

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

IN RE:	§	
	§	
BLACKSTONE DEVELOPERS, LLC,	§	Case No.18-31877-hdh-11
	§	
Debtor.	§	Chapter 11

**DISCLOSURE STATEMENT FOR PLAN OF REORGANIZATION
FOR BLACKSTONE DEVELOPERS, LLC**

(DATED AS OF AUGUST 31, 2018)

Submitted By:

Blackstone Developers, LLC

Plan Proponent

John P. Lewis, Jr.
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ATTORNEY FOR BLACKSTONE DEVELOPERS,
LLC, DEBTOR AND DEBTOR IN POSSESSION

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED BY DEBTOR, BLACKSTONE DEVELOPERS, LLC, AS THE PLAN PROPONENT. THIS DISCLOSURE STATEMENT DESCRIBES THE TERMS AND PROVISIONS OF THE DEBTOR'S PLAN OF REORGANIZATION DATED AS OF AUGUST 31, 2018. ANY TERM USED IN THIS DISCLOSURE STATEMENT THAT IS NOT DEFINED HEREIN HAS THE MEANING ASCRIBED TO THAT TERM IN THE PLAN (SEE SCHEDULE OF DEFINED TERMS AT THE END OF THIS DISCLOSURES STATEMENT) OR AS SUCH TERM MAY BE DEFINED IN THE UNITED STATES BANKRUPTCY CODE. A COPY OF THE PLAN ACCOMPANIES THIS DISCLOSURE STATEMENT.

WHILE THE DEBTOR BELIEVES THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION WITH RESPECT TO THE INFORMATION SUMMARIZED HEREIN, CREDITORS SHOULD REVIEW THE ENTIRE PLAN AND EACH OF THE DOCUMENTS REFERENCED HEREIN, AND SHOULD SEEK THE ADVICE OF THEIR OWN COUNSEL BEFORE DECIDING HOW TO VOTE ON THE PLAN AND WHETHER TO ACCEPT OR REJECT THE PLAN.

EXCEPT FOR THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, ANY EXHIBITS TO THIS DISCLOSURE STATEMENT, OR THE PLAN ITSELF, NO REPRESENTATIONS ARE MADE BY THE PLAN PROPONENT CONCERNING THE DEBTOR, THE DEBTOR'S ASSETS, THE DEBTOR'S LIABILITIES, THE PAST OR FUTURE OPERATION OF THE DEBTOR OR ITS PROPERTIES, THE PLAN, OR ANY ALTERNATIVE TO THE PLAN. ANY SUCH ADDITIONAL REPRESENTATIONS ARE NOT AUTHORIZED BY THE PLAN PROPONENT, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN MAKING ANY DECISIONS WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN, OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS, ARE UNAUTHORIZED AND SHOULD BE REPORTED TO THE DEBTOR'S COUNSEL.

THIS DISCLOSURE STATEMENT WAS APPROVED BY THE BANKRUPTCY COURT DURING A HEARING ON _____, 2016. SUCH APPROVAL IS REQUIRED BY THE BANKRUPTCY CODE AND DOES NOT CONSTITUTE A JUDGMENT OR DETERMINATION BY THE BANKRUPTCY COURT AS TO THE DESIRABILITY OF THE PLAN OR AS TO THE VALUE OR SUITABILITY OF ANY CONSIDERATION OR TREATMENT PROPOSED OR OFFERED BY THE PLAN.

SUCH APPROVAL DOES INDICATE, HOWEVER, THAT THE BANKRUPTCY COURT HAS DETERMINED THAT THIS DISCLOSURE STATEMENT MEETS THE REQUIREMENTS OF SECTION 1125 OF THE BANKRUPTCY CODE AND CONTAINS ADEQUATE INFORMATION TO PERMIT HOLDERS OF ALLOWED CLAIMS, WHOSE ACCEPTANCE OF THE PLAN IS SOLICITED BY DEBTOR, TO MAKE AN INFORMED JUDGMENT REGARDING ACCEPTANCE OR REJECTION OF THE PLAN.

THE APPROVAL OF THE DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTY OF THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT, EXPRESS OR IMPLIED, IS INTENDED TO CREATE ANY COMMITMENT OR OBLIGATION OF THE DEBTOR OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED AS CONFERRING UPON ANY PERSON ANY RIGHTS, BENEFITS OR REMEDIES OF ANY NATURE WHATSOEVER.

THE DISCLOSURE STATEMENT IS INFORMATIONAL ONLY. ADDITIONALLY, CREDITORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH CREDITOR SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY MATTER CONCERNING THE PLAN, INCLUDING THE TREATMENT OF CLAIMS UNDER THE PLAN, THE RELEASES PROVIDED BY AND PROPOSED UNDER THE PLAN, THE TRANSACTIONS AND INJUNCTIONS PROVIDED UNDER THE PLAN, AND THE VOTING PROCEDURES AND ELECTIONS APPLICABLE TO THE PLAN AND THE PARTIES TO THIS BANKRUPTCY CASE.

INITIAL SUMMARY OF DEBTOR'S FINANCIAL AFFAIRS AND PLAN

Blackstone Developers, LLC ("**Debtor**") voluntarily filed a petition seeking relief under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. §§101, *et seq.*, "**Bankruptcy Code**") on June 4, 2018 ("**Petition Date**"). The Debtor has proposed its *Plan of Reorganization* (as the same may be subsequently amended, supplemented, modified, or restated in whole or in part, the "**Plan**") for the reorganization of Debtor's financial affairs and the satisfaction and resolution of all outstanding allowed creditor claims against the Debtor in accordance with the applicable provisions of the Bankruptcy Code.

This Disclosure Statement contains a discussion of the Debtor's history, business, properties, and proposed "exit financing" to fund this Plan, as well as a summary and description of the Plan and certain related matters, to assist creditors in voting on the Plan. No materials other than this Disclosure Statement, the Plan, and any exhibits and schedules attached hereto or thereto or referenced herein or therein have been authorized by the Debtor for use in soliciting acceptances or rejections of the Plan.

SUMMARY OVERVIEW

Debtor is a Texas limited liability company formed in March 2004 to own and operate a commercial shopping center in Red Oak, Texas. Dorothy Shelly, an individual residing in Ovilla, Texas, is the sole member and manager of the Debtor. The Debtor's primary asset is the commercial shopping center. Debtor does not engage in any other material business activities and does not receive any significant revenues from any other activities or sources.

As of the Petition Date, the Debtor was solvent and the assessed value of its shopping center exceeded its secured and unsecured claims. However, Debtor was delinquent on its mortgage indebtedness due to the costs and expenses of certain litigation by a former tenant that it was compelled to defend and other events that adversely impaired its ability to service that indebtedness during the 12 months prior to the Petition Date. Debtor filed this Chapter 11 bankruptcy case to avoid a detrimental scheduled foreclosure of the commercial shopping

center that was its principal asset and to enable it to reorganize its financial affairs to maximize the recoveries to all creditors.

Debtor intends to fund this Plan through (a) funds on hand that are available for such purpose on the “Effective Date”, and (b) proceeds to be received from post-confirmation “exit financing” that Debtor has arranged to enable it to confirm and consummate this Plan. Debtor believes that the treatment of Creditors in this Plan will provide for payment to all of Debtor’s secured and unsecured creditors holding Allowed Claims of at least 100% of the principal amount of such Allowed Claims. Accordingly, this Plan is proposed to internally reorganize the Debtor’s financial affairs and to preserve and maximize the value of the Debtor’s properties for the benefit of all creditors possessing allowed claims and to thereby provide the greatest potential recovery to all creditors.

The following table presents a summary of claims and proposed treatment under the Plan.¹

Classification and Description of Claimants	Estimated Number of Claimants Within Class	Aggregate Amount of Claims Included on Debtor’s Schedules or Creditors’ Filed Proofs of Claim	Proposed Treatment
Administrative Claims	1	Fees to United States Trustee - Estimated to be Less Than \$1,000.00	Payment on Effective Date Unimpaired
Professional Fee Claims	1	Estimated Range: \$20,000.00 - \$50,000.00	Payment on First Business Day Following Approval by Bankruptcy Court
Class 1: Secured Property Tax Claims of Ellis County, Texas, Taxing Authorities, if any	-1-	\$104,800.21	Paid With Interest on Effective Date or on Date Property Taxes are Due Under Applicable Property Tax Laws Unimpaired
Class 2: Priority Non-Tax Claims, if any	-0-	None	Payment on Effective Date or in Ordinary Course of Business Unimpaired
Class 3: Secured Claim of JP Morgan Chase Bank	1	\$2,699,061.70	Allowed Claim Paid in Cash on Effective Date or Within 30 Business Days Thereafter Impaired
Class 4: Unsecured Claims	3	\$198,684.32	Allowed Claims Paid in Cash on Effective Date or Within 30 Business Days Thereafter - Impaired
Class 5: Disputed Tort Claimants	1	Unknown - Unliquidated	Allowed Claims Paid From Insurance Coverage - Impaired
Class 6: Unsecured	2	\$548,104.80	Subordinated to Classes 1

¹ This summary is provided only for illustrative purposes and convenience of reference. The express and specific terms of the Plan hereinafter set forth in detail shall govern and control any inconsistency or conflict between this descriptive summary and the actual terms of the Plan.

Claims to be Subordinated			Through 5 – Paid as Agreed Between Debtor and Claimants Following Confirmation - Impaired
Class 5: Equity Security Interests	1	100% of Membership Interests in Debtor	Retained Following Confirmation of Plan Unimpaired

I.

INTRODUCTION

A. Filing of the Debtor’s Chapter 11 Reorganization Case

The Debtor filed its petition for relief under Chapter 11 of the Bankruptcy Code on June 4, 2018 (the “**Petition Date**”), in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “**Bankruptcy Court**”). Since the Petition Date, the Debtor has continued to manage its financial affairs and properties as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

B. Purpose of Disclosure Statement

This Disclosure Statement is submitted in accordance with section 1125 of the Bankruptcy Code for the purpose of soliciting acceptances of the Plan from holders of certain Classes of Claims. The only Creditors whose acceptances of the Plan are sought are creditors possessing Claims that are “impaired” by the Plan, as that term is defined in section 1124 of the Bankruptcy Code, and who are receiving distributions under the Plan. Holders of Claims or Interests that are not “impaired” are deemed to have accepted the Plan.

This Disclosure Statement has been prepared and submitted pursuant to the provisions of Section 1125 of the Bankruptcy Code, which requires that a copy of the Plan, or a summary thereof, be submitted to all holders of Claims against the Debtor, along with a written Disclosure Statement containing adequate information about the Debtor of a kind, and in sufficient detail, as far as is reasonably practicable, that would enable a hypothetical, reasonable investor typical of Creditors to make an informed judgment in exercising their right to vote on the Plan.

Section 1125 of the Bankruptcy Code provides, in pertinent part:

(b) An acceptance or rejection of a plan may not be solicited after the commencement of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information. The court may approve a disclosure statement without a valuation of the Debtor or an appraisal of the Debtor’s assets.

* * *

(d) Whether a disclosure statement required under subsection (b) of this section contains adequate information is not governed by any otherwise applicable non-bankruptcy law, rule, or regulation, but an agency or official whose duty is to administer or enforce such a law, rule, or regulation may be heard on the issue of whether a disclosure statement contains adequate information. Such an agency or official may not appeal from, or otherwise seek review of, an order approving a disclosure statement.

(e) A person that solicits acceptance or rejection of a plan, in good faith and in compliance with the applicable provisions of this title, or that participates, in good faith and in compliance with the applicable provisions of this title, in the offer, issuance, sale, or purchase of a security, offered or sold under the plan, of the Debtor, of an affiliate participating in a joint plan with the Debtor, or of a newly organized successor to the Debtor under the plan, is not liable, on account of such solicitation or participation, for violation of any applicable law, rule, or regulation governing solicitation of acceptance or rejection of a plan or the offer, issuance, sale, or purchase of securities.

This Disclosure Statement was approved by the Bankruptcy Court on _____, 2018, which approval is required by the Bankruptcy Code before the Debtor can solicit acceptances of the Plan. Such approval does not constitute a judgment or determination by the Bankruptcy Court as to the desirability of the Plan, or as to the value or suitability of any consideration or treatment proposed or offered under the Plan. Such approval does indicate, however, that the Bankruptcy Court has determined that the Disclosure Statement meets the requirements of Section 1125 of the Bankruptcy Code and contains adequate information to permit the holders of Allowed Claims, whose acceptance of the Plan is solicited, to make an informed judgment regarding acceptance or rejection of the Plan.

The Approval By The Bankruptcy Court Of This Disclosure Statement Does Not Constitute An Endorsement By The Bankruptcy Court Of The Plan Or A Guarantee Of The Accuracy Or Completeness Of The Information Contained Herein. The Material Herein Contained Is Intended Solely For The Use Of Creditors And Holders Of Interests Of The Debtor In Evaluating The Plan And Voting To Accept Or Reject The Plan And, Accordingly, May Not Be Relied Upon For Any Purpose Other Than The Determination Of How To Vote On The Plan. Debtor's Reorganization Pursuant To The Plan Is Subject To Numerous Conditions And Variables And There Can Be No Absolute Assurance That The Plan, As Contemplated and Proposed, Will Be Effectuated As To Debtor.

Debtor Believes That The Plan And The Treatment Of Claims Under The Plan Are In The Best Interests of Creditors, And Urges That You Vote To Accept The Plan.

This Disclosure Statement And Any Exhibits or Appendices May Contain Forward-Looking Statements Relating To Earnings Expectations, Asset Sales Projections, And Liquidation Analysis. Such Plans May Change As Circumstances Warrant. Actual Results May Differ Materially As A Result Of Many Factors, Many Of Which the Debtor Has No Control Over.

C. Hearing on Confirmation of the Plan

The Bankruptcy Court has set _____, 2018, at _:_ . m. Dallas, Texas Time, as the time and date for the hearing (the “**Confirmation Hearing**”) to determine whether the Plan has been accepted by the requisite number of Creditors and whether the other requirements for Confirmation of the Plan have been satisfied. Once commenced, the Confirmation Hearing may be adjourned or continued by announcement in open court with no further notice.

Holders of Claims against the Debtor may vote on the Plan by completing and delivering the enclosed Ballot to: John P. Lewis, Jr., 1412 Main Street, Suite 210, Dallas, Texas 75202 (for more information, call Telephone No. 214-742-5925). **Ballots must be actually received on or before 5:00 p.m. Dallas, Texas time on _____, 2018, in order to be effective and included within the “voting tally” for purposes of determining whether a class of creditors has accepted or rejected the Plan.**

If the Plan is rejected by one or more impaired Classes of creditors or holders of Interests, the Plan, or a modification thereof, may still be confirmed by the Bankruptcy Court under section 1129(b) of the Bankruptcy Code (commonly referred to as a “**cramdown**”) if the Bankruptcy Court determines, among other things, that the Plan does not discriminate unfairly and is fair and equitable with respect to the rejecting Class or Classes of creditors or holders of Interests impaired by the Plan. The procedures and requirements for voting on the Plan are described in more detail below.

D. Sources of Information

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the Debtor, its investments, earnings, properties, and the Plan have been prepared from information furnished by the Debtor. Unless an information source is otherwise noted, the statement was derived from information provided by the Debtor. If the Debtor’s managers, appraisers, or other party have prepared any financial valuations or projections that are included within (or attached as an appendix or exhibit to) this Disclosure Statement, a large portion of the assumptions in those financial projections are based solely upon such party’s industry experience, judgment, and expectations. The assumptions used to derive any *pro forma* projections, anticipated sales proceeds, or operating results are based on the Debtor’s historical experience and industry information available to Debtor and his financial advisors.

Certain of the materials contained in this Disclosure Statement may have been taken directly from other readily accessible documents or are digests of other documents. While the Debtor has made every effort to retain the meaning of such other documents or portions that have been summarized, the Debtor urges that any reliance on the contents of such other documents should depend on a thorough review of the documents themselves. In the event of a discrepancy between this Disclosure Statement and the actual terms of a document, the actual terms of such document shall apply.

The authors of the Disclosure Statement have compiled information from the Debtor without professional comment, opinion or verification and do not suggest comprehensive treatment has been given to matters identified herein. Each Creditor and holder of an Interest is urged to independently investigate any such matters prior to reliance thereon.

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified, and neither the delivery of this Disclosure Statement nor any exchange of rights made in connection with it shall, under any circumstances, create an implication that there has been no change in the facts set forth herein since the date hereof.

No statements concerning the Debtor, the value of his properties, or the value of any benefit offered to any holder of a Claim or Interest in connection with the Plan should be relied upon other than as set forth in this Disclosure Statement. In arriving at your decision, you should not rely on any representation or inducement made to secure your acceptance or rejection that is contrary to information contained in this Disclosure Statement, and any such additional representations or inducements should be reported to counsel for the Debtor, John P. Lewis, Jr. 1412 Main Street, Suite 210, Dallas, Texas 75202; Telephone: (214) 742-5925; Email: jplewisjr@mindspring.com.

II.

EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to Chapter 11, an individual debtor-in-possession such as Debtor attempts to reorganize his financial affairs for the benefit of the Debtor, his creditors, and other parties-in-interest.

The commencement of a Chapter 11 case creates an estate comprising all the legal and equitable interests of the Debtor in property as of the date the petition is filed. Because Debtor is an individual, certain property acquired after the Petition Date also becomes property of the estate. Unless the Bankruptcy Court orders the appointment of a trustee, Sections 1101, 1107 and 1108 of the Bankruptcy Code provide that a Chapter 11 Debtor may continue to manage his financial affairs and control the assets of his estate as a “debtor-in-possession”, which is how the Debtor has conducted his affairs since the Petition Date.

The filing of a Chapter 11 petition also triggers the automatic stay, which is provided by Section 362 of the Bankruptcy Code. The automatic stay essentially halts all attempts to collect pre-petition claims from the Debtor or to otherwise interfere with the Debtor’s financial affairs or his estate.

Formulation of a plan of reorganization is the principal purpose of a Chapter 11 case. The plan sets forth the means for satisfying the allowed claims of creditors against the Debtor.

B. Plan of Reorganization

A plan of reorganization provides the manner in which a Debtor will satisfy the claims of its creditors. After the plan of reorganization has been filed, the holders of claims against or interests in a Debtor are permitted to vote on whether to accept or reject the plan. Chapter 11 does not require that each holder of a claim against or interest in a Debtor vote in favor of a plan of reorganization in order for the plan to be confirmed. At a minimum, however, a plan of reorganization must be accepted by a majority in number and two-thirds in amount of those claims actually voting from at least one class of claims impaired under the plan. The Bankruptcy Code also defines acceptance of a plan of reorganization by a class of interests (equity securities) as acceptance by holders of two-thirds of the number of equity interests actually voted.

Classes of claims or interests that are not “impaired” under a plan of reorganization are conclusively presumed to have accepted the plan and, thus, are not entitled to vote. Acceptances of the Plan in this case are being solicited only from those persons who hold Claims in an impaired Class. A Class is “impaired” if the legal, equitable, or contractual rights attaching to the Claims or Interests of that Class are modified. Modification does not include curing defaults and reinstating maturity or payment in full in cash.

Even if all classes of claims and interests accept a plan of reorganization, the Bankruptcy Court may nonetheless still deny confirmation. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and, among other things, the Bankruptcy Code requires that a plan of reorganization be in the “best interests” of creditors and equity security holders and that the plan of reorganization be feasible. The “best interests” test generally requires that the value of the consideration to be distributed to claimants and interest holders under a plan may not be less than those parties would receive if that Debtor were liquidated under a hypothetical liquidation occurring under Chapter 7 of the Bankruptcy Code. A plan of reorganization must also be determined to be “feasible”, which generally requires a finding that there is a reasonable probability that the Debtor will be able to perform the obligations incurred under the plan of reorganization, and that the Debtor will be able to continue operations without the need for further financial reorganization.

The Bankruptcy Court may confirm a plan of reorganization even though fewer than all of the classes of impaired claims and interests accept it. In order for a plan of reorganization to be confirmed despite the rejection of a class of impaired claims or interests, the proponent of the plan must show, among other things, that the plan of reorganization 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 of reorganization.

Under Section 1129(b) of the Bankruptcy Code, a plan is “fair and equitable” as to a class if, among other things, the plan provides: (a) that each holder of a claim included in the rejecting class will receive or retain on account of its claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) that the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all.

The Bankruptcy Court must further find that the economic terms of the plan of reorganization meet the specific requirements of Section 1129(b) of the Bankruptcy Code with respect to the particular objecting class. The proponent of the plan of reorganization must also meet all applicable requirements of Section 1129(a) of the Bankruptcy Code (except Section 1129(a)(8) if the proponent proposes to seek confirmation of the plan under the provisions of Section 1129(b)). These requirements include the requirement that the plan comply with applicable provisions of the Bankruptcy Code and other applicable law, that the plan be proposed in good faith, and that at least one impaired class of creditors has voted to accept the plan.

III.

VOTING PROCEDURES AND REQUIREMENTS FOR CONFIRMATION

If you are in one of the Classes of Claims whose rights are affected by the Plan (*see* “Summary of the Plan” below), it is important that you vote. **If you fail to vote, your rights may be jeopardized.**

A. “Voting Claims” -- Parties Entitled to Vote

Pursuant to the provisions of Section 1126 of the Bankruptcy Code, holders of Claims or Interests that are (i) allowed, (ii) impaired, and (iii) that are receiving or retaining property on account of such Claims or Interests pursuant to the Plan, are entitled to vote either for or against the Plan (“**Voting Claims**”). Accordingly, in this case, any holder of a Claim classified in Classes 3 and 4 of the Plan may have a Voting Claim and should have received a ballot for voting (with return envelope) in these Disclosure Statement and Plan materials (hereinafter, “**Solicitation Package**”) since these are the Classes consisting of impaired Claims that are receiving distributions of payments or property under the Plan.

As referenced in the preceding paragraph, a Claim must be allowed to be a Voting Claim. The Debtor filed schedules in these bankruptcy cases listing Claims against the Debtor. To the extent a creditor’s Claim was listed in the Debtor’s schedules (or any supplemental or amended schedules), and was **not** listed as disputed, contingent, or unliquidated, it is deemed “allowed” unless or until a party in interest timely files an objection to such Claim. Any creditor whose Claim was **not** scheduled, or was listed as disputed, contingent or unliquidated, must have timely filed a proof of Claim in order to have an “allowed” Claim. **As of the date of this Disclosure Statement, the “claims bar date” for filing proofs of claim timely is October 3, 2018.** Absent an objection to that proof of Claim, it is deemed “allowed.” In the event that any proof of Claim is subject to an objection by the Debtor as of or during the Plan voting period (“**Objected-to Claim**”), then, by definition, it is not “allowed,” for purposes of Section 1126 of the Bankruptcy Code, and is not to be considered a Voting Claim entitled to cast a ballot. Nevertheless, pursuant to Bankruptcy Rule 3018(a), the Debtor or the holder of an Objected-to Claim may file a motion with the Bankruptcy Court, after notice and hearing, to allow the Claim temporarily for voting purposes in an amount that the Bankruptcy Court deems proper. Allowance of a Claim for voting purposes, and disallowance for voting purposes, does not necessarily mean that all or a portion of the Claim will be allowed or disallowed for distribution or other purposes.

By Enclosing a Ballot With This Disclosure Statement, Debtor is Not Representing That You Possess or Hold An Allowable Claim Or That You Are Entitled To Vote On The Plan.

B. Return of Ballots

If you are a holder of a Voting Claim, your vote on the Plan is important. Completed ballots should either be returned in the enclosed envelope or otherwise sent to counsel for the Debtor at the following address:

John P. Lewis, Jr.
1412 Main Street, Suite 210
Dallas, Texas 75202
Telephone: 214-742-5925
Facsimile: 214-742-7110
Email: jplewisjr@mindspring.com

1. Deadline for Submission of Ballots

Ballots must actually be received by Debtor's counsel, whether by mail, facsimile, or hand-delivery, by _____, 2018, at 5:00 P.M. Dallas, Texas Time (The "Ballot Return Date"). Any Ballots received after that time will not be counted. Any Ballot which is not executed by a person authorized to sign such Ballot will not be counted. If you have any questions regarding the procedures for voting on the Plan, contact Counsel for the Debtor, John P. Lewis, Jr., 1412 Main Street, Suite 210, Dallas, Texas 75202, Telephone (214) 742-5925, Telecopy (214) 742-7110, Email: jplewisjr@mindspring.com.

Debtor Urges All Holders Of Voting Claims To Vote In Favor Of The Plan.

C. Confirmation of Plan

1. Solicitation of Acceptances

The Debtor is soliciting your vote. The cost of any solicitation by the Debtor will be borne by the Debtor. No compensation shall be received by any party for any solicitation other than as disclosed to and approved by the Bankruptcy Court.

No Representations Or Assurances, If Any, Concerning The Debtor (Including, Without Limitation, His Future Income Or Projections of Anticipated Property Sale Prices or Net Sale Proceeds) Or The Plan Are Authorized By The Debtor Other Than As Set Forth In This Disclosure Statement. Any Representations Or Inducements Made By Any Person To Secure Your Vote That Are Other Than Herein Contained Should Not Be Relied Upon By You In Arriving At Your Decision, And Such Additional Representations Or Inducements Should Be Reported To Counsel For The Debtor So That He May Take Such Action As May Be Deemed Appropriate On Account Thereof.

This Is A Solicitation Solely By The Debtor And Is Not A Solicitation By Any Attorney, Accountant, Other Advisor, Or Agent Of The Debtor. The Representations, If Any, Made Herein Are Those Of The Debtor And Not Of Such Attorney, Accountant, Other Advisor, Or Agent, Except As May Be Otherwise Specifically And Expressly Indicated.

Under the Bankruptcy Code, a vote for acceptance or rejection of a plan may not be solicited unless the claimant has received a copy of a disclosure statement approved by the Bankruptcy Court prior to, or concurrently with, such solicitation. This solicitation of votes on the Plan is governed by Section 1125(b) of the Bankruptcy Code. Violation of Section 1125(b) of the Bankruptcy Code may result in sanctions by the Bankruptcy Court, including disallowance of any improperly solicited vote.

2. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the requirements of Section 1129 of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court shall enter an Order confirming the Plan. For the Plan to be confirmed, Section 1129 requires, among other things, that:

- (i) The Plan complies with the applicable provisions of the Bankruptcy Code;
- (ii) The Debtor has complied with the applicable provisions of the Bankruptcy Code;
- (iii) The Plan has been proposed in good faith and not by any means forbidden by law;
- (iv) Any payment or distribution made or promised by Debtor or by a person issuing securities or acquiring property under the Plan for services or for costs and expense in connection with the Plan has been disclosed to the Bankruptcy Court, and any such payment made before the confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;
- (v) With respect to each impaired Class of Claims or Interests, either each holder of a Claim or Interest of the Class has accepted the Plan or will receive or retain under the Plan on account of that 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. If Section 1111(b)(2) of the Bankruptcy Code applies to the Claims of a Class, each holder of a Claim of that Class will receive or retain under the Plan on account of that Claim property of a value, as of the Effective Date, that is not less than the value of that holder's interest in the Debtor's interest in the property that secures that Claim;
- (vi) Each Class of Claims or Interests has either accepted the Plan or is not impaired under the Plan;

(vii) Except to the extent that the holder of a particular Administrative Claim or Priority Claim has agreed to a different treatment of its Claim, the Plan provides that Administrative Claims and Priority Claims shall be paid in full on the Effective Date or the date on which it is Allowed;

(viii) If a Class of Claims or Interests is impaired under the Plan, at least one Class of Claims or Interests that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim or Interest of that Class; and

(ix) 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.

Because Debtor is an individual, Section 1129(a)(15) of the Bankruptcy Code requires the following if a holder of an Allowed Unsecured Claim objects to confirmation of the Plan:

(A) the value, as of the Effective Date of the Plan, of the property to be distributed under the Plan on account of such Claim is not less than the amount of such Claim; or

(B) the value of the property to be distributed under the Plan on account of such Claim is not less than the projected disposable income of the Debtor (as defined in Section 1325(b)(2) of the Bankruptcy Code) to be received during the 5-year period beginning on the date that the first payment is due under the Plan, or during the period for which the Plan provides payments, whichever is longer.

Debtor believes that the Plan satisfies all of the statutory requirements of the Bankruptcy Code and that the Plan was proposed in good faith. Debtor believes that he has complied or will have complied with all the requirements of the Bankruptcy Code for confirmation of the Plan.

3. Acceptances Necessary to Confirm the Plan

Voting on the Plan by each holder of a Claim is important. Chapter 11 of the Bankruptcy Code does not require that each holder of a Claim or Interest vote in favor of the Plan in order for the Court to confirm the Plan. Generally, to be confirmed under the acceptance provisions of Section 1126(a) of the Bankruptcy Code, the Plan must be accepted by each Class of Claims that is impaired under the Plan by Class members holding at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class actually voting in connection with the Plan. Even if all Classes of Claims accept the Plan, the Bankruptcy Court may refuse to confirm the Plan.

4. Cramdown

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

With respect to a secured claim, “fair and equitable” means either (i) the impaired secured creditor retains its liens to the extent of its allowed claim and receives deferred cash payments at least equal to the allowed amount of its claims with a present value as of the effective date of the plan at least equal to the value of such creditor’s interest in the property securing its liens, (ii) property subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien attaching to the proceeds of sale, and such lien proceeds must be treated in accordance with clauses (i) and (iii) hereof, or (iii) the impaired secured creditor realizes the “indubitable equivalent” of its claim under the plan.

With respect to an unsecured claim, “fair and equitable” means that either (i) each impaired creditor receives or retains property of a value equal to the amount of its allowed claim, or (ii) the holders of claims and equity interests that are junior to the claims of the dissenting class will not receive any property under the plan.

In the event one or more Classes of impaired Claims rejects or is deemed to have rejected the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired Class of Claims or Interests.

Debtor believes that the Plan does not discriminate unfairly and is fair and equitable with respect to each Class of Claims and Interests that is impaired.

VI. DEFINED TERMS, RULES OF INTERPRETATION, AND COMPUTATION OF TIME UNDER PLAN AND DISCLOSURE STATEMENT

6.1 Scope of Defined Terms in Plan; Rules of Construction

For purposes of this Disclosure Statement, except as expressly defined elsewhere in this Disclosure Statement or unless the context otherwise requires, all capitalized terms used herein shall have the meanings ascribed to them in Article I of the Plan or as otherwise defined in the Plan, **WHICH DEFINED PLAN DEFINITIONS AND TERMS ARE HEREBY INCORPORATED HEREIN BY REFERENCE THERETO and are set forth in Schedule I attached to this Disclosure Statement for convenience of reference.** Any term used but not defined herein that is defined in the Bankruptcy Code or the Bankruptcy Rules, as the case may be, shall have the meaning ascribed in the Bankruptcy Code or the Bankruptcy Rules. Whenever

the context requires, such terms shall include the plural as well as the singular. The masculine gender shall include the feminine, and the feminine gender shall include the masculine.

6.2 Rules of Interpretation

For purposes of the Plan and this Disclosure Statement, (i) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (ii) any reference in the Plan to an existing document or exhibit Filed or to be Filed means such document or exhibit as it may have been or may be amended, modified, or supplemented as permitted herein; (iii) unless otherwise specified, all references in the Plan to Sections, Articles, Schedules, and Exhibits are references to Sections, Articles, Schedules, and Exhibits of or to the Plan; (iv) the words “herein,” “hereto,” and “hereof” refer to the Plan in its entirety rather than to a particular portion of the Plan; (v) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; and (vi) the rules of construction set forth in Bankruptcy Code section 102 and in the Bankruptcy Rules shall apply.

6.3 Computation of Time

In computing any period of time prescribed or allowed by this Disclosure Statement or the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

6.4 Reference to Monetary Figures

All references in this Disclosure Statement or the Plan to monetary figures shall refer to legal currency of the United States of America, unless otherwise expressly provided.

6.5 Exhibits and Plan Supplement

All schedules and exhibits to this Disclosure Statement (or to the Plan), if any, are incorporated into and are a part of this Disclosure Statement as if set forth in full therein. Holders of Claims may obtain a copy of any filed schedules or exhibits upon written request to Debtor or his counsel. Debtor explicitly reserves the right to modify or make additions to or subtractions from any schedule or exhibit or to the Plan and to amend, modify or supplement any schedule or exhibit to the Plan prior to the Confirmation Date.

VII. PLAN’S TREATMENT OF UNCLASSIFIED CLAIMS (Not Entitled To Vote On The Plan)

In accordance with Bankruptcy Code section 1123(a)(1), Administrative Claims (including Allowed Professional Fee Claims) and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Interests set forth in Article III hereof. These unclassified Claims are treated as follows:

7.1 Administrative Claims

Except as otherwise provided for in the Plan, each Holder of an Allowed Administrative Claim (including the Holder of an Allowed Professional Fee Claim) shall receive from the Reorganized Debtor in full satisfaction, release, settlement, and discharge of and in exchange for such Allowed Administrative Claim the amount of such Allowed Administrative Claim, in Cash, on or as soon as practicable after the later of (i) the Effective Date; (ii) the date that is ten (10) Business Days after the date such Claim is Allowed; or (iii) such other date as established in the ordinary course of business or as may be agreed upon in writing by the holder of such Claim and the Debtor, or, after the Effective Date, the Reorganized Debtor. To the extent that any Allowed Administrative Claims are not paid in full on the Effective Date (whether from Debtor's then existing funds or prepetition retainers held by administrative claimants), such Allowed Administrative Claims will be paid by the Reorganized Debtor from its future earnings and receipts as the parties may agree.

7.2 Priority Tax Claims

Each Holder of an Allowed Priority Tax Claim, if any, shall receive, in full satisfaction of such holder's Allowed Claim, the amount of such holder's Allowed Priority Tax Claim in cash on the Effective Date or within 30 Business Days thereafter.

VIII.

PLAN'S CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

8.1 Introduction

The categories of Claims and Interests set forth below classify Claims and Interests for all purposes, including for purposes of voting, confirmation, and distribution pursuant to this Plan and Bankruptcy Code sections 1122 and 1123(a)(1). A Claim or Interest shall be deemed classified in a particular Class only to the extent that it qualifies within the description of such Class, and shall be deemed classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. Notwithstanding anything to the contrary in this Plan, a Claim or Interest shall be deemed classified in a Class only to the extent that such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date.

All Claims (except for Administrative Claims and Priority Tax Claims, which are not classified pursuant to Bankruptcy Code section 1123(a)(1)) are classified below.

8.2 Voting; Acceptance by Impaired Classes

Each Impaired Class of Claims that will (or may) receive or retain property or any interest in property under the Plan shall be entitled to vote to accept or reject the Plan. An Impaired Class of Claims shall have accepted the Plan if (i) the Holders (other than any Holder designated under Bankruptcy Code section 1126(e)) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (ii) the Holders (other than any Holder designated under Bankruptcy Code section 1126(e)) of more than one-

half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

(i) Class 1: Secured Tax Claims

Classification: Class 1 consists of all Allowed Secured Tax Claims, if any, against the Debtor. The Debtor believes that *ad valorem* property taxes due the Ellis County, Texas, Taxing Authorities for 2018, which are Claims arising after the Petition Date, are the only Claims within this Class.

Treatment: Each Holder of an Allowed Secured Tax Claim shall receive in full satisfaction, release and discharge of and in exchange for such Allowed Secured Tax Claim, and the Lien securing the same, the following:

Interest – Secured Tax Claims, if any, arising before the Petition Date shall accrue interest from the Petition Date through the Effective Date of the Plan and from the Effective Date through payment in full at the applicable non-bankruptcy state statutory rate pursuant to Sections 506(b), 511, and 1129.

Payment – The Secured Tax Claims shall be paid on the Effective Date, within 30 Business Days thereafter, or on or before when any such Secured Tax Claim actually becomes due and owing to the applicable taxing authorities under applicable non-bankruptcy laws. Allowed Secured Tax Claims for 2018 *ad valorem* property taxes will be paid on or before January 31, 2019, which is the date such taxes become due and owing under applicable property tax laws.

Preservation of Liens – Each Holder of an Allowed Secured Tax Claim shall retain all Liens in, to, or against any Property of the Debtor and its Estate, which Liens shall continue to apply and attach to the Property of the Reorganized Debtor, all with the same validity, extent, and priority as otherwise exists, pending the payment of the Allowed Secured Tax Claim in full, together with all interest, whereupon each Lien securing such Allowed Secured Tax Claim shall be automatically, and without need for further order, document, or action, released and discharged.

Inchoate Liens – Allowed Secured Tax Claim Liens shall not be affected by the Plan. Nothing in the Plan releases, waives, or discharges any Lien arising by operation of Texas law on January 1, 2018 for year 2018 *ad valorem* taxes, which Liens and taxes shall remain payable and enforceable under applicable nonbankruptcy law.

Voting: Claims in Class 1 are Unimpaired.

(ii) Class 2: Priority Non-Tax Claims

Classification: Class 2 consists of all Allowed Priority Non-Tax Claims, if any, against the Debtor. The Debtor does not believe that there are any Creditors in this Class 2.

Treatment: Except to the extent that a Holder of an Allowed Claim in Class 2 has agreed in writing with the Debtor (or the Reorganized Debtor) to a different treatment (in which event

such other writing will govern), each Holder of an Allowed Claim in Class 2 shall receive in full satisfaction, release and discharge of and in exchange for, such Claim, the amount of such holders' Allowed Claim in full on Effective Date or within 30 Business Days thereafter without interest.

Voting: Claims in Class 2 are Impaired. Each Holder of an Allowed Claim in Class 2, if any, shall be entitled to vote to accept or reject the Plan.

(iii) Class 3: Secured Claim of JPMorgan Chase Bank

Classification: Class 3 consists of the Allowed Claim of JPMorgan Chase Bank secured by a Lien on the Shopping Center. The Class 3 Secured Claim is serviced by Rushmore Loan Management Services and shall include any amounts that may be due to such servicer.

Payment: The Allowed Class 3 Secured Claim of JPMorgan Chase Bank (Proof of Claim No. 4) will be deemed a fully secured claim in the amount of at least \$2,324,377.54. The holder of the Allowed Class 3 Secured Claim shall retain all Liens on its Collateral securing such Claim until the Allowed Class 3 Secured Claim is satisfied and paid in full. Debtor shall pay the Allowed Class 3 Secured Claim in full on the Effective Date or within 30 Business Days thereafter without premium or penalty.

Application of Payments and Prepayments: All payments and prepayments on account of the Allowed Class 3 Secured Claim shall be applied first to accrued and unpaid interest and then to the principal balance of such Claim.

Release of Liens on Collateral: The Holder of the Allowed Class 3 Claim shall release its Liens on the Shopping Center and any other Collateral upon full payment and satisfaction of the Allowed Class 3 Claim.

Voting: The Class 3 Claim is Impaired. The Holder of the Allowed Class 3 Claim shall be entitled to vote to accept or reject the Plan.

Following payment of the foregoing payments, Debtor will have no further obligations under the Plan or otherwise to make any further payments to the Holder of the Allowed Class 3 Secured Claim.

(vii) Class 4: General Unsecured Claims

Classification: Class 4 consists of Allowed Unsecured Claims not otherwise classified in this Plan and includes the following Claims:

- a. Claim of American Express Nation Bank (Proof of Claim Nos. 1 and 2) in the amounts of \$8,065.55 and \$618.77 respectively;
- b. Scheduled Claim of Krage & Janvey, LLP in the amount of \$15,000; and
- c. Scheduled Claim of Susan Simmons in the amount of \$175,000;

Treatment: Allowed Class 4 Claims shall be paid in full without interest in cash on the Effective Date or within 30 Business Days thereafter.

The foregoing payments and distributions on account of Allowed Class 4 Claims shall be in full payment and satisfaction of such Allowed Class 4 Unsecured Claims.

Voting: Class 4 Claims are Impaired. Each Holder of an Allowed Class 4 Claim shall be entitled to vote to accept or reject the Plan.

(ix) **Class 5: Disputed and Unliquidated Claims of Tort Claimants**

Classification: Class 5 consists of Allowed Unsecured Claims by tort and similar claimants that were disputed or unliquidated as of the Petition Date and includes the Claim of Diane Akerman in an unliquidated and unknown amount.

Treatment: Class 5 Claimants shall be allowed to commence or proceed with any legal proceeding following the Effective Date to adjudicate and liquidate their Claims. The amount, if any, awarded to Class 5 Claimants by a Final Order of the Court or other tribunal adjudicating such Class 5 Claims shall be deemed the amount of such Claimant's Allowed Claim for purposes of this Plan. The amount of such Allowed Class 5 Claim shall be paid by the insurer(s) issuing any insurance policy(ies) covering such Claim.

The foregoing payments and distributions on account of Allowed Class 5 Claims shall be in full payment and satisfaction of such Allowed Class 5 Unsecured Claims.

Voting: Class 5 Claims are Impaired. Each Holder of an Allowed Class 5 Claim shall be entitled to vote to accept or reject the Plan.

(x) **Class 6: Unsecured Claims to be Subordinated to Other Classes**

Classification: Class 6 consists of the following two Allowed Unsecured Claims:

- a. Scheduled Claim of Dorothy Shelly in the amount of \$353,933.04; and
- b. Scheduled Claim of Randy Shelly in the amount of \$194,171.76.

Treatment: The Holders of the Class 6 Allowed Claims have agreed to subordinate their Allowed Claims to Holders of Allowed Claims in Classes 1 through 6. Class 6 Claims shall be paid as such Holders and Debtor may agree following Confirmation and following payment in full of all Allowed Claims pursuant to this Plan. Notwithstanding the foregoing, Class 6 Claimants may be paid on account of their Allowed Class 6 Claims even if Claims of tort Claimants in Class 5 have not been adjudicated or Allowed by a Final Order.

Voting: Class 6 Claims are Impaired. Each Holder of an Allowed Class 4 Claim shall be entitled to vote to accept or reject the Plan.

(xi) **Class 7: Equity Security Holders**

Classification: Class 7 consists of the Interests of Debtor's Equity Security Holders and includes the membership Interests of Dorothy Shelly.

Treatment: Equity Security Holders shall retain their Interests in Debtor or Reorganized Debtor and all rights incident thereto following Confirmation.

Nonimpairment/Acceptance: The Class 7 Interests of the Debtor's Equity Security Holders are Unimpaired and shall be deemed to have accepted the Plan.

IX.

MEANS FOR IMPLEMENTING PLAN

9.1 Debtor's Existing Funds.

This Plan shall be funded and implemented through a combination of Debtor's existing funds and the financing proceeds Debtor receives from its new lender following Confirmation.

9.2 Management of Property and Financial Affairs During Period Between the Confirmation Date and the Effective Date.

During the period from the Confirmation Date through and until the Effective Date, the Debtor shall continue to manage its properties and financial affairs as a Debtor in Possession, or Reorganized Debtor subject to the supervision of the Bankruptcy Court in compliance with the Bankruptcy Code, the Bankruptcy Rules, and all orders of the Bankruptcy Court that are then in full force and effect.

9.3 Re-Vesting of Property

On the Effective Date, except as otherwise provided in this Plan, title to all of the Debtor's Property and assets shall vest in the Reorganized Debtor free and clear of all Liens, claims, interests, security interests and other encumbrances and without further order of the Bankruptcy Court except for Liens that are expressly retained and preserved by this Plan. On and after the Effective Date, except as otherwise provided in the Plan, the Reorganized Debtor may manage his financial affairs and may use, acquire, and dispose of his Property and assets free of any restriction of the Bankruptcy Code.

9.4 Authorized Action

The entry of the Confirmation Order shall constitute authorization for the Reorganized Debtor to take or cause to be taken all actions necessary or appropriate to implement all provisions of, and to consummate, the Plan on and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation. The Reorganized Debtor is authorized and directed to do all things and to execute

and deliver all agreement, documents, instruments, notices and certificates as are contemplated by the Plan and to take all necessary actions required in connection therewith, in the name of and on behalf of the Debtor and Reorganized Debtor. The authorizations provided in this Plan and this Paragraph 4.4 of the Plan expressly authorize Debtor and Reorganized Debtor to execute such loan and security documents and to take all action required or deemed advisable or necessary to close the post-Confirmation financing whereby Debtor receives the funds to implement and consummate this Plan and make the payments to holders of Allowed Claims required hereunder.

9.5 Distribution Procedures

Any payments or distributions to be made by the Reorganized Debtor to Claimants as required by the Plan shall be made only to the holders of Allowed Claims. Any payments or distributions to be made by the Reorganized Debtor shall be made pursuant to this Plan. Any payment, delivery or distribution by the Reorganized Debtor pursuant to the Plan, to the extent delivered by the United States mail, shall be deemed made when deposited by the Reorganized Debtor into the United States mail. Distributions or deliveries required to be made by the Plan on a particular date shall be deemed to have been made on such date if actually made on such date or as soon thereafter as practicable taking into account the need to establish reserves and account for Disputed Claims, if any. No payments or other distributions of property shall be made by Debtor or Reorganized Debtor on account of any Claim or portion thereof unless and until such Claim or portion thereof is Allowed by the express terms of this Plan or by a Final Order.

The Reorganized Debtor will establish reserves for any Disputed Claims, and defer or delay distributions to ensure an equitable and ratable distribution to Holders of Allowed Claims, in accordance with the terms of the Plan. The Debtor and the Reorganized Debtor will make no distributions upon a Claim held by a party, if any, against whom the Debtor or the Reorganized Debtor asserts any Avoidance Action until resolution of the Avoidance Action by settlement, Final judgment, or as otherwise provided by a Final Order of the Bankruptcy Court. Avoidance Actions are retained as Property of the Debtor under the Bankruptcy Code and such actions may be pursued solely by the Debtor or, after the Effective Date, the Reorganized Debtor.

9.6 Cancellation of Existing Secured Claims

Upon the full payment or other satisfaction of any Allowed Secured Claim, or promptly thereafter, the Holder of such Allowed Secured Claim shall deliver to the Debtor (or Reorganized Debtor after the Effective Date) any Collateral or other property of Debtor held by such Holder, and any termination statements, instruments of satisfactions, or releases of all Liens or security interests with respect to its Allowed Secured Claim that may be reasonably required in order to terminate any related financing statements, deeds of trust, mortgages, mechanic's liens, or *lis pendens*.

9.7 Preservation of Rights of Action; Settlement

All rights, claims, Causes of Action, (including Avoidance Actions, which definition explicitly includes preference actions pursuant to 11 U.S.C. § 547), defenses, and counterclaims of or accruing to the Debtor or his Bankruptcy Estate shall become assets of and vest in the

Reorganized Debtor, whether or not litigation relating thereto is pending on the Effective Date, and whether or not any such rights, claims, Causes of Action, defenses and counterclaims have been listed or referred to in the Plan, the Schedules, or any other document filed with the Bankruptcy Court. The Reorganized Debtor does not waive, relinquish, or abandon (nor shall he be estopped or otherwise precluded from asserting) any right, claim, Cause of Action, defense, or counterclaim that constitutes property of the Debtor or his Bankruptcy Estate: (a) whether or not such right, claim, Cause of Action, defense, or counterclaim has been listed or referred to in the Plan or the Schedules, or any other document filed with the Bankruptcy Court; (b) whether or not such right, claim, Cause of Action, defense, or counterclaim is currently known to the Debtor; and (c) whether or not a defendant in any litigation relating to such right, claim, Cause of Action, defense or counterclaim filed a Proof of Claim in the Chapter 11 Case, filed a notice of appearance or any other pleading or notice in the Chapter 11 Case, voted for or against the Plan, or received or retained any consideration under the Plan.

X

PROVISIONS GOVERNING DISTRIBUTIONS

10.1 Date of Distributions

Distributions shall be made on the dates specified in Article III with respect to each Allowed Claim. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be complete on the next succeeding Business Day, but shall be deemed to have been complete as of the required date.

10.2 Disbursing Agent

All distributions under the Plan shall be made by the Reorganized Debtor. The Reorganized Debtor shall be empowered to (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan, (b) make all distributions contemplated hereby, and (c) exercise such other powers as may be necessary and proper to implement the provisions hereof.

10.3 Delivery of Distributions

(a) General. Subject to Bankruptcy Rule 9010, all distributions to a Holder of an Allowed Claim shall be made to the address of the Holder thereof as set forth on such Holder's Proof of Claim, or if no Proof of Claim has been filed, (i) on the Schedules filed with the Bankruptcy Court, (ii) on the books and records of the Debtor or its agents, or (iii) in a letter of transmittal by such Holder, unless the Debtor or Reorganized Debtor has been notified in writing of a change of address.

(b) Withholding and Reporting Requirements. In connection with the Plan and all instruments issued in connection therewith and distributed thereon, any party issuing any instrument or making any distribution under the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority,

and all distributions under the Plan shall be subject to any such withholding or reporting requirements, including the receipt by the Debtor or Reorganized Debtor of an accurate and completed IRS Form W-9 for the applicable Claimant. Notwithstanding the above, each Holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under the Plan has the right, but not the obligation, to not make a distribution until such Holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

10.4 Unclaimed Distributions

In the event that any distribution to any Holder is returned as undeliverable, the Reorganized Debtor shall use reasonable efforts to determine the current address of such Holder, but no distribution to such Holder shall be made unless and until the Reorganized Debtor have determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest from the original distribution date through the new distribution date; provided that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the delivery thereof. After such date, all unclaimed property shall revert to the Reorganized Debtor for distribution pursuant to Article III of its Plan, and the Claim of any other Entity to such property or interest in property shall be discharged and forever barred.

10.5 Manner of Payment

At the option of the Reorganized Debtor, any Cash payment to be made hereunder may be made by a check, wire transfer, or any other lawful means.

XI.

PROCEDURES FOR DISPUTED CLAIMS

11.1 Objections / Objection Deadline

(a) The Debtor, Reorganized Debtor, or any other party in interest shall be entitled to object to any Claim other than an Allowed Claim through and after the Effective Date. Any objections to Claims by any party in interest shall be served and filed with the Bankruptcy Court on or before thirty (30) days after the Effective Date, as such time may be extended by order of the Bankruptcy Court.

11.2 No Payment Pending Allowance

Notwithstanding any other provision in the Plan, if any portion of a Claim is disputed, then no payment or distribution provided hereunder shall be made on account of any portion of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

11.3 Distributions After Allowance

To the extent that a Disputed Claim becomes an Allowed Claim, the Disbursing Agent shall distribute to the Holder of such Claim the property distributable with respect to such Claim in accordance with Article III of the Plan. Such distributions shall be made as soon as practicable after the later of (i) the date that the order or judgment of the Bankruptcy Court allowing such Disputed Claim (or portion thereof) becomes a Final Order, (ii) the date on which any objection to such Disputed Claim has been withdrawn, or (iii) the date on which such Disputed Claim has been settled, compromised, or otherwise resolved. To the extent that all or a portion of a Disputed Claim is disallowed, the Holder of such Claim shall not receive any distribution on account of the portion of such Claim that is disallowed and any property or payments withheld, if any, pending the resolution of such Claim shall revert in the Reorganized Debtor for distribution pursuant to Article III of its Plan.

11.4 Resolution of Disputed Claims

Notwithstanding any prior order of the Bankruptcy Court, on and after the Effective Date, the Reorganized Debtor shall have the authority to compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims and to compromise, settle, or otherwise resolve any Disputed Claims without approval of the Bankruptcy Court, other than with respect to Administrative Claims relating to compensation of professionals.

XII

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

12.1 Assumption or Rejection of Executory Contracts and Unexpired Leases

Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtor and any Person or Entity, shall be deemed assumed.

12.2 Approval of Assumption of Executory Contracts and Unexpired Leases

Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption of the Debtor's executory contracts and unexpired leases.

12.3 Inclusiveness

Unless otherwise specified, each executory contract and unexpired lease assumed pursuant hereto shall include any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease.

12.4 Cure of Monetary Defaults

Except to the extent that different treatment has been agreed to by the non-debtor party or parties to any executory contract or unexpired lease that is being assumed under the Plan, the Debtor shall, pursuant to the provisions of sections 1123(a)(5)(G) and 1123(b)(2) of the Bankruptcy Code and consistent with the requirements of section 365 of the Bankruptcy Code, promptly cure any monetary defaults that may exist under any assumed executory contract or unexpired lease as of the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtor, shall retain his rights to contest the amounts, if any, necessary to cure any defaults through the Effective Date.

12.5 Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan.

In the event that the rejection of an executory contract or unexpired lease by the Debtor pursuant to the Plan results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a timely filed Proof of Claim, shall be forever barred and shall not be enforceable against the Debtor or the Reorganized Debtor, or its properties or interest in property as agents, successors, or assigns, unless a Proof of Claim is filed with the Bankruptcy Court and served upon the attorneys for the Debtor on or before the thirtieth (30th) day after the later of (i) the date of service of notice of the Effective Date, or (ii) the date of service of notice of such later rejection date that occurs as a result of a dispute concerning amounts necessary to cure any defaults (solely with respect to the party directly affected by such modification).

XIII

EFFECT OF CONFIRMATION – DISCHARGE AND INJUNCTIONS EFFECT OF CONFIRMATION

13.1 Discharge of Claims

Except as provided in the Plan, the rights afforded in and the payments and distributions to be made under the Plan shall be in exchange for and in complete satisfaction, discharge, release, termination, and cancellation of all existing debts, Claims of any kind, nature, or description whatsoever, including any interest accrued on any Claims from and after the Petition Date, against the Debtor or any of its assets or properties to the fullest extent permitted by section 1141 of the Bankruptcy Code. Except as provided in the Plan, upon the Effective Date, all existing Claims against the Debtor shall be, and shall be deemed to be, discharged, terminated, and cancelled, as applicable, and all Holders of Claims shall be precluded and enjoined from asserting against the Reorganized Debtor, its successors or assignees, or any of their assets or properties, any other or further Claim based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such Holder has filed a proof of Claim, and whether or not the facts or legal bases therefor were known or existed prior to the Effective Date.

13.2 Discharge of Debtor

Upon the Effective Date and in consideration of the distributions to be made under the Plan, except as otherwise expressly provided in the Plan, each Holder of a Claim and any affiliate of such Holder shall be deemed to have forever waived, released and discharged the Debtor, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, rights, and liabilities that arose prior to the Effective Date. As provided in section 524 of the Bankruptcy Code, such discharge shall void any judgment against the Debtor, its Estate, or any successor thereto at any time obtained to the extent it relates to a Claim discharged. Upon the Effective Date, all Persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any discharged Claim against the Debtor, the Estate, or any successor thereto.

13.3 Injunction or Stay

Except as otherwise expressly provided in the Plan, all persons or entities who have held, hold or may hold Claims against or Equity Interests in the Debtor along with their respective present and former employees, agents, officers, directors, principals and affiliates, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against the Debtor, the Reorganized Debtor, their respective Estates, or any of their respective property, with respect to such Claim or Equity Interest (other than actions brought to enforce any rights or obligations under the Plan, the Minerva Settlement Agreement, or the Jordan Settlement Agreement, as applicable);

- (i) commencing or continuing in any manner any action or other proceeding of any kind,
- (ii) enforcing, attaching, collecting or recovering by any manner or means, whether directly or indirectly, of any judgment, award, decree or order,
- (iii) creating, perfecting, or enforcing, in any manner, directly or indirectly, any encumbrance of any kind, or
- (iv) asserting any right of setoff, subrogation or recoupment of any kind.

Such injunction shall extend to any successors of the Debtor and the Reorganized Debtor and their respective properties and interests in properties.

13.4 Exculpation of the Reorganized Debtor and Representatives

Notwithstanding anything herein to the contrary, as of the Effective Date, neither the Reorganized Debtor nor any directors, officers, managers, employees, partners, members, shareholders, agents, representatives, accountants, expert witnesses and/or attorneys for Debtor and Reorganized Debtor shall have or incur any liability for any claim, cause of action or other assertion of liability for any act taken or omitted to be taken prior to or since the Petition Date in connection with, or arising out of, the Chapter 11 Case, the formulation, dissemination, confirmation, consummation, or administration of the Plan, property to be distributed under the Plan, or any other act or omission in

connection with the Chapter 11 Case, the Plan, the Disclosure Statement or any contract, instrument, document or other agreement related thereto or any Claims satisfied or to be satisfied thereby; provided, however, that the foregoing shall not affect the liability of any person that would otherwise result from any such act or omission to the extent such act or omission is determined by a Final Order to have constituted willful misconduct, gross negligence, fraud, criminal conduct, intentional unauthorized misuse of confidential information that causes actual damages, or *ultra vires* act.

13.5 Mandatory Jurisdiction for Certain Claims Against Debtor's Representatives and Professionals

Exclusive jurisdiction for any claim, cause of action or other assertion of liability against Debtor's agents, representatives, accountants, expert witnesses and/or attorneys for any act taken or omitted to be taken between the Petition Date and the Effective Date in connection with, or arising out of the Chapter 11 Cases, the formulations, dissemination, confirmation, consummation or administration of the Plan shall lie with the Bankruptcy Court or the United States District Court for the Northern District of Texas, Dallas Division, to the extent that the Bankruptcy Court does not have competent authority or jurisdiction over such claim or cause of action.

XIV

CONDITIONS PRECEDENT TO PLAN'S EFFECTIVE DATE

14.1 Conditions Precedent to Effectiveness

The Effective Date shall not occur and the Plan shall not become effective unless and until the following conditions are satisfied in full:

(a) The Confirmation Order, in form and substance reasonably satisfactory to the Debtor shall have been entered by the Bankruptcy Court and shall not be subject to any stay or injunction;

(b) All actions, documents, and agreements necessary to implement the Plan shall have been effected or executed; and

(c) The Effective Date shall occur on or prior to January 1, 2019.

14.2 Effect of Failure of Conditions to Effective Date

In the event the conditions precedent specified in Section 9.1 hereof have not been satisfied on or prior to December 1, 2018, then (i) the Confirmation Order shall be vacated, (ii) no distributions under the Plan shall be made, (iii) the Debtor and all Holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred, (iv) all of the Debtor's obligations with respect to the Claims and Equity Interests shall remain unchanged and nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtor or any other Entity or to prejudice in any manner the rights of the Debtor or any other

Entity in any further proceedings involving the Debtor, and (v) nothing contained herein shall prejudice in any manner the rights of the Debtor under the Bankruptcy Code or other applicable laws.

XV

RETENTION OF JURISDICTION OF BANKRUPTCY COURT

Unless otherwise agreed to by the Debtor or ordered by the Bankruptcy Court prior to the Confirmation Date, from the Effective Date until the closing of the Chapter 11 Case, the Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of, arising under, and related to such Chapter 11 Case and the Plan pursuant to, and for the purpose of, sections 105(a) and 1142 of the Bankruptcy Code, including, without limitation:

- (a) To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, the allowance of Claims resulting therefrom and any disputes with respect to executory contracts or unexpired leases relating to the facts and circumstances arising out of or relating to the Chapter 11 Case;
- (b) To determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date;
- (c) To ensure that distributions to holders of Allowed Claims and Allowed Equity Interests are accomplished as provided herein;
- (d) To consider Claims and Equity Interests or the allowance, classification, priority, compromise, estimation, or payment of any Claim or Equity Interest;
- (e) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is stayed, reversed, revoked, modified, or vacated for any reason;
- (f) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to prevent interference by any person with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;
- (g) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;
- (h) To hear and determine all applications under sections 330, 331, and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Confirmation Date;

(i) To consider any amendments to or modifications of the Plan or to cure any defect or omission, or reconcile any inconsistency, in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(j) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan and the Confirmation Order;

(k) To take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan following the Effective Date;

(l) To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation or enforcement of the Plan or the Confirmation Order;

(m) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(n) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of tax under section 505(b) of the Bankruptcy Code);

(o) To grant the Debtor a discharge and to determine the scope of any discharge of the Debtor under the Plan or the Bankruptcy Code;

(p) To recover all assets of the Debtor and all property of the Debtor's estate, wherever located;

(q) Subject to paragraph (k) of its Article XI, to hear and determine any matters arising out of or related to confidentiality agreements entered into by the Debtor during the Chapter 11 Cases;

(r) To hear and determine any rights, claims or causes of action held by or accruing to the Debtor pursuant to the Bankruptcy Code, any other federal or state statute, or any legal theory;

(s) To enter a final decree closing the Chapter 11 Case;

(t) To determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Confirmation Order any of the Plan Documents, or any other contract, instrument, release or other agreement or document related to the Plan, the Disclosure Statement or the Plan Supplement; and

(u) To hear and determine any other matter not inconsistent with the Bankruptcy Code.

XVI

MISCELLANEOUS PROVISIONS

16.1 Payment of Statutory Fees

On the Effective Date, and thereafter as may be required, the Debtor or Reorganized Debtor shall pay all fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

16.2 Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

16.3 Amendments or Modifications of the Plan

Alterations, amendments, or modifications of or to the Plan may be proposed in writing by the Debtor at any time prior to the Confirmation Date, provided that the Plan, as altered, amended, or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtor shall have complied with section 1125 of the Bankruptcy Code. After the Confirmation Date, so long as such action does not materially and adversely affect the treatment of Holders of Allowed Claims under the Plan, the Debtor or the Reorganized Debtor may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and effects of the Plan. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified, if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

16.4 Revocation or Withdrawal of the Plan

The Debtor reserves the right to revoke or withdraw the Plan prior to the Effective Date. If the Debtor takes such action, the Plan shall be deemed null and void. In such event, nothing contained in the Plan shall constitute or be deemed a waiver or release of any Claims against the Debtor, any claims, Causes of Action, or rights of the Debtor against any other Person or to prejudice in any manner the rights of the Debtor or any other Person in any further proceedings involving the Debtor.

16.5 Severability

If, prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision as altered or interpreted shall then be applicable. 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. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

16.6 Governing Law

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit hereto or a schedule or document in the Plan Supplement provides otherwise, the rights, duties, and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof.

16.7 Binding Effect

The Plan shall be binding upon the Debtor, the Holders of Claims and Equity Interests and other parties in interest, and their respective successors and assigns, including, without limitation, the Reorganized Debtor.

16.8 Exhibits/Schedules

All exhibits and schedules to the Plan, if any, are incorporated into and are a part of the Plan as if set forth in full herein.

16.9 Notices

In order to be effective, all notices, requests, and demands to or upon the Debtor must be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

Blackstone Developers, LLC
Attention: Dorothy Shelly, Manager
917 Red Oak Drive
Ovilla, Texas 75154

With copies to:

John P. Lewis, Jr.
412 Main Street, Suite 210
Dallas, Texas 75202
Telephone: (214) 742-5925
Facsimile: (214) 742-7110
Email: jplewisjr@mindspring.com

16.10 Section Headings

The section headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

16.11 Closing of Chapter 11 Case; Preservation of Jurisdiction

The Reorganized Debtor may file an application for a final decree and to close its Chapter 11 Bankruptcy Case following adequate notice of such application and any hearing required thereon at any time following the Effective Date. Regardless of the granting of such application and the entry of a final decree closing Debtor's Chapter 11 bankruptcy case, the Bankruptcy Court shall retain jurisdiction over any pending adversary proceeding involving any Causes of Action and the United States District Court for the Northern District of Texas, or the United States Court of Appeals for the Fifth Circuit, as the case may be, shall retain jurisdiction over any appeal that has been taken by any party from any order or judgment of the Bankruptcy Court or that may be taken subsequently taken from any order or judgment of the Bankruptcy Court or any order or judgment adjudicating an appeal from any order or judgment of the Bankruptcy Case.

XVII.

FEASIBILITY OF THE PLAN AND PLAN ALTERNATIVES

A. Feasibility and Exit Financing

Debtor believes that the Plan is feasible because it is based upon the "exit financing" that Debtor has arranged to enable it to pay all Allowed Claims on or shortly after the Plan's Effective Date or, if any Claim is disputed, upon Allowance of such Claim by Final Order. Creditors and Parties in Interest are further referred to Debtor's monthly operating reports filed with the Bankruptcy Court during the course of its Chapter 11 case.

Debtor has a commitment from Randy Shelly (or persons or entities affiliated with Mr. Shelly), who is the son of Debtor's sole member and manager, Dorothy Shelly, to advance up to \$3,000,000.00 to Debtor under a loan secured by the Shopping Center and other properties of the Debtor for the purpose of paying Allowed Claims in accordance with the Plan and to provide any working capital required for Debtor's future operations. The Loan will be closed as soon as possible following Confirmation of the Plan but, in any event, within 30 Business Days following the Effective Date. Prior to the hearing on the approval of this Disclosure Statement, Debtor will file a bank statement or other documents showing availability of funds evidencing Mr. Shelly's access to sufficient funds to make such loan should the Plan be Confirmed.

B. Alternatives to Confirmation of the Plan

There are three possible consequences if the Plan is rejected or if the Bankruptcy Court refuses to confirm the Plan: (a) the Bankruptcy Court could dismiss the Debtor's Chapter 11 bankruptcy case, (b) the Debtor's Chapter 11 bankruptcy case could be converted to a liquidation case under Chapter 7 of the Bankruptcy Code, or (c) the Bankruptcy Court could consider an

alternative plan of reorganization proposed by some other party.

1. Dismissal of Bankruptcy Case

If the Debtor's bankruptcy case were to be dismissed, the Debtor would no longer have the protection of the Bankruptcy Court and the applicable provisions of the Bankruptcy Code. Creditors may then seek to exercise alleged rights to declare defaults, accelerate indebtedness, impose and charge default interest rates and other fees, charges, and penalties, and attempt to foreclose and liquidate the Debtor's non-exempt assets to the extent any of those assets constitute their collateral or become subject to judgment liens under applicable state laws. Dismissal of Debtor's bankruptcy case would likely lead to contentious and protracted litigation among the parties (including litigation over the nature, extent, and validity of liens and possible litigation over any judgment lien priorities of the respective Creditors) that may take several years to finally resolve and may involve appeals to appellate courts. The expense, uncertainty, burden, and delays of such protracted litigation will be detrimental to Debtor and its properties. Such litigation may be detrimental to Creditors, as well, and could substantially delay payment of unsecured creditor Claims.

If, following any dismissal of its bankruptcy case, a court determines that JPMorgan Chase Bank or any other Creditor is secured by the Debtor's properties in whole or in part, and is thus entitled to foreclose liens on such property, such party is unlikely to sell the Debtor's property constituting its collateral at a foreclosure sale for more than the amount of the Claims secured by that collateral. In that event, there would be few if any remaining assets with which to pay Claims of other Creditors.

For the foregoing reasons, Debtor is likely to oppose any request that its Chapter 11 case be dismissed should the Bankruptcy Court deny confirmation of its Plan or any other plan that it might propose.

2. Chapter 7 Liquidation or Appointment of Chapter 11 Trustee

If the Plan is not confirmed and the Debtor's Chapter 11 case is not dismissed, it is possible that its case will be converted to a case under Chapter 7 of the Bankruptcy Code or that the Bankruptcy Court will appoint a Chapter 11 Trustee to assume administration of the Chapter 11 Bankruptcy Case. In either event, a trustee would be elected or appointed to either propose an alternative plan or to liquidate the assets of the Debtor for distribution to creditors in accordance with the priorities established by the Bankruptcy Code. Whether a bankruptcy case is one under Chapter 7 or Chapter 11, secured creditors, Administrative Claims and Priority Claims are entitled to be paid in cash and in full before unsecured creditors receive any payments or distributions.

Appointment of a Chapter 11 Trustee in Debtor's case would not benefit Creditors since such Trustee would have to engage a third party property manager to manage the Shopping Center and pay management fees (likely to be a percentage of collected rents) that would increase administrative costs and reduce the amounts otherwise available for Creditors. Debtor does not believe that a Chapter 11 Trustee is more likely to propose a confirmable plan in this

case unless such Plan was a liquidating plan whereby the Shopping Center were to be sold through a sales process approved by the Bankruptcy Court. Such process would diminish amounts available to Creditors due to real estate brokerage fees and commissions and other closing costs that would be incurred in such sale. In such case the professional fees to be paid the Chapter 11 Trustee and any professionals (such as attorneys, accountants, brokers, and appraisers) that the Trustee would engage would further increase administrative costs and expenses and reduce distributions to Creditors unless the Shopping Center could be sold for considerably more than the Allowed Claims in this case.

A conversion of Debtor's case to a case under Chapter 7 would give rise to additional administrative expenses involved in the appointment of a trustee and attorneys and other professionals to assist such trustee. The present Administrative and Priority Claims may have a priority lower than priority claims generated by the Chapter 7 case, such as the Chapter 7 trustee's fees or the fees of attorneys, accountants, and other professionals engaged by the trustee.

Debtor believes that liquidation under Chapter 7 would result in substantially smaller distributions to Creditors because a Chapter 7 trustee is unlikely to sell or dispose of the Debtor's property for amounts equal to or exceeding the amounts that will be paid to Creditors under its Plan.

3. Confirmation of an Alternative Plan.

A Creditor, Chapter 11 Trustee (if appointed), or other party in interest is entitled to file and pursue confirmation of an alternative reorganization plan once the exclusivity period provided to the Debtor by the Bankruptcy Code has expired. Debtor's exclusivity period has not expired as of the date of its Disclosure Statement.

XVIII.

RISK FACTORS

The primary risk factors associated with the Plan are the availability of, and Debtor's ability to close timely, the "exit financing" required to fund the Plan. Although Debtor is confident that it will be able to obtain and close such "exit financing" and can thereby perform the Plan, there can be no assurance or guarantee as to such matters.

XIX.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

A. Introduction

Implementation of the Plan may have federal, state and local tax consequences to the Debtor and its Estate, as well as to Creditors of the Debtor. No tax opinion has been sought or will be obtained with respect to any tax consequences of the Plan, and the following disclosure

does not constitute and is not intended to constitute either a tax opinion or tax advice to any Person.

Its disclosure is provided for informational purposes only. Moreover, its disclosure summarizes only certain of the federal income tax consequences associated with the Plan's confirmation and implementation and does not attempt to comment on all such aspects. Similarly, its disclosure does not attempt to consider any facts or limitations applicable to any particular Creditor that may modify or alter the consequences described below. Its disclosure does not address state, local or foreign tax consequences or the consequences of any federal tax other than the federal income tax.

Its disclosure is based upon the provisions of the Internal Revenue Code of 1986, as amended, the regulations promulgated thereunder, existing judicial decisions, and administrative rulings. In light of the expansiveness of such authorities, no assurance can be given that legislative, judicial or administrative changes will not be forthcoming that would affect the accuracy of the discussion below. Any such changes could be material and could be retroactive with respect to the transactions entered into or completed prior to the enactment or promulgation thereof. Finally, the tax consequences of certain aspects of the Plan are uncertain due to a lack of applicable legal authority and may be subject to judicial or administrative interpretations that differ from the discussion below.

CREDITORS THEREFORE ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM AND TO THE DEBTOR OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES.

B. Nature of the Debtor for Federal Income Tax Purposes

Debtor is disregarded entity for federal tax purposes. As a result, any future income, any income/loss resulting from the sale or transfer of assets in liquidation or from other recoveries, or income from the reduction of indebtedness, will be recognized by Debtor's Equity Security Holder(s) in accordance with the United States Internal Revenue Code. As a resident of Texas, Ms. Shelly is not subject to state or local income taxes. If Debtor were to become a resident of a jurisdiction imposing state or local income taxes prior to consummation of its Plan in full, then Debtor's future income and any income from other sources may be recognized and taxed in accordance with the tax laws of such other jurisdiction.

C. Federal Income Tax Consequences to Creditors

The tax consequences of the implementation of the Plan to a creditor will depend in part on whether the creditor's current "debt" or "claim" constitutes a "security" for federal income tax purposes, the type of consideration received by the creditor in exchange for its Allowed Claim, whether the creditor reports income on the accrual or cash basis, whether the creditor receives consideration in more than one tax year of the creditor, whether the creditor is a resident of the United States, and whether all the consideration received by the creditor is deemed to be received by that creditor in an integrated transaction.

A creditor who receives cash or property in full satisfaction of its Claim will be required to recognize gain or loss on the payment or exchange. The creditor will recognize gain or loss equal to the difference between the amount realized in respect of such Claim and the creditor's tax basis in the Claim. The exact tax treatment depends on each Creditor's method of accounting, the basis of the amount of distributions received, and whether and to what extent such Creditor has taken a bad debt reduction in prior taxable years with respect to a particular debt owed to it by the Debtor. **EACH CREDITOR IS URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE PARTICULAR TAX CONSEQUENCES OF ITS CLAIM UNDER THE PLAN.**

D. Tax Withholding

Pursuant to the Plan, Debtor will withhold from payments made to Creditors pursuant to the Plan any amounts required by law to be withheld. In order to assist that withholding process, Creditors may be required to provide general tax information to the Debtor, such as a fully and accurately completed IRS Form W-9, prior to receiving their distributions under the Plan.

E. Disclaimers

PERSONS CONCERNED WITH THE TAX CONSEQUENCES OF THE PLAN SHOULD CONSULT THEIR OWN ACCOUNTANTS, ATTORNEYS AND/OR ADVISORS. THE PLAN PROPONENTS MAKE THE ABOVE-NOTED DISCLOSURE OF POSSIBLE TAX CONSEQUENCES FOR THE SOLE PURPOSE OF ALERTING READERS TO TAX ISSUES THAT THEY MAY WISH TO CONSIDER. THE PLAN PROPONENTS CANNOT, AND DO NOT, REPRESENT THAT THE TAX CONSEQUENCES MENTIONED ABOVE ARE COMPLETELY ACCURATE BECAUSE, AMONG OTHER THINGS, THE TAX LAW EMBODIES MANY COMPLICATED RULES THAT MAKE IT DIFFICULT TO STATE ACCURATELY WHAT THE TAX IMPLICATIONS OF ANY ACTION MIGHT BE.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, THE PLAN PROPONENTS INFORM ALL RECIPIENTS OF ITS DISCLOSURE STATEMENT THAT ANY U.S. TAX INFORMATION CONTAINED IN ITS DISCLOSURE STATEMENT (INCLUDING THE EXHIBITS HERETO) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (A) AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, OR (B) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY TRANSACTION OR MATTER ADDRESSED HEREIN.

XX.

CONCLUSION

Its Disclosure Statement has attempted to provide information regarding the Debtor's estate and the potential benefits that might accrue to holders of Claims against the Debtor under the Plan as proposed. The Plan is the result of the effort of the Debtor and its advisors to pay all allowed claims against Debtor substantially in full. The Debtor believes that the Plan is feasible and will provide each holder of an Allowed Claim against the Debtor with an opportunity to receive greater benefits than those that would be received by the immediate liquidation of Debtor's assets or by any alternative plan. Debtor, therefore, hereby urges you to vote in favor of the Plan.

Whether or not you expect to attend the Confirmation Hearing, which is scheduled to commence on _____, 2018, at ____:____.m. Dallas, Texas Time, you must sign, date, and mail your ballot as soon as possible for the purpose of having your vote count at such hearing. All ballots must be returned to the attorney for the Debtor:

**John P. Lewis, Jr.
1412 Main Street, Suite 210
Dallas, Texas 75202
Telephone: 214-742-5925
Facsimile: 214-742-7110
Email: jplewisjr@mindspring.com**

All ballots must be returned on or before 5:00 p.m. Dallas, Texas Time on _____, 2018. Any ballot which is illegible or which fails to designate an acceptance or rejection of the Plan will not be counted.

Dated: August 31, 2018

Blackstone Developers, LLC

By: 
Dorothy Shelly, Sole Member and Manager

SCHEDULE I

Terms Defined in Debtor's Plan of Reorganization

(iv) “**Administrative Claim(s)**” means a Claim(s) for costs and expenses of administration pursuant to Bankruptcy Code sections 503(b), 507(a)(2), 507(b), or 1114(e)(2), including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estate and operating the businesses of the Debtor (such as wages, salaries, or commissions for services, and payments for goods and other services and leased premises); (b) all fees and charges assessed against the Estate pursuant to section 1930 of chapter 123 of Title 28 of the United States Code; (c) all Allowed Professional Fee Claims; (d) any Cure Costs; and (e) all Claims for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to Bankruptcy Code sections 503(b)(3), (4), and (5) Allowed by the Bankruptcy Court.

(v) “**Administrative Claims Bar Date**” means the first Business Day which is at least thirty (30) days after the Effective Date.

(vi) “**Affiliate**” has the same meaning as the definition of “affiliate” in Section 101(2) of the Bankruptcy Code.

(vii) “**Allowed**” means with reference to any Claim or Interest: any Claim or Interest or any portion thereof (a) as to which no objection to allowance or request for estimation has been interposed on or before the later of (i) the Claims Objection Deadline or (ii) the expiration of such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or is listed on the Schedules as liquidated, non-contingent and undisputed; (b) as to which any objection to its allowance has been denied by a Final Order or settled, waived through payment, or withdrawn, in each case as permitted herein, or; (c) as to which the liability of the Debtor and the amount thereof has been determined and expressly allowed by a Final Order; (d) as to which the liability of the Debtor and the amount thereof are determined and expressly allowed by Final Order of a court of competent jurisdiction other than the Bankruptcy Court; or (e) that is expressly deemed allowed in a liquidated amount in the Plan. Unless otherwise provided or specified in its Plan, an Allowed Claim shall not include any amount for penalties, interest, attorney's fees, or other costs which may have accrued or been incurred after the Petition Date. For the avoidance of doubt, the Claim of the IRS for civil tax penalties shall not be an Allowed Claim under its Plan.

(viii) “**Allowed Administrative Claim**” means an Administrative Claim as to which a timely request for payment has been made (if such written request is required) or other Administrative Claim, in each case as to which the Debtor or the Reorganized Debtor (1) have not interposed a timely objection or (2) have interposed a timely objection and such objection has been denied by a Final Order, settled, waived through payment, or withdrawn, in each case as permitted herein. For the avoidance of doubt, governmental entities holding administrative claims of the type described in 11 U.S.C. §§

503(b)(1)(B) and/or (C) shall not be required to file a request for payment as a condition of such claim being Allowed.

(ix) “**Avoidance Actions**” means any and all actual or potential claims or Causes of Action to avoid a transfer of property or an obligation incurred by the Debtor pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a).

(x) “**Ballot**” means the document for accepting or rejecting the Plan, in form and substance as approved by the Bankruptcy Court or as provided by the Bankruptcy Rules.

(xi) “**Bankruptcy Code**” means the Bankruptcy Reform Act of 1978, as amended and codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Petition Date.

(xii) “**Bankruptcy Court**” means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division.

(xiii) “**Bankruptcy Rules**” means, collectively, the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as applicable to the Chapter 11 Cases or proceedings therein, and the Local Rules of the Bankruptcy Court, as applicable to the Chapter 11 Cases or proceedings therein, as the case may be.

(xiv) “**Bar Date(s)**” means the applicable date(s) designated by the Bankruptcy Court as the last date for Filing proofs of Claims or Interests in the Debtor’s Chapter 11 Case. **The Bar Date set for all Creditors other than governmental units is October 3, 2018.**

(xv) “**Business Day**” means any day, excluding Saturdays, Sundays or “legal holidays” (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in New York, New York.

(xvi) “**Cash**” means legal currency of the United States of America or equivalents thereof, including bank deposits and checks.

(xvii) “**Causes of Action**” means all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims, or any other claims whatsoever, whether known or unknown, matured or unmatured, fixed or contingent, liquidated or unliquidated, disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of its Chapter 11 Case, including through the Effective Date.

(xviii) “**Chapter 11 Case**” means the chapter 11 case pending for the Debtor in the Bankruptcy Court.

(xix) “**Claim**” means a claim, whether or not asserted or “Allowed”, as such term is defined in Bankruptcy Code section 101(5).

(xx) “**Claims Objection Deadline**” means the first Business Day which is at least 30 days after the Effective Date, or such later date as may be established by the Bankruptcy Court in accordance with Section 6.1 of the Plan.

(xxi) “**Class**” means a category of Claims or Interests as set forth in Article III below pursuant to Bankruptcy Code section 1122.

(xxii) “**Collateral**” means any property or interest in property of the Debtor or the Debtor’s Estate that is subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or other applicable federal, state, or local law.

(xxiii) “**Confirmation Date**” means the date on which the Confirmation Order is entered on the docket in the Chapter 11 Case within the meaning of Bankruptcy Rules 5003 and 9021.

(xxiv) “**Confirmation Hearing**” means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to Section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

(xxv) “**Confirmation Order**” means the order entered by the Bankruptcy Court confirming the Plan pursuant to Bankruptcy Code section 1129.

(xxvi) “**Confirmation**” means entry by the Bankruptcy Court of the Confirmation Order on the docket of the Chapter 11 Cases.

(xxvii) “**Consummation**” takes place simultaneously with the Effective Date.

(xxviii) “**Creditor**” means any Person who holds a Claim against Debtor or any Property of the Debtor.

(xxix) “**Cure Costs**” means the costs required of a Debtor to cure any and all defaults, pursuant to Bankruptcy Code section 365, of the Debtor arising under any executory contract to which the Debtor is a party or successor in interest, or any unexpired lease to which the Debtor is a party or successor in interest.

(xxx) “**Debtor**” or “**Debtor-in-Possession**” means Blackstone Developers, LLC.

(xxxi) “**Disbursing Agent**” means the Reorganized Debtor.

(xxxii) “**Disallowed Claim**” means all or such part of a Claim that is disallowed by a Final Order of the Bankruptcy Court or other court of competent jurisdiction.

(xxxiii) “**Disclosure Statement**” means the Disclosure Statement for the Debtor’s Amended Plan of Reorganization dated as of August 31, 2018, as the same may be

amended, modified, supplemented, or restated in whole or in part from time to time, including all exhibits and schedules thereto, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

(xxxiv) “**Disputed**” means, in reference to a Claim or Interest, any Claim or Interest not otherwise Allowed or paid pursuant to the Plan or an order of the Bankruptcy Court (a) which has been or hereafter is listed on the Schedules as unliquidated, contingent, or disputed, and which has not been resolved by written agreement of the parties or disallowed by the Bankruptcy Court; (b) proof of which was required to be Filed but as to which a Proof of Claim or Interest was not timely or properly Filed; (c) proof of which was timely and properly Filed and which has been or hereafter is listed on the Schedules as unliquidated, contingent, or disputed; (d) that is disputed in accordance with the provisions of its Plan; or (e) as to which the Debtor or the Reorganized Debtor have interposed a timely objection or request for estimation in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any orders of the Bankruptcy Court, or is otherwise disputed by the Debtor or the Reorganized Debtor in accordance with applicable law, which objection, request for estimation, or dispute has not been withdrawn or determined by a Final Order; provided, however, that for purposes of determining whether a particular Claim is a Disputed Claim prior to the expiration of any period of limitation fixed for the interposition by the Debtor or the Reorganized Debtor of objections to the allowance of Claims, any Claim that is not an Allowed Claim shall be deemed Disputed.

(xxxv) “**Distribution Date**” means the date, occurring as soon as practicable after the Effective Date, upon which distributions are made pursuant to the terms of the Plan to Holders of Allowed Administrative Claims, and other Allowed Claims; provided, however, that should such Allowed Claims be paid in the ordinary course of business, the Distribution Date shall be the date such Allowed Claim becomes payable under the terms of any contract or agreement or applicable non-bankruptcy law or the Angeles Closing Date, as applicable.

(xxxvi) “**Distribution Record Date**” means the Effective Date.

(xxxvii) “**Effective Date**” means the first Business Day on which all conditions set forth in Section 9.1 of the Plan have been satisfied.

(xxxviii) “**Entity**” has the meaning set forth in Bankruptcy Code section 101(15).

(xxxix) “**Estate**” or “**Bankruptcy Estate**” or “**Debtor’s Estate**” means the estate created for the Debtor in its Chapter 11 Case pursuant to Bankruptcy Code Section 541.

(xl) “**Final Order**” means an order or judgment, entered by the Bankruptcy Court or other court of competent jurisdiction, that has not been amended, modified or reversed and as to which (i) no stay is in effect, (ii) the time to appeal, petition for certiorari, or move for re-argument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing, shall then be pending or, (iii) in the event that an appeal, writ of certiorari, re-argument or rehearing thereof has been sought, such order shall have been affirmed by the highest court to which such order

may be appealed, or certiorari has been denied, and the time to take any further appeal, petition for certiorari or move for re-argument or rehearing shall have expired.

(xli) “**General Unsecured Claim**” means any Claim that is not Secured or entitled to priority under the Bankruptcy Code.

(xlii) “**Holder**” means the Person or Entity who is the beneficial owner or holder of any Claim or Interest or any portion thereof.

(xliii) “**Impaired**” means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of Bankruptcy Code section 1124.

(xliv) “**Insider**” has the meaning set forth in Bankruptcy Code 101(31).

(xlv) “**Interest**” or “**Interests**” means any equity security interests in Debtor.

(xlvi) “**Internal Revenue Code**” means the United States Internal Revenue Code of 1986, as amended, codified at 26 U.S.C. §§ 1, *et seq.*

(xlvii) “**Lien**” means a charge against or interest in property to secure payment of a debt or performance of an obligation.

(xlviii) “**Person**” means an individual, corporation, general or limited partnership, limited liability company, trust, liquidating trust, incorporated or unincorporated association, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

(xlix) “**Petition Date**” means June 4, 2018.

(l) “**Plan Distribution**” means the payment or distribution under the Plan of Cash, assets, securities or instruments evidencing an obligation under the Plan or other property of any nature to any Holder of an Allowed Claim.

(li) “**Plan**” means its Plan of Reorganization, including any exhibits and all supplements, appendices and schedules thereto, either in its present form or as the same may be altered, amended, modified, supplemented, or restated in whole or in part from time to time as permitted herein and in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the terms hereof.

(lii) “**Plan Proponent**” means the Debtor and its successors, and assigns.

(liii) “**Priority Non-Tax Claims**” means any Claim other than an Administrative Claim or a Priority Tax Claim, entitled to priority in payment as specified in Bankruptcy Code section 507(a).

(liv) “**Priority Tax Claim**” means a Claim that is entitled to priority pursuant to Bankruptcy Code section 507(a)(8).

(lv) “**Professional**” means any professional (a) employed in the Chapter 11 Cases pursuant to Bankruptcy Code sections 327, 328 or 1103 and to be compensated for services rendered pursuant to Bankruptcy Code sections 327, 328, 329, 330 or 331, or (b) seeking compensation and reimbursement pursuant to Bankruptcy Code section 503(b)(4) or 506(b).

(lvi) “**Professional Fee Claim**” means a Claim of a Professional for compensation or reimbursement of expenses relating to services on or after the Petition Date through the Effective Date.

(lvii) “**Property**” or “**Properties**” means any and all associated tangible and intangible real or personal property owned by the Debtor or in which Debtor possesses a beneficial interest.

(lviii) “**Proof of Claim**” means the proof of claim that must be filed by a Holder of a Claim by the date(s), if any, designated by the Bankruptcy Court as the last date(s) for filing proofs of claim against or interests in the Debtor.

(lix) “**Pro Rata**” or “**Pro Rata Share**” shall mean the same proportion that an Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims in such Class established by its Plan. To the extent that Disputed Claims exist in such Class, until all such Disputed Claims shall have become Allowed Claims, *pro rata* and *pro rata share* shall mean the same proportion that an Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims and Disputed Claims in such Class.

(lx) “**Reorganized Debtor**” means Blackstone Developers, LLC as a reorganized debtor following confirmation and substantial consummation of its Plan.

(lxi) “**Schedules**” means the schedules of assets and liabilities and statement of financial affairs Filed by the Debtor pursuant to Bankruptcy Code section 521 and Bankruptcy Rule 1007(b), as such schedules or statements may be amended or supplemented in whole or in part from time to time as permitted hereunder or in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

(lxii) “**Secured**” means, when referring to a Claim: secured by a Lien on property in which the Debtor or the Debtor’s Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to Bankruptcy Code section 553, to the extent of the value of the Creditor’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to Bankruptcy Code section 506(a). To the extent that the value of a Creditor’s interest in the Debtor’s or the Debtor’s Estate’s interest in such property is less than the amount of the Claim that has the benefit of such security, such Claim is a deficiency claim.

(lxiii) “**Secured Tax Claim**” means a Claim, if any, of a governmental unit for the payment of *ad valorem* real property and/or business personal property taxes that is secured by property of the Debtor or its Estate. For the avoidance of doubt, Secured Tax

Claim does **not** include or mean any claim asserted by, or any Claims of, the IRS for any taxes or for any civil tax penalties.

(lxiv) “**Shopping Center**” means the commercial retail center owned and operated by Debtor located at 205 South Main Street, Red Oak, Texas 75154.

(lxv) “**Unclaimed Distributions**” has the meaning set forth in Section 5.4 of the Plan.

(lxvi) “**Unimpaired**” means a Claim or Interest that is not Impaired.

(lxvii) “**Voting Deadline**” means the date by which a Creditor or Interest Holder must deliver a Ballot to accept or reject the Plan as set forth in the order of the Bankruptcy Court approving the instructions and procedures relating to the solicitation of votes with respect to the Plan.