

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

IN RE:	§	
T.C. RENFROW LAND, L.P.,	§	Case No. 17-33540
	§	Chapter 11

AMEGY BANK’S FIRST AMENDED PLAN OF LIQUIDATION

ZB, N.A. d/b/a Amegy Bank (“Amegy”), a secured creditor in this case, proposes this First Amended Plan of Liquidation (the “Plan”).<sup>1</sup>

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I. DEFINITIONS

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

1. “Bankruptcy Code” or “Code” is the Bankruptcy Code of 1978 as contained Title 11 U.S.C. Section 101 et seq. and amendments thereto.
  
2. “Bar Date” is the deadline set by this Court as published in the Notice of First Meeting of Creditors and the holder of a Claim has no right to participate with other creditors under the Plan unless it files a proof of claim on or before the Bar Date. The Bar Date was December 5, 2017 for governmental units, and October 16, 2017 for all other creditors.
  
3. “Claim” shall mean (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) right to an equitable remedy for breach of

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<sup>1</sup> Amegy files this amended plan for the sole purpose of disclosing the identity of the proposed Plan Agent in definition No. 17 and to disclose the proposed compensation structure of the Plan Agent in Article V. No other changes have been made to the Plan.

performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured; or (c) a lien, claim encumbrance, interest, or right of ownership in any property that the Debtors claims to own legal and/or equitable title.

4. “Class” shall mean any class into which Claims are classified in this Plan.
5. “Confirmation” shall mean the entry by the Court of an order confirming the Plan in accordance with Chapter 11 provisions of the Bankruptcy Code.
6. “Confirmation Date” shall mean the date set by the Court pursuant to § 1128 of the Code for hearing on confirming the Plan on which the Court determines the Plan meets the requirements of Chapter 11 of the Bankruptcy Code and is entitled to confirmation.
7. “Creditor” and “Creditors” shall mean all creditors of the Debtors holding claims for debts, liabilities, demands or claims of any character whatsoever, as defined in § 101 of the Code.
8. “Court” shall mean the United States Bankruptcy Court for the Southern District of Texas, Houston Division, presiding over the captioned bankruptcy case.
9. “Debtor” shall mean T.C. Renfrow Land, L.P., the Chapter 11 debtor in this bankruptcy case.
10. “Effective Date” shall mean the fifteenth (15<sup>th</sup>) day following Confirmation.
11. “Final Order” shall mean an order or judgment of the Court which, not having been reversed, modified or amended and not being stayed, and the time to appeal from which or seek review, certiorari or rehearing of which having expired, has become conclusive of all matters adjudicated thereby and is in full force and effect.
12. “Insider” shall mean the definition assigned to it in Bankruptcy Code § 101.
13. “Lien” shall mean mortgage, pledge, judgment lien, security interest, charge order, or other charge or encumbrance on property which is effective under applicable law as of the date of the commencement of the captioned case.
14. “Miller Road Property” shall mean the real property owned by Debtor and commonly known as 7511 Miller Road, #2, Houston, Texas 77049 and 7633 Miller Road, #2, Houston, Texas 77049.
15. “Plan” shall mean this Plan of Liquidation in its present form or as it may be amended from time to time and that is confirmed by the Bankruptcy Court.
16. “Plan Account” shall mean a new post-Confirmation account to be opened by the Plan Agent and for which the Plan Agent shall be the sole signatory.
17. “Plan Agent” shall mean Eva S. Engelhart.

18. “Registry Funds” shall mean the \$306,822.00 that the Debtor deposited into the registry of the Court on July 5, 2018.

19. “Secured Claim” shall mean the claim of any creditor secured by liens on property, which liens are valid, perfected, and enforceable under applicable law, and are not subject to avoidance under the Code or other applicable non-bankruptcy law, and are duly established in this case, to the extent of the value of the security, as determined in accordance with 11 U.S.C. § 506.

20. “Unsecured Claim” shall mean all business claimants or otherwise, of any nature, holding claims for unsecured debts, liabilities, demands or claims of any character whatsoever.

## II. CLASSIFICATION OF CLAIMS AND INTERESTS AND TREATMENT

### **Class 1 – Administrative Claims:**

Class 1A – The United States Trustee. Class 1A is unimpaired and consists of the Claim of the office of the U.S. Trustee for its fees. Class 1A shall be paid, on the Effective Date, any outstanding pre-Confirmation fees accrued from the Registry Funds. Post-Confirmation fees are based on the amount of disbursements made by the Plan Agent and are paid on a quarterly basis. All fees accruing post-Confirmation shall be paid when due and until this bankruptcy case is closed. The Plan Agent will file all monthly report of operations until this bankruptcy case is closed.

Class 1B – Court Approved Professionals. Class 1B Claims are entitled to priority by 11 U.S.C. §§ 507(a)(2) and 503(b)(2) and consists of fees for services rendered and expenses incurred by the Debtor’s attorneys, accountants and other professionals whose employment was approved by the Court prior to the Effective Date, as the same are finally approved and allowed by a Final Order, and any other Claims of professionals incurred during the Chapter 11 proceedings that have not yet been paid during the Chapter 11 cases. Class 1B is unimpaired and the sole member of this class is Gerger Law Firm PLLC.

All Claims in this class shall be paid in cash and in full from the Registry Funds in such amounts as may be allowed and approved by the Court on the Effective Date or after such Claims are finally allowed, whichever is later, or such Claims may be paid in accordance with any agreement or waiver between the holder of such Claim and the Plan Agent. The anticipated total expenses of this Class should not exceed \$100,000.

### **Class 2 – Secured Claims:**

Class 2A – Harris County. Class 2A is unimpaired and consists of the Secured Claim of Harris County in the amount of \$19,070.81. The Claim is secured by a Lien on the Miller Road Property.

The entirety of the Claim shall be paid in full on the Effective Date from the Registry Funds. Upon receipt of this payment, the Lien securing payment of Class 2A shall be released.

Notwithstanding anything to the contrary contained within the Plan, the secured ad valorem tax claim of Harris County shall be paid interest at the rate of 12% per annum in accordance with

section 511 of the United States Bankruptcy Code and Texas Property Tax Code Section 33.01(c). Such interest shall be paid from the petition date and shall continue to accrue until such time as the tax claims are paid in full. Harris County shall retain its statutory liens securing its pre-petition and post-petition taxes until such time as the taxes are paid in full. Debtor or Plan Agent shall pay all post-petition ad valorem tax liabilities (tax year 2018 and subsequent tax years) owing to Harris County in the ordinary course of business as such tax debt comes due and prior to said ad valorem taxes becoming delinquent without the need of Harris County to file an administrative expense claim and/or request for payment.

Class 2B – San Jacinto Community College District. Class 2B is unimpaired and consists of the Secured Claim of San Jacinto Community College District in the amount of \$12,972.01. The Claim is secured by a Lien on the Miller Road Property.

The entirety of the Claim shall be paid in full on the Effective Date from Registry Funds. Upon receipt of this payment, the Lien securing payment of Class 2B shall be released.

Notwithstanding anything to the contrary contained within the Plan, the secured ad valorem tax claim of San Jacinto Community College District shall be paid interest at the rate of 12% per annum in accordance with 11 U.S.C. § 511 and Texas Property Tax Code section 33.01(c). Such interest shall be paid from the petition date and shall continue to accrue until such time as the tax claims are paid in full. San Jacinto Community College District shall retain its statutory liens securing its pre-petition and post-petition taxes until such time as the taxes are paid in full. Debtor or Plan Agent shall pay all post-petition ad valorem tax liabilities (tax year 2018 and subsequent tax years) owing to San Jacinto Community College District in the ordinary course of business as such tax debt comes due and prior to said ad valorem taxes becoming delinquent without the need of San Jacinto Community College District to file an administrative expense claim and/or request for payment.

Class 2C – Sheldon Independent School District. Class 2C is unimpaired and consists of the Secured Claim of Sheldon Independent School District in the amount of \$37,419.66. The Claim is secured by a Lien on the Miller Road Property.

The entirety of the Claim shall be paid in full on the Effective Date from Registry Funds. Upon receipt of this payment, the Lien securing payment of Class 2C shall be released.

Notwithstanding anything to the contrary contained within the Plan, the secured ad valorem tax claim of Sheldon Independent School District shall be paid interest at the rate of 12% per annum in accordance with 11 U.S.C. § 511 and Texas Property Tax Code section 33.01(c). Such interest shall be paid from the petition date and shall continue to accrue until such time as the tax claims are paid in full. Sheldon Independent School District shall retain its statutory liens securing its pre-petition and post-petition taxes until such time as the taxes are paid in full. Debtor or Plan agent shall pay all post-petition ad valorem tax liabilities (tax year 2018 and subsequent tax years) owing to Sheldon Independent School District in the ordinary course of business as such tax debt comes due and prior to said ad valorem taxes becoming delinquent without the need of Sheldon Independent School District to file an administrative expense claim and/or request for payment.

Class 2D – Small Business Administration. Class 2D is unimpaired and consists of the Secured Claim of the Small Business Administration in the amount of \$820,658.42 plus interest and reasonable attorney’s fees. The Claim is based on Debtor’s July 26, 2011 promissory note and is secured by a Lien on the Miller Road Property. Debtor accepts the note and deed of trust, security agreement and assignment of rents, and ratifies all their terms.

The Plan Agent shall cure any defaults on the Effective Date.<sup>2</sup> The remainder of the Class 2D claim shall be paid from the proceeds of the sale of the Miller Road Property by the Plan Agent.

Class 2E – ZB, N.A. (0099). Class 2E is impaired and consists of the Secured Claim of Amegy in the amount of \$1,005,248.79 in principal, plus interest, fees, and expenses. The Claim is based on Debtor’s December 3, 2012 promissory note and is secured by a Lien on the Miller Road Property.

Pending a sale of the Miller Road Property, the Plan Agent shall make a \$20,000 payment to Amegy on the Effective Date and by no later than the fifth (5<sup>th</sup>) day of each month following the Effective Date to be applied proportionally to the Claims in Classes 2E, 2F, and 2G. The remaining portion of the Claim shall be paid from the proceeds of the sale of the Miller Road Property by the Plan Agent. In the event the Miller Road Property has not sold or is not under contract within six months from the Effective Date, Amegy shall be entitled to exercise its remedies under state law against the Miller Road Property, including foreclosure.

Class 2F – ZB, N.A. (9001). Class 2F is impaired and consists the Secured Claim of Amegy in the amount of \$1,019,767.28 in principal, plus protective advances, interest, fees, and expenses. The Claim is based on Debtor’s May 3, 2011 promissory note and is secured by a Lien on the Miller Road Property. Debtor accepts the note and deed of trust, security agreement and assignment of rents, and ratifies all their terms except as those terms are modified by the Plan.

Pending a sale of the Miller Road Property, the Plan Agent shall make a \$20,000 payment to Amegy on the Effective Date and by no later than the fifth (5<sup>th</sup>) day of each month following the Effective Date to be applied proportionally to the Claims in Classes 2E, 2F, and 2G. The remaining portion of the Claim shall be paid from the proceeds of the sale of the Miller Road Property by the Plan Agent. In the event the Miller Road Property has not sold or is not under contract within six months from the Effective Date, Amegy shall be entitled to exercise its remedies under state law against the Miller Road Property, including foreclosure.

Class 2G – ZB, N.A. (9003). Class 2G is impaired and consists of the Secured Claim of Amegy in the amount of \$258,852.43 in principal, plus protective advances, interest, fees, and expenses. The Claim is based on Debtor’s September 11, 2013 promissory note and is secured by a Lien on the Miller Road Property. Debtor accepts the note and deed of trust, security agreement and assignment of rents, and ratifies all their terms except as those terms are modified by the Plan.

Pending a sale of the Miller Road Property, the Plan Agent shall make a \$20,000 payment to Amegy on the Effective Date and by no later than the fifth (5<sup>th</sup>) day of each month following the Effective Date to be applied proportionally to the Claims in Classes 2E, 2F, and 2G. The remaining portion of the Claim shall be paid from the proceeds of the sale of the Miller Road

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<sup>2</sup> Debtor estimates the cure will require \$60,000.

Property by the Plan Agent. In the event the Miller Road Property has not sold or is not under contract within six months from the Effective Date, Amegy shall be entitled to exercise its remedies under state law against the Miller Road Property, including foreclosure.

**Class 3 – Unsecured Claims:**

Class 3 – Dunn & Neal L.L.P. – Class 3 is unimpaired and consists of the Unsecured Claim of Dunn & Neal, L.L.P. in the amount of \$2,049.10. The entirety of the Claim shall be paid in full plus interest at the federal judgment rate from Registry Funds on the Effective Date.

**Class 4 – Equity Class:**

Class 4 – Timothy Renfrow. Class 4 is impaired and consists of Debtor’s equity security holder, Mr. Renfrow. Mr. Renfrow will retain his interest in the Debtor and will receive any cash held by the Plan Agent following the payment in full of all other Classes of creditors. Class 4 will lose its right to manage the Debtor following the Effective Date.

III. SPECIFICATION OF ALL CLAIMS IMPAIRED AND UNIMPAIRED

Classes 1A, 1B, 2A, 2B, 2C, 2D, and 3 are unimpaired under the Plan. Classes 2E, 2F, 2G and 4 are impaired under the Plan.

IV. ALLOWANCE AND DISALLOWANCE OF CLAIMS

The Plan Agent must file an objection to any Claim, other than an administrative claim for professional fees (Class 1B), before the Effective Date. Objections not filed within such time shall be deemed waived. If any Claim, or any portion thereof, is challenged or has been challenged by objection or otherwise, then there shall remain in the Plan Account funds sufficient to satisfy the distribution on the Claim. The funds not held shall be distributed in accordance with the provisions of the Plan. If any objection is overruled or a dispute is resolved favorable to the Creditor, then the funds held shall be paid to the Creditor in accordance with this Plan. If any disputed, contingent or unliquidated claim is disallowed, the portion of the funds which have been held shall be distributed in accordance with this Plan.

The Plan Agent is the only entity that may object to proofs of claim.

V. MEANS FOR EXECUTION OF THE PLAN

On the Effective Date, the Miller Road Property shall revert in the Debtor. On the Effective Date, the Plan Agent shall become the exclusive individual authorized to act on behalf of the Debtor as its sole officer and manager.

On the Effective Date, the Plan Agent shall administer distributions from the Registry Funds to the holders of claims in Classes 1A, 1B, 2A, 2B, 2C, 2D, 2E, 2F, 2G and 3. The Plan Agent shall hold the balance of the Registry Funds in the Plan Account. All of the Debtor’s cash on the Effective Date shall also be transferred to the Plan Account.

The Plan Agent shall market and sell the Miller Road Property in order to satisfy the claims in Classes 2D, 2E, 2F, 2G and 4. The Plan Agent shall be authorized to close a sale of the Miller Road Property without further order of the Court.

Pending a sale of the Miller Road Property, the Plan Agent shall be authorized in his business judgment to enter into any lease agreement for the Miller Road Property without further order of this Court including, but not limited to, honoring the terms of the \$30,000 month-to-month lease between the Debtor and T.C. Renfrow Company. Any rents received by the Plan Agent shall be deposited into the Plan Account.

The Plan Agent shall be compensated at a rate of \$350.00 per hour for services rendered as Plan Agent plus a success fee of 3% of the gross sales price if the Miller Road Property is sold in an amount necessary to satisfy all claims other than Class 4 Equity Claims.

The Plan Agent shall pay any maintenance expenses and property taxes associated with the Miller Road Property pending a sale from the Plan Account. The Plan Agent shall be responsible for filing tax returns on behalf of the Debtor.

Upon a sale of the Miller Road Property and distribution of all proceeds under the Plan, the Plan Agent shall dissolve the Debtor pursuant to applicable state law.

#### VI. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

All leases and executory contracts not expressly assumed are rejected.

#### VII. RESERVATION OF RIGHTS

No provision of this Plan, nor any statement or provision contained herein, nor the taking of any action with respect to the Plan by the Debtor shall (i) be deemed to be an admission against interest and (ii) until the Effective Date, be or be deemed to be a waiver of any rights which the Debtor might have against a creditor, and until the Effective Date all such rights are expressly and specifically reserved. If the Effective Date does not occur, neither the Plan nor any statement contained therein may be used or relied upon in any matter in any suit, action, proceeding or controversy within or outside of this bankruptcy case.

All claims and causes of action in favor of Debtor are hereby reserved to be prosecuted by the Plan Agent after Confirmation. The Plan Agent shall have the sole and exclusive right to assert any such claims and causes of action that are property of the Debtor or derivative claims.

#### VIII. MODIFICATION OF PLAN

Amegy may propose amendments or modifications to the Plan at any time prior to the Confirmation Date. After the entry of the Order confirming this Plan, modification of the Plan or Order confirming the Plan may be sought from the Court, and so long as the proposed modification does not materially or adversely affect the interest of Creditors, or so long as the proposed modifications seeks to remedy any defect or omission, or reconcile any inconsistencies in the Plan, or in the order confirming Plan, in such a manner as may be necessary to carry out the purposes and intent of the Plan, re-voting on the modification is not required. A holder of a Claim that has

accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, the Plan as modified, unless, within the time fixed by the Court, such holder changes its previous acceptance or rejection.

#### IX. EFFECT OF CONFIRMATION

Creditors in this bankruptcy case shall be and are hereby enjoined from taking any act to commence or continue a judicial, administrative, or other action or proceeding against the Debtor that was prohibited 11 U.S.C. § 362.

Upon any default of the terms of this Plan, the Plan Agent shall be provided a written notice of said default and given ten days to cure said default. If the default is not cured with said ten-day period, then Creditor shall be allowed to exercise its contractual and statutory rights with respect to its Claim and its collateral.

All consideration provided pursuant to this Plan shall be in exchange for and in complete satisfaction and release of all Claims of any nature whatsoever against Debtor and any property that is vested in the Debtor pursuant to this Plan and except as otherwise provided herein. Upon Confirmation, all Claims against Debtor shall be satisfied and released in full, and all holders of Claims shall be precluded from asserting against Debtor and their current members, managers, officers, and directors and any others or from further Claims based upon any act or omission, transaction or other activity of any kind or nature relating to Debtor and its property that occurred prior to Confirmation, other than Claims directly arising under this Plan. The provisions of the Plan shall bind all Creditors of Debtor even if one did not accept this Plan.

Upon Confirmation, title to all assets and properties owned by the Debtor-in-Possession will re-vest in the Debtor, subject to all liens, claims and encumbrances.

#### X. JURISDICTION OF THE COURT

The Court will retain jurisdiction until this Plan is fully consummated, including the following purposes:

1. Allowance and classification of claims,
2. Re-examination of claims,
3. Determining whether the Debtor has faithfully and fully performed its duties under this Plan,
4. Preferential transfers, post-petition transfers, fraudulent transfers and recovery thereof,
5. Determination of all disputes regarding title to assets of the Estate,
6. Determination of all causes of action, controversies, disputes, or conflicts, whether or not subject to action, controversies, disputes, or conflicts, whether or not subject to action pending as to the date of confirmation, between Debtor and any other party, including but not limited to any rights of the Debtor to recover assets pursuant to the Code.
7. The correction of any defect, the curing of any omissions or the reconciliation of any inconsistency in the Plan or the Order of Confirmation as may be necessary to carry out the purposes and intent of the Plan.



8. The modification of the Plan after confirmation pursuant to the Code and related rules.
9. The enforcement and interpretation of the terms and conditions of the Plan.
10. The Entry of any order including injunctions, necessary to enforce the title, rights, and powers this Court may deem appropriate.
11. Entry of any order concluding and terminating this case.

ZB, N.A. d/b/a Amegy Bank

By: /s/ Thomas Hill

Name: Thomas Hill

Dated: October 16, 2018