lawyer will assemble the ballots and report to the Bankruptcy Judge on \_\_\_\_\_, 2017 at \_\_\_\_\_ at the U.S. Bankruptcy Courtroom, George Mahon Federal Building, 1205 Texas Ave., 3<sup>rd</sup> Floor, Lubbock, TX 79401-4002. At that time the Court will conduct the "Confirmation Hearing" in this case and decide whether to "confirm" the plan.

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<sup>5</sup> The absolute priority rule requires that creditors be paid from a bankruptcy estate in an established order and that those parties at the back of the line, such as equity holders, wait until the claims of those who precede them in priority are paid in full. § 1129(b)(2)(B)(ii)

**Section 7.3. Creditors Have the Right to Object to Confirmation of the Plan.** If a Creditor believes that the plan does not meet the requirements of the Bankruptcy Code, the Creditor may file a written objection with the Bankruptcy Court. The deadline for objections to confirmation of the plan has been set by the Court as: \_\_\_\_\_ .

**Section 7.4 The Court May Approve the Debtor's Plan and Limit Creditors' Legal Rights.** The Court will consider only the written objections to confirmation of the plan that are timely filed and the ballots that are timely filed. If no objections are filed (or if all objections are overruled by the Court) and if at least one class of creditors accepts the plan, the Court may approve the plan. If the Court approves the plan, all creditors will be bound, even if a Creditor did not vote and even if a Creditor voted against the plan. This means that a Creditor will not be allowed to collect his claim against PSH Properties, LLC except as provided in this plan.

**Section 7.5. How Does a Class "Accept" the Plan?** Each class is considered separately. Only the creditors who vote are counted. The Court will conclude that the class "accepts" the plan if two requirements are met:

1. More than 50% of the voting creditors vote in favor of the plan; and
2. Those creditors voting in favor of the plan hold at least 2/3 of the total amount of debt that is voted.

**Section 7.6. What If a Creditor in this Plan?** This Plan and its Exhibits list all creditors who will have an allowed claim. The proof of claim deadline was November 11, 2015. All unsecured claims that the Debtor agrees to pay (or that are not disputed) are listed on Exhibit "A". If an unsecured Creditor's claim is not listed in Exhibit "A", the Debtor will not pay any money to that Creditor.

## **ARTICLE VIII PLAN IMPLEMENTATION PROCEDURE**

**Section 8.1.** The Debtor will remain in possession of its property and will control the operation and disposition thereof unless otherwise provided in this Plan. The Managing Members of the Debtor are David Hodges and Kimberly Hodges.

**Section 8.2.** The Debtor will devote full time and energy to the successful completion of the Plan.

**Section 8.3.** Funding. Based on current income and expense projections, set out more particularly in Exhibit "C" filed herein, the Debtor reasonably expect to generate enough net income to fund this Plan.

**ARTICLE IX  
EXECUTORY CONTRACTS**

**Section 9.1.** Debtor leases his rental properties to tenants. All lease terms ar 12 months. After the expiration of the 12 months, the terms are month-to-month. At the time of filing<sup>6</sup>, the leases were as follows:

PSH PROPERTIES LLC - TENANTS 4/23/2017

<b>PROPERTY<sup>7</sup></b>	<b>TENANT</b>	<b>RENT</b>	<b>MOVE IN DATE</b>
4215 41st	Jason Estrada	\$975.00	8/1/2015
2104 48th	Nardo Pollard	\$700.00	7/3/2016
1717 39th	Janet Castillo	\$730.00	3/9/2009
7521 W 19th A	Irma Solano	\$525.00	1/21/2006
7521 W 19th B	<b>Vacant</b>	<b>\$0.00</b>	
7521 W 19th C	<b>Vacant</b>	<b>\$0.00</b>	
7521 W 19th D	<b>Vacant</b>	<b>\$0.00</b>	
7521 W 19th E	Lewis Mendoza	\$525.00	3/6/2016
7521 W 19th F	Santos Juarez Jr.	\$450.00	3/1/2015
7521 W 19th G	Kristie Ramirez	\$450.00	3/23/2014
7521 W 19th H	Santos Juarez Sr.	\$300.00	1/21/2006
7521 W 19th I	Edgar Mendoza	\$450.00	10/1/2016
7521 W 19th J	Angel Juarez	\$400.00	1/21/2006
7521 W 19th K	Juan Juarez	\$400.00	1/21/2006
7521 W 19th L	Ruth Ann Kirk	\$425.00	1/21/2006
2208 Ave T A	Emilio Terrones	\$400.00	7/1/2016
2208 Ave T B	Elva Corona	\$350.00	11/1/2016
2208 Ave T C	Iasias Juarez	\$300.00	10/3/2016
2208 Ave T D	Eric Blackwish	\$300.00	2/1/2013
2212 Ave T D	Evin Longoria	\$500.00	6/10/2016
2310 Ave T a	Eugene King	\$450.00	3/19/2015
2310 Ave T B	Jennifer Sierra	\$450.00	2/6/2017
2312 Ave T a	Ruben Castillo	\$425.00	4/1/2015
2312 Ave T B	Natalie Olivares	\$450.00	10/18/2015
2312 Ave T C	<b>Vacant</b>	<b>\$0.00</b>	
1903 41st A	Amber Becks	\$500.00	7/5/2016
1903 41st B	Lashonna Thomas	\$500.00	5/17/2016
215 37th	Julian Aguilar	\$500.00	11/1/2016
2101 Ave M	Rashad Jackson	\$500.00	12/1/2016
1307 21st	Santos Servin	\$350.00	3/1/2017
1309 21st	David Ybarra	\$300.00	3/1/2017
1510 38th	Elanie Sanchez	\$500.00	1/15/2017
1506 48th	Joshua Farmer	\$800.00	9/6/2010
1308 48th	<b>Vacant</b>	<b>\$0.00</b>	
1909 Dixie A	Emma Mendoza	\$400.00	10/1/2016
1909 Dixie B	Kalvin Green	\$500.00	7/1/2016
1909 Dixie C	Vacant	<b>\$0.00</b>	

<sup>6</sup> From time to time, tenants will depart and be evicted. The Debtor will attempt to re-lease the units as quickly as possible.

<sup>7</sup> All property is located in Lubbock, Texas.

1314 27th A	Dustin Havens	\$350.00	2/10/2017
1314 27th B	<b>Vacant</b>	<b>\$0.00</b>	
1314 27th C	Kevin Briseno	\$350.00	3/4/2017
2434 E 28th	Maria Alvarado	\$500.00	10/1/2016
2407 E 10th	Dede Robinson	\$500.00	8/11/2015
2619 E Cornell	Darrell Patterson	\$500.00	1/1/2017
512 Zenith	Gary Tyler	\$550.00	7/1/2013

Debtor rejects all other contracts.

**ARTICLE X  
ARE THERE ANY ALTERNATIVES TO THIS PLAN?**

**Section 10.1** The only alternative is liquidation. The Debtor believes that if all its assets were liquidated, the Creditors would not receive payment in full.

**ARTICLE XI  
IS THERE ANY RISK THAT THE PLAN MIGHT NOT SUCCEED?**

**Section 11.1** Yes. PSH Properties, LLC cannot predict the future, but believes it can make the proposed plan payments.

**ARTICLE XII  
ARE THERE ANY TAX EFFECTS OF THIS PLAN?**

**Section 12.1** PSH Properties, LLC does not believe that this plan creates any special tax consequences.

**Section 12.2** Tax Effects to Creditors: Creditors should consult with their own tax advisor.

**ARTICLE XIII  
DEBTOR'S OBLIGATION TO THE U.S. TRUSTEE**

**Section 13.1** During the pendency of this bankruptcy case, the Debtor will comply with all regulations promulgated by the Office of the U.S. Trustee, including remaining current on all quarterly fees assessed against the estate by the U.S. Trustee.

**ARTICLE XIV  
RETENTION OF JURISDICTION**

**Section 15.1** The Court shall retain jurisdiction of this case pursuant to the provisions of Chapter 11 of the Bankruptcy Code until the final allowance or disallowance of all claims and final determination with respect to all matters including the following:

- a. To enable the Debtor to consummate any and all proceedings that they may bring to set aside liens or encumbrances to determine the validity, extent and enforceability of any lien or to recover any preferences, transfer, assets or damages to which it may be entitled under applicable

provisions of the Bankruptcy Code or other federal, state, or local law. Specifically, the Debtor shall be authorized before or after confirmation to bring any action against any party arising before or after confirmation;

- b. To adjudicate all controversies concerning the classification or allowance or reconsideration of allowances of any claim or any security interest, including without limitation, to liquidate claims in connection with any disputed, contingent or unliquidated claims;
- c. To hear and determine all claims arising from the rejection or assumption of any executory contracts, including leases and to consummate the rejection and determination thereof;
- d. To adjudicate all claims to a security or ownership interest in any of the Debtor's property or any proceeds thereof;
- e. To adjudicate all claims or controversies arising out of any purchases, sales, or contracts made or undertaken by the Debtor during the pendency of the proceedings;
- f. To recover all assets and properties of the Debtor wherever located;
- g. To adjudicate all claims pertaining to preferences and fraudulent transfers;
- h. To apply to the Court any time after confirmation for authority to consummate a sale of the estate assets, provided, the Debtor shall not be required to do so, as long as the Debtor is otherwise in compliance with the provisions of the plan;
- i. To determine the reasonableness of and make any award for administrative expenses, including attorney's fees applied for before or after the plan confirmation date, and to provide for payment thereof.
- j. To determine the value of the claimant's collateral, if such value or values are in dispute.

**ARTICLE XV  
PLEASE VOTE FOR THE DEBTOR'S PLAN!**

**Section 16.1** PSH Properties, LLC asks that Creditors vote in favor of the Debtor's plan because it will allow PSH Properties, LLC to pay Creditors all of their claims. PSH Properties, LLC believes that the plan will pay the proposed payments to its creditors.

**Section 16.2 Acceptances.** For there to be an acceptance of the Plan by a Class of Claimants, Claimants who hold at least two-thirds in dollar amount of the Claims voted and constitute more than one-half in the number of holders of such Claims voting must vote to accept the Plan.

**Section 16.3** REMEMBER THAT THE DEADLINE FOR BALLOTS IS [To be announced].  
Mail your ballot to:

Max R. Tarbox; SBN: 19639950  
TARBOX LAW, P.C.  
2301 Broadway  
Lubbock, Texas 79401  
(806) 686-4448; fax: (806) 368-9785

In order to be counted, Ballots must be received at the foregoing address not later than 4:00 p.m., [To be announced].

Dated: July 31, 2017

Approved:

/s/ David Hodges

David Hodges,  
Managing Member,  
PSH Properties, LLC

Respectfully submitted,

TARBOX LAW, P.C.  
2301 Broadway  
Lubbock, Texas 79401  
(806) 686-4448; fax: (806) 368-9785

By: /s/ Max R. Tarbox

Max R. Tarbox, Texas Bar No. 19639950  
*Attorney for Debtor*

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