

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  
Debtor-in-Possession. § Chapter 11

DEBTOR’S THIRD AMENDED PLAN OF REORGANIZATION [FINAL CORRECTED]

T.C. Renfrow Land, L.P. the Chapter 11 Debtor in this case, proposes this Plan of Reorganization.

TABLE OF CONTENTS

<u>I.</u>	Definitions	1
<u>II.</u>	Classification of Claims and Interest and Treatment	3
<u>III.</u>	Specification of All Claims Impaired and Unimpaired	5
<u>IV.</u>	Allowance and Disallowance of Claims	6
<u>V.</u>	Means for Execution of the Plan	6
<u>VI.</u>	Executory Contracts and Unexpired Leases	6
<u>VII.</u>	Reservation of Rights	7
<u>VIII.</u>	Modification of Plan	7
<u>IX.</u>	Default	7
<u>X.</u>	Effect of Confirmation	7
<u>XI.</u>	Jurisdiction of Court	8

I. DEFINITIONS

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

1. “Amegy” shall mean ZB, N.A. d/b/a Amegy Bank.
2. "Bankruptcy Code" or "Code" is the Bankruptcy Code of 1978 as contained Title 11 U.S.C. Section 101 et seq. and amendments thereto.
3. “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.
4. "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 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.

5. "Class" shall mean any class into which Claims are classified in this Plan.

6. "Confirmation" shall mean the entry by the Court of an order confirming the Plan in accordance with Chapter 11 provisions of the Bankruptcy Code.

7. "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.

8. "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.

9. "Court" shall mean the United States Bankruptcy Court for the Southern District of Texas, Houston Division, presiding over the captioned bankruptcy case.

10. "Debtor" shall mean T.C. Renfrow Land, L.P., the Chapter 11 debtor in this bankruptcy case.

11. "Effective Date" shall be November 30<sup>th</sup>, 2018.

12. "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.

13. "Insider" shall mean the definition assigned to it in Bankruptcy Code § 101.

14. "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.

15. "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.

16. "Plan" shall mean this Plan of Reorganization in its present form or as it may be amended from time to time and that is confirmed by the Bankruptcy Court.

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

18. "Reorganized Debtor" shall mean T.C. Renfrow Land, L.P., a continuation of Debtor.

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 ~~\$4,8755,526.46~~ from the Registry Funds. Post-Confirmation fees are based on the amount of disbursements made by Reorganized Debtor and are paid on a quarterly basis. All fees accruing post-Confirmation shall be paid when due and until this bankruptcy case is closed. Reorganized Debtor 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's sole member is the 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 Reorganized Debtor. The anticipated total claim of this Class should not exceed \$60,000.

### **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 Claim will be paid with 12% annual interest from the petition date in equal quarterly installments of \$2,268 beginning January 15, 2019 and continuing through October 15, 2021. Harris County shall retain its statutory liens securing its pre-petition and post-petition taxes until the taxes are paid in full. Debtor 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.

Reorganized Debtor shall escrow \$58,287 on the Effective Date and \$5,299 per month going forward for the payment of 2018 taxes and future years.

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 \$8,010.19. The Claim is secured by a Lien on the Miller Road Property. The Claim will be paid with 12% annual interest from the petition date in equal quarterly installments of \$954 beginning January 15, 2019 and continuing through October 15, 2021.

San Jacinto Community College District shall retain its statutory liens securing its pre-petition and post-petition taxes until taxes are paid in full. Debtor 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.

Reorganized Debtor shall escrow \$58,287 on the Effective Date and \$5,299 per month going forward for the payment of 2018 taxes and future years.

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 Claim will be paid with 12% annual interest from the petition date in equal quarterly installments of \$4,452 beginning January 15, 2019 and continuing through October 15, 2021.

Sheldon Independent School District shall retain its statutory liens securing its pre-petition and post-petition taxes until the taxes are paid in full. Debtor 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.

Reorganized Debtor shall escrow \$58,287 on the Effective Date and \$5,299 per month going forward for the payment of 2018 taxes and future years.

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 Miller Road. 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.

Reorganized Debtor shall cure the default amount of \$68,856.10 from the Registry Funds on the Effective Date.<sup>+</sup>

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<sup>+</sup>~~Debtor estimates the cure will require \$68,856.30.~~

Class 2E – Amegy. Class 2E is impaired and consists of the Secured Claims of Amegy based on Debtor’s (1) December 3, 2012 promissory note (-0099; Claim No. 7-1), (2) May 3, 2011 promissory note (-9001; Claim No. 5-1), and (3) September 11, 2013 promissory note (-9003; Claim No. 6-1). Each of Amegy’s notes is secured by a Lien on the Miller Road Property. ~~in the amount of \$1,005,248.79 in principal, plus interest, fees, and expenses.~~

Reorganized Debtor shall pay Amegy \$157,596.51 on account of all past due interest on the Class 2E Claims plus any remaining funds from the Registry Funds on the Effective Date which shall be applied to expenses owed on the Class 2E claims.

Debtor shall pay the balance Class 2E’s claims in full before December 1, 2021. Class 2E’s Claims shall accrue interest at 6% per annum, amortized over 15 years. Pending payment in full of Class 2E’s claims, Debtor shall pay Amegy \$22,685.53 per month. The first payment shall be made on January 5, 2019 and is due each 5th of the month thereafter. Amegy shall apply the monthly payments ratably against the three promissory notes referenced above.

Upon Reorganized Debtor fulfilling the terms of this treatment, the Lien securing payment of this Class shall be released.

Debtor accepts the terms of all loan documents related to the Class 2E claims and ratifies all their terms except as those terms are modified by the Plan, including the preservation of Amegy’s liens and Debtor’s financial reporting requirements to Amegy. Specifically, Reorganized Debtor and T.C. Renfrow Companies, LLC shall provide Amegy with monthly financial statements and Tim Renfrow shall provide Amegy with an annual financial statement and copies of all filed tax returns annually.

**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 Claim shall be paid ~~in will be paid~~ with 63% annual interest from the petition date ~~with equal quarterly installments of \$296 beginning January 15, 2019 continuing through October 15, 2021~~ on the Effective Date.

**Class 4 – Equity Class:**

Class 4 – Timothy Renfrow. Class 4 is unimpaired and consists of Debtor’s equity security holder, Mr. Renfrow. Since all Claims are being paid in full, Mr. Renfrow will retain his interest in the Reorganized Debtor.

**III. SPECIFICATION OF ALL CLAIMS IMPAIRED AND UNIMPAIRED**

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

**IV. ALLOWANCE AND DISALLOWANCE OF CLAIMS**

Debtor or Reorganized Debtor 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 a separate bank account of the Reorganized Debtor, 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.

Debtor or Reorganized Debtor are the only entities that may object to proofs of claim. Debtor and Reorganized Debtor stipulate to the amount and allowance of the Class 2E claims and waive any objection to those claims, including the reasonableness of fees and expenses.

#### V. MEANS FOR EXECUTION OF THE PLAN

Reorganized Debtor shall use the Registry Funds to make the required payments on the Effective Date.

Reorganized Debtor will fund the remainder of its plan by continuing in the ordinary course of its business – collecting rents on the Miller Road Property. It will be managed by Tim Renfrow, and Mr. Renfrow shall also serve as the Plan’s disbursing agent.

Reorganized Debtor shall create an escrow account to pay property taxes on the Miller Road Property. Upon the Effective Date, Debtor shall place \$55,000 to the escrow account, and shall deposit \$5,000 into the escrow account every 15th day of the month, beginning December 15, 2018, until the Plan is completed.

Debtor or the Reorganized Debtor may, alternatively, obtain new credit or sell Miller Road to pay all its creditors in full. Debtor or the Reorganized Debtor has the authority to either obtain new credit under 11 U.S.C. § 364(c) or (d), or sell Miller Road free and clear of all liens under 11 U.S.C. §§ 363(b) or (f) and 1121(a)(5)(D).

Houston Threading LLC, a non-debtor entity owned by Tim Renfrow, shall have 90 days to liquidate its assets, other than a pipe band saw, which are subject to a lien held by Amegy securing a loan not included in Class 2E and for which Debtor is not liable. If the assets are not sold within 90 days, Houston Threading shall surrender the assets to Amegy to be auctioned with the proceeds applied to Houston Threading’s debt to Amegy.

#### 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 after confirmation.

#### VIII. MODIFICATION OF PLAN

Debtor 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. DEFAULT

Failure to perform any duty required by the Plan shall be a default. Upon written notice of Reorganized Debtor's first default, it has ten (10) days to cure such default. Debtor has no right to cure subsequent defaults.

Upon default, Debtor, T.C. Renfrow Companies, L.L.C., T.C. Renfrow Trucking, LLC, and Houston Threading LLC, waive their right to file bankruptcy within 1,460 days of the Effective Date, waive the protection and benefits of the automatic stay pursuant to 11 U.S.C. § 362 in the event any of those entities files a bankruptcy case in violation of the terms of this Plan, and waive any and all defenses to foreclosure by Secured Claimants on the Miller Road Property.

#### X. 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; unless, the Debtor or Reorganized Debtor default under the relative provisions of this Plan and, where appropriate, fails to cure said default.

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 Reorganized

Debtor and any property that is vested in the Reorganized Debtor pursuant to this Plan and except as otherwise provided herein. Upon Confirmation, all Claims against Debtor and Reorganized Debtor shall be satisfied and released in full, and all holders of Claims shall be precluded from asserting against Debtor and Reorganized 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 Reorganized 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 will re-vest in the Reorganized Debtor, free and clear of all liens, claims and encumbrances except for those specified in Classes 2A, 2B, 2C, 2D, and 2E.

#### XI. 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 or Reorganized Debtor has faithfully and fully performed its duties under this Plan,
2. Preferential transfers, post-petition transfers, fraudulent transfers and recovery thereof,
3. Determination of all disputes regarding title to assets of the Estate,
2. 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.
3. 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.
4. The modification of the Plan after confirmation pursuant to the Code and related rules.
7. The enforcement and interpretation of the terms and conditions of the Plan.
8. The Entry of any order including injunctions, necessary to enforce the title, rights, and powers this Court may deem appropriate.
9. Entry of any order concluding and terminating this case.

T.C. Renfrow Land, L.P.

By: \_\_\_\_\_

Name: Tim Renfrow, President

Dated: ~~October 31~~ November 25, 2018