

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

<b>In re:</b>	§	<b>Chapter 11</b>
	§	
<b>Jubem Investments, Inc. D/B/A BUFALLO WINGS &amp; RINGS Debtor</b>	§ § § §	<b>Case No. 17-70299</b>

**DEBTOR'S FIRST AMENDED PLAN OF REORGANIZATION**

**ARTICLE I  
SUMMARY**

This First Amended Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of Jubem Investments, Inc. (the "Debtor") from operation cash flow.

This Plan provides for one class of secured tax claims, two classes of prepetition secured lender claims, one class of general unsecured claims, one class of non-tax priority unsecured claims, and one class of equity claims. Creditors holding allowed general unsecured claims shall receive 100% of their claims over three (3) years at the federal judgment rate of interest. This Plan also provides for the payment of non-tax priority claims in full within 120 days the Plan's effective date and payment of administrative claims upon confirmation.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.**

**ARTICLE II  
CLASSIFICATION OF CLAIMS AND INTERESTS**

Class	Description	Impaired?	Voting?
2.01. <u>Class 1.</u>	Secured Tax Claims	N	No
2.02. <u>Class 2.</u>	Secured Claim of Cache Private Capital Diversified Fund, LLC	Y	Yes

2.03. <u>Class 3.</u>	General Unsecured Claims	Y	Yes
2.04. <u>Class 4.</u>	Priority Unsecured Claims	Y	Yes
2.05. <u>Class 5.</u>	Secured Claim of Hardy Realty, Inc.	Y	Yes
2.06. <u>Class 6.</u>	Equity Holders	Y	No

**ARTICLE III  
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,  
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

3.01. Professional Fees. The following professional fees shall be paid within 60 days of the Effective date provided they have been approved by the Court:

The Smeberg Law Firm. (Attorneys)	\$35,000.00
Carmen Lara and Ewing, Lara & Company, P.C. (Accountants)	\$5000.00
Total Estimated Professional Claims	<u>\$ 40,000.00</u>

[This estimate is subject to revision; no claim for administrative claims can be paid absent Court approval.]

The amount of the professional fees disclosed above is an approximate amount. It is unknown at this time exactly how much money will be incurred in professional fees in this Chapter 11 case. A final determination cannot be made until such time as the case is closed as to reasonable professional fees for the provision of whatever services become necessary in this Chapter 11 case. Any other allowed costs and expenses of administration of the Debtors Chapter 11 bankruptcy cases will also be entitled to administrative treatment. These will be paid in full at confirmation, less any retainers already received, after approval by the Court of said fees. The anticipated administrative expenses of the Debtor are moderate for a case of this size.

3.02. United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

3.03. Priority Tax Claims. Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

3.03.1. Internal Revenue Service.

The IRS filed an amended proof of claim in the amount of \$0. Debtor shall pay the IRS claim in equal monthly installments at 4% interest within 5 years of the petition filing date. The monthly plan payment is estimated at \$0 per month.

The debt owed by the Debtor to the IRS (except unsecured non priority debt) is a nondischargeable debt, except as otherwise provided for in the Bankruptcy Code, and that if the Debtor should default, the IRS is not subject to the provisions of the Bankruptcy Code so that the IRS can take whatever actions are necessary to collect said debt in the event of default.

A failure by the Debtor to make a payment to the IRS pursuant to the terms of the Plan shall be an event of default; as to the IRS, there is an event of default if payment is not received by the 15th day of each month; if there is a default to IRS, IRS must send written demand for payment to the Debtor and said payment must be received by the IRS within fifteen (15) days of the date of the demand letter; the Debtor can receive up to five (5) notices of default from the IRS; however, on the fifth default cannot be cured, and the IRS may accelerate its allowed claim(s), past or 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.

**ARTICLE IV**  
**TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

4.01 Claims and interests shall be treated as follows under this Plan:

<u>Class #</u>	<u>Description</u>	<u>Treatment</u>
1	Prepetition Claim of Hidalgo County Taxing Authority	<p>The Class 1 claim consist of the <b>unimpaired</b> secured claims of the taxing entity located in Hidalgo county in the claimed amount of \$70,155.19, which includes all taxes owed through January 31, 2018.</p> <p>The Hidalgo County allowed claim will be paid in full in forty-eight (48) equal, consecutive monthly installments, with the first payment being made on the first day of the first month following 30 days after the Plan’s Effective Date. Post-petition interest at the rate of twelve percent (12%) per annum shall accrue beginning from the Petition Date until the confirmation date. Thereafter, plan interest at the rate of twelve percent (12%) per</p>

		<p>annum shall accrue on the entire balance until the tax debt is paid in full. Debtor shall make separate payments on each account consistent with separate amortization schedules provided to the Debtor. Each separate payment which will be applied pro rata to the various tax accounts indicated above. In the event the Debtor sells, conveys or transfers any property which is collateral of the Hidalgo County claim or post confirmation tax debt, the Debtor shall remit such sales proceeds first to Hidalgo County to be applied to the Hidalgo County tax debt incident to any such property/tax account sold, conveyed or transferred.</p> <p>The Reorganized Debtor may pre-pay the pre-petition tax debt to any of the ad valorem taxing entities at any time. The Debtor shall have thirty (30) days from the Effective Date to object to the Hidalgo County claim; otherwise, such claim is deemed as an allowed secured claim in the amount of its Proof of Claim consistent with the treatment of each tax account under this Plan. Hidalgo County shall retain its statutory lien securing their pre-petition and post-petition tax debts until such time as the tax debts are paid in full. Debtor shall pay all post-petition ad valorem tax liabilities (tax year 2016 and subsequent tax years) owing to Hidalgo County in the ordinary course of business as such tax debts come due and prior to said ad valorem taxes becoming delinquent without need of any ad valorem taxing entity filing an administrative claim and request for payment.</p> <p>Should the Reorganized Debtor fail to make any payments as required in this Plan, Hidalgo County shall provide written notice of that default by sending written notice by certified mail to Debtor's counsel advising of that default, and providing the Reorganized Debtor with a period of fifteen (15) days to cure the default. In the event that the default is not cured within fifteen (15) days, Hidalgo</p>
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		<p>County may, without further order of this Court or notice to the Debtor, pursue all of their rights and remedies available to them under the Texas Property Tax Code to collect the full amount of all taxes, penalties and interest owed. Additionally, the failure to timely pay post-petition and/or post-confirmation taxes while the Reorganized Debtor are still paying any pre-petition debt, shall be considered an event of default. The Reorganized Debtor shall be entitled to no more than three (3) Notices of Default. In the event of a fourth (4th) default, Hidalgo County may pursue all rights and remedies available to it under the Texas Property Tax Code in state district court without further order of this court or further notice to the Debtor.</p>
2	<p>Secured claim of Cache Private Capital Diversified Fund, LLC</p>	<p>The Class 2 claim consists of the <b>impaired</b> secured claim of Cache Private Capital Diversified Fund, LLC in the claimed amount of \$2,588,740<sup>1</sup>. Cache Private Capital Diversified Fund, LLC shall receive post petition attorney fees <b>and interest</b> of \$11,260.00. All cash collateral payments shall be deemed interest payments on the note. Hence, the entire amount remaining owed to Cache for pre and post judgment interest, principal, attorney fees, and any other fees related to the Cache loan documents is deemed to be \$2,600,000 <b>(minus the amount received by Cache as a result of the 1700 Las Milpas Road sale) as of the effective date (the “Confirmation Balance”)</b><del>as of the date of confirmation.</del></p> <p><b>Debtor shall pay Cache interest only payments at an 8% interest rate on the Confirmation Balance for 24 months at which time all principal and interest under the note shall be due. During the plan, interest shall accrue at 12% interest. However, if Debtor pays Cache the Confirmed Balance and all</b></p>

<sup>1</sup> This amount is anticipated to be ~~paid down to approximately~~approximately \$2,050,000 ~~once from the prior 1700 Las Milpas sale~~the sale of the property at 1700 Las Milpas Rd. is completed, making the monthly interest payment \$142,000.

		<p>interest accrued pursuant to the Confirmed balance within 12 months of the effective date, then the interest in excess of 8% shall be permanently waived. Otherwise, upon maturity, all principal and interest at the 12% rate shall be due and payable. <del>Debtor shall pay Cache payments at 7% interest on the \$2,600,000 balance, on a 28 year amortization schedule for 36 months at which time all principal and interest under the note shall be due. During the plan, interest shall accrue at 7% interest.</del></p> <p>If Debtor defaults on its payments to Cache and fails to cure after 7 days written notice to Debtor and Debtor's counsel, which may be by email, or defaults more than 3 times, then Cache may accelerate the note and pursue all remedies under the contract documents. Default interest shall be in accordance with the loan documents. Unless otherwise stated herein, the loan documents shall govern.</p> <p>Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor's first monthly payment of \$14,000.00 shall be due and payable on the first day of the month to occur 30 days after the effective date.</p> <p><b>Provided Debtor pays the entire Confirmed Balance and accrued interest thereof (either 8% or 12% as applicable), all guarantors of the underlying Class 2 mortgage shall be released from the mortgage and deed of trust. If, however, the Debtor fails to fully pay the Confirmed Balance and all accrued interest pursuant to the Confirmed Balance, then Cache may pursue all principal, accrued interest, and attorney fees under the original mortgage and deed of trust pursuant to any principal guarantees.</b></p>
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<u>Class #</u>	<u>Description</u>	<u>Treatment</u>
3	<p>General Unsecured Claims</p> <p>San Juanita Carlos \$10,000</p> <p>Saul Salinas \$10,000</p> <p>Fabian Martinez \$10,000</p>	<p>The Class 3 claims consist of the claims of general unsecured creditors. Debtor shall pay all allowed unsecured claims 100% at the federal judgment rate of interest in effect on the effective date in quarterly payments over 36 months. The first payment shall be made the first day of the first month of the first calendar quarter to occur 30 days after the effective date and subsequent payments shall be made the first day of each calendar quarter.</p>
4	<p>Priority Wage Claim of Abraham Martinez</p>	<p>The Class 4 claims consist of the <b>impaired</b> priority unsecured Claim of Abraham Martinez for prepetition wages. Abraham Martinez is owed \$1600.00 for prepetition wages. Abraham Martinez shall receive his claim in 4 equal monthly payments beginning on the first day of the month occurring 30 days after the effective date at the federal judgment rate of interest.</p>
		<p>The Class 5 claim consists of the <b>impaired</b> secured claim of Hardy Realty, Inc. in the scheduled amount of \$370,000. Debtor shall pay</p>

The claim of this amount of \$2,56 claim shall be pa note on a 20 year interest rate of th monthly payment 1st day of the 1s the Effective Da continue making until the month o under the Plan. ' penalty should D outstanding note 5. The terms of remain in full fo modified by Deb Class 3 Claim sh interests as origi documents until Plan.

		<p>Hardy Realty, Inc. interest only payments at the contractual non default rate of interest for 12 months and then shall resume regular principal and interest payments under the loan documents. If Debtor defaults on its payments to Hardy and fails to cure after 7 days written notice to Debtor and Debtor’s counsel, which may be by email, or defaults more than 3 times, then Hardy may accelerate the note and pursue all remedies under the contract documents. Default interest shall be in accordance with the loan documents. Unless otherwise stated herein, the loan documents shall govern.</p> <p>Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor’s first monthly payment of \$3,000.00 shall be due and payable on the first day of the month to occur 30 days after the effective date. The Class 5 claim is deemed impaired under the Plan and shall vote on the Plan.</p> <p>Within 20 days of Confirmation of Debtor’s plan, Creditor shall provide Debtor and Debtor’s counsel with a full accounting of all post petition fees, interest, and principal it claims is owed to Debtor after all payments and setoffs. Debtor retains the right to Object to the final claimed amount owed to Creditor for 60 days following receipt of Creditor’s accounting by Debtor and Debtor’s counsel.</p>
6	Equity Holders	<p>The Class 6 claims consist of Equity Holders Juan and Bella Miranda. The equity holders shall retain their interests and are impaired under the plan but not entitled to vote.</p>

**ARTICLE V**  
**ALLOWANCE AND DISALLOWANCE OF CLAIMS**



5.01. Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed [by a final non-appealable order], and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated. Debtor shall file all objections to claims within 60 days of the Confirmation Date except as provided for herein in regard to particular creditors.

5.02. Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.03. Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

## **ARTICLE VI**

### **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

All executory contracts of the Debtor not expressly assumed in writing on or before the date of the hearing on Confirmation of the Plan shall be deemed rejected.

## **ARTICLE VII**

### **MEANS FOR IMPLEMENTATION OF THE PLAN**

7.01 Continued Corporate Existence. The Debtors shall continue to exist after the Effective Date as their respective Texas entities, with all the powers of a corporation, partnership, or limited liability company, as applicable, under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under applicable state law.

7.02 Advance Payment of Claims. Provided Debtors stay current on all payments to creditors pursuant to the Plan, Debtors may make advance payments on claims in Debtors' business judgment discretion.

## **ARTICLE VIII**

### **GENERAL PROVISIONS**

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

8.01.1 Administrative Claim shall mean any Claim that is defined in Section 503(b) of the Bankruptcy Code as being an "administrative expense" within the meaning of such section and referenced in Bankruptcy Code Section 507(a)(1) including, without limitation, the actual necessary costs and expenses of preserving the Debtors' estates and operating the business of the Debtors, including wages,

salaries, or commissions for services rendered after the commencement of the case, compensation for legal and other services and reimbursement of expenses. Allowed or awarded under Bankruptcy Code Sections 33(a) or 331, and all fees and charges assessed against the estate of the Debtor under title 28 of the United States Code

- 8.01.2 Allowed Claim or Allowed Interest shall mean a Claim or Interest (a) in respect of which a proof of claim or application has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b) scheduled in the list of Creditors prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b) and not listed as Disputed Claims or contingent or liquidated as to amount, in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitation fixed by Bankruptcy rule 3001 or an order of the Bankruptcy Court, or this Plan, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceedings is pending or as otherwise allowed under this Plan. An Allowed Claim may refer to a Secured Claim, a General Unsecured Claim, an Administrative Claim or a Priority Claim as the context provides.
- 8.01.3 Avoidance Actions shall mean those causes of action provided for under Sections 547 to 551 of the Bankruptcy Code, causes of action under applicable non-bankruptcy law for fraudulent transfer or similar legal theories.
- 8.01.4 Bankruptcy Code shall mean the Bankruptcy Code, 11 U.S.C. §101 *et seq.*, as it existed on the Filing Date
- 8.01.5 Bankruptcy Court shall mean the United States Bankruptcy Court for the Western District of Texas, San Antonio Division, in which the Debtors' Chapter 11 case, pursuant to which the Plan is proposed, is pending, and any Court having competent jurisdiction to hear appeals or certiorari proceedings therefrom.
- 8.01.6 Bankruptcy Estate or Estates shall mean all of the assets owned by the Debtors and their respective estates.
- 8.01.7 Cash shall mean Cash and Cash equivalents including, without limitation, checks and wire transfers.
- 8.01.8 Claim shall have the meaning given in Section 101 of the Bankruptcy Code, to wit, any right to payment, or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, against the Debtors in existence on or before the Filing Date, whether or not such right to payment or right to equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, legal, secured or unsecured whether or not asserted.

- 8.01.9 Class shall mean any class into which Allowed Claims or Allowed Interests are classified pursuant to Article 4.
- 8.01.10 Confirmation Date shall mean the date upon which the Confirmation Order is entered by the Clerk of the Bankruptcy Court.
- 8.01.11 Confirmation Hearing shall mean the hearing held by the Bankruptcy Court to consider confirmation of the Plan.
- 8.01.12 Confirmation Order shall mean the order entered by the Bankruptcy Court confirming this Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.
- 8.01.13 Creditor shall mean any entity holding a Claim.
- 8.01.14 Debtors shall mean **Jubem Investments, Inc.**
- 8.01.15 Disbursing Agent shall mean the Debtors.
- 8.01.16 Disclosure Statement shall mean the written document filed by the Debtors in accordance with Section 1125(b) of the Bankruptcy Code containing information sufficient to enable a hypothetical reasonable investor typical of Holders of Claims or Interests of the relevant Class to make an informed judgment about this Plan.
- 8.01.17 Disallowed Claim shall mean any Claim or portion thereof which has been disallowed by a Final Order and includes any Claim which is not an Allowed Claim for any other reason.
- 8.01.18 Disputed Claim shall mean that portion (including, where appropriate, the whole) or any Claim (other than an Allowed Claim) that (a) is listed in Debtors' schedules of liabilities as disputed, contingent, or unliquidated; (b) is listed in the Debtors' schedules of liabilities 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; (c) is not listed in the Debtors' schedules of liabilities, but as to which a proof of Claim has been filed with the Bankruptcy Court; or (d) as to which an objection has been filed and has not become an Allowed Claim.
- 8.01.19 Effective Date shall mean the later of 30 days after entry of a Final Order confirming Debtor's plan of reorganization.
- 8.01.20 Equity Interest shall mean the interests represented by an "equity security" as defined in Section 101 of the Bankruptcy Code.

- 8.01.21 Executory Contracts shall mean any Pre-petition Unexpired Lease(s) or executor contract(s) of the Debtor within the meaning of Section 365 of the Bankruptcy Code.
- 8.01.22 Filing Date shall mean the date Debtors filed their voluntary petition under Chapter 11 of the Bankruptcy Code.
- 8.01.23 Final Order shall mean an order or judgment of a Court which has become final in accordance with law, and which has not been stayed pending appeal.
- 8.01.24 General Unsecured Claim shall mean either (i) a Claim that is not secured by a lien, security interest or other charge against or interest in property in which Debtors have an interest or which is not subject to setoff under Section 553 of the Bankruptcy Code; (ii) a Claim that is not a Secured Claim; (iii) a claim that is not an Administrative Claim; (iv) a Claim that is not a Priority Claim; or (v) a Claim that is not otherwise entitled to priority under Bankruptcy Code Sections 503 or 507.
- 8.01.25 Holder shall mean the owner or Holder of any Claim or Interest.
- 8.01.26 Interest shall mean an Interest (a) in respect to which a proof of interest has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b) scheduled in the list of Equity Security Holders prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b).
- 8.01.27 Insider has the definition ascribed to it under the Bankruptcy Code.
- 8.01.28 Lien shall mean a “lien” as defined in Section 101(37) of the Bankruptcy Code.
- 8.01.29 Net Proceeds shall mean, any cash recovery, the funds remaining after a final judgment on an Avoidance Action, net of all legal fees (and/or contingency legal fees), costs and expenses of suit. The Net Proceeds, for any non-cash recovery, is the amount of cash remaining after the final judgment and recovery of non-cash asset is liquidated and the cash proceeds are distributed net of all legal fees, costs and expenses of suit. Compromises of Avoidance Actions may include cash or benefits to the Debtors or Reorganized Debtors and are not Net Proceeds.
- 8.01.30 Person shall mean an individual, corporation, partnership, joint venture, trust, estate, unincorporated organization, or a government or any agency or political subdivision thereof.
- 8.01.31 Plan shall mean this Chapter 11 Plan, as altered, modified or amended in accordance with the terms hereof in accordance with the Bankruptcy Code, the Bankruptcy Rules and this Plan.

- 8.01.32 Priority Tax Claims shall mean any claim that is defined in Section 507(a)(8) of the Bankruptcy Code.
- 8.01.33 Professionals shall mean all professional employed in this case pursuant to Section 327 or 1103 of the Bankruptcy Code.
- 8.01.34 Pro-Rata shall mean the proportion that the Allowed amount of such Claim bears to the aggregate amount of Claims in each respective Class.
- 8.01.35 Secured Claim shall mean a claim secured by a lien, security interest or other charge against or interest in property in which the Debtors have an interest, or which is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (determined in accordance with Section 506(a) of the Bankruptcy Code) of the interest of the Holder of such Claim in the Debtors' interest in such property or to the extent of the amount subject to such setoff, as the case may be.
- 8.01.37 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.
- 8.01.38 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.
- 8.01.39 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.
- 8.01.40 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Texas govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

**ARTICLE IX**  
**DISCHARGE AND EFFECT OF CONFIRMATION**

Legally Binding Effect. The provisions of this Plan shall bind all Creditors and Interest Holders, whether or not they accept this Plan. On and after the Effective Date, all holders of Claims shall be precluded and forever enjoined from asserting any (i) Claim against the Debtor based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan; and (ii) derivative claims, including claims against third parties asserting alter ego claims, fraudulent transfer claims, guaranty claims or any type of successor liability based on acts or omissions of the Debtor.

Limited Discharge of Debtor and Injunction. Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Effective Date, the Debtor shall be discharged from any debt that arose before the date of such confirmation, and any debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a proof of the Claim based on such debt is filed or deemed filed under Section 501 of this title; such Claim is allowed under Section 502 of this title; or the Holder of such Claim has accepted the Plan. The entry of the Confirmation Order will operate as a general resolution with prejudice, as of the Effective Date, of all pending Legal Proceedings, if any, against the Debtor and their assets and properties and any proceedings not yet instituted against the Debtor or their assets, except as otherwise provided in the Plan. Except as otherwise expressly provided in the Plan or the Confirmation Order, all Persons who have held, may have held, hold, or may hold Claims against the Debtor are permanently enjoined on and after the Effective Date from (a) commencing or continuing in any manner any action or other proceeding of any kind against the Debtor or their property, with respect to any such Claim, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order with respect to any such Claim against the Debtor or their property, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtor or their property, with respect to such Claim, (d) asserting any right of subrogation of any kind against any obligation due to the Debtor or the property of the Debtor or the Estates with respect to any such Claim and (e) asserting any right of setoff or recoupment against the Debtor or the Estate except as specifically permitted by § 553 of the Bankruptcy Code. Unless otherwise provided in the Plan or by order of the Bankruptcy Court, all injunctions or automatic stays provided for in these cases pursuant to § 105, if any, or § 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date will remain in full force and effect until the Effective Date.

**As long as Debtor complies with the Plan in regard to Cache, Cache shall be enjoined from collecting under the loan documents related to its claim from Debtor's principals.**

Limited Protection of Certain Parties in Interest. Neither (a) the Debtor, or any of their respective employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by the Debtor, nor (b) each Professional for the Debtor or any of their employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by any of them, (the persons identified in (a) and (b), are collectively referred to as "Protected Persons"), shall have or incur any liability to any Person or Entity under any theory of liability for any act or omission occurring on or after the Petition Date in connection with or related to the Debtor, the Chapter 11 Cases, or the Estates, including, but not limited to, (i) formulating, preparing disseminating, implementing, confirming, consummating or administering this Plan (including soliciting acceptances or rejections thereof); or (ii) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken in connection with this Plan, except for acts constituting willful misconduct, gross

negligence, or *ultra vires* activity and in all respects such Protected Persons shall be entitled to rely in good faith upon the advice of counsel. In any action, suit or Legal Proceeding by any Person contesting any action by, or non-action of any Protected Person as constituting willful misconduct, gross negligence, or *ultra vires* activity or not being in good faith, the reasonable attorneys' fees and costs of the prevailing party will be paid by the losing party and as a condition to going forward with such action, suit, or Legal Proceeding at the outset thereof, all parties thereto will be required to provide appropriate proof and assurances of their capacity to make such payments of reasonable attorneys' fees and costs in the event they fail to prevail.

Continuation of Anti-Discrimination Provisions of Bankruptcy Code. A Governmental Unit may not deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, or discriminate with respect to such a grant against, the Debtor, or another Person with whom the Debtor have been or are associated or affiliated, solely because of the commencement, continuation, or termination of the case or because of any provision of the Plan or the legal effect of the Plan, and the Confirmation Order will constitute an express injunction against any such discriminatory treatment by a Governmental Unit.

## **ARTICLE X** **OTHER PROVISIONS**

### **DEFAULT**

10.01. Default. Upon default by the Reorganized Debtor and unless otherwise specified in the Plan, creditors are required to provide written notice of such Default to the Reorganized Debtor and its counsel, The Smeberg Law Firm, PLLC by certified mail, return receipt requested, and by regular first class mail, and the Reorganized Debtor shall have thirty (30) days from the date of the notice to cure the default. Any defect in such default notice shall toll the running of the thirty (30) day cure period. Notice of default shall be given to the Reorganized Debtor and Ronald Smeberg. If the Reorganized Debtor fails to cure within the thirty (30) day cure period provided herein, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court. The Reorganized Debtor shall be entitled to three (3) notices of default for each calendar year. On the fourth (4<sup>th</sup>) notice of default for a calendar year, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court, or move to have the case converted to a case under Chapter 7.

10.03. Vesting of Estate Property and Effect of Default. On the Effective Date, title to all assets and properties dealt with by the Plan shall vest in the Debtor that held title to the asset or property, free and clear of all Claims and Interests other than any contractual secured claims granted under any lending agreement, on the condition that Reorganized Debtor comply with the terms of the Plan, including the making of all payments to creditors provided for in such Plan. If Reorganized Debtor defaults in performing under the provisions of this Plan and this case is converted to a case under chapter 7, all property vested in Reorganized Debtor and all subsequently

acquired property owned as of or after the conversion date shall re-vest and constitute property of the bankruptcy estate in the converted case.

Respectfully submitted,

BY: /s/ Juan Miranda  
Name: Juan Miranda, President

GUERRA & SMEBERG, PLLC

BY: /s/ Ronald J. Smeberg  
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