

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
BROWNSVILLE DIVISION

IN RE: § CASE NO. 16-10150-B-11
§
RIO MOBILE HOME AND R.V. PARKS, INC., §
§
Debtor §
§ CHAPTER 11 PROCEEDING

RIO MOBILE HOME AND R.V. PARKS, INC.
FIRST AMENDED COMBINED
DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF LIQUIDATION

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August 6, 2017

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Exhibit 11 - Liquidating Trust Agreement (To be supplied upon order of Court)

FIRST AMENDED

COMBINED DISCLOSURE STATEMENT AND PLAN OF LIQUIDATION

Rio Mobile Home and R.V. Parks, Inc., as debtor and debtor in possession, and the proponent of this Chapter 11 Plan of Liquidation hereby files this **First Amended** Combined Disclosure Statement and Chapter 11 Plan of Liquidation ("Plan") debtor pursuant to the requirement of the U.S. Bankruptcy Code 11 §101, et seq. and pursuant to 11 U.S.C. §1125 for consideration by Creditors and other Parties in Interest as follows:

I. INTRODUCTION

The debtor in the above-captioned case proposes the following plan of liquidation under title 11 of the United States Code.

A. DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

1. Defined Terms

As used in the Plan, capitalized terms have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

"Administrative Claim" means (a) a Claim for costs and expenses of administration allowed under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including: (i) the actual and necessary costs and expenses incurred after the Petition Date of preserving the respective Estates and operating the businesses of the Debtors (such as wages, salaries, commissions for services and payments for leased equipment and premises); (ii) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded or allowed under sections 330(a), 331 or 503 of the Bankruptcy Code, including Fee Claims; (iii) Claims for the value of any goods received by the Debtors within 20 days before the Petition Date allowed in accordance with section 503(b)(9) of the Bankruptcy Code; and (iv) all fees and charges assessed against the Estates under chapter 123 of title 28, United States Code, 28 U.S.C. §§ 1911-1932; and (b) a Claim that is allowed an Administrative Claim by Final Order.

"Affiliate" means an "affiliate," as defined in section 101(2)(B) of the Bankruptcy Code, of the Debtors.

"Allowed Claim" means:

a. a Claim that (i) has been listed by a particular Debtor on its Schedules as other than disputed, contingent or unliquidated and (ii) is not a Disputed Claim;

b. a Claim (i) for which a proof of Claim or request for payment of Administrative Claim (or similar request) has been Filed by the applicable Bar Date or otherwise has been deemed timely Filed under applicable law and (ii) that is not a Disputed Claim;

c. a Claim that is allowed: (i) in any Stipulation of Amount and Nature of Claim executed

by or on behalf of the applicable Debtor or the Liquidating Trust and Claim holder and, if prior to the Effective Date, approved by the Bankruptcy Court; (ii) in any contract, instrument or other agreement entered into in connection with the Plan and, if prior to the Effective Date, approved by the Bankruptcy Court; (iii) in a Final Order; or (iv) pursuant to the terms of the Plan; or

d. a Claim listed by a particular Debtor on its Schedules as other than disputed, contingent or unliquidated or a Claim that the Debtors or the Liquidating Trustee determine prior to the Claims Objection Bar Date (i) will not be subject to an objection or to an amendment to the Schedules and (ii) will be satisfied in accordance with the terms of the Plan on or after the Effective Date.

"Allowed . . . Claim" means an Allowed Claim in the particular Class or category specified.

"Avoidance Actions" means any and all avoidance, recovery, subordination or other actions or remedies that may be brought on behalf of the Debtors or the Estates under the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, actions or remedies under sections 510, 542, 543, 544, 545, 547, 548, 549, 550, 551 and 553(b) of the Bankruptcy Code and other similar state law claims and causes of action.

"Ballot" means the form or forms distributed to each holder of an impaired Claim entitled to vote on the Plan on which the holder may indicate acceptance or rejection of the Plan or any election for treatment of such Claim under the Plan.

"Bankruptcy Case" means: (a) when used with reference to a particular Debtor, the chapter 11 case pending for that Debtor in the Bankruptcy Court; and (b) when used with reference to all Debtors, the chapter 11 cases pending for the Debtors in the Bankruptcy Court.

"Bankruptcy Code" means title 11 of the United States Code, as in effect on the Petition Date or thereafter amended with retroactive applicability to the Bankruptcy Cases

"Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Bankruptcy Cases.

"Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended with retroactive applicability to the Bankruptcy Cases.

"Bar Date" means the applicable bar date by which a proof of Claim or a request for payment of Administrative Claim must be or must have been Filed, as established by an order of the Bankruptcy Court, including the Bar Date Order and the Confirmation Order.

"Bar Date Order" means the order of the Bankruptcy Court establishing certain Bar Dates.

"Cash" means legal tender of the United States of America and equivalents thereof.

"Cash Collateral" means "cash collateral" within the meaning of section 363(a) of the Bankruptcy Code derived from the Pre-Petition Collateral.

"Cash Investment Yield" means the net yield earned by the applicable Disbursing Agent from the

investment of Cash, if any, pending distribution pursuant to the Plan. Any such investment will be in a manner consistent with the Debtors' investment and deposit guidelines. Net yield means the cash yield net of any investment expenses and taxes payable thereon.

"Causes of Action" means all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, arising on, prior to or after the Petition Date, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising in law, equity or otherwise, including Avoidance Actions, of any of the Debtors and/or the Estates, which are or may be pending on the Effective Date or prosecuted thereafter against any Entity, based in law or equity, including, without limitation, under the Bankruptcy Code, whether direct, indirect, derivative or otherwise and whether asserted or unsecured as of the Confirmation Date.

"Claim" means a "claim," as defined in section 101(5) of the Bankruptcy Code, against any

"Claims Objection Bar Date" means, for all Claims the latest of: (a) 270 days after the Effective Date; (b) 90 days after the Filing of a proof of Claim for such Claim; and (c) such other period of limitation as may be specifically fixed by the Plan, the Confirmation Order, the Bankruptcy Rules or an order of the Bankruptcy Court.

"Class" means a class of Claims or Interests, as described in Article II.

"Contingent Indemnification Claims" means any indemnification Claims of the First Out Lenders and the DIP Agent under the Prepetition Credit Agreement or the DIP Credit Agreement against any Debtor.

"Confirmation" means the entry of the Confirmation Order on the docket of the Bankruptcy Court

"Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on its docket, within the meaning of Bankruptcy Rules 5003 and 9021.

"Confirmation Hearing" means the hearing held by the Bankruptcy Court on Confirmation of the Plan, as such hearing may be continued from time to time.

"Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

"Creditors' Committee" means the official committee of unsecured creditors of the Debtors appointed by the United States Trustee in the Bankruptcy Cases pursuant to section 1102 of the Bankruptcy Code.

"Cure Amount Claim" means a Claim based upon a Debtor's defaults pursuant to an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by that Debtor under section 365 of the Bankruptcy Code.

"Debtor" means, the above-captioned debtor and debtor in possession identified on the cover page to this Plan.

"Deficiency Claim" means a General Unsecured Claim for the difference between (a) the aggregate amount of an Allowed Claim and (b) the value received on account of the portion of such Allowed Claim that is a Secured Claim.

"Disbursing Agent" means the Liquidating Trustee, in its capacity as disbursing agent pursuant to Section III.G.2, or any Third Party Disbursing Agent (acting at the direction of the Liquidating Trustee).

"Disclosure Statement" means the disclosure statement (including all exhibits and schedules thereto or referenced therein) that relates to the Plan, as the same may be amended, modified or supplemented

"Disputed Claim" means

a. if no proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law, (i) a Claim that is listed on a Debtor's Schedules as disputed, contingent or unliquidated or (ii) a Claim that is not listed on a Debtor's Schedules; or

b. if a proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law, a Claim for which an objection, complaint or request for estimation has been Filed by the applicable Debtor, the Distribution Trustee or, prior to the Confirmation Date, any other party in interest, by the Claims Objection Bar Date, and such objection has not been withdrawn or denied in its entirety by a Final Order.

"Distribution" means one or more payments or distributions under the Plan of Cash, notes, interests or other property, as applicable, to the holders of Allowed Claims.

"Distribution Record Date" means the Confirmation Date.

"Effective Date" means the earliest possible date, as determined by the Debtors, that is a Business Day on or after the date on which all conditions to the effective date in Section VIII.2. have been met or waived pursuant to Section VIII.3.

"Entity" means an individual, corporation, partnership, limited liability company, association, joint stock company, joint venture, estate, trust, unincorporated organization or government or any political subdivision thereof, or other person or entity.

"Estate" means the estate created for that Debtor in its Bankruptcy Case pursuant to section 541 of the Bankruptcy Code.

"Executory Contract and Unexpired Lease" mean a contract or lease to which one or more of the Debtors is a party that is subject to assumption, assumption and assignment or rejection under section 365 of the Bankruptcy Code and the Confirmation Order.

"Fee Claim" means a Claim under sections 330(a), 331, 503 or 1103 of the Bankruptcy Code for

compensation of a Professional or other Entity for services rendered or expenses incurred in the Bankruptcy Cases.

"File," "Filed" or "Filing" means file, filed or filing with the Bankruptcy Court or its authorized designees in the Bankruptcy Cases.

"Final Fee Application" means an application for final allowance of the Professional's aggregate Fee Claim as described in Section II.A.1.c.ii.

"Final Order" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction that has been entered on the docket in any Bankruptcy Case or the docket of any other court of competent jurisdiction, and has not been reversed, stayed, modified or amended, and as to which (a) the time to appeal or seek certiorari or move for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or (b) any appeal that has been taken or any petition for certiorari that has been filed timely has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing shall have been denied.

"General Unsecured Claim" means a Deficiency Claim and any Claim that is not a Cure Amount Claim, Administrative Claim, Priority Tax Claim, Priority Claim, Secured Claim, IRS Claim.

"Insured Claim" means any Claim arising from an incident or occurrence alleged to have occurred prior to the Effective Date that is covered under an insurance policy applicable to the Debtors or their businesses.

"Interest" means the rights of any holder of the stock of any Debtor and the rights of any Entity to purchase or demand the issuance of any of the stock of any Debtor, including: (a) redemption, conversion, exchange, voting, participation and dividend rights; (b) liquidation preferences; and (c) rights under stock options and warrants.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

"IRS" means the Internal Revenue Service of the United States of America.

"IRS Claims" means any Claims of the IRS against any of the Debtors.

"Liens" means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including and "lien" as defined in section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention contract or other contract to give any of the foregoing.

"Liquidating Debtor" means any Debtor remaining in existence on and after the Effective Date

"Liquidating Trust" means the trust established pursuant to Section III.G, among other things, to hold the Liquidating Trust Assets and make distributions on account of Claims pursuant to Article V.

"Liquidating Trust Agreement" means the trust agreement, to be dated as of or prior to the Effective Date, between the Debtor and the Liquidating Trustee, governing the Liquidating Trust.

"Liquidating Trust Assets" means: (a) all Causes of Action; (b) the Rio Mobile Home and R.V. Parks, Inc. stock/interest; (c) the Reserve Funds (to be held in the Reserve Account); and (d) any assets and properties of the Liquidating Debtor transferred to the Liquidating Trust on or after the appointment of a Liquidating Trustee.

"Liquidating Trust Expenses" means any and all reasonable fees, costs and expenses incurred by the Liquidating Trust or the Liquidating Trustee (or any Third Party Disbursing Agent or any professional or other Entity retained by the Liquidating Trustee) on or after the Effective Date in connection with any of their duties under the Plan and the Liquidating Trust Agreement, including any administrative fees, attorneys' fees and expenses, insurance fees, taxes and escrow expenses.

"Liquidating Trustee" means the natural person appointed by the Court to act as trustee of the Liquidating Trust in accordance with the terms of this Plan, the Confirmation Order and the Liquidating Trust Agreement, or any successor appointed in accordance with the terms of this Plan and the Liquidating Trust Agreement.

"Oversight Committee" shall have the meaning set forth in the Liquidating Trust Agreement.

"Pending Payments" means identified amounts of Cash and other Liquidating Trust Assets (excluding undeliverable Cash) held by the Liquidating Trust for distribution or collection and distribution to holders of Allowed Claims in specific amounts as of the date the Liquidating Trust receives the applicable Liquidating Trust Assets.

"Petition Date" means ~~December 5, 2016~~ May 10, 2016, the date on which the Debtor commenced its Bankruptcy Case.

"Plan" means this joint plan of liquidation for the Debtors and all Exhibits to the Plan, as the same may be amended, modified or supplemented.

"Priority Claim" means a Claim that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code that is not an Administrative Claim, a Priority Tax Claim, or the IRS Claims.

"Priority Tax Claim" means a Claim that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code other than the IRS claims.

"Professional" means any professional employed in the Bankruptcy Cases pursuant to sections 327, 328 or 1103 of the Bankruptcy Code or any professional or other Entity seeking compensation or reimbursement of expenses in connection with the Bankruptcy Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

"Pro Rata" means, when used in reference to a distribution of property pursuant to Article III to holders of Allowed Claims, a proportionate distribution so that with respect to a particular Allowed Claim in such Class or group of Claims, the ratio of (a) (i) the amount of property distributed on account of such Claim to (ii) the amount of such Claim, is the same as the ratio of (b) (i) the amount of property distributed on account of all Allowed Claims in such Class or group of Claims

to (ii) the amount of all Allowed Claims in such Class or group of Claims.

"Quarterly Distribution Date" means the last Business Day of the month following the end of each calendar quarter after the Effective Date; provided, however, that if the Effective Date is within 45 days of the end of a calendar quarter, the first Quarterly Distribution Date shall be the last Business Day of the month following the end of the first calendar quarter after the calendar quarter including the Effective Date.

"Remaining Liquidating Trust Assets" means the net proceeds of the Liquidating Trust Assets remaining after payment of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Priority Claims, Allowed Secured Claims and the Allowed IRS Claims.

"Reserve Account" means the segregated account.

"Reserve Funds" means the Cash Collateral to be paid into the Reserve Account in an amount (as determined by the Bankruptcy Court.

"Secured Claim" means a Claim that is secured by a Lien on property in which an Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code in each case as of the Effective Date, to the extent that the value of the Claim holder's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

"Schedules" means the schedules of assets and liabilities and the statements of financial affairs Filed by the Debtors, as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, restated, modified or supplemented.

"Secured Claim" means a Claim that is secured by a lien on property in which an Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in the applicable Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a).

"Stipulation of Amount and Nature of Claim" means a stipulation or other agreement between the applicable Debtor or the Liquidating Trustee and a holder of a Claim or Interest establishing the allowed amount or nature of such Claim or Interest that is (a) entered into in accordance with any Claim settlement procedures established in the Bankruptcy Cases; (b) permitted or contemplated by the Plan or (c) approved by order of the Bankruptcy Court.

"Stock Interests of . . ." means, when used with reference to the Debtor, the Interests issued by such Debtor.

"Tax" means: (a) any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental, withholding or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state, local or foreign taxing authority or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is

determined by reference to the liability of any other Entity.

"Third Party Disbursing Agent" means an Entity engaged by the Liquidating Trustee to act as a Disbursing Agent pursuant to Section III.G.

"U.S. Trustee" means the United States Trustee for the Southern District of Texas.

2. Rules of Interpretation and Computation of Time

i. Rules of Interpretation

For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) unless otherwise provided in the Plan, any reference in the Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (c) 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 pursuant to the Plan or Confirmation Order approved by the Court after notice and hearing; (d) any reference to an Entity as a holder of a Claim or Interest includes that Entity's successors and assigns; (e) all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (f) the words "herein," "hereunder" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) the words "includes" or "including" are not limiting; (h) 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; (i) subject to the provisions of any contract, certificate of incorporation, by-laws, or similar constituent document, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the rights and obligations arising under the Plan will be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and the Bankruptcy Rules; and (j) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply.

ii. Computation of Time

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

B. Debtor's Combined Chapter 11 Plan of Reorganization and Disclosure Statement.

This is Debtor's Combined Chapter 11 Plan of Reorganization and Disclosure Statement ("Plan"). The Plan describes how each creditor's claim will be treated if the Plan is confirmed. Section II contains the treatment of administrative claims, priority claims, secured claims, special unsecured claims, general unsecured claims.

Unless claims are disputed, the holders of these claims shall receive 100% of the amount of their claims in the Effective Date of the Plan.

Appendix A describes an overview of a Chapter 11 case.

In this case, the Plan, as proposed by the Debtor, provides for full one-hundred percent payment of all Claims that are entitled to priority under the Bankruptcy Code, and that an estimated 100 percent payment of unsecured, non-priority Claims. With respect to the sole interest holder in the Debtor before the commencement of the Chapter 11 case, if there are Estate assets left after payment of all Allowed claims, the remaining assets shall revert to the Debtor.

The creditors are divided into 5 classes (as shown in the table below.) Secured creditors are in Classes 1 and 2 and are discussed in Section 2. Each secured creditor has its own subclass. Unsecured creditors are in Class 3 and 4.

Most creditors (those in impaired classes) are entitled to vote on confirmation of the Plan. Completed ballots must be received by Debtor's counsel, and objections to confirmation must be filed and served, no later than [DATE]. The Bankruptcy Court will hold a hearing on confirmation of the Plan on [DATE] at [TIME]. If there is any modification to the Plan, the Bankruptcy Court will determine whether it is a material modification and whether a further hearing, re-voting, or change of any deadline is required.

Attached to the Plan are the following exhibits containing financial information that may help you decide how to vote and whether to object to confirmation.

- Exhibit 1 - Voting on and Confirmation of the Plan
- Exhibit 2 - History and Information of Debtor
- Exhibit 3 - Events That Led to Bankruptcy, Significant Events That Have Occurred During the Bankruptcy, and Summary of Plan
- Exhibit 4 - Expected Recoveries and Liquidation Analysis
- Exhibit 5 – Payments due on the Effective Date of the Plan.
- Exhibit 6 – Executory Contracts
- Exhibit 7 – Causes of Action
- Exhibit 8 – Transfers to Debtor's Principal (none)
- Exhibit 9 - Debtor Corporate Documents
- Exhibit 10 – Monthly Operating Reports
- Exhibit 11 - Liquidating Trust Agreement (To be supplied upon order of Court)

The exhibits are attached hereto and are fully incorporated into this Plan. In addition, upon entry of the Order Confirming the Plan, all the following Exhibits shall be incorporated into the Order Confirming the Plan and the Debtor's Plan as if fully set forth therein verbatim.

These Exhibits should be consulted and reviewed in order to understand the Plan and the Disclosures made herein.

Exhibit 1 included information on how to vote on the Plan and explains the Confirmation process for the Plan.

Exhibit 2 includes background information regarding Debtor and the events that led to the filing of the bankruptcy petition.

Exhibit 3 includes descriptions of significant events that have occurred during this bankruptcy and a summary of this Chapter 11 Plan.

Exhibit 4 contains an analysis of how much creditors would likely receive in a Chapter 7 liquidation.

Exhibit 5 describes how much Debtor is required to pay on the Effective Date of the Plan.

Exhibit 6 lists all the pending executory contracts and leases.

Exhibit 7 shows the Potential Causes of Action.

Exhibit 8 lists the Debtor's Transfers to the Debtor's Principal.

Exhibit 9 shows the Debtor's prior corporate records.

Exhibit 10 lists the Debtor's prior monthly operating reports.

Exhibit 11, if ordered to be produced by the Court, will show the Debtors Liquidating Trust Agreement.

Whether the Plan is confirmed is subject to complex legal rules that cannot be fully described here. **YOU ARE STRONGLY ENCOURAGED TO READ THE PLAN CAREFULLY AND TO CONSULT AN ATTORNEY TO HELP YOU DETERMINE HOW TO VOTE AND WHETHER TO OBJECT TO CONFIRMATION OF THE PLAN.**

If the Plan is confirmed, the payments promised in the Plan constitute new contractual obligations that replace the Debtor's pre-confirmation debts. The Plan payments shall begin on the Effective Date. Creditors may not seize their collateral or enforce their pre-confirmation debts so long as Debtor performs all obligations under the Plan. If Debtor defaults in performing Plan obligations, any creditor can file a motion to have the case dismissed or converted to a Chapter 7 liquidation, or enforce their non-bankruptcy rights. Debtor will be discharged from all pre-confirmation debts (with certain exceptions) if Debtor makes all Plan payments. Enforcement of the Plan, discharge of the Debtor, and creditors' remedies if Debtor defaults are described in detail in Sections 6 and 7 of the Plan.

For information on voting and plan confirmation procedures, please refer to Exhibit 1 - Voting on and Confirmation of Plan.

II. Treatment of Claims and Creditors Under the Plan.

The Plan classifies the various Claims against and Interests in the Debtor. These Classes take

into account the different nature and priority of Claims against and Interests in the Debtor. In addition, in accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expenses and certain Priority Claims (other than Priority Tax Claims) are not classified for purposes of voting or receiving distributions under the Plan. Rather, all such Claims are treated separately as unclassified Claims.

A. **Unclassified Claims**

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

Unclassified Claims against the Debtor consist of Administrative Expenses, Priority Tax Claims, and certain fees payable to the United States Trustee. This includes both ordinary post-petition business expenses and Claims attributable to the Debtor's Professionals.

I. Treatment of Administrative Claims/Expenses

An Administrative Expense is any cost or expense of administration of the Chapter 11 Case allowed under subsections 503(b), 507(a)(1), and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estate of the Debtor, any actual and necessary expenses of operating the business of the Debtor, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estate of the Debtor under section 1930, chapter 123 of title 28 of the United States Code.

Trade debt will be paid in the ordinary course of business. Fees and expenses owed to the Debtor's Professionals are payable upon the allowance of an appropriate fee application.

The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor's estimated administrative expenses, and their proposed treatment under the Plan:

<u>Type</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course of Business After the Petition Date (941 Taxes Tex Wkfc Comm)	\$1,688.12	Paid in full on the effective date of the Plan, or according to terms of obligation if later

Salaries and Wages Arising in the Ordinary Course of Business After the Petition Date	\$0.00	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such amounts have not been approved by the Court on the effective date of the Plan
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	N/A	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, if approved by the Court.	\$7,000.00	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	\$100.00	Paid in full on the effective date of the Plan
Other administrative expenses that may be filed	Subject to review by Debtor.	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	\$0.00	Paid in full on the effective date of the Plan
Marco Oliva Attorney Fees	\$3,952.40	Paid in full on liquidation of assets
TOTAL		

a. Payment of Administrative Claims

1.) Administrative Claims in General

Unless otherwise agreed by the holder of an Administrative Claim and the, the Court or the Liquidating Trustee, each holder of an Allowed Administrative Claim shall receive, in full satisfaction of its Administrative Claim, cash equal to the allowed amount of such Administrative Claim either (i) as soon as practicable after the Effective Date or (ii) if the Administrative Claim is not allowed as of the Effective Date, 30 days after the date on which an order allowing such Administrative Claim becomes a Final Order or a Stipulation of Amount and Nature of Claim is executed by the Liquidating Trustee, the Debtor, or the Court and the holder of the Administrative Claim.

The procedures set forth above for Administrative Expenses shall not apply to Professionals, who shall each file and submit a final fee application to the Bankruptcy Court no

later than sixty (60) days after the Effective Date. A Claim for Administrative Expense by a Professional in respect of which a final fee application has been properly filed and served shall become an Allowed Administrative Expense Claim only to the extent allowed by Final Order and, if so Allowed, shall be paid in accordance with the Plan. Professional fees and expenses to any Professional incurred on or after the Effective may be paid without necessity of application to or order by the Court. Professional persons may invoice the reorganized Debtor (or other responsible third-party) directly, and the reorganized Debtor (or other responsible third-party) may pay such invoices without further order from the Bankruptcy Court.

b. Statutory Fees

On the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930, as determined at the Confirmation Hearing by the Bankruptcy Court shall be paid by the Debtor or the Liquidating Trustee in cash equal to the amount of such Administrative Claims. All fees payable pursuant to 28 U.S.C. § 1930 shall be paid by the Debtor or the Liquidating Trustee in accordance therewith until the closing of the applicable Bankruptcy Case pursuant to section 350(a) of the Bankruptcy Code.

c. Bar Dates

i. General Administrative Bar Date Provisions

Except as otherwise provided herein or other order of the Bankruptcy Court, unless previously Filed or Allowed, each holder of an Administrative Claim that arose (or, only in the case of unexpired leases or real and personal property, accrued) on or after February 28, 2017 through the Effective Date must File a request for payment of such Administrative Claim pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order, no later than 60 days after the Effective Date (the "Final Administrative Bar Date"). Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims and that do not File and serve such a request by the applicable Bar Date shall be forever barred from asserting such Administrative Claims against the Debtor, or in the case of an appointment of a Liquidating Debtor, the Liquidating Debtor, the Liquidating Trust, the Estates or their respective property, and such Administrative Claims shall be deemed waived and released as of the Effective Date. Objections to such requests must be Filed and served on the requesting party by 88 days after the Effective Date, subject to further order of the Bankruptcy Court. For the avoidance of doubt, nothing herein modifies any requirement to File any Administrative Claim as set forth in the Bar Date Order, and any holder of such Administrative Claim that failed to comply with the requirements of the Bar Date Order shall be forever barred from asserting such Administrative Claims against the Debtor, or in the case of an appointment of a Liquidating Debtor, the Liquidating Debtor, the Liquidating Trust, the Estates or their respective property, and such Administrative Claims shall be deemed waived and released.

ii. Bar Dates for Professional Fee Claims

Professionals or other Entities asserting a Fee Claim for services rendered before the Effective Date must file and submit a final fee application to the Bankruptcy Court and serve on the Debtor, or in the case of an appointment of a Liquidating Debtor, the Liquidating Trustee and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, the Fee Order or other order of the Bankruptcy Court, no later than 90 days after the Effective Date. A Professional may include any outstanding, non-Filed monthly or interim request for payment of a Fee Claim pursuant to the Fee Order in its Final Fee Application. Objections to any Final Fee Application must be Filed and served on the Debtor, or in the case of an appointment of a Liquidating Debtor, the Liquidating Trustee and the requesting party by the later of (1) 80 days after the Effective Date or (2) 30 days after the Filing of the applicable Final Fee Application. To the extent necessary, the Confirmation Order shall amend and supersede any previously entered order of the Bankruptcy Court, including the Fee Order, regarding the payment of Fee Claims. Any pending, Filed interim requests for a Fee Claim pursuant to the Fee Order shall be resolved in the ordinary course in accordance with the Fee Order or, if sooner, in connection with the particular Professional's Final Fee Application.

2. Treatment of Priority Tax Claims

a. Priority Tax Claims in General

Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, on the Effective Date or as soon as practicable after the date when such Claim becomes an Allowed Claim, each holder of an Allowed Claim in Class 3 shall receive, in full satisfaction of its Priority Tax Claim, cash in an amount equal to such Allowed Claim.

b. Other Provisions Concerning Treatment of Priority Tax Claims

Any Claim on account of any penalty arising with respect to or in connection with an Allowed Priority Tax Claim that does not compensate the holder for actual pecuniary loss shall be treated as a Class 4 Claim, and the holder may not assess or attempt to collect such penalty from the Debtor, the Liquidating Debtor, the Liquidating Trust, the Estates or their respective property.

c. ADDITIONAL TERMS: Tax Units shall retain all liens, if any, including those for post-petition taxes, until all allowed taxes, penalties, and interest secured by those liens have been paid. Should the taxes not be paid, the Tax Units shall be free to pursue all remedies at state law, in order to enforce any tax liens filed properly and collect payment of the delinquent taxes. Provided, however, that the tax liens shall attach to any sale proceeds for any properties that will be sold pursuant to this Plan.

B. Classes of Claims and Equity Interests

The following are the classified Claims and Interests to receive treatment under the

Plan, and a summary of the proposed treatment of such Claims and Interests under the Plan.

The table below is drawn from the Debtor's Schedules and filed Proofs of Claim. The final universe of claims, as actually Allowed, may differ from this table.

The classification of Claims and Equity Interests, the estimated aggregate amount of Claims in each Class and the amount and nature of distributions to holders of Claims or Equity Interests in each Class are summarized in the table below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified.

Each amount designated in the table below as "Estimated Percentage Recovery" for each Class is the quotient of the estimated Cash or other Liquidating Trust Assets to be distributed to holders of Allowed Claims in such Class, divided by the estimated aggregate amount of Allowed Claims in such Class. Each of the estimated Cash or other Liquidating Trust Assets and the estimated aggregate amount of Allowed Claims has been made in ranges with both low and high estimates. In determining such amount, the Debtor has assumed that the Plan is consummated as described herein.

These calculations do not include any value attributed to Causes of Action, including Avoidance Actions by any of the Estates. The Debtor has commenced a review of potential Causes of Action but is not yet in a position to provide an estimated value for such actions. The value of such actions, however, may or may not be material.

For a discussion of various factors that could materially affect the amount of Cash and other Estate or Liquidating Trust Assets to be distributed pursuant to the Plan, see Section IV. In addition, the Debtor's estimates for recoveries by holders of Allowed Claims are based on the Debtor's current view of the likely amount of Allowed Administrative Claims incurred by the Debtor through confirmation of the Plan. There can be no guarantee that the Debtor's estimates of Administrative Claims will prove to be accurate.

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. Treatment of Secured Claims

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan:

Class	Treatment
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<p>Class 1 - Secured Tax Claims</p> <p>Estimated Holders: 4:</p> <p><i>Cameron County</i> (Claim No. 2) Estimated Amount: \$31,835.68</p> <p><u>Collateral:</u></p> <p>(1) an undeveloped 5.0 acre tract legally described as El Jardin Subdivision Share 32 W 5.0 acres of E 30 Acres of Block 11, Brownsville, Cameron County, Texas (FMV \$81,500.00);</p> <p>(2) an undeveloped 6.0 acre tract legally described as El Jardin Subdivision Share 32 W 6.0 acres of E 30 Acres of Block 11, Brownsville, Cameron County, Texas (FMV \$97,800.00);</p> <p>(3) a developed 3.0 acre tract legally described as El Jardin Subdivision Share 32.2, Block 11 W4W10 (FMV \$30,807.00), Brownsville, Cameron County, Texas;</p> <p>(4) a developed 8.0 acre tract legally described as El Jardin Resubdivision Lot 5, Block 409E, Brownsville, Cameron County, Texas (FMV \$100,736.00);</p> <p>(5) a Recreation Building legally described as El Jardin Subdivision Share 32.2, Block 11 W4W10, Brownsville, Cameron County, Texas (FMV \$7,826.00);</p> <p>(6) Recreation Facilities legally described as El Jardin Subdivision Share 32.2, Block 11 W4W10, Brownsville, Cameron County, Texas</p>	<p>Unimpaired</p> <p>DEEMED TO ACCEPT THE PLAN NOT ENTITLED TO VOTE</p> <p>The ad valorem Tax Claims have been paid in full. Any Allowed Deficiency Claim of a holder of a Secured Tax Claim shall be entitled to treatment as an Allowed Class 4 Claim.</p> <p>Recovery: 100% of Allowed Claim</p> <p>See below for more detailed treatment information.</p>
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<p>Class 1 - Secured Tax Claims (cont'd)</p> <p><i>Brownsville ID</i> (Claim No. 4) Estimated Amount: \$2,252.04</p> <p><u>Collateral:</u></p> <p>EL JARDIN RESUBDIVISION LOT 5 BLK 409E, 8.0000 ACRES 129817 : 74-7540-4090-0050-00 EL JARDIN SUBDIVISION SHARE 32 2 BLK 11 W4 W10,3.0000 ACRES 134891:74-7970-0110-0500-10</p> <p><i>Texas Workforce Commission</i> (Claim No. 1) \$4,809.28</p> <p>Block 11, Share 32.2 Recreation Facilities - 1 acre out of Block 11 EI Jardin Subdivision Share 32.2 Block 11 W4W 10 134890</p> <p>Building on 1.0 acre Recreation Building EI Jardin Subdivision Share 32.2 Block 11 W4W10 (building on the 1.0 acre tract) 375940</p> <p>Share 32.2 Blk W4W10 3.0 acres Block 11 (developed) EI Jardin Subdivision Share 32.2 Block 11 W4W10, (3.0 acres) 134891</p> <p>8.0 acres Lot 5 BLK 11 (developed) EI Jardin Resubdivision Lot 5, Block 409E (8 acres), Brownsville, Cameron County, Texas 129817</p> <p>Block 11 (5.0 acres) (undeveloped) EI Jardin Subdivision Share 32 W 5.0 acres of E 30 Acres of Block 11, Brownsville, Cameron County, Texas 134886</p> <p>Block 11 6.0 acre (undeveloped) EI Jardin Subdivision Share 32 East 6.0 acres of Block 11E6 W10, Brownsville, Cameron County, Texas 134885</p>	
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<p><i>Internal Revenue Service</i> Claim No. 3.</p> <p>Claim Amount \$2,151.30</p> <p>Collateral:</p> <p>Block 11, Share 32.2 Recreation Facilities - 1 acre out of Block 11 El Jardin Subdivision Share 32.2 Block 11 W4W 10 134890</p> <p>Building on 1.0 acre Recreation Building El Jardin Subdivision Share 32.2 Block 11 W4W10 (building on the 1.0 acre tract) 375940</p> <p>Share 32.2 Blk W4W10 3.0 acres Block 11 (developed) El Jardin Subdivision Share 32.2 Block 11 W4W10, (3.0 acres) 134891</p> <p>8.0 acres Lot 5 BLK 11 (developed) El Jardin Resubdivision Lot 5, Block 409E (8 acres), Brownsville, Cameron County, Texas 129817</p> <p>Block 11 (5.0 acres) (undeveloped) El Jardin Subdivision Share 32 W 5.0 acres of E 30 Acres of Block 11, Brownsville, Cameron County, Texas 134886</p> <p>Block 11 6.0 acre (undeveloped) El Jardin Subdivision Share 32 East 6.0 acres of Block 11E6 W10, Brownsville, Cameron County, Texas 134885</p>	
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Allowed Secured Tax Claims shall be treated as follows:

- Each holder of an Allowed Secured Tax Claim shall retain all Liens securing the payment of such Allowed Secured Tax Claim until such Allowed Secured Tax Claim is paid in full.
- The holder of each Allowed Secured Tax Claim shall receive in full satisfaction of an Allowed Secured Tax Claim, on the later of the Effective Date and the date on which the Secured Tax Claim is allowed, each holder of an Allowed Secured Tax Claim shall receive, at the sole and exclusive option of the Court, the Debtor or the Liquidating Trustee: (a) Cash equal to the amount of such Claim; or (b) satisfaction of such Claim pursuant to such other terms and conditions as may be agreed upon by the Court, the Debtor, or the Liquidating Trustee and the holder of such Claim. Any Allowed Deficiency Claim of a holder of a Secured Tax Claim shall be entitled to treatment as an Allowed Class 4 Claim.
- Interest on each Allowed Secured Tax Claim shall accrue as follows:
 - for the period beginning on the date any portion of the tax underlying the Allowed Secured Tax Claim became or becomes delinquent under State Law, and to the extent of such delinquency, and continuing through the Effective Date, interest shall accrue at the state statutory rate of one percent (1%) per month in accordance with sections 506(b) and 511 of the Bankruptcy Code; and
 - for the period beginning on the day after the Effective Date and continuing through the day on which such Allowed Secured Tax Claim is paid in full, interest shall accrue on the unpaid tax at the state statutory rate of twelve percent (12%) per annum in accordance with sections 511 and 1129 of the Bankruptcy Code.

Class	Treatment
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<p>Class 2 – Other Secured Claims</p> <p>Holders: -2- <u>-1-</u></p> <p><i>Rudy De La Garza</i> (Claim No. 5)</p> <p>Estimated Amount: \$132,812.50</p> <p>The East Six (6) acres of the West Ten (10) acres Block Eleven (11), EL JARDIN SUBDIVISION in Share 32, Espiritu Santo Grant, Cameron County, Texas according to the Map or Plat recorded in Volume 4, Page 52, Map Records, Cameron County, Texas, and;</p> <p>The West Five (5) acres of the East Thirty (30) acres Block Eleven (11), EL JARDIN SUBDIVISION in Share 32, Espiritu Santo Grant, Cameron County, Texas according to the Map or Plat recorded in Volume 4, Page 52, Map Records, Cameron County, Texas.</p>	<p>Unimpaired DEEMED TO ACCEPT THE PLAN NOT ENTITLED TO VOTE</p> <p>Except as otherwise provided below, each Class 2 Claim shall, for purposes of accepting or rejecting the Plan and for receiving distributions under the Plan, be treated as though in a separate Class.</p> <p><u>The Debtor will liquidate the following properties as per this Liquidation Plan, with court approval through a real estate broker to be selected by Debtor, unless the Court appoints a Liquidating Trustee:</u></p> <p>Rudy De La Garza shall receive in full satisfaction of an Allowed Secured Claim on the later of the Effective Date and the date on which the Secured Claim is allowed, at the sole and exclusive option of the Court, the Debtor or Liquidating Trustee: (a) Cash equal to the amount of such Claim; (b) the collateral securing such Claim; or (c) satisfaction of such Claim pursuant to such other terms and conditions as may be agreed upon by the Court, the Debtor or Liquidating Trustee and the holder of such Claim. on the closing of the sale of the Debtor's properties that serve as collateral, (a) Cash equal to the amount of such Claim;</p> <p>Any Allowed Deficiency Claim of a holder of a Secured Claim shall be entitled to treatment as an Allowed Class 4 Claim.</p> <p>Estimated Recovery: 100% of Allowed Claim</p>
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Class 2 – Other Secured Claims. Each Allowed Other Secured Claim shall be placed within a separate subclass of this Class 2. Accordingly, each such Class 2 Claim shall, for purposes of accepting or rejecting the Plan and for receiving distributions under the Plan, be treated as though in a separate Class.

The Debtor will liquidate the following properties as per this Liquidation Plan, with court approval through a real estate broker to be selected by Debtor, unless the Court appoints a Liquidating Trustee:

Rudy De La Garza ~~The holder of each Allowed Other Secured Claim shall receive:~~ in full satisfaction of an Allowed Secured Claim, ~~within 60 days after the later of the Effective~~

~~Date and the date on which the Secured Claim is allowed or determined, at the sole and exclusive option of the Court, the Debtor or the Liquidating Trustee: (a) Cash equal to the amount of such Allowed or determined Claim, if there is sufficient money left after paying higher lien holders or (b) satisfaction of such Allowed or determined Claim pursuant to such other terms and conditions as may be agreed upon by the Court, the Debtor, or the Liquidating Trustee and the holder of such Claim. on the closing of the sale of the Debtor's properties that serve as collateral, (a) Cash equal to the amount of such Claim;~~

Any Allowed Deficiency Claim of a holder of a Allowed or determined Secured Claim shall be entitled to treatment as an Allowed Class 4 Claim.

Mr. Eldon Zieger, whom claims a security interest in the issued stock of Debtor but who has not filed any claim against Debtor, asserts that he believes Mr. De La Garza's secured claim may be subject to objection on the grounds that the corporation did not receive all or part of the consideration;

Class	Treatment
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<p><u>Class 3 Priority Claims</u></p> <p><i>Internal Revenue Service</i> Claim No. 3.</p> <p>Claim Amount \$121,551.23</p> <p>Collateral:</p> <p>Block 11, Share 32.2 Recreation Facilities - 1 acre out of Block 11 El Jardin Subdivision Share 32.2 Block 11 W4W 10 134890</p> <p>Building on 1.0 acre Recreation Building El Jardin Subdivision Share 32.2 Block 11 W4W10 (building on the 1.0 acre tract) 375940</p> <p>Share 32.2 Blk W4W10 3.0 acres Block 11 (developed) El Jardin Subdivision Share 32.2 Block 11 W4W10, (3.0 acres) 134891</p> <p>8.0 acres Lot 5 BLK 11 (developed) El Jardin Resubdivision Lot 5, Block 409E (8 acres), Brownsville, Cameron County, Texas 129817</p> <p>Block 11 (5.0 acres) (undeveloped) El Jardin Subdivision Share 32 W 5.0 acres of E 30 Acres of Block 11, Brownsville, Cameron County, Texas 134886</p> <p>Block 11 6.0 acre (undeveloped) El Jardin Subdivision Share 32 East 6.0 acres of Block 11E6 W10, Brownsville, Cameron County, Texas 134885</p>	<p>The IRS claim is based on 2012 payroll data which is inaccurate. Debtor’s principal, Dean Gutierrez could not process payroll data because the corporation had not been formally put under the name of Dean Gutierrez by the attorneys handling the transferring of the corporation. <u>Debtor will file an objection to such claim</u> An objection will be filed and if necessary an adversary will be filed to work out a proper determination of the correct amount of taxes owed. No distribution is contemplated until the proper amount is arrived at by litigation or settlement.</p> <p>Upon the final determination, the IRS shall be paid from the liquidation assets of the Debtor ahead of the general unsecured <u>creditors and of holders of equity interests</u>.</p>
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<p>Class 4 – General Unsecured Claims</p> <p>Estimated Amount: \$141, 367.73</p> <p>IRS Claim 3 -- 50,367.73 Elvia Reyna Claim 6 – 45,500.00 Julian Rivera Claim 7 – 45,500.00</p> <p>Total Estimated Holders: 3</p>	<p>Impaired. DEEMED TO REJECT</p> <p>Each holder of an Allowed Claim in Class 4 shall receive a one time payment in full of their Allowed Claim, after payment of administrative claims <u>and all senior claims</u>.</p> <p>Estimated Recovery: 100 % of Allowed Claim</p>
<p>Class 5 – Interests in the Debtor</p> <p>Total Holders: 1</p>	<p>Impaired DEEMED TO REJECT</p> <p>Upon payment of all senior claims, on or after the effective date and subject to Court approval, all remaining property interests will <u>legally</u> revert upon the equity owner(s) of Debtor, <u>Mr. Dean Gutierrez</u>. Such contemplated reversion shall be in full satisfaction of any claim or potential claim of Holder of Interest in the Debtor.</p> <p><u>With respect to the proceeds that may distributed to interest owners, those funds will be deposited into the registry of the Court until the litigation claims between or involving Eldon L Zieger, the Debtor and Dean Gutierrez shall be decided by a final nonappealable judgement or agreed compromise.</u></p> <p><u>The final judgment after litigation in Adversary Case 17-01002 will be outcome determinative on how any excess proceeds from the sale of the property of Debtor, after payment of all costs of sale, ad valorem taxes, IRS taxes and 1st liens and senior allowed claims are paid, are distributed.</u></p> <p><u>Mr. Eldon Lee Zieger asserts a security interest in all outstanding stock or equity interests of a stockholder of the Debtor and asserts that he is entitled to receive any proceeds of the liquidation which may become payable on account of any outstanding stock or equity interest.</u></p> <p>Estimated Recovery: ____%</p>

The total universe of Claims, as ultimately Allowed, may be greater or smaller than as reflected in the above analysis.

The estimated aggregate amounts of Claims shown in the table above are based upon the Debtor's review of its books and records and may be revised following the Debtor's analysis of the Claims Filed. Further, the amount of any Disputed Claim that ultimately is allowed by the Bankruptcy Court may be significantly more or less than the estimated amount of such Claim.

C. Treatment of Executory Contracts and Unexpired Leases

1. Executory Contracts and Unexpired Leases to Be Rejected

On the Effective Date, except for (a) the Executory Contracts and Unexpired Leases listed on Exhibit 6 or (b) to the extent that a Debtor either previously has assumed and assigned or rejected an Executory Contract or Unexpired Lease by an order of the Bankruptcy Court or has filed a motion to assume or assume and assign an Executory Contract or Unexpired Lease prior to the Effective Date, each Executory Contract and Unexpired Lease entered into by a Debtor prior to the Petition Date that has not previously expired or terminated pursuant to its own terms will be rejected pursuant to section 365 of the Bankruptcy Code. Each contract and lease will be rejected only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. Notwithstanding the foregoing, nothing shall cause the rejection (if such contract is an Executory Contract or Unexpired Lease for purposes of section 365), breach or termination of any contract of insurance benefiting the Debtor, their current or former directors and officers, the Estate and/or the Liquidating Debtor, the Liquidating Trust or the Liquidating Trustee. The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date.

a. Bar Date for Rejection Claims

Notwithstanding anything in the Bar Date Order to the contrary, if the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan gives rise to a Claim by the other party or parties to such contract or lease, such rejection claim will be forever barred and will not be enforceable against the Debtor or in the case where a liquidating Trustee is appointed, the Liquidating Trustee or the Liquidating Trust, unless a proof of Claim is Filed and served on the Debtor or Liquidating Trustee, pursuant to the procedures specified in the Confirmation Order and the notice of the entry of the Confirmation Order or another order of the Bankruptcy Court, by 30 days after the Effective Date.

2. Executory Contracts to Be Assumed and Assigned or Rejected

a. Assumption Generally

Except as otherwise provided in this Plan or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, on the Effective Date, pursuant to section 365 of the Bankruptcy Code, the Debtor or if applicable, Liquidating Debtor shall assume each of the respective Executory Contracts and Unexpired Leases listed

on Exhibit 6 of the Plan; provided, however, that the Debtor reserves the right, at any time prior to the Effective Date, to amend Exhibit 6 of the Plan to: (a) delete any Executory Contract or Unexpired Lease listed therein, thus providing for its rejection pursuant hereto on the Effective Date; or (b) add any Executory Contract or Unexpired Lease to Exhibit 6 of the Plan, thus providing for its assumption pursuant to the procedures of the Plan on the Effective Date. The Debtor shall provide notice of any amendments via Exhibit 6 of the Plan to the parties to the Executory Contracts or Unexpired Leases affected thereby and to the parties on the then-applicable service list in the Bankruptcy Cases. Nothing herein shall constitute an admission by a Debtor that any contract or lease is an Executory Contract or Unexpired Lease or that a Debtor has any liability thereunder.

b. Assumption and Assignment of Executory Contracts and Unexpired Leases

Each Executory Contract and Unexpired Lease assumed shall include any modifications, amendments, supplements or restatements to such contract or lease.

c. Approval of Procedures

The Confirmation Order shall constitute an order of the Bankruptcy Court approving the assumptions or assumption and assignments or rejections described herein, pursuant to section 365 of the Bankruptcy Code. The procedures for such assumption or assumption and assignment of an Executory Contract or Unexpired Lease are as follows:

i. After the entry of the Confirmation Order, the Debtor or the Liquidating Trustee, in the case where a Liquidating Trustee is appointed, shall serve upon each party to an Executory Contract or Unexpired Lease being assumed or assumed and assigned or rejected notice of: (i) the contract or lease being assumed or assumed and assigned or rejected; (ii) the Cure Amount Claim, if any, that the applicable Debtor or the Liquidating Trustee believes would be necessary to pay in connection with such assumption; and (iii) the procedures for such party to object to the assumption or assumption and assignment or rejection of the applicable contract or the amount of the proposed Cure Amount Claim.

ii. Any Entity wishing to object to (i) the proposed assumption or assumption and assignment or rejection described herein or (ii) the proposed amount of the related Cure Amount Claim must File and serve on the Debtor or Liquidating Trustee, in the case where a Liquidating Trustee is appointed, a written objection setting forth the basis for the objection within 20 days of service of the notice described herein.

iii. If no objection to the proposed assumption or assumption and assignment or rejection or Cure Amount Claim is properly Filed and served prior to the objection deadline: (i) the proposed assumption and assignment or rejection of the applicable Executory Contracts or Unexpired Lease shall be approved in accordance with the Plan and the Confirmation Order, effective as of the date of notice described herein, without further action of the Bankruptcy Court; and (ii) the

Cure Amount Claim identified by the Debtor or the Liquidating Trustee, in the case where a Liquidating Trustee is appointed, in the notice shall be fixed and shall be promptly paid thereafter, without further action of the Bankruptcy Court, to the appropriate contract or lease party identified on the notice.

iv. If an objection to the proposed assumption and assignment or rejection or Cure Amount Claim is properly Filed and served prior to the objection deadline, Debtor or the Liquidating Trustee, in the case where a Liquidating Trustee is appointed, and the objecting party may resolve such objection by stipulation, without further action of the Bankruptcy Court.

v. If an objection to the proposed assumption and assignment or rejection or Cure Amount Claim is properly Filed and served prior to the objection deadline and the parties are unable to resolve such objection, the Debtor or the Liquidating Trustee, in the case where a Liquidating Trustee is appointed, may File a reply to such objection no later than 30 days after the Filing and service of such objection and ask the Bankruptcy Court to schedule a hearing on the particular objection and the related reply at an appropriate time.

3. Payments Related to the Assumption of Executory Contracts and Unexpired Leases

To the extent that such Claims constitute monetary defaults, the Cure Amount Claims associated with each Executory Contract and Unexpired Lease to be assumed or assumed and assigned pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code: (1) by payment of the Cure Amount Claim in Cash; or (2) on such other terms as are agreed to by the parties to such Executory Contract and Unexpired Lease. Pursuant to section 365(b)(2)(D) of the Bankruptcy Code, no Cure Amount Claim shall be allowed for a penalty rate or other form of default rate of interest. If there is a dispute regarding: (1) the amount of any Cure Amount Claim; (2) the ability of any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed; or (3) any other matter pertaining to assumption of such contract or lease, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving the assumption.

III. MEANS FOR IMPLEMENTATION OF THE PLAN

A. Cash

The Debtor has \$1,577,353.86 in the registry of the Court for payment of Allowed Claims that remain from the sale of real estate in Pharr, Texas. Debtor believes that it has enough money to pay all Allowed Claims pursuant to the terms of the Plan. The Debtor believes that it will have sufficient money to pay administrative expenses. See Exhibit 5. In the case of Attorney fees, Debtor and Counsel for Debtor may agree to payments over time.

B. Real Estate

The Debtor will liquidate the following properties as per this Liquidation Plan, with court approval through a real estate broker to be selected by Debtor, unless the Court appoints a Liquidating Trustee:

1. Block 11, Share 32.2
Recreation Facilities - 1 acre out of Block 11
El Jardin Subdivision Share 32.2
Block 11 W4W 10
134890
2. Building on 1.0 acre
Recreation Building
El Jardin Subdivision Share 32.2
Block 11 W4W10 (building on the 1.0 acre tract)
375940
3. Share 32.2 Blk W4W10
3.0 acres Block 11 (developed)
El Jardin Subdivision Share 32.2
Block 11 W4W10, (3.0 acres)
134891
4. 8.0 acres Lot 5 BLK 11 (developed)
El Jardin Resubdivision Lot 5, Block
409E (8 acres), Brownsville,
Cameron County, Texas
129817
5. Block 11 (5.0 acres) (undeveloped)
El Jardin Subdivision Share 32 W 5.0
acres of E 30 Acres of Block 11,
Brownsville, Cameron County, Texas
134886
6. Block 11 6.0 acre (undeveloped)
El Jardin Subdivision Share 32 East
6.0 acres of Block 11E6 W10, Brownsville,

Cameron County, Texas
134885

Any party in interest can submit an offer to purchase the Debtor's real estate to the real estate broker.

The Debtor proposes that a selected real estate broker be given 6 months after plan confirmation to market and sell the property. Without a sale for a reasonable price, as determined by the real estate broker's research or employed professionals research in those 6 months, the broker is to conduct an auction on the property as he/she finds appropriate, with court approval, and auction the properties.

Unless the Court requires that an auction is necessary, the real estate broker shall market the properties in the usual and customary manner. However, the real estate broker, with court approval, shall have exclusive authority to determine the manner of conducting that sale as the circumstances of the market lead him/her to act.

Based on the Cameron County Appraisal values, the market value of the properties is \$707,509.00. Please see Exhibit 4 for individual tract value. The Real Estate Broker will typically charge 6% of the sales price as a commission and deduct all closing fees from the gross proceeds.

The Debtor shall sell or otherwise dispose of its assets and properties, to discharge its obligations and liabilities and to wind up its business operations, all on such terms as are deemed necessary or appropriate to implement this Plan.

The Debtor or conceivably a Liquidating or Chapter 7 trustee would employ a local auctioneer, with court approval, to sell the equipment, office furniture and equipment and other equipment.

Except as noted below, the proceeds remaining after the expenses of sale, shall be distributed in the following order: 1) First, all secured tax creditors shall receive the treatment (payments) as described in the secured tax creditor claim section above. 2) Second, all secured creditors shall receive the treatment (payments) as described in the secured creditor claim section above. 3) Thereafter, all administrative expenses claimants and all priority creditors shall receive treatment (payments) as described in the administrative and/or priority creditor claim section above. 4) Fourth, the general unsecured creditors shall receive any funds remaining after the payment of claims by the Secured tax creditors, secured creditors, and the administrative expense claimants/priority creditors, Lastly, the interest owners will receive any remaining proceeds. With respect to the proceeds that may distributed to interest owners, those funds will be deposited into the registry of the Court until the litigation claims between or involving Eldon L Zieger, the Debtor and Dean Gutierrez shall be decided by a final nonappealable judgement or agreed compromise.

Those claimants whose proof of claims are being litigated, have been objected to or will be objected to will be protected by the Debtor reserving funds in the registry of the Court from the net proceeds that may become available to pay that claim holder.

At the current time, other than claim for attorneys fees, there the list of claims are as follows:

secured	
TWC	\$ 4,809.28
Rudy de la Garza	136,812.50
Brownsvile id	2,252.04
IRS	2,151.30
Cameron County	31,835.68
Total	\$ 177,860.80
Priority	
Oliva, Marcos	\$ 3,952.40
TWC	1,688.12
IRS	121,551.23
Unsecured	
Reyna-rivera	\$ 91,000.00
IRS	50,367.73
Total	\$ 141,367.73
Note 1: the claim of \$91,000 is a total amount of claim to be paid to the Rivera-Reyna claimants notwithstanding any proof of claim statement to the contrary, if the claims are allowed	

The Debtor will continue to operate its business pending sale of the properties and maintain and improve the property to make it more attractive for tenants to remain and for new tenants to make the business property their home.

Marketability

The Debtor received an offer to sell the property for over \$1.5 million USD, to which Eldon L. Zieger stated he was not in conformity with. Afterwards, upon information and belief, Zieger verbally passed on a lesser proposed offer to Debtor, originating from the same proposed buyer, an offer of \$970,000 which the Debtor did not accept.

C. Causes of Action

A nonexclusive schedule of currently pending actions and claims brought by Debtor is attached as Exhibit 7. In accordance with and subject to any applicable law, the Debtor's inclusion or failure to include any Cause of Action on Exhibit 7 shall not be deemed an admission, denial or waiver of any Cause of Action that any Debtor or Estate may hold against any Entity. Any recovery of Cash by the Debtor, on account of such Causes of Action will be distributed pursuant to the terms of the Plan.

Mr. Eldon Lee Zieger believes the corporation may have claims against Dean Gutierrez and/or Anthony Troiani for misapplication of the proceeds of the De La Garza loan;

The Debtor believes that it may have claims against Christopher Phillippe and/or his law firm and Anthony Troiani for *inter alia*, breach of fiduciary duty and ineffective assistance of counsel.

D. Projected Recovery of Avoidable Transfers

~~All potential Avoidable Transfers shall be considered included in the Causes of Action transferred. See Exhibit 7.~~

A nonexclusive list of potential Avoidable Transfers are listed in Exhibit 8.

E. Liquidating Debtor

1. General

The Court will decide if it should appoint a Liquidating Trustee. If the Court decides to appoint a Liquidating Trustee, the Debtor suggests that the Court appoint one from the available Chapter 7 trustees. The Liquidating Trustee then can, if it determines appropriate, hire a local auctioneer such as Bond & Bond as needed to liquidate any asset of the estate.

This section only applies if the Court appoints Liquidating Trustee. On and after the Effective Date, Debtor will remain in existence as a Liquidating Debtor until such time as the Liquidating Trustee causes the existence of such Liquidating Debtor to be terminated as provided herein, in the case where a Liquidating Trustee is appointed.

On the date that a Liquidating Trustee is appointed, all Causes of Action will be transferred to the Liquidating Trust, in the case where a Liquidating Trustee is appointed. Any recovery of Cash by the Debtor or the Liquidating Trustee, in the case where a Liquidating Trustee is appointed, on account of such Causes of Action will be distributed pursuant to the terms of the Plan and the Liquidating Trust Agreement, in the case where a Liquidating Trustee is appointed.

On the date that a Liquidating Trustee is appointed, all rights to pursue and litigate potential Avoidable Transfers will be transferred or issued to, and vest in, the Liquidating Trust, in the case where a Liquidating Trustee is appointed. All potential Avoidable Transfers shall be considered included in the Causes of Action transferred. See Exhibit 7.

2. Liquidating Rio Mobile Home & RV Parks, Inc.

a. On the date that a Liquidating Trustee is appointed, in the case where a Liquidating Trustee is appointed, the Liquidating Debtor's interest will be transferred to the Liquidating Trust.

b. On the date that a Liquidating Trustee is appointed, the certificate of incorporation/formation and bylaws of Liquidating Debtor will be amended and stated. On and after the date that a Liquidating Trustee is appointed, the Liquidating Trustee may, without further order of the Bankruptcy Court, cause the certificate of incorporation or bylaws of Liquidating Debtor to be amended or restated as permitted by applicable law and the terms of such documents and determined by the Liquidating Trustee to be necessary or appropriate to implement the Plan.

c. On the date that a Liquidating Trustee is appointed, the board of directors of Liquidating Debtor will be comprised of the natural person serving as the Liquidating Trustee, without further order of the Bankruptcy Court.

3. Liquidation

a. On the date that a Liquidating Trustee is appointed, if necessary to the performance of this plan, the Liquidating Trustee will cause the Liquidating Debtor to sell or otherwise dispose of its assets and properties, to discharge its obligations and liabilities and to wind up its business operations, all on such terms as the Liquidating Trustee determines to be necessary or appropriate to implement this Plan and all without further order of the Bankruptcy Court.

b. On and after the Effective Date, for all purposes of the Tax Code, the Debtor shall be deemed to have transferred the Liquidating Trust assets to the Beneficial Interest holders pursuant to the Plan and the Beneficial Interest holders shall be deemed to have transferred their share of the Liquidating Trust assets to the Liquidating Trust. The Liquidating Trust is intended to be treated as a liquidating trust pursuant to Treasury Regulations § 301.7701-4(d), and as a grantor trust subject to the

provisions of Subchapter 1, Subpart E of the Tax Code, owned by the Beneficial Interest holders as grantors.

c. For the avoidance of doubt, on and after the Effective Date, the Liquidating Trustee may, without further order of the Bankruptcy Court, cause a Liquidating Debtor to transfer any or all of its assets and properties to the Liquidating Trust or another Liquidating Debtor if the Liquidating Trustee determines such disposition to be appropriate to implement this Plan. Assets and properties transferred by a Liquidating Debtor to the Liquidating Trust will, from and after such transfer, be considered Liquidating Trust Assets for all purposes.

4. Dissolution

At such times as determined by the Liquidating Trustee to be appropriate, the Liquidating Trustee will cause the existence of the Liquidating Debtor to be terminated by merger, consolidation or dissolution or as otherwise permitted by applicable law, all on such terms as the Liquidating Trustee determines to be necessary or appropriate to implement the Plan and all without further order of the Bankruptcy Court. In order to effectuate such terminations in accordance with applicable law, the Liquidating Trustee may, without further order of the Bankruptcy Court, cause the Liquidating Debtor to, among other things:

(a) adopt such plans of merger, consolidation or dissolution or similar plans as the Liquidating Trustee determines to be necessary or appropriate;

(b) execute and deliver such agreements or other documents as the Liquidating Trustee determines to be necessary or appropriate; and (c) execute and file with the applicable governmental authorities such certificates of merger, consolidation or dissolution or similar instruments as the Liquidating Trustee determines to be necessary or appropriate.

F. Liquidating Trust

Upon the appointment of a Liquidating Trustee by the Court, the Liquidating Trust will be established.

1. Formation of the Liquidating Trust

a. Upon the appointment of a Liquidating Trustee by the Court, the Liquidating Trust will be established pursuant to the Liquidating Trust Agreement for the purpose of liquidating the Causes of Action, liquidating and dissolving the Liquidating Debtor, resolving all Disputed Claims, pursuing any and all Claims of the Debtor or its Creditors against any party, if any, and making distributions to holders of Allowed Claims in accordance with the terms of the Plan and otherwise implementing the Plan.

b. Upon the appointment of a Liquidating Trustee, the Estate Representative shall be authorized to execute a Liquidating Trust Agreement and take all other steps necessary to establish the Liquidating Trust; and

c. Upon the appointment of a Liquidating Trustee, all Causes of Action, any and all Claims of the Debtor or its Creditors against any party and the Reserve Account will be transferred or issued to, and vest in, the Liquidating Trust.

d. Subject to, and to the extent set forth in, this Plan, the Confirmation Order, the Liquidating Trust Agreement or other agreement (or any other order of the Bankruptcy Court entered pursuant to, or in furtherance of, the Plan), the Liquidating Trust and the Liquidating Trustee will be empowered to take, or cause the Liquidating Debtor to take, the following actions, and any other actions, as the Liquidating Trustee determines to be necessary or appropriate to implement the Plan, all without further order of the Bankruptcy Court:

i. adopt, execute, deliver or file all plans, agreements, certificates and other documents and instruments necessary or appropriate to implement the Plan;

ii. accept, preserve, receive, collect, manage, invest, supervise, prosecute, settle and protect the Causes of Action and other Liquidating Trust Assets and the assets and properties of the Liquidating Debtor;

iii. sell, liquidate or otherwise dispose of the Causes of Action and other Liquidating Trust Assets and the assets and properties of the Liquidating Debtor;

iv. calculate and make distributions to holders of Allowed Claims;

v. exercise rights and fulfill obligations under the Plan;

vi. implement the Sale Orders;

vii. review, reconcile, settle or object to Claims and resolve such objections;

viii. retain Third Party Disbursing Agents and professionals and other Entities;

ix. file appropriate Tax returns and other reports on behalf of the Liquidating Trust and the Liquidating Debtor and pay Taxes or other obligations owed by the Liquidating Trust and the Liquidating Debtor;

x. close or dismiss the Bankruptcy Case; and

xi. dissolve the Liquidating Trust.

e. The Liquidating Trust has no objective to, and will not engage, in a trade or business and will conduct its activities consistent with this Plan and the Liquidating Trust Agreement.

f. Upon the appointment of a Liquidating Trustee, the Debtor's Estate will transfer, and will be deemed to have irrevocably transferred, to the Liquidating Trust, all Causes of Action. The Plan will be considered a motion pursuant to sections 105, 363 and 365 of the Bankruptcy Code for such relief.

g. The Liquidation Trust and the Liquidating Trustee will each be a "representative" of the Estates under section 1123(b)(3)(B) of the Bankruptcy Code, and the Liquidating Trustee will be the trustee of the Liquidating Trust Assets for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), and, as such, the Liquidating Trustee succeeds to all of the rights, powers and obligations of a trustee in bankruptcy with respect to collecting, maintaining, administering and liquidating the Liquidating Trust Assets.

2. Liquidating Trustee

a. The Liquidating Trustee will be the exclusive trustee of the Liquidating Trust Assets for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representatives of the Estate of the Debtor appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code. The powers, rights and responsibilities of the Liquidating Trustee will be specified in the Liquidating Trust Agreement and will include the authority and responsibility to take, and cause the Liquidating Debtor to take, the actions contemplated by Section III.G.1.d. The Liquidating Trustee will distribute the Liquidating Trust Assets and the assets and properties of the Liquidating Debtor in accordance with the provisions of this Plan and the Liquidating Trust Agreement. Other rights and duties of the Liquidating Trustee and the beneficiaries of the Liquidating Trust will be as set forth in the Liquidating Trust Agreement.

b. The Liquidating Trust Agreement generally will provide for, among other things:

- i. the payment of reasonable compensation to the Liquidating Trustee;
- ii. the payment of other expenses of the Liquidating Trust, including the cost of pursuing Causes of Action;
- iii. the retention of Third Party Disbursing Agents; counsel, accountants, financial advisors or other professionals; or other Entities; and the payment of their compensation;
- iv. the investment of Cash within certain limitations;

v. the preparation and filing of appropriate Tax returns and other reports on behalf of the Liquidating Trust and the Liquidating Debtor and the payment of Taxes or other obligations owed by the Liquidating Trust and the Liquidating Debtor; and

vi. the orderly liquidation of the Causes of Action and the assets and properties of the Liquidating Debtor, which may include the litigation, settlement, abandonment or dismissal of any claims or rights.

3. Fees and Expenses of the Liquidating Trust

Except as otherwise ordered by the Bankruptcy Court, the Liquidating Trust Expenses will be paid from the Liquidating Trust Assets and the assets and properties of the Liquidating Debtor in accordance with the Plan and the Liquidating Trust Agreement.

4. Post-Confirmation Reporting

Upon the appointment of a Liquidating Trustee, the Liquidating Trustee, on behalf of the Liquidating Trust, will File unaudited reports of its activities and the financial affairs of the Liquidating Trust with the Bankruptcy Court on a quarterly basis, within 30 days after the conclusion of each such quarterly period until the earlier of the entry of a final decree closing each of the Bankruptcy Cases or a Bankruptcy Court order converting or dismissing each of the Bankruptcy Cases. Such filed unaudited quarterly reports will contain information regarding the liquidation of the Causes of Action and the assets and properties of the Liquidating Debtor, the distributions made by the Liquidating Trustee and other matters required to be included in such reports in accordance with the Liquidating Trust Agreement and any applicable Bankruptcy Court and United States Trustee guidelines for such matters.

5. Expenses of the Liquidating Trust

The Liquidating Trustee, on behalf of the Liquidating Trust, may, without further order of the Bankruptcy Court, retain Third Party Disbursing Agents, professionals or other Entities to assist in carrying out its duties hereunder and may compensate and reimburse the expenses of these professionals or other Entities without further order of the Bankruptcy Court from the Liquidating Trust Assets and the assets and properties of the Liquidating Debtor in accordance with the Plan and the Liquidating Trust Agreement.

The total expense of the Liquidating Trustee will be comprised of the following factors:

- (a) The cost of pursuing the causes of action and avoidable transfers, including filing fees, deposition costs, attorney fees, mediation costs, paralegal costs, which the Debtor estimates to be about \$200,000.00;
- (b) The cost of marketing and selling the properties, which includes the traditional 6% fee of the real estate agents and/or auctioneers involved;

- (c) Trust taxes that the Liquidation Trust may incur;
- (d) The Costs of accounting professionals;
- (e) The fees of the Liquidating Trustee

6. Indemnification

The Liquidating Trust Agreement may include reasonable and customary indemnification provisions. Any such indemnification will be the sole responsibility of the Liquidating Trust.

7. Tax Treatment

The Liquidating Trust generally is intended to be treated, for federal income Tax purposes, in part as a liquidating trust within the meaning of Treasury Regulations section 301.7701-4(d), for the benefit of the holders of Allowed Claims entitled to distributions of Pending Payments, and otherwise as one or more disputed ownership funds within the meaning of Treasury Regulations section 1.468B- 9(b)(1), as more specifically provided for under the Liquidating Trust Agreement. Accordingly, for all federal income Tax purposes the transfer of Liquidating Trust Assets to the Liquidating Trust will be treated as: (a) to the extent of Pending Payments, a transfer of the Pending Payments directly from the Debtor to the holders of such Allowed Claims followed by the transfer of such Pending Payments by the holders of Allowed Claims to the Liquidating Trust in exchange for rights to Distributions from the Liquidating Trust; and (b) to the extent of amounts that are not Pending Payments, as a transfer to one or more disputed ownership funds. The holders of Allowed Claims entitled to Distributions of Pending Payments will be treated for federal income Tax purposes as the grantors and deemed owners of their respective shares of the Liquidating Trust Assets in the amounts of the Pending Payments and any earnings thereon. The Liquidating Trustee will be required by the Liquidating Trust Agreement to file federal Tax returns for the Liquidating Trust as a grantor trust with respect to any Pending Payments and as one or more disputed ownership funds with respect to all other funds or other property held by the Liquidating Trust pursuant to applicable Treasury Regulations, and any income of the Liquidating Trust will be treated as subject to Tax on a current basis. The Liquidating Trust Agreement will provide that the Liquidating Trustee will pay such Taxes from the Liquidating Trust Assets and the assets and properties of the Liquidating Debtor. In addition, the Liquidating Trust Agreement will require consistent valuation by the Liquidating Trustee and the Beneficiaries (as defined in the Liquidating Trust Agreement), for all federal income Tax purposes, of any property held by the Liquidating Trust. The Liquidating Trust Agreement will provide that termination of the trust will occur no later than five years after the Effective Date, unless the Bankruptcy Court approves an extension based upon a finding that such an extension is necessary for the Liquidating Trust to complete its Claims resolution and liquidating purpose. The Liquidating Trust Agreement also will limit the investment powers of the Liquidating Trustee in accordance with IRS Rev. Proc. 94-45 and will require the Liquidating Trust to distribute at least annually to the Beneficiaries (as such may have been determined at such time) its net income (net of any payment of or provision for Taxes), except for amounts retained as reasonably necessary to maintain the value of the Liquidating Trust Assets or to meet Claims and contingent liabilities (including Disputed Claims).

The federal income tax effects on holders of claims will vary depending on how the holder has treated its claim for tax purposes. For example, if the holder has a basis in its debt claim and is paid an amount less than its basis, the holder may be entitled to a federal income tax deduction for its loss. This will depend on the holder's own tax characteristics and cannot be assured. Conversely, if the holder has no basis in its debt claim, the holder may recognize income for federal income tax purposes based on payments under the plan.

Because each holder's federal income tax situation may vary, you are urged to consult your own tax advisors to determine the federal income tax effect of the plan on you.

The debtor may also have a federal income tax effect from the plan. To the extent that indebtedness is discharged, the debtor may have a basis adjustment in his assets. Moreover, any sale of assets may produce taxable income. The forecasts set forth above incorporate the debtor's best estimate of the federal income tax effect of the plan.

G. No Revesting of Liquidating Trust Assets

No Liquidating Trust Asset will revest in any Liquidating Debtor on or after the date such Liquidating Trust Asset is transferred to the Liquidating Trust but will vest upon such transfer in the Liquidating Trust to be administered by the Liquidating Trustee in accordance with this Plan and the Liquidating Trust Agreement, unless all claims have been treated and assets remain.

H. Term of Injunctions or Stays

Unless otherwise provided, all injunctions or stays provided for in the Bankruptcy Cases pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Bankruptcy Cases are closed.

I. Preservation of Causes of Action; Settlement of Claims and Releases

1. Preservation of All Causes of Action Not Expressly Settled or Released

Unless a Cause of Action against any Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including the Confirmation Order), the Debtor expressly reserve such Causes of Action to be transferred by the Debtor to the Liquidating Trust pursuant to the Plan, which Causes of Action include the Avoidance Actions, for possible adjudication by the Liquidating Trustee, and, therefore, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppels, issue preclusion, claim preclusion, waiver, estoppels (judicial, equitable or otherwise) or laches shall apply to such Causes of Action upon or after the entry of the Confirmation Order or Effective Date based on the Plan or the Confirmation Order, except where such Causes of Action have been released in the Plan or any Final Order (including the Confirmation Order).

In addition, the Debtor or Liquidation Trustee as the case may be, reserves the right to pursue or adopt any claims alleged in any lawsuit in which the Debtor is a defendant or an

interested party, against any Entity, including the plaintiffs or co-defendants in such lawsuits. For the avoidance of doubt, Causes of Action include all avoidable transfers.

The decision of whether or not to pursue any claim or litigation at all or to compromise Claims once they have been asserted shall be made by the Debtor or the Liquidating Trustee in accordance with the provisions of the Liquidating Trust Agreement.

Avoidance Actions

The Debtor or the Liquidating Trustee if one is appointed, is empowered to pursue the estate's avoidance or fraudulent transfer claims. The Debtor or the Liquidating Trustee if one is appointed, is entitled to retain professionals as necessary for this purpose. Expenses and fees for pursuing such claims by the Liquidating Trustee will be paid by the Trustee out of the Trust, subject to all rules and restrictions therein, upon submission of bills from professionals in the same manner as payments to Trust professionals.

The Debtor or the Liquidating Trustee if one is appointed, has until twelve months after the Plan confirmation, to file any such avoidance or fraudulent transfer claims or they are forever barred. This provision does not extend any of the applicable statutes of limitations for such claims, i.e., if the Debtor or Liquidating Trustee if one is appointed, does not timely pursue any claim prior to the running of a limitations statute the deadline is not extended.

2. Comprehensive Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided under the Plan, the provisions of this Plan will constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest or any distribution to be made pursuant to the Plan on account of any Allowed Claim or Allowed Interest. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtor, its Estates and Claim and Interest holders and is fair, equitable and reasonable.

J. Limitations on Liability

The Debtor, the Liquidating Debtor, the Liquidating Trust, the Liquidating Trustee and their respective directors, officers, employees, agents and professionals, acting in such capacity, and their respective agents and professionals, in each case acting in such capacity, will neither have nor incur any liability to any Entity for any act taken or omitted to be taken on or after the commencement of the Bankruptcy Cases, including the formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan or any contract, instrument, release or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection with the Bankruptcy Cases or any of the foregoing; provided, however, that the foregoing provisions will have no effect on: (a) the liability of any Entity that would otherwise result from the failure to perform or pay any obligation or liability under the Plan or any contract, instrument, release or other agreement or document to be entered into or delivered in connection with the Plan; or (b) the liability of any Entity

that would otherwise result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct.

K. Release of Liens

Except as otherwise provided in this Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with this Plan, concurrently with the applicable Distributions made pursuant to Section V, all Liens against the property of any Estate will be fully released and discharged, and all of the right, title and interest of any holder of such Liens, including any rights to any collateral thereunder, shall revert to the applicable Estate.

L. Effectuating Documents; Further Transactions; Exemption From Certain Transfer Taxes

The Debtor or the Liquidating Trustee if one is appointed, or their designees will be authorized to (a) execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan and (b) certify or attest to any of the foregoing actions. Pursuant to section 1146(a) of the Bankruptcy Code, the following will not be subject to any stamp tax, real estate transfer tax, sales and use tax or similar tax: (a) the execution and implementation of the Liquidating Trust Agreement, including any transfer of assets or properties to or by the Liquidating Trust or a Liquidating Debtor; or (b) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including any plan or agreement adopted or executed in connection with any transaction pursuant to the Plan.

M. Cramdown

The Debtor requests Confirmation under section 1129(b) of the Bankruptcy Code with respect to any impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtor reserves the right to modify the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

IV. RISK FACTORS

Prior to voting on the Plan, holders of Claims in Classes 3, 4 as well as entities in non-voting Classes, should consider carefully the risk factors described below, as well as all of the information contained in this Plan, including the Exhibits hereto. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation. See Section X for a discussion of tax law considerations.

A. Plan Confirmation

There is no guarantee that that the Plan will be confirmed. If the Plan, or a substantially similar plan, is not confirmed, the terms and timing of any plan of liquidation ultimately confirmed in the Bankruptcy Cases and the treatment of Claims and Interest will be unknown. In addition, if the Plan is

not confirmed, a significant risk exists that the Bankruptcy Case may be converted to a case under chapter 7. In such event, the Debtor believes that creditor recoveries would be substantially diminished. See Exhibit 4.

B. The Effective Date May Not Occur

The Plan provides that there are conditions precedent to the occurrence of the Effective Date. There is no guarantee as to the timing of the Effective Date. Additionally, if the conditions precedent to the Effective Date are not satisfied or waived, the Bankruptcy Court may vacate the Confirmation Order. In that event, the Plan would be deemed null and void and the Debtor or any other party may propose or solicit votes on an alternative plan of liquidation that may not be as favorable to parties in interest as the Plan.

C. Allowance of Claims

This Plan has been prepared based on preliminary information concerning filed Claims and the Debtor's books and records. The actual amount of Allowed Claims may differ from the Debtor's current estimates. The Debtor's estimate of recoveries for holders of Claims in Class 4 under the Plan are based on their estimates of (a) the Claims in Class 4, and (b) Allowed Administrative Claims, Allowed Priority Claims, Allowed Priority Tax Claims, Allowed Secured Claims and Allowed IRS Claims. There can be no assurance, however, that the Debtor's estimates of the likely aggregate allowed amount of such Claims will prove to be accurate. If Administrative Claims, Priority Claims, Priority Tax Claims and IRS Claims are allowed in amounts in excess of the Debtor's current expectations, the amount of Cash available for distribution to holders of Allowed Claims in Class 4, would be less than estimated, and the difference could be material.

D. Liquidating Trustee

The ultimate amount of Cash available to satisfy the Allowed amount of Claims in Classes 4, depends, in part, on the manner in which the Debtor treats the allowed claims or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee operates the Liquidating Trust and the expenses the Liquidating Trustee incurs. The expenses of the Liquidating Trustee will be given priority over Distributions to holders of Claims in Classes 4. As a result, if the Liquidating Trustee incurs professional or other expenses in excess of current expectations, the amount of Cash remaining to satisfy Allowed Claim in Classes 3 and 4, will decrease.

The ultimate amount of Cash available for distribution to holders of Allowed Claims in Class 4, also will be affected by the performance and relative success of the Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee, in pursuing preference, fraudulent conveyance, setoff and other claims against potential parties under the Bankruptcy Code. The less

successful the Debtor or the Liquidating Trustee is in pursuing such matters, the less Cash there will be available for distribution to satisfy Allowed Claims. However, the Debtor has not assumed any recovery on account of such potential Causes of Action in estimating the recoveries to Allowed Claims under the Plan.

E. Risk Factors Relating to Securities Laws

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan from registration under the Securities Act and state securities laws if three principal requirements are satisfied: (a) the securities must be offered and sold under a plan and must be securities of the debtor, an affiliate participating in a joint plan with the debtor or a successor to the debtor under the plan; (b) the recipients of the securities must hold a prepetition or administrative expense claim against the debtor or an interest in the debtor; and (c) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in such exchange and partly for cash or property. To the extent that the rights to Distributions from the Liquidating Trust are deemed to constitute securities issued in accordance with the Plan, the Debtor believes that such interests satisfy the requirements of section 1145(a)(1) of the Bankruptcy Code and, therefore, such interests are exempt from registration under the Securities Act and applicable state securities laws.

1. Non-Transferability

Holders of Claims in Classes 4, and 5 also should be aware that their rights to Distribution from the Liquidating Trust are not transferable. Therefore, there will not be any trading market for such rights, nor will those the rights be listed on any public exchange or other market. The lack of liquidity of the rights to Distributions from the Liquidating Trust may have a negative impact on their value.

2. Uncertainty of Value

In addition to the prohibition on the transfer of rights to distributions from the Debtor's Estate or Liquidating Trust as discussed above, the value of such rights will depend on various significant risks and uncertainties, including, without limitation, (a) the success of the Debtor's Estate or in the case that a Liquidating Trustee is appointed, the Liquidating Trust in securing judgments and settlements on a favorable basis with respect to claims the Debtor or Liquidating Trust is pursuing; (b) the effect of substantial delays in liquidating claims and other contingent assets and liabilities; and (c) the effects of any changes in tax and other government rules and regulations applicable to the Debtor's Estate or in the case that a Liquidating Trustee is appointed, the Liquidating Trust. All of these risks are beyond the control of the Debtor's Estate or Liquidating Trust. The amount of any recovery realized by the Debtor's Estate or Liquidating Trust and its beneficiaries will vary depending upon the extent to which these risks materialize. In addition, the resolution of the claims held by the Debtor's Estate or Liquidating Trust may require a substantial amount of time to be resolved and liquidated. The associated delays could reduce the value of any recovery.

V. PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in this Plan, Distributions to be made on the Effective Date to holders of Claims that are Allowed Claims as of the Effective Date shall be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable, but in any event no later than: (1) 60 days after the Effective Date; or (2) such later date when the applicable conditions of Section II.C. (regarding cure payments for Executory Contracts and Unexpired Leases being assumed), Section V.D.2. of this Plan (regarding undeliverable Distributions) or Section V.G.3. of this Plan (regarding compliance with Tax requirements) are satisfied. Distributions on account of Claims that become Allowed Claims after the Effective Date shall be made pursuant to Section V.G.1. of the Plan. Any Claim that is disallowed by order of the Bankruptcy Court prior to the Effective Date shall be deemed expunged (to the extent not already expunged) as of the Effective Date without the necessity for further Bankruptcy Court approval and the holder of any such Claim shall not be entitled to any Distribution under the Plan.

B. Method of Distributions to Holders of Claims

The Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee Liquidating Trustee in its capacity as Disbursing Agent, or such Third Party Disbursing Agents as the Liquidating Trustee may retain in its sole discretion, will make all distributions of Cash required under the Plan to holders of Allowed Claims. Each Third Party Disbursing Agent will serve without bond, and any Third Party Disbursing Agent may retain or contract with other entities to assist in or make the distributions required by the Plan.

C. Compensation and Reimbursement for Services Related to Distributions**1. Compensation and Reimbursement**

Each Third Party Disbursing Agent providing services related to distributions pursuant to the Plan will receive from the Debtor's Estate or in the case that a Liquidating Trustee is appointed, the Liquidating Trust, without further Bankruptcy Court approval, reasonable compensation for such services and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services. These payments will be made on terms agreed to with the Liquidation Trustee and will not be deducted from Distributions (including any distributions of Cash Investment Yield) to be made pursuant to the Plan to holders of Allowed Claims receiving Distributions from a Third Party Disbursing Agent.

2. Investment of Cash Related to Distributions

To assist in making distributions under the Plan, Cash may be held in the name of one or more Third Party Disbursing Agents for the benefit of holders of Allowed Claims under the Plan. The Third Party Disbursing Agents will invest the Cash as directed by the Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee in accordance with the Debtor's investment and deposit guidelines; provided, however, that should such Debtor or Liquidating Trustee determine, in his or her sole discretion, that the administrative costs

associated with such investment will exceed the return on such investment, he or she may direct the Third Party Disbursing Agent to not invest such Cash. Distributions of Cash from accounts held by Third Party Disbursing Agents will include a Pro Rata share of the Cash Investment Yield, if any, from such investment of Cash.

D. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions to Holders of Allowed Claims

Distributions to holders of Allowed Claims will be made by the Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee (a) at the addresses set forth on the respective proofs of Claim, requests for payment of Administrative Claim or similar document Filed by holders of such Claims; (b) at the addresses set forth in any written certification of address change delivered to the Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee (including pursuant to a letter of transmittal delivered to a Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee) after the date of Filing of any related proof of Claim, requests for payment of Administrative Claim or similar document; or (c) at the addresses reflected in the applicable Debtor's Schedules if no proof of Claim has been Filed and the Debtor or the Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee has not received a written notice of a change of address.

2. Undeliverable Distributions Held by Debtor or the Debtor or the Liquidating Trustee

a. Holding and Investment of Undeliverable Distributions

Subject to Section V.D.2.c., if any Distribution to a holder of an Allowed Claim is returned to a Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee as undeliverable, no further Distributions shall be made to such holder unless and until the applicable Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee is notified by written certification of such holder's current address and such Undeliverable Distributions shall remain in the possession of the applicable Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee for the benefit of such claimants until such time as a Distribution becomes deliverable.

b. After Distributions Become Deliverable

On each Quarterly Distribution Date, the applicable Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee will make all Distributions that become deliverable to holders of Allowed Claims during the preceding calendar quarter; provided, however, that if the Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee determines, with the consent of the Oversight Committee, that the amount of any quarterly Distribution is too small to justify the administrative costs associated with such Distribution, the Debtor or in the case that a

Liquidating Trustee is appointed, the Liquidating Trustee may postpone such quarterly Distribution until the next Quarterly Distribution Date. Each such Distribution will include to the extent applicable a Pro Rata share of the Cash Investment Yield from the investment of any undeliverable Cash from the date that such Distribution would have first been due had it then been deliverable to the date that such Distribution becomes deliverable.

c. Failure to Claim Undeliverable Distributions

Any holder of an Allowed Claim that does not assert a claim pursuant to the Plan for an undeliverable Distribution to be made by a Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee within 180 days after the later of (i) the Effective Date and (ii) the last date on which a Distribution was deliverable to such holder will have its claim for such undeliverable Distribution deemed satisfied, waived and released and will be forever barred from asserting any such claim against the Debtor, the Liquidating Debtor, the Liquidating Trust and their respective property. In such cases, unclaimed Distributions will be maintained for redistribution to other claimants entitled to Distributions under the Plan. Nothing contained in the Plan shall require Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee to attempt to locate any holder of an Allowed Claim.

E. Distribution Record Date

1. No Recognition of Transfers after the Distribution Record Date

A Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee shall have no obligation to recognize the transfer of, or the sale of any participation in, any Claim that occurs after the close of business on the Distribution Record Date and shall be entitled for all purposes herein to recognize and make Distributions only to those holders of Allowed Claims that are holders of such Claims, or participants therein, as of the close of business on the Distribution Record Date.

2. Treatment of Certain Transfers

Except as otherwise provided in a Final Order of the Bankruptcy Court, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Distribution Record Date shall be treated as the holders of such Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to such transfer has not expired by the Distribution Record Date.

F. Means of Cash Payments

Except as otherwise specified herein, cash payments made pursuant to this Plan to holders of Claims shall be in U.S. currency by checks drawn on a domestic bank selected by the Court, the Debtor or Liquidating Trustee, or, at the option of the Court, the Debtor or Liquidating Trustee, by wire transfer from a domestic bank; provided, however, that cash

payments to foreign holders of Allowed Claims may be made, at the option of the Debtor, the Court, or Liquidating Trustee, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

G. Timing and Calculation of Amounts to Be Distributed

1. Allowed Claims

Each holder of an Allowed Claim shall, to the extent that there are sufficient cash available, receive the full amount of the Distributions that the Plan provides for Allowed Claims in the applicable Class pursuant to the terms and conditions of the Plan and if applicable, the Trust Distribution Agreement. On resolution of all Disputed Claims, Distributions also shall be made to holders of Disputed Claims in any such Class in the amounts that were allowed.

2. De Minimis Distributions

Neither the Debtor nor in the case that a Liquidating Trustee is appointed, the Liquidating Trustee will distribute cash to the holder of an Allowed Claim in an impaired Class if the amount of Cash to be distributed on account of such Claim is less than \$50 in the aggregate. Any Cash not distributed under this paragraph will be the property of the Debtors' Estate or in the case that a Liquidating Trustee is appointed, the Liquidating Trust, and any such Cash held by a Third Party Disbursing Agent shall be transferred or returned to the Debtors' Estate or in the case that a Liquidating Trustee is appointed, the Liquidating Trust.

3. Compliance with Tax Requirements

a. Withholding and Reporting

In connection with the Plan, to the extent applicable, the Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee shall comply with all Tax withholding and reporting requirements imposed on it by any governmental unit, and all Distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision of the Plan to the contrary, the Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee shall be authorized to take any actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including applying a portion of any Cash Distribution to be made under the Plan to pay applicable Tax withholding, requiring Claim holders to submit appropriate certifications or establishing other mechanisms such Debtor or in the case that a Liquidating Trustee is appointed, the Liquidating Trustee believes are reasonable and appropriate. To the extent that any Claim holder fails to submit appropriate certifications required by the Debtor or Liquidating Trustee or to comply with any other mechanism established by the Debtor or Liquidating Trustee to comply with Tax withholding requirements, such Claim holder's Distribution may, in such Debtor or liquidating Trustee's reasonable discretion, be deemed undeliverable and subject to Section V.D.2.

b. Backup Withholding

Without limiting the generality of the foregoing, in accordance with the Internal Revenue Code's backup withholding rules, a holder of a Claim may be subject to backup withholding with respect to Distributions made pursuant to the Plan, unless the holder (i) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact or (ii) provides at the applicable Debtor or Liquidating Trustee's request a completed IRS Form W-9 (or substitute therefor) on which the holder includes a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the taxpayer is not subject to backup withholding because of a failure to report all dividend and interest income. Among other things, to receive any post-petition interest, if requested by the Debtor or Liquidating Trustee, a holder of an Allowed Claim shall be required to establish an exemption from backup withholding or to make arrangements with respect to the payment of backup withholding. Non-U.S. Allowed Claim holders may be required by the applicable the Debtor or Liquidating Trustee to provide a completed IRS Form W-8BEN or W-8BEN-E, as applicable (or other applicable Form W-8 or successor form), to establish an exemption from or a treaty-reduced rate of withholding on interest distributed pursuant to the Plan. Unless the Debtor or Liquidating Trustee, in its discretion, determines otherwise, no Distributions on account of post-petition interest shall be made to a holder of an Allowed Claim until such time as the holder of such Claim establishes exemption from withholding or provides the applicable IRS Form.

c. Obligations of Distribution Recipients

Notwithstanding any other provision of the Plan, each Entity receiving a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on it by any governmental unit on account of such Distribution, including income, withholding and other Tax obligations.

4. Compliance with Domestic Relations Orders

In connection with the Plan, the Debtor or Liquidating Trustee may allocate and make Distributions in compliance with applicable wage garnishment, alimony, child support and similar domestic relations orders.

H. Setoffs

Except with respect to claims of a Debtor released pursuant to the Plan or any contract, instrument, release or other agreement or document entered into or delivered in connection with this Plan, the Debtor or Liquidating Trustee or a Third Party Disbursing Agent, as instructed by the Liquidating Trustee pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, may setoff against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim) the Causes of Action of any nature against the holder of such Allowed Claim; *provided, however*, that neither the failure to effect a setoff nor the allowance of any Claim

hereunder will constitute a waiver or release by the applicable Debtor of any Causes of Action that the Debtor may possess against such a Claim holder.

I. Allocation of Payments

Amounts paid to holders of Claims in satisfaction thereof shall be allocated first to the principal amounts of such Claims, with any excess being allocated to accrued but unpaid interest on such Claims.

VI. PROCEDURES FOR RESOLVING DISPUTED CLAIMS

A. Prosecution of Objections to Claims

1. Objections to Claims

All objections to Claims must be Filed and served on the holders of such Claims by the Effective Date, unless the Court enters orders extending the time to file objections, such objections will be served on the parties on the then-applicable service list in the Bankruptcy Cases. If an objection has not been Filed to a proof of Claim or request for payment of Administrative Claim by the aforementioned date, the Claim to which the proof of Claim or request for payment of Administrative Claim relates will be treated as an Allowed Claim if such Claim has not been allowed earlier.

2. Authority to Prosecute Objections

After the Confirmation Date, only the Debtor or after the Effective Date, the Liquidating Trustee on behalf of the Liquidating Trust, if one has been appointed, will have the authority to File, settle, compromise, withdraw or litigate to judgment objections to Claims, or adversary cases including pursuant to any alternative dispute resolution or similar procedures approved by the Bankruptcy Court. After the Effective Date, only the Debtor with Court approval or the Liquidating Trustee if one has been appointed, without approval of the Bankruptcy Court in accordance with the Liquidation Trust Agreement, may settle or compromise any Disputed Claim.

B. Treatment of Disputed Claims

1. No Payments on Account of Disputed Claims and Disputed Claims Reserves

Notwithstanding any other provisions of the Plan, no payments or Distributions will be made on account of a Disputed Claim until such Claim becomes an Allowed Claim. Distributions on account of any Disputed Claim that has become an Allowed Claim will be governed by the Liquidating Trust Agreement, if and when a Liquidating Trustee is appointed. In addition, the Liquidating Trust Agreement shall include reasonable and customary provisions establishing reserves to account for Disputed Claims that may become Allowed Claims.

2. Recourse

Each holder of a Disputed Claim that ultimately becomes an Allowed Claim will have recourse only to the undistributed Cash held by the Debtor's Estate or by Liquidating Trust, when a Liquidating Trustee has been appointed, for the satisfaction of such Allowed Claim and not any assets previously distributed on account of any Allowed Claim.

VII. INJUNCTION AND SUBORDINATION RIGHTS

A. Injunction

Except as provided in the Confirmation Order and other than with respect to a right of recoupment or a setoff, as of the Effective Date, all entities that have held, currently hold or may hold a Claim or other debt or liability subject to the Plan or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan will be permanently enjoined from taking any of the following actions in respect of any such Claims, debts, liabilities, Interests or rights: (a) commencing or continuing in any manner any action or other proceeding against the Debtor, the Liquidating Debtor, the Liquidating Trust, the Liquidating Trustee or the Oversight Committee, other than to enforce any right pursuant to the Plan to a Distribution; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtor, the Liquidating Debtor, the Liquidating Trust, the Liquidating Trustee or the Oversight Committee other than as permitted pursuant to (a) above; (c) creating, perfecting or enforcing any Lien or encumbrance against the Debtor, the Liquidating Debtor, the Liquidating Trust or their respective property; (d) asserting a right of subrogation of any kind against any debt, liability or obligation due to the Debtor, the Liquidating Debtor, the Liquidating Trust, the Liquidating Trustee or the Oversight Committee; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

B. Subordination Rights

The classification and manner of satisfying Claims and Interests under the Plan does not take into consideration subordination rights, and nothing in the Plan or Confirmation Order shall affect any subordination rights that a holder of a Claim may have with respect to any Distribution to be made pursuant to the Plan, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code or otherwise.

VIII. CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

1. Conditions to Confirmation

The following shall be conditions to Confirmation unless such conditions shall have been duly waived:

- a. The Confirmation Order shall have been entered by the Bankruptcy Court and shall be reasonably acceptable in form and substance to the Debtor.
- b. The Plan will not have been materially amended, altered or modified from the Plan as Filed on June 13, 2017 except as permitted by order.
- c. All Plan Exhibits are in form and substance reasonably satisfactory to the

Debtor.

2. Conditions to the Effective Date

The Effective Date shall not occur and the Plan shall not be consummated unless and until each of the following conditions has been satisfied or duly waived:

- a. The Bankruptcy Court shall have entered an order (contemplated to be part of the Confirmation Order) in form and substance reasonably acceptable to the Debtor approving and authorizing the Debtor or the Liquidating Trustee to take all actions necessary or appropriate to effectuate, implement and consummate the Plan, including the execution, delivery and performance of contracts, instruments, releases and other agreements or documents created in connection with the Plan.
- b. The Confirmation Order has become a Final Order.
- c. The Liquidating Trust Agreement has been executed and the Liquidating Trust has been established, in the case that a Liquidation Trustee is appointed.
- d. The real property listed in Section III.B has been sold.

3. Waiver of Conditions to Confirmation or the Effective Date

The conditions to Confirmation set forth in Section VIII.1. and the conditions to the Effective Date set forth in Section VIII.2. may be waived in whole or part in writing by the Debtor at any time without an order of the Bankruptcy Court. Confirmation and the Effective Date will occur irrespective of whether any claims allowance process or related litigation has been completed.

4. Effect of Nonoccurrence of Conditions to the Effective Date

If each of the conditions to the Effective Date is not satisfied or duly waived then upon motion by the Debtor made before the time that each of such conditions has been satisfied or duly waived and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order shall be vacated by the Bankruptcy Court; provided, however, that, notwithstanding the Filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is either satisfied or duly waived before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated, (1) the Plan shall be null and void in all respects, including with respect to the discharge of Claims; and (2) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims by or against, or any Interest in, the Debtor or (b) prejudice in any manner the rights, including any claims or defenses, of the Parties or any other party in interest.

IX. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Bankruptcy Cases after the Effective Date as is legally permissible, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, reclassify, estimate or establish the priority, secured or unsecured status (or proper Plan classification) of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance, priority or classification of Claims or Interests;
2. Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan for periods ending on or before the Effective Date;
3. Resolve any matters related to the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which any Debtor is a party or with respect to which any Debtor may be liable and to hear, determine and, if necessary, liquidate any Claims arising therefrom;
4. Ensure that Distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;
5. Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, including the Causes of Action, and grant or deny any applications involving the Debtor or the Liquidating Trustee that may be pending on the Effective Date or brought thereafter;
6. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan or the Confirmation Order, including the Liquidating Trust Agreement;
7. Resolve any cases, controversies, suits or disputes that may arise in connection with the Causes of Action or the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan, including the Liquidating Trust Agreement, or any Entity's rights arising from or obligations incurred in connection with the Plan or such documents;
8. Modify the Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code;
9. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;
10. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or distributions pursuant to the Plan are enjoined or stayed;

11. Determine any other matters that may arise in connection with or relate to the Plan, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan or the Confirmation Order;

12. Determine matters concerning state, local and federal Taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code, including any Disputed Claims for Taxes; and

13. Enter a final decree closing the Debtor's Bankruptcy Case.

X. CERTAIN FEDERAL INCOME TAX CONSEQUENCES

A. General

A description of the United States federal income tax consequences of the Plan is provided below. This description is based on the Internal Revenue Code, Treasury Regulations issued thereunder, judicial decisions and Internal Revenue Service and administrative determinations, all as in effect on the date of this disclosure statement and all subject to change, possibly with retroactive effect. Changes in any of these authorities or in their interpretation could cause the United States federal income tax consequences of the Plan to differ materially from the consequences described below. The United States federal income tax consequences of the Plan are complex and in important respects uncertain. No ruling has been requested from the Internal Revenue Service; no opinion has been requested from Debtors' counsel concerning any tax consequence of the Plan; and no tax opinion is given by this disclosure statement.

The description that follows does not cover all aspects of United States federal income taxation that may be relevant to the Debtors or holders of Claims. For example, the description does not address issues of special concern to certain types of taxpayers, such as dealers in securities, life insurance companies, financial institutions, tax exempt organizations and non-U.S. taxpayers nor does it address tax consequences to holders of Equity Interests in the Debtors. In addition, the description does not discuss state, local or non-U.S. tax consequences. For these reasons, the description that follows is not a substitute for careful tax planning and professional tax advice based upon the individual circumstances of each holder of a Claim or Interest. Holders of Claims or Equity Interests are urged to consult with their own tax advisors regarding the federal, state, local and non-U.S. tax consequences of the Plan.

B. United States Federal Income Tax Consequences of Payment of Allowed Claims Pursuant to Plan

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

1. Recognition of Gain or Loss

a. In General

In general, a holder of a Claim should recognize gain or loss equal to the amount realized under this Plan in respect of its Claim less the holder's basis in the Claim. Any gain or loss recognized in the exchange may be long-term or short-term capital gain or loss or ordinary income or loss, depending upon the nature of the Claim and the holder, the length of time the holder held the Claim and whether the Claim was acquired at a market discount. If the holder realizes a capital loss, its deduction of the loss may be subject to limitation. The holder's aggregate tax basis for any property received under the Plan generally will equal the amount realized. The holder's amount realized generally will equal the sum of the Cash and the fair market value of any other property received (or deemed received) by the holder under the Plan on the Effective Date or subsequent distribution date, less the amount (if any) allocable to Claims for interest, as discussed below.

b. Post-Effective Date Cash Distributions

Because certain holders of Allowed Claims, including Disputed Claims that ultimately become Allowed Claims, may receive Cash distributions subsequent to the Effective Date of the Plan, the imputed interest provisions of the Internal Revenue Code may apply to treat a portion of the subsequent distributions as imputed interest. Additionally, because holders may receive distributions with respect to an Allowed Claim in a taxable year or years following the year of the initial distribution, any loss and a portion of any gain realized by the holder may be deferred. All holders of Allowed Claims are urged to consult their tax advisors regarding the possible application of (or ability to elect out of) the "installment method" of reporting with respect to their claims.

c. Bad Debt and/or Worthless Securities Deduction

A holder who, under the Plan, receives in respect of a Claim an amount less than the holder's tax basis in the claim may be entitled in the year of receipt (or in an earlier or later year) to a bad debt deduction in some amount under § 166(a) of the Internal Revenue Code or a worthless securities deduction under § 165(g) of the Internal Revenue Code. The rules governing the character, timing and amount of bad debt or worthless securities deductions place considerable emphasis on the facts and circumstances of the holder, the obligor and the instrument with respect to which a deduction is claimed. Holders of Claims, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

2. Pending Payments

Cash and other Liquidating Trust Assets that a Trust Account holds as a Pending Payment after the Effective Date should be deemed to have been paid to the holder of the Claim entitled to receive such Pending Payment on the date that the Liquidating Trust received it and to have been contributed by such holder to the Trust Account as a grantor and beneficiary of the Liquidating Trust. Thus, the holder should recognize gain or loss based upon the amount deemed received and contributed to the Trust Account on the Effective Date, and any income subsequently realized by the Trust Account with respect to such Pending Payment will be reported by the Trustee as income of the grantor-beneficiary

in the year realized, prior to the actual distribution of the Pending Payment to the holder of the Allowed Claim. The actual receipt of the Pending Payments from the Trust Account will not be a taxable event.

3. Payments Other than Pending Payments

If any payment other than a Pending Payment is to be made out of a Trust Account, such payment will not be deemed to have been made to any recipient until, and to the extent that, the amount to which the payee is entitled has been determined and distributed. Any income realized by the Trust Account prior to such time will be reported by the Liquidating Trustee as income of and taxable to the Trust Account.

C. Certain Other Tax Consequences for Holders of Claims

1. Receipt of Pre-Effective Date Interest

In general, a Claim holder that was not previously required to include in its taxable income any accrued but unpaid pre-Effective Date interest on the Claim may be required to take such amount into income as taxable interest. A Claim holder that was previously required to include in its taxable income any accrued but unpaid pre-Effective Date interest on the Claim may be entitled to recognize a deductible loss to the extent that such interest is not satisfied under the Plan. The Plan provides that all Distributions to a holder of an Allowed Class 2 Claim will be deemed to apply first to the principal amount of such Claim until such principal amount is paid in full, and then the remaining portion of such distributions, if any, will be deemed to apply to any prepetition accrued interest included in such Claim. There is no assurance, however, that the Internal Revenue Service will respect this treatment and will not determine that all or a portion of amounts distributed to holders of Allowed Class 2 Claims is properly allocable to prepetition interest. Each such holder is urged to consult its tax advisor regarding the tax treatment of its distributions under the Plan and the deductibility of any accrued but unpaid interest for federal income tax purposes.

2. Installment Method

A holder of a Claim constituting an installment obligation for tax purposes may be required to recognize currently any gain remaining with respect to the obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than its face value, distributed, transmitted, sold or otherwise disposed of within the meaning of § 453B of the Internal Revenue Code.

3. Information Reporting and Withholding

Under the Internal Revenue Code's backup withholding rules, the holder of an Allowed Claim may be subject to backup withholding with respect to distributions or payments made pursuant to the Plan unless the holder comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact, or provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax, but merely an advance payment that may be refunded to the extent it results in an overpayment of tax. Holders of Allowed Claims may be required to establish exemption from backup withholding or to make arrangements with respect to the payment of backup withholding.

5. Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of certain U.S. Federal income tax consequences of the Plan, and is not a substitute for careful tax planning with a tax professional. The above discussion is for information purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a holder's individual circumstances. Accordingly, holders are urged to consult with their tax advisors about federal, state, local and non-U.S. tax consequences to the Plan.

XI. RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Plan, the Debtor believes that the Confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, the Debtor urges all holders of Claims in Class 4, the only Classes entitled to vote on the Plan, to vote to accept the Plan and to evidence their acceptance by duly completing and returning their ballots so that they will be received on or before the Voting Deadline.

The Debtor submits this Plan and the information contained therein, in good faith, in accordance with the provisions of Title 11, U.S.C. § 101, et seq. and § 1125 for approval of the Court at the Plan Confirmation Hearing, and for consideration by Creditors and other Parties-In-Interest with respect to voting on the proposed Plan, and as the sole source of information furnished by the Debtor, or to be furnished by the Debtor, in solicitation of acceptance of the Debtor's Plan of Liquidation.

Dated: August 6, 2017

Rio Mobile Home and R.V. Parks, Inc.

By: /s/ Dean Gutierrez

Dean Gutierrez,

President, Rio Mobile Home and R.V. Parks, Inc.

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APPENDIX A. CHAPTER 11 OVERVIEW AND INTRODUCTION

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to chapter 11, the debtor-in-possession attempts to reorganize its business for the benefit of the debtor, its creditors, and other parties in interest. The present case commenced with the filing of a voluntary chapter 11 petition by the Debtor on ~~August 5, 2015~~ May 10, 2016.

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. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a debtor-in-possession unless the bankruptcy court orders the appointment of a trustee. In the present case, the Debtor has remained in possession of its properties and has continued to operate its business as a debtor- in-possession.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, *inter alia*, for an automatic stay of all attempts to collect pre-petition claims from the debtor or otherwise interfere with its property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the effective date of a confirmed plan of reorganization.

The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying the claims against and interests in the debtor. Generally, unless a trustee is appointed, only the debtor may file a plan during the first 120 days of a chapter 11 case (the “Exclusive Period”). However, section 1121(d) of the Bankruptcy Code permits the court to extend or reduce the Exclusive Period upon a showing of cause. After the Exclusive Period has expired, a creditor or any other party in interest may file a plan, unless the debtor has filed a plan within the Exclusive Period, in which case, the debtor is generally given sixty additional days (the “Solicitation Period”) during which it may solicit acceptances of its plan. The Solicitation Period may also be extended or reduced by the court upon a showing of cause.

Although referred to as a plan of reorganization, a plan may provide anything from a complex restructuring of a debtor’s business and its related obligations to a simple liquidation of the debtor’s assets.

APPENDIX B. REQUIRED ADEQUATE INFORMATION AND DISCLAIMER

THE DEBTOR URGES ALL HOLDERS OF CLAIMS AND INTERESTS IN IMPAIRED CLASSES RECEIVING BALLOTS TO ACCEPT ITS PLAN.

THE PLAN IS DESIGNED TO PROVIDE ADEQUATE INFORMATION TO ENABLE HOLDERS OF CLAIMS AGAINST AN INTEREST IN THE DEBTOR TO MAKE AN INFORMED JUDGMENT ON WHETHER TO ACCEPT OR REJECT THE PLAN. ALL HOLDERS OF CLAIMS AND INTERESTS ARE HEREBY ADVISED AND ENCOURAGED TO READ THIS PLAN IN ITS ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THE SUMMARY AND STATEMENTS MADE IN THIS PLAN ARE QUALIFIED IN

THEIR ENTIRETY BY REFERENCE TO OTHER EXHIBITS ANNEXED HERETO AND OTHER DOCUMENTS REFERENCED AS FILED WITH THIS COURT BEFORE OR CONCURRENTLY WITH THE FILING OF THIS PLAN. FURTHERMORE, THE PROJECTED FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN THE SUBJECT OF AN AUDIT. SUBSEQUENT TO THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT: (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN WILL CONTINUE TO BE MATERIALLY ACCURATE; OR (B) THIS PLAN CONTAINS ALL MATERIAL INFORMATION.

ALL HOLDERS OF IMPAIRED CLAIMS AND IMPAIRED INTERESTS SHOULD READ AND CONSIDER CAREFULLY THE MATTERS DESCRIBED IN THIS PLAN AS A WHOLE, INCLUDING THE SECTION ENTITLED "RISK FACTORS" PRIOR TO VOTING ON THE PLAN. IN MAKING A DECISION TO ACCEPT OR REJECT THE PLAN, EACH HOLDER OF A CLAIM OR INTEREST MUST RELY ON ITS OWN EXAMINATION OF THE DEBTOR AS DESCRIBED IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, INCLUDING THE MERITS AND RISKS INVOLVED. IN ADDITION, CONFIRMATION AND CONSUMMATION OF THE PLAN IS SUBJECT TO CONDITIONS PRECEDENT THAT COULD LEAD TO DELAYS IN CONSUMMATION OF THE PLAN. THERE CAN BE NO ASSURANCE THAT EACH OF THESE CONDITIONS WILL BE SATISFIED OR WAIVED OR THAT THE PLAN WILL BE CONSUMMATED. EVEN AFTER THE EFFECTIVE DATE, DISTRIBUTIONS UNDER THE PLAN MAY BE SUBJECT TO SUBSTANTIAL DELAYS FOR HOLDERS OF CLAIMS AND INTERESTS THAT ARE DISPUTED.

THIS PLAN HAS NOT YET BEEN APPROVED BY ORDER OF THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION OF A KIND AND IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF CLAIMS AND INTERESTS TO MAKE AN INFORMED JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE PLAN. EVEN IF THE BANKRUPTCY COURT APPROVES THIS PLAN, SUCH APPROVAL DOES NOT CONSTITUTE A RECOMMENDATION OR DETERMINATION BY THE BANKRUPTCY COURT WITH RESPECT TO THE MERITS OF THE PLAN.

WITH THE EXCEPTION OF THE HISTORICAL INFORMATION, SOME MATTERS DISCUSSED HEREIN, INCLUDING PROJECTIONS AND VALUATION ANALYSIS DESCRIBED HEREIN ARE "FORWARD LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH FORWARD LOOKING STATEMENTS ARE SUBJECT TO RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM FUTURE RESULTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS.

NO PARTY IS AUTHORIZED BY THE DEBTOR TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION WITH RESPECT TO THE PLAN OR LIQUIDATION SECURITIES OTHER THAN THAT WHICH IS CONTAINED IN THIS HEREIN. NO REPRESENTATIONS OR INFORMATION CONCERNING THE DEBTOR, ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF ITS PROPERTIES HAVE BEEN AUTHORIZED BY THE DEBTOR, OTHER THAN AS SET FORTH HEREIN. ANY INFORMATION OR

REPRESENTATIONS GIVEN TO OBTAIN YOUR ACCEPTANCE OR REJECTION OF THE PLAN WHICH ARE DIFFERENT FROM OR INCONSISTENT WITH THE INFORMATION OR REPRESENTATIONS CONTAINED HEREIN AND IN THE PLAN SHOULD NOT BE RELIED UPON BY ANY HOLDERS OF CLAIMS AND INTERESTS IN VOTING ON THE PLAN.

THIS PLAN'S STATEMENTS HAVE BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NONBANKRUPTCY LAW. ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST, INTERESTS IN OR SECURITIES OF, THE DEBTOR SHOULD EVALUATE THESE STATEMENTS ONLY IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

THIS PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL OR REGULATORY AUTHORITY AND NEITHER SUCH COMMISSION NOR ANY SUCH AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

UNTIL THE EFFECTIVE DATE, WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING OR THREATENED ACTIONS (WHETHER OR NOT PENDING), THIS PLAN AND THE INFORMATION CONTAINED HEREIN SHALL NOT BE CONSTRUED AS AN ADMISSION OR STIPULATION BY ANY ENTITY, BUT RATHER AS STATEMENTS MADE IN SETTLEMENT NEGOTIATIONS GOVERNED BY RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY OTHER RULE OR STATUTE OF SIMILAR IMPORT.

THE PLAN SHALL NEITHER BE ADMISSIBLE IN ANY PROCEEDING INVOLVING A DEBTOR OR ANY OTHER PARTY NOR BE CONSTRUED TO BE PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH HOLDER OF A CLAIM OR INTEREST SHOULD, THEREFORE, CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION, THE PLAN OR THE TRANSACTIONS CONTEMPLATED THEREBY.