

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION**

IN RE: § CASE NO. 16-70087
SAI KRUPA, INC., §
Debtor § CHAPTER 11

**DEBTOR SAI KRUPA, INC.'S FIRST AMENDED
COMBINED CHAPTER 11 DISCLOSURE STATEMENT AND
PLAN OF REORGANIZATION**

DEBTOR IS SEEKING THE COURT'S CONDITIONAL APPROVAL OF ITS FIRST AMENDED COMBINED DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION. A HEARING IS SCHEDULED ON CONDITIONAL APPROVAL OF THE DISCLOSURE STATEMENT ON NOVEMBER 16, 2016, AT 11:00 A.M. IN THE UNITED STATES COURTHOUSE, 1701 WEST BUSINESS 83, 10TH FLOOR COURTROOM, MCALLEN, TEXAS 78501.

THE FINAL HEARING TO APPROVE THE FIRST AMENDED DISCLOSURE STATEMENT AND CONFIRMATION HEARING ON THE PLAN OF REORGANIZATION IS SCHEDULED FOR DECEMBER 14, 2016 AT 11:00 A.M. IN THE UNITED STATES COURTHOUSE, 1701 WEST BUSINESS 83, 10TH FLOOR COURTROOM, MCALLEN, TEXAS 78501.

ANY CREDITOR, INTEREST HOLDER, THE U.S. TRUSTEE OR ANY PARTY-IN-INTEREST WHO WISHES TO OBJECT TO: (A) THE FINAL APPROVAL OF THE DISCLOSURE PROVIDED IN THE DISCLOSURE STATEMENT/PLAN OF REORGANIZATION, AS AMENDED OR MODIFIED; OR (B) CONFIRMATION OF THE PLAN AS PROVIDED IN THE DISCLOSURE STATEMENT/PLAN OF REORGANIZATION , AS AMENDED OR MODIFIED, MUST FILE SUCH OBJECTION WITH THE COURT AND SERVE A COPY UPON THE DEBTOR'S COUNSEL, AT THE ADDRESS LISTED BELOW, BY 5:00 P.M. ON DECEMBER 12, 2016.

NOTICE: THIS FIRST AMENDED COMBINED CHAPTER 11 DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION IS NOT A SOLICITATION OF YOUR VOTE FOR THE DEBTOR'S PLAN OF REORGANIZATION. PRIOR TO ANY SUCH SOLICITATION, THE BANKRUPTCY COURT MUST APPROVE THIS DISCLOSURE STATEMENT AS HAVING ADEQUATE INFORMATION TO ENABLE THE CREDITORS TO MAKE AN INFORMED JUDGMENT ON THE PLAN. THIS COMBINED CHAPTER 11 DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION IS BEING SERVED UPON PARTIES-IN-INTEREST WHO HAVE REQUESTED NOTICE AND IS FOR INFORMATION PURPOSES ONLY. THE BANKRUPTCY CLERK'S OFFICE WILL SEND NOTICE OF THE HEARING ON THE APPROVAL OF THIS DISCLOSURE STATEMENT TO ALL CREDITORS ON THE COURT'S MAILING MATRIX.

THE INFORMATION CONTAINED IN THIS COMBINED CHAPTER 11 DISCLOSURE STATEMENT AND PLAN HAS NOT BEEN INDEPENDENTLY AUDITED. THE INFORMATION CONTAINED HEREIN IS INTENDED SOLELY FOR THE USE OF CREDITORS OF THE DEBTOR, AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN A DETERMINATION BY THEM OF HOW TO VOTE ON THE PLAN.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION**

IN RE:	§	CASE NO. 16-70087
SAI KRUPA, INC.,	§	
Debtor	§	CHAPTER 11

**FIRST AMENDED COMBINED CHAPTER 11 DISCLOSURE STATEMENT
AND PLAN OF REORGANIZATION**

Sai Krupa, Inc. (the “Debtor” or “Sai Krupa, Inc.”) files this First Amended Combined Chapter 11 Disclosure Statement (the “Disclosure Statement”) and Plan of Reorganization (the “Plan”). The Debtor is seeking to repay its debts over time pursuant to the terms of its Plan. As required by the Bankruptcy Code (the “Code”), the Plan classifies claims and interests in various classes according to their right to priority of payments as provided in the Code. The Plan states whether each class of claims or interests is impaired or unimpaired. The Plan contains the terms for how each class of claims will be treated under the Plan.

The Court has not yet confirmed the Plan. In other words, the terms of the Plan are not yet binding on anyone. If the Court later confirms the Plan, then the Plan will be binding on the Debtor and all creditors and interest holders in this case.

The Debtor represents that everything in this document is true to the best of its knowledge. However, the information contained herein has not been independently audited.

READ THIS DOCUMENT CAREFULLY FOR INFORMATION ABOUT THE FOLLOWING:

- The Debtor and significant events during the bankruptcy case.
- How the Plan proposes to treat claims or equity interests of the type you hold (e.g., what you will receive on your claim or equity interest if the Plan is confirmed).
- Who can vote or object to the Plan.
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan.

- Why the Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation.
- The effect of confirmation of the Plan.

I. Disclaimer

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

THE DISCLOSURE STATEMENT 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 DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THE PLAN SUMMARY AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, WHICH IS INCLUDED IN THIS DOCUMENT, OTHER EXHIBITS ANNEXED HERETO AND OTHER DOCUMENTS REFERENCED AS FILED WITH THIS COURT BEFORE OR CONCURRENTLY WITH THE FILING OF THIS DISCLOSURE STATEMENT. 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 DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

ALL HOLDERS OF IMPAIRED CLAIMS AND IMPAIRED INTERESTS SHOULD READ AND CONSIDER CAREFULLY THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT 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 THE SUBSTANTIAL DELAYS FOR HOLDERS OF CLAIMS AND INTERESTS THAT ARE DISPUTED.

THIS DISCLOSURE STATEMENT IS BEING SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL AS CONTAINING ADEQUATE INFORMATION OF A KIND AND IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF THE CLAIMS AND INTERESTS TO MAKE AN INFORMED JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THIS PLAN. HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION OR DETERMINATION BY THE BANKRUPTCY COURT WITH RESPECT TO THE MERITS OF THE PLAN.

NO PARTY IS AUTHORIZED BY THE DEBTOR TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION WITH RESPECT TO THE PLAN OR REORGANIZATION SECURITIES OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS OR INFORMATION CONCERNING THE DEBTOR, THE DEBTOR'S FUTURE BUSINESS OPERATIONS OR THE VALUE OF DEBTOR'S 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 INTEREST IN VOTING ON THE PLAN.

THIS DISCLOSURE STATEMENT HAS 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, INTEREST IN OR SECURITIES OF, THE DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT ONLY IN LIGHT OF THE PURPOSE FOR WHICH IT HAS BEEN PREPARED.

UNTIL THE EFFECTIVE DATE, WITH RESPECT TO THE CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING OR THREATENED ACTIONS (WHETHER OR NOT PENDING), THIS DISCLOSURE STATEMENT 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 DISCLOSURE STATEMENT 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.

THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARY THEREOF IN THIS DISCLOSURE STATEMENT.

II. The Disclosure Statement, the Confirmation of the Plan, and Requirements for Voting on the Debtor's Plan of Reorganization

A. The Purpose of the Disclosure Statement

The Bankruptcy Code (Title 11 U.S.C. §101 et seq.) requires that "adequate information" be furnished all Creditors or parties in interest, consisting of a full and adequate disclosure by the Debtor in Possession of its historical, current, and anticipated future financial and business affairs, so that Creditors and other parties in interest can make an informed decision concerning any vote they may cast either in favor or, in opposition to, any proposed Plan. The purpose of this Disclosure Statement is to provide such information as will enable a hypothetical, reasonable investor, typical of the holders of such claims in this case, to make an informed judgment in exercising his/her or its right to either accept or reject the Plan. A copy of the Plan is being provided with this Disclosure Statement.

THIS OBJECTION PROCESS IS A PRE-CONDITION TO YOUR RELIANCE ON THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT HAS BEEN PRESENTED TO THE BANKRUPTCY COURT FOR CONDITIONAL APPROVAL AS CONTAINING "ADEQUATE INFORMATION" AS REQUIRED UNDER THE BANKRUPTCY CODE. SUCH CONDITIONAL APPROVAL IS REQUIRED BY STATUTE AND DOES NOT CONSTITUTE A JUDGEMENT BY THE COURT AS TO THE DESIRABILITY OF THE PLAN OR AS TO THE VALUE OR SUITABILITY OF ANY CONSIDERATION OFFERED THEREBY. THE FINAL APPROVAL OF THIS DISCLOSURE STATEMENT WILL BE GRANTED BY THE BANKRUPTCY COURT ONLY AFTER (i) YOU HAVE RECEIVED NOTICE OF ITS FILING AND HAVE BEEN GIVEN AN OPPORTUNITY TO BE HEARD, AND (ii) YOU DO NOT OBJECT ON THE BASIS OF ABSENCE OF "ADEQUATE INFORMATION" AND SUSTAIN YOUR OBJECTION AT THE FINAL DISCLOSURE STATEMENT HEARING.

IF YOU FAIL TO OBJECT AFTER NOTICE, YOU MAY BE FOREVER BARRED OR ESTOPPED FROM COMPLAINING OF THE CONTENTS OR LACK OF CONTENTS OF THIS DISCLOSURE STATEMENT.

YOU ARE SPECIFICALLY REFERRED TO THE TERMS AND CONDITIONS OF THE PLAN AS FILED AND YOU ARE CAUTIONED THAT THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON AS A SUBSTITUTE FOR A CAREFUL REVIEW AND ANALYSIS OF THE PLAN AND OF ALL SUPPLEMENTS AND AMENDMENTS WHICH MAY BE ALLOWED AND APPROVED. THE PLAN MAY BE AMENDED AND SUPPLEMENTED AFTER THIS

DISCLOSURE STATEMENT IS FURNISHED TO YOU, UNDER CERTAIN CRITERIA SET FORTH IN THE BANKRUPTCY CODE AND PLAN.

B. Source of Information For the Disclosure Statement

The Debtor has supplied the information in this Disclosure Statement and has made the estimation of values contained in this Disclosure Statement based on information obtained from several sources. No independent estimate of value has been made. The financial information is believed to be materially accurate and properly presented for the intended use: However, the accounting information is not now the subject of and has never been the subject of, an audit by any certified public accountant or any governmental agency. Although the Debtor believes that the information contained in all financial records is reasonably and materially accurate, the Debtor does not warrant its accuracy.

III. The Plan Confirmation Process

To be confirmable, the Plan must meet the requirements listed in §§1129(a) or (b) of the Code. These include the requirements that: (i) the Plan must be proposed in good faith; (ii) at least one impaired class of claims must accept the plan, without counting votes of insiders; (iii) the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and (iv) the Plan must be feasible. These requirements are not the only requirements listed in §1129, and they are not the only requirements for confirmation.

Under the Bankruptcy Code, the following steps must be taken to confirm a Chapter 11 Plan of Reorganization.

A. Solicitation of Plan

If the Court conditionally approves Debtor's Disclosure Statement, as contained herein, Debtor will forward to its creditors and other parties-in-interest the Disclosure Statement and Plan together with the Court's Order Approving Disclosure Statement, Giving Notice of Confirmation Hearing, Setting Certain Deadlines and Providing for Other Matters Concerning Confirmation of the Plan (the "Order"). The Order will schedule the hearing on the confirmation of the Plan and provide dates by which creditors, or any party-in-interest, may file an objection to the confirmation of the Plan. At this time, the Court has scheduled the confirmation hearing for December 14, 2016 at 11:00 a.m. in the United States Courthouse, 1701 West Business Expressway 83, 10th Floor Courtroom, McAllen, Texas. The deadline to object to the Plan is December 12, 2016.

B. The Confirmation Hearing and Objections to the Plan

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the plan, at which any party-in-interest may object to confirmation of the Plan.

The hearing on confirmation of the Plan is scheduled for December 14, 2016 at 11:00 a.m. in the United States Courthouse, 1701 West Business Expressway 83, 10th Floor Courtroom, McAllen, Texas. The deadline to object to the Plan is December 12, 2016. As soon as the Court conditionally approves this Disclosure Statement, Debtor will send a notice with these dates to each Creditor. The hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the hearing or any adjournment thereof. Any objection to confirmation of the Plan must be made in writing and filed with the Bankruptcy Court and served upon Debtor's counsel at the address listed below, together with the proof of service, on or before the date set by the Bankruptcy Court, December 12, 2016, to:

Marcos D. Oliva, PC
223 W. Nolana Ave.
McAllen, TX 78504
marcos@olivalawfirm.com
956-683-7800 office
866-868-4224 fax

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014.

UNLESS OBJECTION TO CONFIRMATION NIS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Requirements for Confirmation of the Plan

At the hearing on confirmation of the Plan, the Bankruptcy Court shall determine whether the requirements of Section 1129 of the Bankruptcy Code have been satisfied, in which event, the Bankruptcy Court shall enter an order confirming the Plan. To be confirmable, the Plan must meet the requirements listed in §§1129(a) or (b) of the Code. These include the requirements that: (i) the Plan must be proposed in good faith; (ii) at least one impaired class of claims must accept the Plan, without counting votes of insiders; (iii) the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and (iv) the Plan must be feasible. These

requirements are not the only requirements listed in §1129, and they are not the only requirements for confirmation.

The Debtor believes the Plan satisfied all of the statutory requirements of Chapter 11 of Title 11, United States Code, that the Debtor has complied or will have complied with all of the requirements of the Chapter 11 and that the proposal of the Plan is made in good faith.

D. Voting Rights and Requirements

If the Court approves this Disclosure Statement, each Creditor entitled to vote on the Plan will be provided with a ballot to be used for voting to accept or reject the Plan, together with a postage paid return envelope.

In order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be completed and returned to the Bankruptcy Court prior to the hearing before the Bankruptcy Court requiring its approval of the Plan or at such other time as the Bankruptcy Court may set. The time and date of the hearing will be set forth in a notice to the Creditors.

Whether or not the Creditor entitled to vote expects to be present at the hearing, each Creditor is urged to complete, date, sign and properly mail the ballot to the following address:

U. S. BANKRUPTCY COURT
1133 N. Shoreline Blvd., 2nd Floor
Corpus Christi, Texas 78403

With a copy to:

Marcos D. Oliva, PC
223 W. Nolana Ave.
McAllen, TX 78504
marcos@olivalawfirm.com
956-683-7800 office
866-868-4224 fax

Any Creditor whose claim is impaired under the Plan is entitled to vote, if either (i) its Claim has been scheduled by the Debtor (and such claim is not scheduled as disputed, contingent or unliquidated), or (ii) it has filed a proof of claim on or before the 1st date set by the Bankruptcy Court for such filings. Any Claim as to which an objection has been filed (and such objection is still pending) is not entitled to vote, unless the Bankruptcy Court temporarily allowed the claim in an amount which it deems proper for the purpose of accepting or rejected the Plan upon application by the Creditor. Such application must be

heard and determined by the Bankruptcy Court at such time as specified by the Bankruptcy Court. A Creditor's vote may be disregarded if the Bankruptcy Court determines that the Creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

Under Section 1124 of the Bankruptcy Code, a class of Claims or Equity Security interests is impaired under a Chapter 11 plan unless, with respect to each Claim or interest of such class, the Plan:

1. Leaves unaltered the legal, equitable, contractual rights of the holder of such Claim or Equity Security interest; or
2. Notwithstanding any contractual provision applicable law that entitles the holder of a Claim or Equity Security interest to receive accelerated payment of his Claim or Equity Security interests after the occurrence of a default:
 - a. Cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default that consists of a breach of any provision relating to the insolvency or financial condition of the Debtor at any time before the closing of the case, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code;
 - b. Reinstates the maturity of such Claim or Equity Security interest as it existed before the default;
 - c. Compensates the holder of such claim or Equity Security interest for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and
 - d. Does not otherwise alter the legal, equitable, or contractual rights to which such Claim or Equity Security interest entitles the holder of such claim or Equity Security interest; or
 - e. Provides that, on the Plan Effective Date, the holder of such Claim or Equity Security interest, received, on account of such Claim or Equity Security interest, cash equal to:
 - (i) With respect to a Claim, the allowed amount of such Claim; or
 - (ii) With respect to an Equity Security interest, if applicable, the greater of:
 - (A) Any applicable fixed liquidation preference; or
 - (B) Any fixed price at which the Debtor, under the terms of the security, may redeem the security.

Under the Debtor's Plan, all Classes are impaired except Classes 1, 2 and 8.

The Bankruptcy Code defines acceptance of a Plan by a class of Creditors or Equity Security interest holders as acceptance by holders of two-thirds (2/3) in dollar amount and a majority in number of the Claims or Equity Security interests of that class which actually cast

ballots for acceptance or rejection of the Plan; i.e., acceptance takes place only if sixty-six and two thirds percent (66-2/3%) in amount of Claims and Equity Security interests in each class and more than fifty percent (50%) of Claims or Equity Security interests voting in each class cast their ballots in favor of acceptance.

The Classification of any manner of satisfying all Claims under the Plan take into consideration the fact that the Debtor may be joining obligor with another Person or Persons with respect to the same obligation. All Claims against the Debtor based upon any such guarantees or joint obligations shall be discharged in the manner provided in the Plan.

E. Cramdown

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

With respect to a secured claim, fair and equitable means either (1) the impaired secured creditor retains its liens to the extent of its allowed claims and received deferred cash payments at least equal to the value of such Secured Creditor’s interest in the property securing its liens, or (2) property subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien attaching to the proceeds of the sale, and such lien proceeds must be treated in accordance with clause (1) and (3) hereof; or (3) the impaired secured creditor realizes the “indubitable” equivalent of its claim under the Plan.

In the event one or more classes of impaired claims rejects the Plan, the Bankruptcy Court will determine at the hearing for confirmation of the Plan whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of claims. If the Bankruptcy Court determines that the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired class of claims, the Bankruptcy Court may confirm the Plan over the objections of any impaired class.

The balance of this section only applies if a class of unsecured claims does not accept the Plan. In that instance, Debtor seeks confirmation of the Plan pursuant to 11 U.S.C. §1129(b).

IV. Summary of the Debtor's Operations and Bankruptcy Estate

A. Background

The Debtor filed a voluntary petition on February 26, 2016, that commenced this chapter 11 bankruptcy case. The filing of the petition constituted an order for bankruptcy relief under §301 of the Code. Upon the filing of the case, an automatic stay was imposed pursuant to §362(a) of the Code. The automatic stay prohibits most collection activities against the Debtor and its property. There are certain exceptions set forth in §362(b) of the Code.

The meeting of creditors under §341(a) of the Code was held on April 5, 2016. The meeting took place as scheduled and was concluded on that date.

B. Description of Debtor's Assets

The Debtor filed schedules of all of its assets and liabilities on March 10, 2016. The primary assets of the bankruptcy estate, their estimated values and associated liens are:

DESCRIPTION AND CATEGORY OF ASSETS	FAIR MARKET VALUE (ESTIMATED FMV)	AMOUNT OF LIENS HELD AGAINST THIS ASSET	VALUE AVAILABLE TO ESTATE
Real Property			
1990 W. Expressway 83, Mercedes, TX	\$1,200,000.00	\$989,208.35	\$210,791.65
Personal Property			
Laundry Supplies	\$2,000.00		\$2,000.00
Equipment, Furniture & Supplies	\$150,000.00		\$150,000.00
Total Personal Property	\$152,000.00		
Cash			
	\$1,000.00		\$1,000.00
TOTAL VALUE OF ASSETS:	\$1,353,000.00		\$363,791.65

C. Pending Claims/Litigation Owned by Debtor

When the Debtor filed this bankruptcy case, all of its property became property of its bankruptcy estate. The following bankruptcy cases are related to this bankruptcy case.

Case Name	Cause Number Court/Jurisdiction	Date Filed Amount Claimed	Nature of Lawsuit
none			

At the time of filing this Disclosure Statement and Plan, the Debtor does not have any claims that would result in a lawsuit: either under bankruptcy law or non-bankruptcy law.

D. Events Leading Up to Bankruptcy

Sai Krupa, Inc. was formed on September 11, 1998, for the purpose of owning and operating a 50-room hotel located in Mercedes, Hidalgo County, Texas (the "Hotel")¹. Ushaben A. Patel is President and holds 70% of the company stock. Shilaben A. Patel is Vice President and holds 15% of the company stock. Mita Shashi Narottam is Secretary and holds 15% of the company stock. The Hotel is located just west of the Mercedes outlet mall and includes a restaurant and nightclub. The Hotel also includes an undeveloped 1 acre tract of land adjacent to buildings. The corporation is a closed corporation and not publicly traded. The Hotel employs three (3) employees. The rooms are available to the general public for overnight stays as well as weekly or monthly stays. There is a swimming pool as well as a full-service restaurant and nightclub. Debtor leases both the restaurant and the nightclub to private owners/operators.

This is Debtor's second chapter 11 bankruptcy filing. Specifically, Debtor filed its chapter 11 bankruptcy petition on July 2, 2009, in Case No. 09-bk-70475. Debtor filed bankruptcy in 2009 due to the significant drop in the number of rooms rented at the Hotel. Debtor's Plan of Reorganization was confirmed on April 7, 2010 and Debtor successfully paid off all debts under that plan except for the balloon payment owed to creditor Ciena Capital, LLC/Business Loan Center, LLC². Debtor's efforts to refinance the balloon payment were unsuccessful and creditor Business Loan Center, LLC posted the Hotel for foreclosure.

¹ See Exhibit "A" which are a true and correct copy of a satellite photo and a map from the website *Google Map* show the physical layout of the Hotel and location on the main east-west expressway in Hidalgo County, Texas.

² Creditor Ciena Capital, LLC appears to be a co-servicing agent with Business Loan Center, LLC, in its capacity as servicer for U.S. Bank National Association, as successor trustee to Bank of America, N.A., successor by merger to LaSalle Bank National Association, as Indenture Trustee under that certain Indenture dated as of January 1, 2003, as the same may be amended from time to time, for the benefit of the SBA and holders of the Business Loan Express SBA Loan-Backed Notes, Series 2003-1, as their interests may appear subject to the Multi-Party Agreement dated January 1, 2003. For the purposes of the Disclosure Statement and Plan, Debtor will refer to this creditor as "Business Loan Center, LLC" or "BLC".

Debtor filed the current bankruptcy to prevent creditor Business Loan Center, LLC's foreclosure of the Hotel.

Debtor is confident it will be able to secure financing to payoff the debt owed to Business Loan Center, LLC, based on the equity in the Hotel and the possible sale of an asset located in India. In the meantime, Debtor's President and operation manager have streamlined operations to reduce expenses. One example is that Debtor no longer out-sources its linens but saves funds by washing the linens on site. Business is projected to increase as more travelers from Mexico shop at the Mercedes outlet mall that is less than a mile away from the Hotel. Further, a hospital and medical school will be completed during 2017 and are both located within one (1) mile of the Hotel.

The bankruptcy Plan allows Debtor to pay off the debt owed to Business Loan Center , LLC over a period of two (2) years with the refinance or sale of the Hotel.

E. Operations in Bankruptcy

Debtor has continued to operate the Hotel as a debtor-in-possession. Debtor's shareholders have retained and intend to retain their ownership of their respective shares. The President and Vice President of Sai Krupa, Inc. are actively involved in the Hotel's daily operations. Combined, they have over 24 years experience operating hotels. Both families own and operate hotels in Texas and Florida. The shareholders will be retained because of their collective experience, contacts, and proven record of commitment of substantial time and resources to the Hotel's operations. Debtor has complied with its duties as debtor-in-possession.

F. Significant Events and Orders Entered During the Bankruptcy Case

The following significant events occurred and orders were entered during the bankruptcy case:

- On March 7, 2016, 2016, the Court entered the order scheduling the Chapter 11 Status Conference [Doc. 5] for March 17, 2016.
- On March 8, 2016 Debtor filed its Motion to Use Cash Collateral [Doc. 8], and its Application to Employ Marcos D. Oliva, P.C. as Bankruptcy Counsel [Doc. 10].
- On March 17, 2016, the Court entered its Interim Order Authorizing Use of Cash Collateral and Setting Hearing [Doc. 27].
- On April 6, 2016, the Court entered its Order Approving Marcos D. Oliva, P.C., as Attorney for Debtor-in-Possession [Doc. 35].
- On May 5, 2016, the Court entered its First Amended Interim Order Authorizing the Use of Cash Collateral [Doc. 51].

- On May 9, 2016, Debtor filed its First Application for Compensation for Marcos D. Oliva, P.C. [Doc. 53] requesting authorization to pay attorney fees of \$11,695.00 and expenses of \$1,717.00 incurred between February 19, 2016 through May 6, 2016. On June 6, 2016, the Court entered its Order Granting Application for Compensation [Doc. 55] authorizing payment of the fees and expenses requested in Doc. 53.
- On June 27, 2016, the Court entered the parties' proposed Second Amended Interim Order Authorizing Use of Cash Collateral [Doc. 60].
- On August 15, 2016, the Court entered the parties' proposed Third Amended Interim Order Authorizing Use of Cash Collateral [Doc. 68].
- On October 20, 2016, the Court entered the parties' proposed Fourth Amended Interim Order Authorizing Use of Cash Collateral [Doc. 74].
- On October 20, 2016, the Court entered its order scheduling the hearing on the Disclosure Statement for November 16, 2016 at 11:00 a.m.
- No adversary proceedings were filed.

G. Preferential or Other Avoidable Transfers

Debtor does not believe there are preferential or avoidable transfers.

H. Sources of Income for Purposes of the Plan

The Debtor earns income from its: (i) operation of the Hotel (ii) the rental income from the Restaurant, and (iii) rental income from the Night Club. Debtor's average monthly gross income totals: \$23,663.00 based on the current trend in room rentals and Lease Agreements for the Restaurant and the Night Club. The current monthly income is described as follows:

Description of Source of Income	Average Monthly Income	Average Monthly Expenses	Comments
Income from daily room rentals	\$16,333.00 ³		This figure is based on the seasonal trend and averages the income over a one 1-year period.
Lease Agreement for Restaurant	\$4,000.00 ⁴		
Lease Agreement for Night Club	\$3,000.00		
Income from Billboard	\$330.00		
Average Monthly Income:	\$23,663.00		
Average Monthly Operating Expenses		\$14,396.00	
Average Monthly Net Profit			\$9,267.00
Total Monthly Plan Payment:			\$8,163.42
Overage After Plan Payment:			\$1,103.58

A copy of each of the listed Lease Agreements is attached to this Disclosure Statement and Plan as Exhibit "B". A copy of the Profit and Loss Projection is attached as Exhibit "C".

V. Description of Reorganization

Debtor intends to pay 100% of the debt owed, as reflected in the schedules and proofs of claim timely filed. This will be accomplished by restructuring the debt owed to creditor Business Loan Center, LLC with a payoff of that debt within a two (2) year period by refinancing the debt or selling the Hotel. The other creditors will be paid over an extended

³ The income for daily room rentals is projected to increase in 2017 with the completion of the new hospital and UT-RGV Medical School that is less than one (1) mile away.

⁴ The income for the Restaurant is projected to increase in 2017 to \$4,500.00 monthly with new lease agreement.

period of time. The details of these payments are included in this Disclosure Statement and Plan.

VI. Definitions of Terms Used in Disclosure Statement and Plan

For the purpose of the Disclosure Statement and Plan, the following definitions shall apply:

Administrative Claim: means any cost, claim or expense of administration in the Chapter 11 case which has been allowed and entitled to priority in accordance with the provisions of § 330, § 503(b) and § 507(a) of the Code, including, any actual and necessary expenses of preserving the Debtor's estate including, without limitation, all fees and expensed to the extent allowed by the Court under § 330, § 503(b) under Chapter 123 of Title 28, United States Code, to the extent incurred by the Debtor, during the case and after confirmation regarding Claims Allowance, avoidance actions, or the like (whether or not Allowed).

Allowance Date: means the date an order of the Court Allowing a Claim in the Case has become a Final Order and non appealable and no appeal therefore is pending.

Allowed Claim: shall be any Claim against the Debtor, provided: (a) proof shall be in the form of a Proof of Claim which was timely and properly filed or, if no proof of Claim was filed, which has been listed by the Debtor on the Schedules as liquidated in amount and not disputed or contingent and (b) in either case, a Claim as to which no objection to the Allowance thereof has been interposed on or before the applicable period of limitation fixed by the Plan, the Code, the Rules of the Court, or order of the Court; or as to which any objection is determined in favor of a claimant, and whether or not Allowed by an order of the Court, to the extent incurred by the Debtor and not paid from sources other than Property of the Estate. Unless otherwise specified herein or by order of the Court, "Allowed Claim" shall not include any informal claim, nor interest on any Plan. Unless a claim is an Allowed Claim, such Claim shall not be entitled to participate in any distribution under the Plan, and failure of any Claimant to take the necessary action to secure Allowance shall bar the existence of any liability of the Debtor or parties Discharged to that Claimant, and Claimant rights, if any, shall be Discharged by the confirmation of this Plan as provided by the Plan, applicable law and Bankruptcy code.

Allowed Secured Claim: means an Allowed Claim arising on or before the petition date that is secured by a valid and perfected lien upon Property of the Estate; excluding property subject to avoidable transfers which shall be deemed not an Allowed Secured Claim or an Allowed Claim for which the Debtor asserts a set off under Section 553 of the Code; to the extent of the value (which is set forth in the Schedules or if objection is made

timely to value, either agreed by the Debtor pursuant to the Plan, in writing, or in the absence of an agreement, has been determined in accordance with Section 506(a) or §1111(b) of the Code at or prior to Confirmation Date) of the interest of the holder of such Allowed Claim in Property of the Estate. That portion of any such Secured Claim exceeding the value of security held therefore shall be a Deficiency Claim unless expressly modified by the Plan.

Avoidance Action: shall mean a cause of action assertable by the Debtor or its successors pursuant to sections 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code.

Bankruptcy Code: means the Bankruptcy Code of 1978 as contained in Title 11, U.S.C. § 101 et seq. and the amendments thereto. All references to any statute in this plan are references to the Bankruptcy Code as defined therein.

Bar Date: means the deadline for filing proofs of claims against the Debtor or any other date established pursuant to an Order of the Court with respect to any other creditor; or, with respect to any allowed Administrative Claim or Claim arising with respect to rejection of an executory contract, such other date as this Plan, the Court of the Bankruptcy Code may establish pursuant to the Plan (or other Order) and after which any proof of Claim files will not be Allowed, and the later filing of which will have no effect on the distributions provided in this Plan or effect the discharge or re-judicata effect of any discharge or injunction provided in the Plan. No informal filing or other document shall constitute a Proof of Claim except as provided in this Plan.

Claim: shall mean

1. any "right to payment" either directly from the Debtor or Debtor in Possession or indirectly as a result of the Debtor's liability to third parties arising out of contract (e.g. a joint guaranty), tort (e.g. subordination), legal tort (e.g. equitable claim) or arising in any respect as a tax, tax penalty or interest or charge or imposition by a Governmental Unit resulting from a pecuniary or non-pecuniary loss by any Governmental Unit, that arose on or before the confirmation Date, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, contested, uncontested, legal equitable, secured, or Unsecured.
2. or any right under § 502(h)
3. or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, contested, uncontested, secured, or Unsecured;

4. or any right to a remedy in equity of at law arising out of violation of any rule or regulation of a Governmental Unit and any and all priority claims of every nature; and
5. or any right to look to the community property made property of the estate by 11 U.S.C. § 541 and the marriage of the Debtor to his non-filing spouse.

Class or Classes: means the particular Class designated in this Plan pursuant to Bankruptcy Code Sections 1122 and 1129 and in which Creditors' Claims may be included as provided in this Plan.

Chapter 11 Case: means the Chapter 11 case now pending in the United States Bankruptcy Court for the Southern District of Texas, SAI KRUPA, INC., filed in the U.S. Bankruptcy Court, Southern District of Texas, McAllen Division, having been commenced pursuant to 11 U.S.C. § 101, et seq.

Confirmation Order: means the signing and entry of the Order Confirming Plan entered pursuant to U.S.C. § 1129, and is deemed to include in the Plan all provisions of such Order or any subsequent Amended Order confirming the Plan, any authorized Modifications and providing for the continued operations of the Debtor and approval of this Plan.

Confirmation Date: shall mean the date set by the Court pursuant to 11 U.S.C. §1128 for the hearing on Confirmation of the Plan.

Contested: when used with respect to a Claim, shall mean a Claim against the Debtor (i) that is listed in the Debtor's schedule of liabilities as disputed, contingent, or unliquidated; (ii) that is listed in the Debtor's schedule of liabilities as undisputed, liquidated, and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of claim exceeds the scheduled amount; (iii) that is not listed in the Debtor's schedule of debts, but as to which a proof of claim has been filed with the Bankruptcy court; or (iv) as to which an objection has been filed.

Court: shall mean The United States Bankruptcy Court for the Southern District of Texas, McAllen Division, acting in this case.

Creditor or Claimant: shall mean any entity that has a claim against the Debtor that arose at the time of or before the filing of the petition in this case as defined in § 101(4) of the Bankruptcy Code.

Debt: shall mean any liability on a Claim held by any Person, Claimant or Subordinate Unsecured Claimant.

Debtor: shall mean SAI KRUPA, INC.

Deficiency Claim: means Unsecured Claims remaining after deducting the full value of the collateral of the Secured Claimant.

Discharge: means the release, satisfaction and full and final settlement of a Claim on any Debt as specifically provided in this Plan with respect to the Discharged party.

Distributions Under the Plan: means except as otherwise provided herein or as ordered by the Bankruptcy Court, Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the first day of the month following one full month after the Effective Date, provided however, that should such Allowed Claims be paid in the ordinary course of business, the distribution date shall be such date the Allowed Claim becomes payable under the terms of any contract or agreement or applicable non-bankruptcy law.

Effective Date: shall mean the fifteenth (15th) day following the day of the entry of the Order confirming plan.

Estate Assets or Property of the Estate: shall mean the estate created by 11 U.S.C. § 541 on the commencement of the Chapter 11 Case consisting of all property owned by the Debtor upon the date of the filing of the Chapter 11 Case, including personal and real property, all accounts and accounts receivable, and the right to recover any Debt from any third party or Creditor, and the income or proceeds of Property of the Estate.

Final Decree: means the last order of the Court entered in accordance with Bankruptcy Rule 3022 pursuant to 11 U.S.C. § 350.

Final Order or Final Judgment: shall mean an order of the Court which, not having been appealed, reversed, modified or amended and not having been stayed or the time to appeal from which or to seek review or rehearing of which having expired, has become conclusive of all matters adjudicated thereby and is in full force and effect.

Governmental Unit: shall mean "governmental unit" as defined in 11 U.S.C. § 101 and shall include any taxing unit and any administrative agency of any such Governmental Unit.

Objection: shall mean a contested matter, adversary proceeding, or any counterclaim or cross-action in any adversary proceeding initiated for the purpose of objecting to any Claim of a Creditor and shall include any action brought by a Creditor or removed to the Court after Confirmation of this Plan which deals with any Claims treated in, or arising under, or released or Discharged under this Plan or which may affect the administration of this Plan.

Payment in Full and Paid in Full: means the receipt by or for the account of a Creditor of consideration the value of which equals the amount of its Allowed Claim or the amount provided in this Plan for payment to such holder of the Allowed Claim.

Person: means an individual, corporation, limited liability company, partnership, joint venture, trust, estate, unincorporated organization, or a Governmental Unit or any agency or political subdivision thereof.

Petition Date: means January 4, 2016, the date the Voluntary Petition was filed by the Debtor.

Plan: means this Plan of Reorganization is subject to confirmation by voluntary petition under Chapter 11 of the Bankruptcy Code and now pending in this Court.

Proof of Claim: shall mean the official form provided for the written filing proofs of a Debt or Claim providing for the inclusion of documentary evidence or written explanation which has been substantially completed and timely filed unless filing is not required by this Plan or the Bankruptcy Code (regarding undisputed and liquidated Claims scheduled as such) and which timely filed Proof of Claim has been signed under the penalty of perjury as provided in such official form.

Priority Tax Claim: means any Claim of a Governmental Unit of the kind entitled to priority in payment as specified in Sections 502(j) and 507 (a)(8) of the Bankruptcy Code.

Pro Rata Share: means the amount which is the result of multiplying the net proceeds or dividend available for distribution at any given time to a Class of Claimants by that fraction in which the numerator is the Allowed amount of the claim of the particular Creditor of the names Class and the denominator is the total of the Allowed amounts of all the Creditors' Allowed Claims of such Class.

Property of The Estate: shall mean the estate created by 11 U.S.C. § 541 on the commencement of the Chapter 11 case consisting of all property owned by the Debtor upon the date of filing of the chapter 11 case.

Professional Fees: means those Allowed Claims for reasonable and necessary professional fees which are Allowed pursuant to this Plan and/or the 11 U.S.C. § 330, 503(b)(D) and entitled to priority status as administrative expenses pursuant to 11 U.S.C. §507(a)(1).

Rule(s) or Rules of the Court: means the rules of procedure in bankruptcy cases applicable to cases pending before the Court, and if made applicable, as amended from time to time, including Rules in effect, if any, regarding Chapter 11 cases.

Schedules or Schedule: means the Schedules and Statement of Financial Affairs filed in this Bankruptcy case by the Debtor, including the list of assets, Creditors, Exempt Property, and including any amendments and/or supplements thereto up to and including the Confirmation Date.

Settled Claim or Settlement with respect to a Claim: means a claim that is no longer contested or, whether or not an Allowed Claim, is the subject of a compromise between the Debtor and the respective creditor regarding payment and additional payments from other than Property of the Estate.

Secured Creditor: means a creditor holding an Allowed Secured Claim, and may include any valid and enforceable Judgment Lien released herein. Including but not limited to: statutory liens, other involuntary liens or mortgages, and voluntary liens.

Subordinated Creditors: means Creditors whose Claims are subordinated: (i) in accordance with 11 U.S.C. § 510 or §1129(b) by Final Order; or (ii) pursuant to this Plan.

Substantial Consummation:

(a) All or substantially all of the property proposed by the Plan to be transferred has been transferred; (b) the Debtor or any successor to the Debtor under the plan has assumed operation of the Debtor's business or assumed possession of all or substantially all of the property dealt with by the plan; and (c) distributions under the Plan have commenced.

Termination Date: means the day on which all payments due under this Plan have been made, whether such payments are prior to or subsequent to a Declared Default under this Plan, or seventy two (72) months after the Effective Date, whichever first occurs.

Unsecured Claim: shall mean a Claim or the part of a claim which is not secured by a lien, security interest or other charge against or interest in Property of the Estate in which

Debtor has an interest and shall include a Claim arising out of the rejection of any executory contract under 11 U.S.C. § 365 and deficiency claim, administrative claim or any claim asserted by an affiliate or insider to the Debtor, and excluding any interest, attorney's fees, costs of collection or the like not earned and due on the Petition Date and, with respect to distributions, only to the extent constituting an Allowed Unsecured Claim under this Plan.

A term used in this Disclosure Statement and Plan, not otherwise defined herein but used in the Code, shall have the definition assigned to such term in the Code.

VII. Debtor's Plan for Payment of its Debts

A. Summary of Plan of Reorganization

Debtor intends to pay all allowed claims, as provided herein, within various time frames. However, Debtor hereby reserves the right to pay earlier without any penalty or fee. The confirmation date shall be the date upon which the Order of Confirmation is entered by the Court. As defined above, the Effective Date of the Plan shall be fifteen (15) days following the Confirmation Date.

B. Classification of Classes under the Plan

Administrative Claims are those arising under 11 U.S.C. § 507(a)(2). Unless otherwise agreed by the holders of these Claims, these Claims will be paid in cash, in full, on or before the Effective Date, or when such Claims become Allowed Claims. ALL ADMINISTRATIVE CLAIMS (other than the US Trustee) WILL BE REQUIRED TO FILE AN ADMINISTRATIVE CLAIM PRIOR TO THE ADMINISTRATIVE BAR DATE. Administrative Claims are comprised of the following categories of Claims:

Class 1: U.S.Trustee Fees: All allowed claims as allowed pursuant to 11 U.S.C. § 503.

Class 2: Attorney/Professional Fees: First, administrative expenses allowed under section 503(b) of this title, and any fees and charges assessed against the estate under Chapter 123 of Title 28. All allowed Administrative Claims, as that term is defined herein and in 11 U.S.C. §507 (a)(1), including fees for services rendered and expenses incurred by Court-approved counsel for the Debtor or other Professionals employed by the Debtor, and any expenses provided for under 28 U.S.C. §1930.

These claims are:

1. Attorney fees and costs: Marcos D. Oliva, P.C. Professional employed by Debtor for services rendered and expenses incurred. These payments will be made pursuant to the Court's approval of the fee applications filed by Debtor's attorney.

2. Financial professional: Matthew Hamby, CPA, employed by Debtor as an accountant and cash flow consultant and financial analyst. These payments will be made pursuant to the Court's approval of the fee applications filed by this professional.
3. Post-Petition Taxes – It is believed that all of the Debtor's post-petition tax obligations have been satisfied. The ad valorem taxes are described and provided for below.
4. There are no other administrative claims.

All other holders of Administrative Claims, including Governmental Units (except the U.S. Trustee) not covered under any other section, shall be required to file a proof of claim for allowance and payment of an Administrative Claim no later than the Administrative Claims Bar Date.

Objections to timely filed applications of Professionals for compensation or reimbursement of expenses and/or other Administrative Expense Claim must be filed and served no later than the sooner of: (i) twenty-one (21) days after the application is filed; or (ii) twenty-one (21) days after the Administrative Claims Bar Date.

Administrative Claims shall be paid in full by the Debtor on the later of: (i) the Effective Date; (ii) fifteen (15) days after the date when such Administrative Claim is Allowed by the Court; or (iii) as agreed by the Administrative Claimant and the Debtor.

The administrative claim for any ongoing post-petition vendors, the IRS for any employment or income tax due for 2016 will be paid in the ordinary course of business by the Reorganized Debtor from its continuing operations and not under the Plan.

Class 3: The Allowed Secured Claims of each creditor, person or entity, whether or not the holder of a secured claim that is secured by a tax lien and/or security interest in the property of the Debtor which arises from a secured claim as allowed by 11 U.S.C. §506(a) of the Code which is an allowed claim of a creditor secured by a lien on property in which the estate has an interest, or that is subject to setoff under section 553 of this title, is a secured claim to the extent of the value of such creditor's interest in the estate's interest in such property, or to the extent of the amount subject to setoff, as the case may be, and is an unsecured claim to the extent that the value of such creditor's interest or the amount so subject to setoff is less than the amount of such allowed claim. Such value shall be determined in light of the purpose of the valuation and of the proposed disposition or use of such property, and in conjunction with any hearing on such disposition or use or on a plan affecting such creditor's interest.

The secured ad valorem tax claims in this class total \$45,042.66⁵ and consist of:

- a. City of Mercedes [Claim 4] in the amount of \$12,492.65;
- b. Hidalgo County [Claim 5] in the amount of \$14,591.81; and
- c. Weslaco ISD [Claim 3] in the amount of \$17,958.20.

The secured ad valorem tax claims in this class are:

Taxing Entities	Tax Year	Amount of Taxes	Totals
City of Mercedes	2010-2016 (2016 - \$4,910.29)	\$12,492.65	
Hidalgo County	2010, 2011, 2014, 2015 and 2016 (2016 - \$5,978.84)	\$14,591.81	
Weslaco ISD	2011, 2014, 2015 and 2016 (2016 - \$7,412.27)	\$17,958.20	
Totals:	(2016 - \$18,301.40)		\$45,042.66

Class 4: The secured claim of Propel Financial Services, LLC [Claim 8] in the amount of \$47,158.13 that is secured by the Hotel property.

Class 5: The secured claim of Business Loan Center, LLC [Claim 6] in the amount of \$989,208.35 that is secured by the Hotel property.

Class 6: The secured tax claim of the Internal Revenue Service [Claim 1] in the amount of \$7,017.64 that is secured by the Hotel property and all personal property interests owned by the Debtor.

Class 7: The unsecured priority tax claim of the Internal Revenue Service [Claim 1] in the amount of \$5,503.38.

Class 8: The unsecured non-priority tax claim of the Internal Revenue Service [Claim 1] in the amount of \$5,848.78.

Class 9: This unsecured non-priority claim of Tesoro Leasing Corporation (no proof of claim filed) in the amount of \$116,537.62. This is a disputed claim arising from a lawsuit

⁵ Debtor uses the taxing entities' Proofs of Claims amounts for purposes of this Disclosure Statement and Plan. However, there funds held in escrow with creditor Business Loan Center, LLC for the purpose of paying ad valorem taxes. Accordingly, the amount reflected in the Plan should be reduced by this amount.

between Debtor and Tesoro Leasing Corporation. Creditor Tesoro Leasing Corporation did not timely file a Proof of Claim.

Class 8: This Class consists of the equity interests held in the Debtor: Ushaben A. Patel (70%); Shilaben A. Patel (15%); and Mita Shashi Narottam (15%).

C. Treatment of Claims

Class	Name of Creditor Classification of Claim	Amount Claimed as Owed	Years Amortized	Payment (Amount and Frequency)	Interest Rate
1	Trustee Fee <i>Administrative Claim</i>	n/a	n/a	n/a	n/a
2	Attorney's fees and expenses of the Marcos D. Oliva, P.C. <i>Administrative Claim</i>	\$25,000.00		Upon approval of the Court, these attorney's fees and costs will be paid within 30-days of confirmation of this Plan	0%
	Fees and Expenses of Matthew Hamby, CPA, LLC <i>Administrative Claim</i>		n/a	Upon approval of the Court, these professional fees and costs will be paid within 30-days of confirmation of this Plan.	
3	City of Mercedes, Hidalgo County, and Weslaco ISD <i>Secured Tax Claim - Impaired</i>	\$45,042.66	5 years	\$1,001.95 monthly for 60 months	12%
4	Propel Financial Services, LLC <i>Secured Claim - Impaired</i>	\$47,158.13	10 years	\$769.64 monthly for 120 months. This amount is based on an amortization schedule of 120 payments of principal and interest at 13.9 % plus reasonable attorney's fees and costs with the first payment starting on 1/1/2017. As of 11/14/2016, attorney's fees and costs incurred in the bankruptcy case total \$3,978.00.	13.90%
5	Ciena Capital, LLC Business Loan Center, LLC <i>Secured Claim Impaired</i>	\$989,208.35 <i>Unpaid Balance</i> \$600,000.00 ----- \$442,208.35 \$7,500 estimated attorney fees	2 years ----- 2 years	\$6,000.00 monthly for 23 months with balloon of approximately \$442,210.00 on 24th month. ----- No monthly payment is required. Full amount due and owing on the 24th month after confirmation. This amount will be discounted 50% if paid off on or before the 1-year anniversary of the Effective Date. This amount will be discounted 25% if paid off after 1 year but before the 18th month after the Effective Date. This amount will not be discounted if paid off after the 18th month after confirmation	7.0%
6	Internal Revenue Service <i>Secured Claim - Impaired</i>	\$7,017.64	4 years	\$155.33 monthly for 48 months	3%
7	Internal Revenue Service <i>Unsecured Priority Tax Claim Impaired</i>	\$5,503.38	4 years	\$114.65 monthly for 48 months	0%
8	Internal Revenue Service <i>Unsecured Non-Priority Tax Impaired</i>	\$5,848.78	4 years	\$121.85 monthly for 48 months	0%
9	Tesoro Leasing Corporation <i>Unsecured Non-Priority Impaired</i>	\$116,537.62	n/a	Debtor will not pay this claim because it disputes the amount owed and creditor failed to timely file a Proof of Claim substantiating the amount owed.	n/a
8	Equity Interest Holders			Interest in Debtor will be maintained.	
Total Monthly Plan Payment:					\$8,163.42

Class 1: Trustee's Fees. These shall be paid on the effective date of the plan.

Class 2: Administrative Claim: First, administrative expenses allowed under section §503(b) of this title, and any fees and charges assessed against the estate under Chapter 123 of Title 28. All allowed Administrative Claims, as that term is defined herein and in 11 U.S.C. §507 (a)(1), including fees for services rendered and expenses incurred by Court-appointed counsel for the Debtor or other Professionals employed by the Debtor, and any expenses provided for under 28 U.S.C. §1930.

These claims are:

- a. Attorney fees and costs: Marcos D. Oliva, P.C. Professional employed by Debtor for services rendered and expenses incurred. These payments will be made pursuant to the Court's approval of the fee applications filed by Debtor's attorney.
- b. Financial professional: Matthew Hamby, CPA, employed by Debtor as an accountant and cash flow consultant and financial analyst. These payments will be made pursuant to the Court's approval of the fee applications filed by this professional.

Treatment: All of the professional fees will be paid according to the orders entered by the Bankruptcy Court authorizing such payments. All amounts owed for the administrative costs incurred during the pendency of the bankruptcy case, and approved by the Court, will be paid within 30-days from date of entry of the order confirming the Plan.

Class 3: The secured ad valorem tax claims in this class total \$45,042.66⁶ and consist of:

- a. City of Mercedes [Claim 4] in the amount of \$12,492.65;
- b. Hidalgo County [Claim 5] in the amount of \$14,591.81; and
- c. Weslaco ISD [Claim 3] in the amount of \$17,958.20.

Treatment: Payment shall be made in sixty (60) equal monthly installments, commencing thirty (30) days from the Plan's Confirmation Date with a final payment to be sixty (60) months from the date of confirmation of the Plan. The Class 3 Claims shall bear interest at the statutory rate of 12% per annum from the date of filing of this case until said taxes are paid in full. The Taxing Entities shall retain all liens until all taxes are paid in full. Specifically, the secured tax claims of City of Mercedes, Hidalgo County, and Weslaco ISD (collectively, the "Taxing Entities") of \$45,042.66 shall be paid over a five year period at 12% per annum interest with sixty (60) equal monthly payments of \$438.11 each.

⁶ Debtor uses the taxing entities' Proofs of Claims amounts for purposes of this Disclosure Statement and Plan. However, there are funds held in escrow with creditor Business Loan Center, LLC for the purpose of paying ad valorem taxes. Accordingly, the amount reflected in the Plan should be reduced by this amount.

Please note that these calculations do not include the funds currently held in escrow by secured creditor Business Loan Center, LLC (e.g., under the terms of the Cash Collateral Order, Debtor has paid monthly payments to BLC to be held in escrow for payment of 2016 ad valorem taxes owed on the Hotel Property).

The 2017 ad valorem taxes are not included in the Plan and shall be paid in the ordinary course of business and said Taxing Entities shall not be required to file a request for allowance and payment of its claim. To the extent any such taxes due to the Taxing Entities for the 2017 tax year are not timely paid as required by state statute, the Taxing Entities shall be at liberty to pursue state court remedies to collect said taxes without further order of the Bankruptcy Court. The statutory liens now securing said claims shall be retained until said taxes are paid in full.

Default shall occur if one monthly installment due to Taxing Entities under the confirmed Plan is not paid by Debtor or if post-confirmation taxes (including 2017 taxes) are not paid timely pursuant to state law. In the event of default in the monthly payments required to be paid to Taxing Entities, the Taxing Entity shall send written notice of default to Debtor's attorney and Debtor. If the default is not cured within twenty (20) days after notice of the default is mailed, the Taxing Entities may proceed with state law remedies for collection of all amounts due under state law pursuant to the Texas Property Tax Code. In the event of a second default, Taxing Entities may proceed with the state law remedies for collection of all amounts due under state law pursuant to the Texas Property Tax Code. If the event the Debtor fails to timely pay post-petition taxes, Taxing Entities shall be free to proceed with the state law remedies for collection of all amounts due under state law pursuant to the Texas Property Tax Code without further notice or court order.

These Class 3 creditors are impaired under this Plan.

Class 4: Propel Financial Services, LLC as Agent and Attorney in Fact for PFS Tax Lien Trust 2014-1, ("Propel") shall have an allowed secured claim in the amount of \$47,158.13 plus post-petition interest in the amount of 13.90% plus reasonable and necessary attorney's fees and costs. As of November 14, 2016, the total attorney's fees and costs are \$3,978.00.

Propel's claim is secured by the Hotel Property. Propel's proof of claim [Claim #8] is supported by a Property Tax Payment Agreement executed by the Debtor on January 28, 2013, in the original principal amount of \$62,308.48 (the "Agreement"). As of the Petition Date, the amount owing under the Agreement is \$47,158.13. The Agreement is secured by a Tax Lien Contract dated January 28, 2013, and tax liens transferred to Propel pursuant to

a Sworn Document Authorizing Transfer of Tax Lien and Certified Statement of Transfer of Tax Lien (collectively, the "Security Documents").

Treatment: Propel's claim shall accrue interest at an annual rate of 13.90% and be paid in equal monthly installments of principal and interest over a period of 120 months with the first payment due thirty (30) days after the dated of entry of the order confirming the Plan and with subsequent payments due on the same day of each succeeding month until the one hundred and twentieth scheduled payment, on which day any remaining principal, interest, attorney's fees and costs shall be due.

The Security Documents, attached to Propel's proof of claim and incorporated here by reference, shall continue in full force after confirmation. Nothing herein shall preclude the Debtor and Propel from executing an extension, a modification and/or renewal agreement without further order of the Court to conform the Security Documents to the treatment provided for Propel's claim herein. Should the Debtor default on its obligations provided herein to Propel or to any creditor with an equal or superior lien on the real estate that collateralizes Propel's lien, Propel, its agents and/or assigns may enforce its remedies as provided in the loan documents between the Debtor and Propel and in accordance with state law without further order or notice to this Court. The treatment accorded to Propel's claim hereunder shall not discharge the contingent liability of a guarantor, if any, of Propel's claim.

Propel shall retain all its current liens on the Debtor's property in its current lien priority to secure repayment of amounts to be paid to Propel under the Plan. All other covenants currently in the Security Documents shall remain in full force and effect except as modified by this Plan.

Propel shall file an application requesting allowance of additional attorney's fees and costs incurred after November 14, 2016, within fourteen (14) days following entry of an order confirming this Plan if it wishes to claim additional attorney's fees and costs. Debtor may file an objection to the application in accordance with the Local Bankruptcy Rules, but if no objection is timely filed, the application for attorney's fees shall be allowed, included in Propel's allowed secured claim, and paid together with the principal, interest and already allowed attorney's fees and costs.

It is Debtors' understanding that Propel agrees with these terms.

The Class 4 Creditor is impaired under the Plan.

Class 5: The secured claim of Business Loan Center, LLC [Claim 6] in the amount of \$989,208.35⁷ that is secured by the Hotel property. Business Loan Center, LLC's proof of claim is supported by a Promissory Note executed by the Debtor on December 18, 1998, in the original principal amount of \$1,240,000.00 (the "Note"). As of the Petition Date, Propel Financial Services, LLC alleges that the amount owing under the Note is \$989,208.35. The Note is secured by a priority lien against the Hotel property granted through a Deed of Trust dated December 18, 1998 (the "Deed of Trust"). The Note is further secured by the Security Agreement dated December 18, 1998, granting a security interest on Debtor's accounts, chattel paper, equipment, general intangibles and inventory (the "Security Agreement").

Treatment: This secured debt shall be divided into two (2) tranches: Tranche A and Tranche B.

Tranche A will be in the approximate amount of \$600,000.00. Debtor shall pay Tranche A by paying Business Loan Center, LLC \$6,000.00 monthly for 23 months with interest accruing on the unpaid amounts at 7% per annum until the amount owed is paid in full. The first \$6,000.00 monthly payment shall be due and owing on or by the Effective Date with the following monthly \$6,000.00 payments due on or by the 15th day of each month, thereafter until the 23rd month after the Effective Date. Debtor shall pay the approximate \$442,210.00 balance owed on the 24th month after the Effective Date.

Tranche B will be in the amount of the balance of Business Loan Center, LLC's claim. The Tranche B note will accrue interest at 7%, but will require no monthly payment. Tranche B will be due and owing on the 24th month after the Effective Date.

Tranche A must be paid in full by the 24th month after the Effective Date.

Tranche B will be discounted as follows:

- 50% if paid off on or before the 1-year anniversary of the Effective Date;
- 25% if paid off after 1 year but before 18 months after the Effective Date;
- 0% if paid off after the 18-month anniversary of the Effective Date.

Both Tranche A and Tranche B are fully secured under the Deed of Trust and the Security Agreement. Specifically, Business Loan Center, LLC shall retain its lien pursuant to the Deed of Trust and Security Agreement on Debtor's property in its current lien priority to secure repayment of the amount to be paid under the Note. All other terms of the Note,

⁷ This amount does not include post-petition interest of approximately \$53,000.00 and attorney fees of approximately \$7,500 incurred by Business Loan Center, LLC.

Deed of Trust, and Security Agreement shall remain in full force and effect except as modified by this Plan. This Class 5 creditor is impaired under this Plan.

It is Debtor's understanding that Creditor Business Loan Center, LLC is in agreement with these terms.

Class 6: Internal Revenue Service's Secured Claim [Claim 1] in the amount of \$7,017.64.

Treatment: Debtor shall pay these taxes by remitting payments of \$155.33 monthly for 48 months with interest on the unpaid balance accruing at 3% per annum. This Class 6 creditor is impaired under this Plan.

Class 7: Internal Revenue Service's Unsecured Priority Claim [Claim 1] in the amount of \$5,503.38.

Treatment: Debtor shall pay these taxes by remitting payments of \$114.65 monthly for 48 months with interest on the unpaid balance accruing at 0% per annum. This Class 7 creditor is impaired under this Plan.

Class 8: Internal Revenue Service's Unsecured Non-Priority Claim [Claim 1] in the amount of \$5,848.78.

Treatment: Debtor shall pay these taxes by remitting payments of \$121.85 monthly for 48 months with interest on the unpaid balance accruing at 0% per annum. This Class 8 creditor is impaired under this Plan.

All payments to the Internal Revenue Service shall be mailed to:

Internal Revenue Service
ATTN: Catherine Nelson
300 East 8th Street, Stop 5026AUS
Austin, Texas 78701

Agreement with the Internal Revenue Service: The federal tax liens survive the plan confirmation, a bankruptcy discharge, and dismissal of the case. The liens continue to be enforceable against the Reorganized Debtor's property to the extent, priority, and validity such liens were entitled to as of the Petition Date and under federal law.

Additionally:

(i) The debt owed by the Debtor to the Internal Revenue Service is a nondischargeable debt, except as otherwise provided for in the Bankruptcy Code, and that if the Debtor should default, the Internal Revenue Service is not subject to the provisions of the Bankruptcy Code so that the Internal Revenue Service can take whatever actions are necessary to collect said debt in the event of default; the federal tax liens survive the plan confirmation, a bankruptcy discharge, and dismissal of the case. The liens continue to be enforceable against all of the Debtor's property under federal law.

(ii) A failure by the Reorganized Debtor to make a payment to the Internal Revenue Service pursuant to the terms of the Plan shall be an event of default, and as to the Internal Revenue Service, there is an event of default if payment is not received by the fifteenth (15th) day of each month. If there is a default, the Internal Revenue Service must send written demand for payment, and said payment must be received by the Internal Revenue Service within fifteen (15) days of the date of the demand letter. The Debtor can receive up to three (3) notices of default from the Internal Revenue Service; however, on the third (3rd) notice of default from the Internal Revenue Service, the third (3rd) notice of default cannot be cured, and the Internal Revenue Service may accelerate its allowed claim(s), past and future, and declare the outstanding amount of such claim(s) to be immediately due and owing and pursue any and all available state and federal rights and remedies. These default provisions pertain to the entire claim(s) of the Internal Revenue Service, secured, unsecured priority, unsecured general and administrative priority.

(iii) The Internal Revenue Service is bound by the provisions of the confirmed Plan and is barred under Section 1141 of the Bankruptcy Code from taking any collection actions against the Reorganized Debtor for pre-petition claims during the duration of the Plan (provided there is no default as to the Internal Revenue Service). The period of limitations on collection remains suspended under 26 U.S.C. § 6503(h) for the tax periods being paid under the Plan and terminates on the earlier of (1) all required payments to the Internal Revenue Service have been made; or (2) thirty (30) days after the date of the demand letter (described above) for which the debtor failed to cure the default.

(iv) The Debtor's or Reorganized Debtor's failure to remain current on its ongoing tax obligations shall be an event of default under the terms of the Plan. If there is a default, the Internal Revenue Service must send written demand for the Debtor or Reorganized Debtor to remain current on its ongoing tax obligations. If the Debtor or

Reorganized Debtor does not cure this default within fifteen (15) days of the date of the demand letter, the Internal Revenue Service may pursue collection activities immediately without further order of this Court.

(v) Internal Revenue Service remedies upon default: Upon any final and non-curable default by the Reorganized Debtor, the Internal Revenue Service may accelerate its allowed pre- and post-petition claims (and any future administrative claims), and declare the outstanding amounts of such claims to be immediately due and owing. The Internal Revenue Service may pursue any and all available state and federal rights and remedies as provided by law without further order of this Court.

Class 9: This unsecured non-priority claim of Tesoro Leasing Corporation (no proof of claim filed) in the amount of \$116,537.62. This is a disputed claim arising from a lawsuit between Debtor and Tesoro Leasing Corporation. Creditor Tesoro Leasing Corporation did not timely file a Proof of Claim.

Treatment: Debtor shall not pay this debt because Debtor disputes the amount owed and creditor Tesoro Leasing Corporation failed to timely file a proof of claim to substantiate the amount of the debt. This Class 9 creditor is impaired under this Plan.

Class 8: This Class consists of the equity interest holders in Debtor: Ushaben A. Patel (70%); Shilaben A. Patel (15%); and Mita Shashi Narottam (15%).

Treatment: The shareholders will retain their interests in the Debtor.

D. Feasibility of the Plan

This plan is feasible as set out below. Specifically, Debtor's average monthly income, from from its: (i) operation of the Hotel (ii) the rental income from the Restaurant, and (iii) the Night Club totals \$23,663.00. Debtor's average monthly net income totals: \$9,267.00 based on the current trend in room rentals and Lease Agreements for the Restaurant and the Night Club. The current monthly income is described as follows:

Description of Source of Income	Average Monthly Income	Average Monthly Expenses	Comments
Income from daily room rentals	\$16,333.00 ⁸		This figure is based on the seasonal trend and averages the income over a one 1-year period.
Lease Agreement for Restaurant	\$4,000.00 ⁹		
Lease Agreement for Night Club	\$3,000.00		
Income from Billboard	\$330.00		
Average Monthly Income:	\$23,663.00		
Average Monthly Operating Expenses		\$14,396.00	
Average Monthly Net Profit			
			\$9,267.00
Total Monthly Plan Payment:		\$8,163.42	
Overage After Plan Payment:		\$1,103.58	

A copy of each of the listed Lease Agreements is attached to this Disclosure Statement and Plan as Exhibit "B". A copy of the Profit and Loss Projection is attached as Exhibit "C".

VIII. Alternative to the Debtor's Plan – Liquidation Analysis

The only alternative is liquidation. However, liquidation would not be in the best interest of the estate because there would not be any funds available for distribution after all of the secured creditors were paid that amounts owed and secured by their liens. Specifically, Debtor would not be able to maximize the value of the estate under liquidation.

Section 1129(a)(7)(A) of the Bankruptcy Code requires that each holder of a claim must either accept the Plan or receive payments or property with a value of at least as much as would be available in a chapter 7 liquidation of the Debtor's assets.

⁸ The income for daily room rentals is projected to increase in 2017 with the completion of the new hospital and UT-RGV Medical School that is less than one (1) mile away.

⁹ The income for the Restaurant is projected to increase in 2017 to \$4,500.00 monthly with new lease agreement.

As set forth above, each holder of a secured claim is either receiving its collateral or is being paid the value of its claim, with interest. This treatment satisfies the liquidation test under §1129(a)(7)(A). Holders of priority claims are paid in full, with interest. This also satisfies the requirements of §1129(a)(7).

The Debtor has estimated that its assets, after payment of liens, would generate the following amounts in a chapter 7 liquidation:

LIQUIDATION ANALYSIS (UNAUDITED)

DESCRIPTION AND CATEGORY OF ASSETS	FAIR MARKET VALUE (ESTIMATED FMV)	AMOUNT OF LIENS HELD AGAINST THIS ASSET	VALUE AVAILABLE TO ESTATE	LIQUIDATION VALUE (without payment of secured liens)
Real Property				
1990 W. Expressway 83, Mercedes, TX	\$1,200,000.00	\$989,208.35	\$210,791.65	\$720,000.00 ¹⁰
Personal Property				
Laundry Supplies	\$2,000.00		\$2,000.00	\$700.00 ¹¹
Equipment, Furniture & Supplies	\$150,000.00		\$150,000.00	\$67,500.00 ¹²
Total Personal Property	\$152,000.00			
Cash				
	\$1,000.00		\$1,000.00	
TOTAL VALUE OF ASSETS:	\$1,353,000.00	\$1,049,708.35¹³	\$363,791.65	\$788,200.00
Secured Priority Claims				
		\$1,101,768.65¹⁴		
Net Liquidation Funds Available to Other Claimants (after payment to secured creditors)				-\$313,568.65

¹⁰ Debtor estimates a recoupment of 60% of the estimated fair market value based upon a foreclosure bid of 70% less collection costs.

¹¹ Debtor estimates a recoupment of 35% of these laundry supplies if sold to third party.

¹² Debtor estimates a recoupment of 45% of the estimated fair market value based upon a 70% bid price less attorney fees, holding costs, repairs, marketing and other costs incurred in relation to the liquidation of this asset.

¹³ This amount includes post-petition interest of \$53,000.00 and attorney fees of \$7,500.00 incurred by creditor Business Loan Center, LLC.

¹⁴ This amount includes the full post-petition amount owed to Business Loan Center, LLC, the Taxing Entities, and the Internal Revenue Service (on the secured debt).

IX. Risks to Creditors under the Debtor's Plan

There is always a chance that a plan may not succeed, but Debtor feels confident that it will be able to refinance or sell the Hotel within the next two (2) years. Debtor's owner and operations manager, Ushaben Patel and Manharbai Patel (collectively, "Patel"), have been in negotiations with Lone Star National Bank ("Lone Star") to refinance the loan on the Hotel. Lone Star has indicated that it is willing to lend Debtor the payoff funds with the personal guaranty of the Patel's physician daughter and surgeon son-in-law. Patel's son-in-law recently joined Doctors' Hospital at Renaissance ("DHR") and their daughter is expecting an employment offer from DHR. Further, Patel sold a parcel of commercial real property in India and is working with their CPA to determine all of the tax consequences for transferring the sales proceeds to the United States and using a portion of those proceeds to either payoff, or significantly pay down, the amounts owed under the Plan. In the event Debtor is unable to obtain new financing, Debtor would be able to promptly sell the Hotel and adjoining property to pay off the Plan. As indicated in the Disclosure Statement, both Mr. and Mrs. Patel's families are in the hotel business and are acquainted with many individuals and entities which would be interested in purchasing this operation.

X. Payment – Prepayment

Any claim may be prepaid at any time, without penalty. Interest as provided in this Plan must be paid through the date of the prepayment. Distribution under the Plan shall commence on the first of the month, following on full month after the Effective Date. As previously defined, Effective Date shall mean the fifteen (15) days following entry of the Confirmation Order.

XI. Tax Issues

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 on its assets.

Moreover, any sale of assets may produce taxable income. No opinion regarding the income tax ramifications of this Plan is provided to any party-in-interest or Creditor.

XII. Executory Contracts and Leases

Except for the assumed contracts and leases listed in the following chart, all executor leases and contracts are rejected as of the Effective Date. Proofs of claim for damages arising from the rejection of an executor lease or contract must be filed no later than 30 days after the Effective Date. Claims filed after that date will not be paid.

Contracting Party	Description of Contract	Amount Required to Cure any Default
Manharbhai S. Patel	Commercial Lease Agreement for lease of The Restaurant located at 1990 E. Expressway 83, Mercedes, TX for \$4,000.00 monthly	None
Liz B. De Los Santos	Commercial Lease Agreement for lease of the Night Club located at 1990 E. Expressway 83, Mercedes, TX for \$3,000.00 monthly.	None

The amount shown under “Amount Required to Cure Any Default” will be paid not later than 30 days after the Effective Date of the Plan.

If you are the Contracting Party on an assumed contract and disagree with the cure amounts shown you must file an objection prior to the objection deadline. If you do not file an objection prior to the objection deadline, the Court may confirm the Plan and you will be bound by the terms of the confirmed Plan as to the cure amount.

XIII. Claims Objections

Claims objections must be filed not later than 30 days after entry of the order confirming the Plan. This deadline may be extended by the Court, on motion by a party in interest. Any such motion must be filed not later than 30 days after entry of the order confirming the Plan.

XIV. Effect of Confirmation of Plan

A. Discharge, Vesting, and Effective Date

Confirmation of the Plan shall discharge and fully satisfy, pursuant to and so provided by 11 U.S.C. §1141(d) of the Bankruptcy Code, and as provided contractually pursuant to the terms of the Plan, all Debts, liabilities, and obligations of the Debtor (including all penalties, fines or forfeitures, and damages) that arose before the Confirmation Date, except as otherwise specifically provided in the Plan or the Order Confirming Plan, whether or not such Claim is Allowed or paid pursuant to this Plan. Upon Confirmation, the Plan shall Discharge all Debts (as defined in 11 U.S.C. §101) and all Claims against, and liabilities of, the Debtor which are Dischargeable by Debtor in a case under 11 U.S.C. §101. et seq. by statute or by law applicable to Title 11, U.S.C., and in a Chapter 11 Case, or by contract with a Creditor. All Creditors and Persons will continue to be stayed and enjoined from proceeding against the Debtor and its assets pursuant to 11 U.S.C. §524.

IT IS THE INTENTION OF THIS PLAN THAT ONCE CONFIRMATION OCCURS, THE DEBTOR WILL BE FULLY, FINALLY, AND COMPLETELY DISCHARGED FROM ALL LIABILITIES INCLUDING CLAIMS AND DEBTS AND SHALL BE REVESTED WITH ALL PROPERTY OF THE ESTATE AS HEREIN PROVIDED.

Upon Confirmation, title to all exempt assets of the Debtor shall be retained by and re-vested in the Debtor, free and clear of all claims, liens, security and equitable interests, except as specifically set forth in this Plan. The Order Confirming Plan shall be a judicial determination of and a contract for, the discharge of the liabilities of and Claims against the Debtor.

The Effective Date of this Plan is the fifteenth (15th) day after entry of the order confirming the Plan, unless the confirmation order is stayed. If the confirmation order is stayed, the Effective Date shall be the 15th day following the termination of the stay. No party may act pursuant to this Plan prior to the Effective Date.

B. Obligations to the United States Trustee

The Debtor will be responsible for timely payments of the United States Trustee quarterly fees incurred pursuant to 28 U.S.C. §1930(a)(6). Any fees due as of the date of confirmation will be paid on the Effective Date. After confirmation, the Debtor will continue to file timely financial reports in the format required by the United States Trustee and continue to pay quarterly fees as accrued until the case is closed, converted to a case under chapter 7, or dismissed.

XV. Releases and Alteration of Rights of and With Respect to Third Parties

Release of Liens, Claims and Causes of Action: All creditors of the Debtor receiving payment or distributions pursuant to the Plan in consideration for the promises and obligations of the Debtor under the Plan shall be deemed to have waived, released, and discharged all rights or claims which they had or might have had against the Debtor.

Allowed Secured Claims: The lien securing any Allowed Secured Claim shall be deemed to be released and discharged in its entirety when the Allowed secured Claim secured by such lien has been paid in full in accordance with the provisions of this Plan, and as may be limited by the provisions of this Plan. Upon such payment in full, the holder of such Allowed Secured Claims shall execute and deliver such instruments as may be reasonably requested by the Debtor or the Re-vested Debtor, in order to reflect such release and discharge on the appropriate land or public filing records.

Release of Judgment Liens: the Order confirming the Plan shall constitute a release and discharge of all judgment liens against any property, creditor asset, or asset of the Debtor or the Bankruptcy Estate. A certified copy of the confirmation Order, shall constitute a release of any such judgment lien, or, at its sole discretion, the Debtor may demand and obtain from any judgment lien holder, at the cost of expense of the Debtor, a release of such judgment lien in recordable form. If after a reasonable request is made, any creditor who refuses or fails to execute said release, all costs (attorney's fees, filing fees, etc.) to enforce this process shall be borne by the creditor who refused.

Guarantees; Indemnities; Notes; Bonds; Etc.: All Claims and causes of action based upon guarantees of collection, payment or performance, indemnity or performance bonds, promissory notes, or other similar undertakings made or given by the Debtor as to the obligations or performance of another or of any other person shall be discharged, released and no further force and effect, except as otherwise provided in this Plan.

Release Upon Payment and Discharge: All consideration and payments provided under this Plan shall be in exchange for and in complete satisfaction, discharge and release of all Claims, Debts and liabilities of any nature whatsoever against the Debtor or any of their assets or properties effective on the Effective Date. Except as may be otherwise provided herein, at the Confirmation Date all Claims against the Debtor shall be satisfied, Discharged, and released in full; and all claimants, holders of Claims and all Creditors shall be precluded from asserting against the Debtor, its assets, properties, or interests held by it, any Claim or future Claim based upon any transaction arising on or prior to the Confirmation Date.

Releases: All creditors of the Debtor receiving payment or distributions pursuant to the Plan, in consideration for the premises and obligations of the Debtor under the Plan, shall be deemed to have waived, released, and Discharged all rights or Claims which they had or might have had against the Debtor, except those expressly set out herein, unless otherwise ordered by this Court in the Confirmation Order.

XVI. Default

Unless stated elsewhere provided in this Plan, if there is a default in payment to a creditor under this Plan, the default must be cured within 20 days of written notice sent to the Debtor by the affected creditor. If the default is not cured within the 20-day period, the creditor may seek any rights available under the Bankruptcy Code or under applicable non-bankruptcy law.

XVII. Injunction

Except as otherwise provided in the Plan or the Confirmation Order, as of the Confirmation Date, but subject to the occurrence of the Effective Date, all Persons who have held, hold or may hold Claims against the Debtor, the Estate, properties of the Estate or proceeds of said property are, with respect to any such claims, specifically permanently enjoined and restrained from commencing, conducting or continuing any action or proceeding against the Debtor upon such Claims, including, but not limited to: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation) any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtor, Estate, properties of the Estate or proceeds of said property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons based upon such Claims; (ii) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, of any judgment, award, decreed or order against the Debtor, the Estate properties of the Estate or proceeds of said property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor, the Estate, properties of the Estate or proceeds of said property or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons; (iv) asserting any right of setoff, subrogation, or recoupment of any kind, directly or indirectly, against any obligation due the Debtor, the Estate, properties of the Estate or proceeds of said property, or any direct or indirect transferee of any property of, or successor in interest to, the foregoing Persons; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

XVIII. Release Upon Payment and Discharge

All consideration and payments provided under this Plan shall be in exchange for and in complete satisfaction, discharge and release of all Claims, Debts, and liabilities of any nature whatsoever against the Debtor or any of its assets or properties effective on the Effective Date. Except as may otherwise provided herein, at the Discharge Date all Claims against the Debtor shall be satisfied, Discharged, and released in full; and all claimants, holders of Claims and all Creditors shall be precluded from asserting against the Debtor, its assets, properties, or interests held by it, any Claim or future Claim based upon any transaction arising on or prior to the Confirmation Date.

XIX. Effect of Discharge Order

Upon entry of a Discharge Order, all creditors of the Debtor receiving payment or distributions pursuant to the Plan, in consideration for the promises and obligations of the Debtor under the Plan, shall be deemed to have waived, released, and Discharged all rights or Claims which they had or might have had against the Debtor, except those expressly set out herein, unless otherwise ordered by this Court in the Discharge Order.

XX. Subordinated Claims

Creditors whose Claims are subordinated: (i) in accordance with 11 U.S.C. §510 or 11 U.S.C. §1129(b) by Final Order; or (ii) pursuant to this Plan consists of claims or interest which have been excluded from participation in the distributions to be made to holders of Unsecured Claims because they are Insiders as that term is defined by the Bankruptcy Code. The member of this Class is Alejandro Villarreal. These claims will not receive dividends or distributions from the Debtor until the claims of all Creditors that are subject to this Plan who are of a higher priority are satisfied in full pursuant to the terms of the Plan, except to the extent property management or similar fees are specified by the Plan.

XXI. Jurisdiction of the Court

The Court will retain jurisdiction until this Plan is fully consummated including but not limited to the following purposes:

a. The classification of the claim of any creditor and the re-examination of claims which have been allowed for purposes of voting, and the determination of such objections as may be filed to creditor's claims for the purposes of voting, shall not be deemed to be a waiver of the Debtor's right to object to, or re-examine the claim in whole or in part.

b. Determination of parties' claims as secured or unsecured, including valuation hearings under 11 U.S.C. §506 of the Bankruptcy Code.

c. Determination of all questions and disputes regarding title to the assets of the estate, and determination of all causes of action, controversies, disputes or conflicts, whether or not subject to action pending as of the date of confirmation, between the Debtor and any other party, including but not limited to, any right of the Debtor to recover assets pursuant to the provisions of Title 11 of the United States Code or the determination of tax liabilities under 11 U.S.C. §505.

d. Determination of all questions and disputes regarding the release of Third-Party claims, lawsuits, and actions against the Debtor, Debtor's Shareholders, or the Estate, as described in Paragraph XIII, above.

e. The correction of any defect, the curing of any omissions, or the reconciliation of any inconsistency in this Plan or the Order of Confirmation as may be necessary to carry out the purpose and intent of this Plan.

f. The modification of this Plan after confirmation pursuant to the Bankruptcy Rules and Title 11 of the United States Code.

g. To enforce and interpret the terms and conditions of this Plan.

h. Entry of any order, including injunctions, necessary to enforce the title, rights, and powers of the Debtor and to impose such limitations, restrictions, terms and conditions of such title, rights, and powers as the Court may deem proper.

XXII. DEBTOR'S REQUEST FOR APPROVAL

WHEREFORE, the Debtor submits this Disclosure Statement and Plan, 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 Disclosure Statement 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.

SIGNED on the 15th day of November, 2016.

SAI KRUPA, INC.

By: /s/ Ushaben M. Patel
Ushaben M. Patel, President

SAI KRUPA, INC.

By: /s/ Manharbai S. Patel
Manharbhai S. Patel, Debtor Representative

MARCOS D. OLIVA, PC
223 W. Nolana Boulevard
McAllen, Texas 78504
(956) 683-7800

By: /s/ Jana Smith Whitworth
SBOT 00797453
S.D. ID 20656

ATTORNEYS FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on November 15, 2016, on all parties and counsel of record, as indicated below. Service was accomplished by the method and to the following as indicated: BY ELECTRONIC NOTICE OR REGULAR FIRST CLASS MAIL, POSTAGE.

/s/ Marcos D. Oliva

Marcos D. Oliva

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And all creditors of notice.