
THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED UNDER SECTION 1125(B) OF THE BANKRUPTCY CODE BY THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION FOR USE IN CONNECTION WITH THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OF LIQUIDATION DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISSEMINATION OF THIS PROPOSED DISCLOSURE STATEMENT ARE NOT INTENDED AND SHOULD NOT IN ANY WAY BE CONSTRUED AS A SOLICITATION OF VOTES ON THE PLAN, NOR SHOULD THE INFORMATION CONTAINED HEREIN BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THE PROPOSED DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION.

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

IN RE: §
§
STORE IT REIT, INC., § **CASE NO. 18-32179-H1-11**
§ **Chapter 11**
Debtor. §

**DISCLOSURE STATEMENT UNDER
11 U.S.C. § 1125 AND BANKRUPTCY RULE 3016 IN
SUPPORT OF PLAN OF LIQUIDATION FOR STORE IT REIT, INC.**

THIS DISCLOSURE STATEMENT IS SUBMITTED TO ALL CREDITORS OF STORE IT REIT, INC. ENTITLED TO VOTE ON THE PLAN OF LIQUIDATION HEREIN DESCRIBED AND CONTAINS INFORMATION THAT MAY AFFECT YOUR DECISION TO ACCEPT OR REJECT STORE IT'S PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE. THIS DISCLOSURE STATEMENT IS INTENDED TO PROVIDE ADEQUATE INFORMATION AS REQUIRED BY THE BANKRUPTCY CODE AS TO STORE IT REIT'S PLAN OF LIQUIDATION. ALL CREDITORS ARE URGED TO READ THE DISCLOSURE STATEMENT AND ATTACHMENTS WITH CARE AND IN THEIR ENTIRETY.

ON ERROR! REFERENCE SOURCE NOT FOUND. THE BANKRUPTCY COURT APPROVED THIS DISCLOSURE STATEMENT AS CONTAINING ADEQUATE INFORMATION UNDER SECTION 1125(B) OF THE BANKRUPTCY CODE. SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN OF LIQUIDATION HEREIN DESCRIBED AND ATTACHED AS EXHIBIT A, IS BEING SOUGHT FROM CREDITORS WHOSE CLAIMS AGAINST STORE IT ARE IMPAIRED UNDER THE PLAN OF LIQUIDATION. CREDITORS ENTITLED TO VOTE ON THE PLAN OF LIQUIDATION ARE URGED TO VOTE IN FAVOR OF THE PLAN AND TO RETURN THE BALLOT INCLUDED WITH THIS DISCLOSURE STATEMENT UPON COMPLETION IN THE ENVELOPE ADDRESSED TO HOOVER SLOVACEK LLP, ATTENTION: DEIRDRE CAREY BROWN, 5051 WESTHEIMER, SUITE 1200, HOUSTON, TEXAS 77056, NOT LATER THAN ERROR! REFERENCE SOURCE NOT FOUND. AT 5:00 P.M. HOUSTON TIME.

IMPORTANT INFORMATION REGARDING THIS DISCLOSURE STATEMENT

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT RELATES TO THE JOINT CHAPTER 11 PLAN OF LIQUIDATION OF STORE IT REIT, INC. AND IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, OTHER EXHIBITS ANNEXED OR REFERRED TO IN THE PLAN, AND THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(C) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER LAWS GOVERNING DISCLOSURE OUTSIDE THE CONTEXT OF CHAPTER 11. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OR CLAIMS OF STORE IT REIT, INC. SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTOR.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE PLAN, EVENTS IN THE CHAPTER 11 CASE OF THE DEBTOR, AND FINANCIAL INFORMATION. ALTHOUGH THE DEBTOR BELIEVES THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH INFORMATION IS QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF THE PLAN, SUCH DOCUMENTS OR ANY STATUTORY PROVISIONS THAT MAY BE REFERENCED THEREIN. THE DEBTOR BELIEVE THAT THE INFORMATION CONTAINED HEREIN IS CORRECT, BUT MAKE NO REPRESENTATION WITH RESPECT TO ITS ACCURACY OR COMPLETENESS.

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ARTICLE I INTRODUCTION AND SUMMARY

A. General Information Concerning Disclosure Statement and Plan

Store It REIT, Inc., debtor and debtor-in-possession herein (“**Store It**”), submits this Disclosure Statement under 11 U.S.C. § 1125 in support of its Plan of Liquidation (the “**Disclosure Statement**”) under Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016. A copy of the Plan of Liquidation (the “**Plan**”) is attached as **Exhibit A** for your review. All terms used in this Disclosure Statement but not otherwise defined herein have the meanings ascribed to such terms in the Plan.

Store It filed a petition under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas, Houston Division, on April 27, 2018 and retained Hoover Slovacek LLP as bankruptcy counsel. Store It has prepared this Disclosure Statement to disclose that information which, in its opinion, is material, important, and necessary to an evaluation of the Plan. Pursuant to the terms of the United States Bankruptcy Code, this Disclosure Statement must be presented to and approved by the Bankruptcy Court. Such approval is required by statute and does not constitute a judgment by the Court as to the desirability of the Plan or as to the value or suitability of any consideration offered thereby.

Store It seeks to confirm a liquidation plan to pay its pre-petition creditors and make final distribution to shareholders. As described in this Disclosure Statement, Store It believes that the Plan provides is the best solution for satisfying its pre-bankruptcy obligations, by providing for new management and oversight by a liquidating trustee, maximizing recoveries available to all constituents, and providing for an equitable distribution to Store It’s creditors and stakeholders.

A bankruptcy court’s confirmation of the Plan of Liquidation binds Store It, any entity or person acquiring property under the plan, any creditor of or interest holder in the debtor, and any other entities and persons as may be ordered by the Bankruptcy Court to the terms of the confirmed Plan, whether or not such creditor or interest holder is impaired under or has voted to accept the plan or receives or retains any property under the plan, through an order confirming the plan (the “**Confirmation Order**”). Among other things (subject to certain limited exceptions and except as otherwise provided in the Plan or the Confirmation Order), the Confirmation Order will discharge Store It from any Claim (as that term is defined in the Plan) arising before the Effective Date (as defined herein and in the Plan) and substitute the obligations set forth in the Plan for those pre-bankruptcy Claims. Under the Plan, Claims and Interests are divided into groups called “Classes” according to their relative priority and other criteria.

Store It is a proponent of the Plan within the meaning of Section 1129 of the Bankruptcy Code. Except to the extent that a Holder of an Allowed Claim agrees to a less favorable treatment of such Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Claim, each Holder of an Allowed Claim or Allowed Interest with regard to Store It will receive the same recovery (if any) provided to other Holders of Allowed Claims or Allowed

Interests in the applicable Class, and will be entitled to their Pro Rata share of consideration available for distribution to such Class (if any).

Notwithstanding any other provision in the Disclosure Statement or Disclosure Statement Order, the Bankruptcy Court makes no finding or ruling in the Disclosure Statement Order, other than with respect to the adequacy of the Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code, with respect to (a) the negotiations, reasonableness, business purpose, or good faith of the Plan, or as to the terms of the Plan (or the treatment of any class of claims thereunder and whether those claims are or are not impaired) for any purpose, (b) whether the Plan satisfies any of the requirements for confirmation under Section 1129 of the Bankruptcy Code, or (c) the standard of review or any factor required for approval of the Confirmation of the Plan. Any objections or requests served in connection with the Plan are hereby reserved and not waived by entry of the Disclosure Statement Order; provided, however, that nothing in the Disclosure Statement or the Disclosure Statement Order shall preclude Store It or any other party in interest that is the subject of such objection or discovery requests from seeking to overrule such objections or limit or otherwise overrule such discovery requests.

Prior to voting on the Plan, you are encouraged to read this Disclosure Statement and all documents attached to or referenced in this Disclosure Statement in their entirety. As reflected in this Disclosure Statement, there are risks, uncertainties, and other important factors that could cause Store It's or the liquidating trustee's actual performance or achievements to be materially different from those Store It may project, and Store It undertakes no obligation to update any such statement of risks, uncertainties, or factors or projections. Certain of these risks, uncertainties, and factors are described in Article IX of this Disclosure Statement, entitled "Risks Posed to Creditors" which begins on page 40.

B. Disclaimers

The material herein contained is intended solely for the use of known creditors and interest holders of Store It and may not be relied upon for any purpose other than a determination by them of how to vote on the Plan. As to Contested Matters, Adversary Proceedings and other actions or threatened actions, this Disclosure Statement shall not constitute or be construed as an admission of any fact or liability, stipulation or waiver, but rather as a statement made in settlement negotiations under Rule 408 of the Federal Rules of Evidence. This Disclosure Statement shall not be admissible in any non-bankruptcy proceeding nor shall it be construed as advice on the tax, securities or other legal effects of the Plan as to the Holders of Claims against or equity interests in Store It.

To ensure compliance with Treasury department circular 230, each holder of a claim or interest is hereby notified that: (a) any discussion of U.S. Federal Tax issues in this disclosure statement is not intended or written to be relied upon, and cannot be relied upon, by any holder for the purpose of avoiding penalties that may be imposed upon a holder under the Tax Code; (b) such discussion is included hereby by Store It in connection with the promotion or marketing (within the meaning of Circular 230) by Store It of the transactions or matters addressed herein; and (c)

each holder should seek advice based upon its particular circumstances from an independent tax advisor.

Store It compiled the information contained in this Disclosure Statement from records available to it, including, but not limited to, pleadings and reports on file with the Bankruptcy Court in this case, Court records in pre-petition suits which are available online, Court records in the Bankruptcy of American Spectrum Realty, Inc., Chapter 11 Case No. 8:15-bk-11397 in the United States Bankruptcy Court for the Central District of California¹, loan agreements and business records. Certain of the materials contained in this Disclosure Statement are taken directly from other, readily accessible instruments or are digests of other instruments. While Store It has made every effort to retain the meaning of such other instruments or the portions transposed, it urges that any reliance on the contents of such other instruments should depend on a thorough review of the instruments themselves. Except as specifically noted, there has been no independent audit of the financial information contained in this disclosure statement. Neither Store It nor counsel for Store It can warrant nor represent that the information contained in this disclosure statement is without inaccuracies. Neither Store It nor its counsel has verified the information contained in this disclosure statement, although they do not have actual knowledge of any inaccuracies.

Creditors should read this Disclosure Statement in its entirety prior to voting on the Plan. No solicitation of votes on the Plan may be made, except pursuant to this Disclosure Statement and Section 1125 of the Bankruptcy Code. No other party has been authorized to utilize any information concerning Store It or its affairs, other than the information contained in this Disclosure Statement, to solicit votes on the Plan. Creditors and holders of equity interest should not rely on any information relating to Store It, other than that contained in this Disclosure Statement and the exhibits attached hereto.

No representations concerning Store It or the Plan are authorized other than those that are set forth in this Disclosure Statement. Any representations or inducements made by any person to secure your vote which are other than those contained herein should not be relied upon, and such representations or inducements should be reported to counsel for Store It who shall deliver such information to the Bankruptcy Court.

IF THE REQUISITE VOTE IS ACHIEVED FOR EACH CLASS OF IMPAIRED CLAIMS, THE PLAN IS SUBSEQUENTLY CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST STORE IT (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN), WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

¹ *River Oaks Self Storage TIC 4, LP vs. River Oak Storage, LLC, MSC16-01910*, in the Superior Court of California of Contra Costa County, <http://www.cc-courts.org/civil/online-case.aspx> ("River Oaks Suit") and *Terri Sutphin, et al. v. Store It Reit, Inc.*, 30-2017-00917565-CU-MC-CJC, in the Superior Court of California of Orange County, <https://ocapps.occourts.org/civilwebShoppingNS/Search.do#searchAnchor> ("Shareholder Suit").

C. Answers to Commonly Asked Questions.

As part of Store It's efforts to inform Creditors and Interest Holders regarding the Plan and the Plan confirmation process, the following summary provides answers to questions which parties who receive a disclosure statement often ask.

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN, WHICH CONTROLS IN CASE OF ANY INCONSISTENCY.

1. Who is Store It.

Store It is Store It REIT, Inc. On April 27, 2018 (the "**Petition Date**"), Store It filed this voluntary case under Chapter 11 of the Bankruptcy Code and was assigned Case No. 18-32179-H1-11 in the United States Bankruptcy Court for the Southern District of Texas. Store It owns interests in other entities which own real property developed as storage facilities located in Texas. Store It is incorporated in Virginia.

2. What is a Chapter 11 bankruptcy?

Chapter 11 is a chapter of the Bankruptcy Code that allows financially distressed businesses to reorganize their debts or to liquidate their assets in a controlled fashion. The commencement of a chapter 11 case creates an "estate" containing all of the legal and equitable interests of Store It in property as of the date the bankruptcy case is filed. During a chapter 11 bankruptcy case, Store It remains in possession of its assets unless the Court orders the appointment of a trustee. No trustee has been appointed in Store It's case.

3. If the Plan governs how my Claim or Interest is treated, what is the purpose of this Disclosure Statement?

In order to solicit votes on a bankruptcy plan, the Bankruptcy Code requires that the proponent of the plan first prepare a disclosure statement that provides sufficient information to allow creditors and interest holders to make an informed decision about the plan. The disclosure statement and plan are distributed to creditors and interest holders only after the Bankruptcy Court has approved the disclosure statement and determined that the disclosure statement contains information adequate to allow creditors and interest holders to make an informed judgment about the plan. At that time, creditors and interest holders whose claims and interests are impaired under the Plan also receive a voting ballot.

4. Has this Disclosure Statement been approved by the Bankruptcy Court?

The Disclosure Statement is being filed within the time for Store It to file its Plan and Disclosure Statement under the Bankruptcy Code and will be subject to Bankruptcy Court approval. "Adequate information" means information of a kind, and in sufficient detail, as far as is practicable considering the nature and history of Store It's business and the condition of Store

It's books and records, to enable a hypothetical investor typical of Holders of Claims or interests of the relevant classes to make an informed judgment whether to vote to accept or reject the Plan. The Bankruptcy Court will consider any objections to the adequacy of the information in this Disclosure Statement at the Confirmation Hearing described below and in the Plan, and final approval of the Disclosure Statement will be determined at that time. The Bankruptcy Court's conditional approval of this Disclosure Statement does not constitute an endorsement of any of the representations contained in either the Disclosure Statement or the Plan.

5. How do I determine how my Claim or Interest is classified?

To determine the classification of your Claim or Interest, you must determine the nature of your Claim or Interest. Under the Plan, Claims and Interests are classified into a series of classes. The pertinent articles and sections of the Disclosure Statement and Plan disclose, among other things, the treatment that each class of Claims or Interests will receive if the Plan is confirmed.

6. Why is confirmation of the Plan important?

The Bankruptcy Court's confirmation of the Plan is a condition to Store It carrying out the treatment of Creditors and Interest Holders under the Plan. Unless the Plan is confirmed, and any other conditions to confirmation or to the effectiveness of the Plan are satisfied, all parties are legally prohibited from satisfying Claims or Interests as provided in the Plan. Put more simply, confirmation of a plan in Chapter 11 is required before any distributions can be made to creditors absent a court order providing otherwise.

7. What is necessary to confirm the Plan?

Under applicable provisions of the Bankruptcy Code, confirmation of the Plan requires that, among other things, at least one class of impaired Claims or Interests vote to accept the Plan. Acceptance by a class of claims or interests means that at least two-thirds in the total dollar amount of the Allowed Claims or Interests, and more than one-half in number of the Allowed Claims, actually voting in the class vote in favor of the Plan. Because only those claims or interests who vote on a plan will be counted for purposes of determining acceptance or rejection of a plan by an impaired class, a plan can be approved with the affirmative vote of members of an impaired class who own less than two-thirds in amount and one-half in number of the claims/interests. Besides acceptance of the Plan by each class of impaired creditors or interests, a bankruptcy court also must find that the Plan meets a number of statutory tests before it may confirm the Plan. These requirements and statutory tests generally are designed to protect the interests of holders of impaired claims or interests who do not vote to accept the Plan but who will nonetheless be bound by the Plan's provisions if the Bankruptcy Court confirms the Plan.

Even if all classes of claims and interests accept a plan of liquidation, a bankruptcy court may nonetheless still deny confirmation. Bankruptcy Code Section 1129 sets forth the requirements for confirmation and, among other things, requires that a plan be in the "best interests" of impaired and dissenting creditors and interest holders and that the plan be feasible.

The “best interests” test generally requires that the value of the consideration to be distributed to impaired and dissenting creditors and interest holders under a plan may not be less than those parties would receive if Store It were liquidated under a hypothetical liquidation occurring under chapter 7 of the Bankruptcy Code. A plan must also be determined to be “feasible,” which generally requires a finding that there is a reasonable probability that Store It will be able to perform the obligations incurred under the plan and that Store It will be able to continue operations without the need for further financial liquidation.

In addition to the statutory requirements imposed by the Bankruptcy Code, the Plan itself also provides for certain conditions that must be satisfied as conditions to confirmation.

If one or more classes vote to reject the Plan, Store It may still request that the Bankruptcy Court confirm the Plan under Section 1129(b) of the Bankruptcy Code. To confirm a plan not accepted by all classes, the plan proponent must demonstrate that the plan does not discriminate unfairly, and is fair and equitable with respect to each class of claims or interests that is impaired under, and that has not accepted, the plan. This method of confirming a plan is commonly called a “cramdown.”

8. Is there a Committee in this case?

An official committee of unsecured creditors has not been formed. However, on July 3, 2018, an Official Committee of Equity Security Holders (the “**Committee**”) was created. The Committee is represented by Polsinelli, PC and an Order approving Polsinelli, PC was entered on August 16, 2018 (Doc. No. 50). The Committee also filed an *Application to Employ Dunn Carney Allen Higgins & Tongue LLP as Special Counsel to The Official Committee of Equity Security Holders of Store It REIT, Inc.* (Doc. No. 42) (“Dunn Carney Application”) to employ counsel involved in the Shareholder Suit, Coni Rathbone, who is of counsel with Dunn Carney, for a limited scope including investigating claims against William J. Carden and other non-defined services on an hourly basis at Store It’s Bankruptcy Estate’s expense.

Store It has objected to the Dunn Carney Application because the scope of work overlaps the scope in the Polsinelli, PC Application, failure to disclose information required under Bankruptcy Rule 2014, failure to show any need for retention of multiple counsel in an estate with limited assets and recovery and because the proposed counsel claims she has an unsecured claim against the Bankruptcy Estate. (Doc. No. 54 and 56). In addition, Ms. Rathbone claims Rathbone Law filed an action in California. (Doc. No. 42-2). After a diligent search, a Shareholder Suit filed by Rathbone Law could not be located. She claims she has an unsecured claim for about \$100,000 against the estate. (Id.). Such claim will need to be evaluated as there is no known basis for such claim. Store It’s counsel is attempting to get records from the Shareholder Case which are not available online, but nothing in the pleadings filed of record show a claim owing to Rathbone Law. Some of the plaintiff shareholders in the Shareholder Suit appear to be members of the Committee. Store It was represented by DLA Piper in the Shareholder Suit. Store It’s counsel is in the process of having the DLA Piper files turned over to Store It’s counsel.

After the Committee filed the Dunn Carney Application, the Committee also filed an Motion to Appoint an Examiner (Doc. No. 51) for the purpose of investigating claims against William J. Carden, including potential claims which were listed on Store It's Amended Schedules (Doc. No. 36) with additional disclosure in the further Amended Schedules (Doc. No. ___). The Committee's Motion specifically requests appointment of their chosen Examiner in the Motion. The Committee does not select the Examiner. If the Court ordered appointment of an Examiner, the Examiner is to be appointed by the U.S. Trustee. The Committee further requests that the Examiner be paid professional fees from the Bankruptcy Estate and as such would be paid before other creditors or equity if retained. The Motion asserts the same types of allegations related to non-debtors which are unrelated to Store It but were promoted in: 1) background information in the Shareholder Suit; 2) pre-petition correspondence from Ms. Rathbone; and, in the Committee's Dunn Carney Application. The allegations confuse the issues casting dispersions on Store It by raising issues that existed with non-debtors which were resolved. Store It plans to object to the Motion to Appoint an Examiner. The Motion is pending.

Mr. Carden is an officer and director of Store It². Store It's Schedules and Statement of Financial Affairs disclosed potential claims against Mr. Carden including but not limited to claims related to a promissory note which comes due in 2020 and for potential recovery of legal reimbursements if such are deemed not to be owed under his indemnification agreement with Store It, indemnification provided for in Store It's Articles of Incorporation and/or indemnification provided for under Virginia corporate law for officers and directors. Store It's Board believed an independent legal review should be completed in order to determine if the reimbursements were appropriate. The Plan contemplates such potential claims shall be retained claims which are considered, evaluated and pursued at the Liquidating Trustee's sole discretion. Store It contends the Committee's efforts to hire two law firms and seek appointment of an examiner would create undue administrative expenses diminishing the return to creditors and equity and that such added expense is unnecessary given the proposed Plan is to appoint an independent Liquidating Trustee. The Board is in the process of setting interviews with potential Liquidating Trustees and the selected Liquidating Trustee will be disclosed in a Plan Supplement before confirmation.

At the 341 Meeting of Creditors on July 23, 2018, the Committee was invited to recommend DIP lenders or brokers to assist in financing the final build out of the Houston South Mason Property which could increase the value of the property exponentially when sold. Store It received no recommendations. On August 14, 2018, Store It filed a Motion to Employ Columbia Consulting Group, PLLC to assist with finding DIP or Exit Financing (Doc. No. 48). The Committee objects (Doc. No. 58). Columbia indicated it has several contacts who may be interested. The Committee has asserted Mr. Carden is a "crony" of Columbia without any investigation. Columbia is a third party who was located as a DIP Broker after potential DIP financing fell through and has no connection to Mr. Carden. The Application to Employ the DIP Broker is pending.

² Mr. Carden has suffered significant health issues in recent months. See, Doc. No. 55.

Store It has produced thousands of pages of documents to the Committee including bank statements, financials, general ledger, sale documents, minutes, and other related documents. Upon the approval and execution of a protective order, Store It has also offered to provide access to Store It's Quickbooks files. Store It has provided the Committee records in response to informal requests. The Committee has not produced any records that Store It has informally requested. As such, discovery requests and/or depositions of Committee members and Ms. Rathbone may be necessary. However, Store It would prefer to mitigate expenses if possible.

The Committee while also making informal demands for financial records then proceed to object to the Application to Employ an Accountant (Doc. No. 43) to get the 2017 tax returns completed and filed which when done could wipe out the claim filed by the IRS. *See*, Doc. No. 52. The Application to employ the accountant is still pending.

9. When is the deadline for returning my ballot?

The Bankruptcy Court has directed that, to be counted for voting purposes, your ballot must be received by Store It's Counsel by **5:00 p.m. Central Standard Time** on Error! Reference source not found..

After completion of the ballot, creditors should return the executed ballot in the self-addressed envelope to:

**STORE IT REIT, INC.
C/O DEIRDRE CAREY BROWN/MELISSA A. HASELDEN
HOOVER SLOVACEK LLP
5051 WESTHEIMER, SUITE 1200
HOUSTON, TX 77056**

D. Recommendation of Store It to Approve the Plan

Store It approved the solicitation of acceptances of the Plan and all of the transactions contemplated thereunder. In light of the benefits to be attained by the holders of Claims and Interests contemplated under the Plan, Store It recommends that such holders of Claims and Interests vote to accept the Plan. Store It has reached this decision after considering the alternatives to the Plan that are available to Store It. These alternatives include liquidation under chapter 7 of the Bankruptcy Code or liquidation under chapter 11 of the Bankruptcy Code. Store It determined, with assistance of its advisors and legal professionals, that the transactions contemplated in the Plan would likely result in a distribution of greater value to creditors than a liquidation of Store It under Chapter 7 of the Bankruptcy Code.

E. Rules of Interpretation

The following rules for interpretation and construction shall apply to the Disclosure Statement: (1) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine,

feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) unless otherwise specified, any reference in the Disclosure Statement to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (3) unless otherwise specified, any reference in the Disclosure Statement to an existing document, schedule, or exhibit, whether or not filed, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (4) any reference to a person or entity as a holder of a Claim or Interest includes that person or entity's successors and assigns; (5) unless otherwise specified, all references in the Disclosure Statement to Articles are references to Articles of the Disclosure Statement; (6) unless otherwise specified, all references in the Disclosure Statement to exhibits are references to exhibits to the Disclosure Statement; (7) the words "herein," "hereof," and "hereto" refer to the Disclosure Statement in its entirety rather than to a particular portion of the Disclosure Statement; (8) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Disclosure Statement; (9) unless otherwise set forth in the Disclosure Statement, the rules of construction set forth in Section 102 of the Bankruptcy Code shall apply; (10) any term used in capitalized form in the Disclosure Statement that is not otherwise defined in the Disclosure Statement, Plan, or exhibits to the Disclosure Statement Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (11) all references to docket numbers of documents filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (12) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, unless otherwise stated; (13) in computing any period of time prescribed or allowed, the provisions of Bankruptcy Rule 9006(a) shall apply, and if the date on which a transaction may occur pursuant to the Disclosure Statement shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day; and (14) unless otherwise specified, all references in the Disclosure Statement to monetary figures shall refer to currency of the United States of America.

F. Overview of Plan

An overview of the Plan is set forth below. This overview is qualified in its entirety by reference to the Plan. If the Court confirms the Plan and, in the absence of any applicable stay, all other conditions set forth in the Plan are satisfied, the Plan will take effect on the Effective Date. A summary of certain risk factors relating to the Plan is set forth below and in Article IX of this Disclosure Statement.

The Plan should be read carefully and independently of this Disclosure Statement. The following analysis of the Plan is intended to provide a context for understanding the remainder of this Disclosure Statement and to assist in an understanding of the Plan and the proposed treatment of the Creditors.

Store It is proposing to transfer all assets, including certain claims and causes of action described herein, to an independent liquidating trustee (the "**Liquidating Trustee**"). The

Liquidating Trustee will have authority to manage Store It's business affairs and property, liquidate all assets of Store It, and the power to investigate, evaluate and pursue any claims and causes of action Store It had as of the Petition Date. The Liquidating Trustee will also distribute to the Holders of Claims and Interests proceeds and recoveries obtained during his administration of the Liquidating Trust, a grantor trust, as described herein, and in the Liquidating Trust Agreement and Plan. Store It will file a supplement to disclose the proposed Liquidating Trustee and terms of the Liquidating Trust.

A copy of the Plan is attached as **Exhibit A**.

ARTICLE II HISTORY OF BUSINESS AND CHAPTER 11 CASE

A. Overview of Store It's Business

Store It formerly known as American Spectrum REIT I, Inc. is a corporation organized under the laws of Virginia. Store It's President is William J. Carden ("**Carden**"). Mr. Carden, Mr. Barrett and Mr. Itzel are each Directors on Store It's Board of Directors.

Store It was formed for the purpose of acquiring and owning property, including self-storage units. In 2010 American Spectrum Realty, Inc. ("**ASR**") acquired (in a package with several other assets) the management of Store It from the original sponsors. ASR performed asset management and property management duties with respect to the properties of Store IT. As of 2014, Store It had indirect ownership interests in six (6) properties.

Store It is the general partner of Evergreen Realty REIT, LP ("**Evergreen**"). As of the Petition Date, Evergreen owned interests in three (3) entities who each owed an interest in a respective self-storage unit located in Texas as tenants-in-common. Specifically, Evergreen held (i) a 76.55% interest in 1001 South Mason, Katy, TX 77450³ (the "**Houston South Mason Property**"), (ii) an 11.263% interest in 1850 Ephriham Ave. Fort Worth, TX⁴ (the "**Fort Worth Property**"), and (iii) a 14.102% interest in 5700 River Oaks Blvd, River Oaks, TX 77614⁵ (the "**River Oaks Property**"). Evergreen also owed a 100% interest in Ft Worth Northwest Self Storage TIC 4 Manager LLC, and entity that previously managed the Fort Worth Property but was replaced by another management company.

Mr. Itzel and Mr. Barrett joined Store It's Board of Directors in 2015. The new Board worked diligently to improve the properties which were indirectly controlled by Store It and initiated action to obtain better information, control and input with respect to the properties that

³ In the entity South Mason Self Storage TIC 5, LP.

⁴ In the entity Fort Worth Northwest Self Storage TIC 4, LP.

⁵ In the entity River Oaks Self Storage TIC 4, LP.

were not directly controlled by it. The Board also worked diligently to obtain financial information in order to provide financial reports for the properties.

B. Events Leading to the Filing of this Chapter 11 Case

1. The ASR Bankruptcy

In 2009, American Spectrum Realty Advisors (“**ASRA**”) was appointed an advisor to Store It. At the time, Carden was the Chairman and CEO of ASR, and American Spectrum Realty Management, LLC, a wholly owned subsidiary of ASR.

In February 2015 an involuntary bankruptcy was filed against ASR. An order for relief was entered in April 2015. In May 2015, J. Michael Issa was appointed the Chief Restructuring Officer for ASR (“**Issa**”).

Carden directed the filing of proofs of claim against ASR’s estate in October 2015 on his behalf and for Store It. During Issa’s investigation of ASR’s affairs, he learned that, in December 2014, Carden had transferred share in Store It from ASR and ASRA to himself. In addition, Issa learned that Carden filed a lien against a 20.5% interest in the Houston South Mason Property owned by ASR. Issa believed these transfers to be fraudulent conveyances.

In settlement of the disagreement, Issa, Carden and Store It entered into a settlement agreement of the claims (the “**ASR Settlement**”). In the settlement, Carden agreed to release the lien on the 20.5% interest in Houston South Mason, and personally pay certain judgements and taxes. Store It agreed to the allocation of certain sale proceeds from properties in which both Store It and ASR held an interest as well as authorizing the sale of such properties through ASR’s bankruptcy case. Store It did not release the proof of claim filed against ASR’s bankruptcy estate which was a protective claim with no dollar amount. It was anticipated with the settlements resolving the concerns that Store Its claim in the ASR Bankruptcy would be withdrawn..

As a result of the ASR bankruptcy and prior control of Store It’s records as an advisor to Store It, Store It had difficulty obtaining financial information and reports related to properties in which it held an interest. This in turn, led to the inability to provide stockholders with important information related to Store It’s operations and interests.

2. Pre-petition Property Sales

In 2016, Store It listed the properties commonly known as Grissom, Laredo and Blanco. Numerous offers were obtained, and management sold the three assets. Shortly after the sales closed, Store It issued a \$2.00 dividend per share which was distributed to shareholders on or around August 1, 2016.

Although most special dividend/return of capital checks were timely deposited, several checks remained outstanding months after the issuance. Although Store It voided the checks, it

did not segregate the unpaid funds. As such, several shareholders are listed as unsecured creditors in the amount to the unclaimed check for the special dividend that would have been paid.

3. The Shareholder Suit

In May 2017, several shareholders of Store It filed suit against Store It alleging that Store It, through Carden, had improperly withheld Store It's books and records from them. The case was styled as *Sutphin et al. v. Store It REIT, Inc.*, Case No. 30-2017-00917565-CU-MC-CJC, Superior Court of California, County of Orange (the "**Shareholder Suit**"). Although not asserted as claims in the Shareholder Suit, the allegations in the shareholders' complaint take the position that actions taken by Carden's and/or Store It's action as they related to the ASR Settlement were improper. As a result, the Committee, which includes some of the plaintiffs in the Shareholder Suit, believes that the actions taken by Carden during the ASR bankruptcy were malfeasance and that they have claims and causes of action against Carden and other insiders arising from this transaction.

4. The Fort Worth Litigation

Before 2015, the River Oaks Property was managed by Evergreen Realty Property Management, LLC ("**Evergreen Management**"). American Spectrum Management Company ("**ASMC**") became the sub-manager of the River Oaks Property in January 2010. Ultimately the River Oaks Property was transferred to River Oaks LLC by special warranty deed. In June 2015, after the filing of the ASR bankruptcy case, River Oaks LLC terminated the services of ASMC. Although ASMC's services were terminated, Store It maintained its interests in the River Oaks Property.

After the termination, Store It was unable to obtain information from River Oaks LLC regarding the River Oaks Property and distributions made thereunder. In September 2016, River Oaks Self Storage TIC 4, Evergreen and Store It filed suit against River Oaks Storage, LLC alleging breach of contract, requesting specific performance and a declaratory judgment as to its rights to River Oaks LLC's records and rights to manage River Oaks LLC (the "**River Oaks Litigation**").⁶ Specifically, they asserted that River Oaks LLC (1) failed to provide books and records to River Oaks TIC 4 and Store It; (2) prevented Store It from participating in management of River Oaks LLC; and 3) improperly stopped River Oaks TIC 4 from nominating any other manager as required under the LLC Agreement.

After the filing of the suit, River Oaks LLC learned that River Oaks TIC 4, the entity who owned the interest in River Oaks, LLC and the River Oaks Property, erroneously filed a Certificate of Cancellation with the Delaware Secretary of State on November 14, 2013 ("**Cancellation**"). At that point, River Oaks LLC took actions to declare that River Oaks TIC 4 was no longer a member

⁶ Case No. CIV-MS16-01910, *River Oaks Self-Storage TIC 4, LP et al. v. River Oaks Storage, LLC*, In the Superior Court of the State of California, Contra Costa County.

of River Oaks LLC and declared, unilaterally, that River Oaks TIC 4, and by extension Store It, had no interest in the River Oaks Property.

After learning of the erroneously filed Cancellation, Store It, Evergreen and River Oaks TIC 4 took steps to correct it. Reinstating River Oaks TIC 4 only required some ministerial actions and the payment of taxes. Under Delaware law, a Certificate of Cancellation filed prior to the completion of winding up a limited partnership can be corrected as an erroneously executed certificate of cancellation by filing a Certificate of Correction with the Delaware Secretary of State. Delaware law allows Certificates of Correction to operate retroactively to the extent it would not substantially and adversely affect anyone. Store It has asserted and continues to assert that River Oaks LLC was not substantially and adversely affected by the Certificate of Correction because River Oaks LLC operated for years without the knowledge of the erroneously filed Cancellation and the Cancellation did not affect the company or its operations in any way.

The dispute remains ongoing. As a result of River Oaks LLC's actions, Store It did not and has not received any distributions from revenues of the River Oaks Property and it has not had access to River Oaks LLC's books and records. This suit further diminished Store It's ability to properly fund and manage its business operations.

Store It will initiate an Adversary Proceeding before a hearing on the Disclosure Statement seeking a declaratory judgment as to its ownership interest among other relief.

5. Hurricane Harvey

Finally, in August 2017, Hurricane Harvey struck the Houston Area, where the Houston South Mason Property is located. Although the property did not suffer substantial direct damage, it did suffer many moveouts affected the business. This along with all other factors described above ultimately led to the filing of Store Its bankruptcy. Occupancy declined. Store It has been informed that if it funded minor repairs to the A/C system that the occupancy could go up. Store It reached out to the Committee to confer regarding same and the Committee appears to object to seeking to have Store It fund the repairs. Store It is considering options and may file a motion to approve the payment of such costs for the other entity to maximize the value of Store It's interest.

C. Store It's Financial Situation as of Petition Date

1. Pre-Petition Assets

As of the filing date Store It's principal assets consisted of cash, interests, net operating loss carryforward, unpaid distributions, note receivables an potential claims valued at approximately \$7.8 million.

Following is a table summarizing the value of these assets reflected on the schedules as of the Petition Date:

Property	Approximate Value
Cash and Bank Deposits	\$30,500.00
Interests	\$3,200,000
Net Operating Loss Carryforward	\$3,358,204.00
Unpaid Distributions	\$65,084.00
Notes Receivables (interest not included in value)	\$350,000.00
Unpaid Distributions from River Oaks	\$60,924.00
Ft. Worth Monthly Distributions	\$1,717
Houston South Mason Account Receivable/loan for improvements to property	\$749,000
Claims against insiders/third parties	Unknown ⁷

2. Pre-Petition Unsecured Liabilities Scheduled by Store It

As of the Petition Date, Store It's scheduled uncontested general unsecured liabilities of trade creditors totaled approximately \$802,302.56.

The Claims Analysis of Store It will be marked **Exhibit B** and will be supplemented after the Bar Date has run.

D. Operations During Bankruptcy

Store It has operated its business as Debtor-in-Possession since the Petition Date and has not made any extraordinary disposition or acquisition of assets since that date.

⁷ One potential claim against Jay Carden for the reimbursement of legal fees paid by Store It is scheduled in the amount of \$276,325.84, plus any direct expenses paid by Store It for legal fees to the extent for the benefit of Mr. Carden. Store It has not asserted that the amounts are subject to full recovery, but that such amounts should be reviewed by an independent lawyer. The Committee believes that the recoverable amount totals \$281,000.00. Remaining claims against insiders and third parties have been scheduled at unknown values. The Committee sent a letter on August 7, 2018 with allegations of malfeasance and other claims. The D&O insurer was put on notice of such claims.

E. Significant Events in this Chapter 11 Case

1. Employment Applications filed by Store It

Application to Employ Hoover Slovacek LLP as Counsel for Store It (Doc. No. 20). This pleading was filed on May 10, 2018 and an order authorizing this employment was entered June 1, 2018. (Doc No. 28). *Application to Authorize Employment of Carr Riggs & Ingram, LLC as Accountants Pursuant to 11 U.S.C. §§ 327(a) and 328(a) (Docket No. 43).* On August 6, 2018, Store It filed this application to authorize Carr Riggs & Ingram, LLC (“**CRI**”) to prepare and file necessary tax returns for Store It. It was disclosed in the application that CRI has previously prepared tax returns for both Store It and Carden. On August 17, 2018 the Committee filed an objection to the employment of CRI because they had a pending motion to appoint an examiner. (Doc No. 52). As of August 24, 2018, an order authorizing the employment of CRI has not been entered.

Application to Employ Columbia Consulting Group, PLLC as Financial Advisor (Docket No. 48). On August 14, 2018, Store It filed an application to employ Jeffery A. Worley of Columbia Consulting Group (collectively “**CCG**”), as a financial advisor to assist Store It with soliciting, evaluating and potentially effectuating secured DIP or exit financing. As explained above, Store It is at a critical point in the development of the Houston South Mason Property and it has been recommended to Store It that certain capital investments be made to the Houston South Mason Property to increase its value and occupancy. CCG would potentially assist Store It and/or the Liquidating Trustee in finding such financing. On August 20, 2018, the Committee filed a limited objection to CCG’s employment apparently on a premise that the Bankruptcy should be stalled until its Motion to Appoint an Examiner is heard and an examiner appointed tasked with investigation of the potential claims against Carden to the detriment of working forward on a parallel try to preserve value, improve value and security DIP and/or Exit Financing for a Plan. (Doc No. 58). The Committee has requested that the Bankruptcy Court stay its determination of whether CCG should be employed.

2. Appointment of Committee and Pleadings Filed by Committee

Notice of Appointment of a Committee of Equity Security Holders (Doc. No. 30). On July 3, 2018, the United States Trustee sent notice of the appointment of the Committee which consists of Store It’s shareholders.

Application to Employ Polsinelli PC as Counsel to the Official Committee of Equity Security Holders of Store It REIT, Inc. (Doc. No. 35). This pleading was filed on July 13, 2018 and an order authorizing this employment was entered August 16, 2018. (Doc. No. 50).

Application to Employ Dunn Carney Allen Higgins & Tongue LLP as Special Counsel to The Official Committee of Equity Security Holders of Store It REIT, Inc. (Doc. No. 42). The Committee filed this application on July 27, 2018 to employ Dunn Carney Allen & Tongue, LLP

(“**Dunn Carney**”) for the special purpose of pursuing malfeasance claims against Carden and providing corporate governance work on behalf of the Committee. See, Page 6 – 7.

On August 17, 2018 Store It filed an objection to the application to employ Dunn Carney as special counsel. (Doc. No. 54). On August 19, 2018 an amended objection was filed. (Doc. No. 56). The objections relate to Rathbone’s potential conflicts of interest given her prior involvement in the Shareholder Suit, inconsistent positions which present additional potential conflicts with representing the Committee, and the retention of two different law firms with no notably different skill sets. As explained herein and provided in the Plan, Store It intends to transfer any and all claims it may have against Carden and/or any insiders to the Liquidating Trustee to evaluate and prosecute if appropriate.

Emergency Motion of the Official Committee of Equity Security Holders of Store It REIT, Inc. to Appoint and Examiner pursuant to 11 U.S.C. § 1104(c) (Docket No. 51). On August 17, 2018 the Committee filed an application to appoint an examiner to review Store It’s books and records and determine whether there has been fraud, malfeasance, misconduct, incompetence, or mismanagement in the affairs of Store It by its management. Given the state of the case and the proposal to appoint a Liquidating Trustee to investigate these claims, Store It believes appointing an examiner at this time is unnecessary. Store It plans to file an objection to the Motion.

ARTICLE III CLASSIFICATION OF CLAIMS UNDER THE PLAN

Total distributions shall not exceed the amount of any Allowed Claim, with interest. The Effective Date shall be on the 15th day following entry of the Confirmation Order.

A. Administrative Expenses and United States Trustee Fees

In accordance with Section 1123(a)(1) of the Bankruptcy Code, certain Claims identified in Article III.A have not been classified and thus are excluded from the Classes of Claims and Interests set forth in this Article III. These unclassified Claims are treated as follows.

1. Payment to Professionals.

All payments to professionals for actual, necessary services and costs advanced in behalf of the bankruptcy up until the Confirmation Date shall be pursuant to Bankruptcy Court order and subject to the restrictions of Section 330 of the Bankruptcy Code. Professional fees incurred for services rendered and costs advanced subsequent to the Effective Date shall be the liability of The Liquidating Trustee.

2. Payment of United States Trustee Fees Incurred Prior to Confirmation.

All fees incurred pursuant to 28 U.S.C. § 1930(a)(6) for time periods prior to entry of Order Confirming Plan shall be paid by Store It on or before the Effective Date.

The Liquidating Trustee shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6) after entry of Order Confirming Plan. After confirmation, the Liquidating Trustee shall file with the Bankruptcy Court and serve on the United States Trustee a quarterly financial report for each quarter (or portion thereof) the case remains open in a format prescribed by the United States Trustee and provided to Store It by the United States Trustee.

B. Classification of Secured and Unsecured Claims

All Claims and Interests, except for Claims identified in Article III.A, are placed in the Classes as set forth below.

A Claim or Interest is placed in a particular Class only to the extent the Claim or Interest falls within the description of that Class and classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class only for the purpose of voting on, and receiving distributions pursuant to, the Plan to the extent such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date.

Under the Plan, Claims and Interests are classified as follows:

Class	Description	Status	Voting Rights
1	Allowed Tax Claims	Impaired	Entitled to Vote
2	Allowed Non-Professional Administrative Claims	Impaired	Entitled to Vote
3	Allowed General Unsecured Creditor Claims	Unimpaired	Entitled to Vote
4	Allowed Interests of Equity Holders	Unimpaired	Presumed to Accept

In the event a controversy or dispute should arise involving issues related to the classification, impairment or voting rights of any Creditor or Interest Holder under the Plan, prior to the Confirmation Date, the Bankruptcy Court may, after notice and a hearing, determine such controversy. Without limiting the foregoing, the Bankruptcy Court may estimate for voting purposes the amount of any contingent or unliquidated Claim, the fixing or liquidation of which, as the case may be, would unduly delay the administration of the Chapter 11 Cases. In addition, the Bankruptcy Court may in accordance with Section 506(b) of the Bankruptcy Code conduct valuation hearings to determine the Allowed Amount of any Secured Claim.

C. Treatment of Claims and Interests Under Plan

Certain Claims are not classified under the Plan, and are not entitled to vote on the Plan. The treatment of these Claims is set forth in Article III.A., *supra*.

The table below summarizes the classification and treatment of the prepetition Claims and Interests under the Plan. This summary is qualified in its entirety by reference to the provisions of the Plan.

The Proof of Claim general bar date is August 27, 2018, and the Government proof of claim Bar Date is October 29, 2018. The claims analysis and liquidation analysis under Chapter 7 will be provided in a Supplement after the claim deadlines have run.

Class	Type of Claim or Equity Interest	Treatment of Claims or Interests
1	Priority	Allowed Tax Claims shall be paid in full from the proceeds of the Liquidating Trust on a pro-rata basis until such claims are paid in full.
2	Administrative	Each Holder of an Allowed Non-Professional Administrative Claim shall be paid from the proceeds of the Liquidating Trust Assets on a pro-rata basis until such claims are paid in full.
3	Unsecured	Except to the extent that the holder of an Allowed General Unsecured Claim and Store It and/or the Liquidating Trustee agree to different treatment, the holders of each Allowed Class 3 Claim shall receive a pro rata distribution from proceeds of the Liquidating Trust Assets payable by the Liquidating Trustee upon the sale of Store It's assets until such claims are paid in full.
4	Equity Interests including shares, tracking units or any other form of equity	Holders of Allowed Class 4 Interests will retain an interest in the Liquidating Trust to the same extent as the held against Store It as of the Petition Date. There shall be no distribution under the Plan on account of Allowed Class 4 Interests unless and until all Allowed Class 1, Class 2, and Class 3 Claims are paid in full. Thereafter, each Holder of an Allowed Class 4 Interest shall received a pro rata distribution form the proceeds of the Liquidating Trust Assets. The Plan leaves unaltered the legal, equitable, and contractual rights to which such interest entitles the holder of such interest.

The Record Date for Equity Interests shall be the Petition Date.

D. Other Claims Matters

1. Satisfaction of Claims and Interests.

Holders of Claims and Interests shall receive the distributions provided for in the Plan, if any, in full settlement and satisfaction of all such Claims, and any interest accrued thereon, and all such Interests.

2. Assumption and Rejection of Executory Contracts.

Store It will reject all Executory Contracts except for those previously assumed by Bankruptcy Court Order or those listed on **Exhibit A** to the Plan. Any Claims arising from rejection of an executory contract or lease must be filed on or before twenty (20) days from the Effective Date. Otherwise, such Claims are forever barred and will not be entitled to share in any distribution under the Plan. Any Allowed Claims arising from rejection of Executory Contracts, if timely filed and allowed, will be paid as a Class 3 General Unsecured Claim.

3. Objections to Claims.

The Liquidating Trustee shall, on and after the Effective Date, have the right to make and file objections to Claims. Unless otherwise ordered by the Bankruptcy Court, all objections to Claims that are the subject of proofs of claim or requests for payment filed with the Bankruptcy Court shall be filed and served no event later than one hundred twenty (120) days after the Effective Date.

4. Prosecution of Objections.

On and after the Effective Date, except as the Bankruptcy Court may otherwise order, the filing, litigation, settlement or withdrawal of all objections to Claim and Litigation Assets may be made by the Liquidating Trustee.

5. Disallowance of Claims.

All Claims held by Persons against whom Store It or its Bankruptcy Estate have asserted a Claim or Cause of Action under Sections 522(f), 522(h), 542, 543, 544, 547, 548, 549, 550, 551, 553, or 724(a) of the Bankruptcy Code, including, without limitation, the Chapter 5 Actions, shall be deemed disallowed pursuant to Section 502(d) of the Bankruptcy Code, and holders of such Claims may not vote to accept or reject the Plan until such time as such Claims or Causes of Action against the Person have been settled or a Final Order entered and all sums due Store It by that Person are turned over to Store It.

6. Disputed Claims.

Except as otherwise provided in the Plan, no payments shall be made with respect to all or any portion of a Disputed claim unless and until any and all objections to such Disputed Claim have been determined by a Final Order. Payments and distributions to each holder of a Disputed Claim, to the extent that the Disputed Claim ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan. Any payments that would have been made prior to the date on which a Disputed Claim becomes an Allowed Claim shall be made as soon as practicable after the date that the order or judgment of the Bankruptcy Court determining such Claim to be an Allowed Claim becomes a Final Order.

For purposes of the Plan, any and all Claims that are subject to disallowance pursuant to Bankruptcy Code Sections 502(e) and 509 shall be deemed to be disallowed as of the Confirmation Date, notwithstanding the absence of any objection thereto.

**ARTICLE IV
MEANS OF EXECUTION OF PLAN**

The Liquidating Trustee shall fund distributions under the Plan as follows:

A. Cash on Hand at Store It.

Store It shall use Cash on hand to fund distributions to certain Holders of Claims against Store It in accordance with the Plan. All Cash will be subject to the Liquidating Trust for administration by the Liquidating Trustee.

B. Distributions from Properties

Store It is receiving \$1,717 per month in distributions from the Fort Worth Property. In addition, if Store It is successful in the Adversary Proceeding that will be filed related to River Oaks, Store It should be entitled to recover unpaid distributions from the River Oaks property and receive distributions thereafter from the same. These funds will be used to fund distributions under the Plan.

C. Recommendation on Houston South Mason Property

Store It has been soliciting investors purchases of the Houston South Mason Property “as is.” Store It has an appraisal from August 2016 valuing the Houston South Mason Property at \$4 million. To date, Store It has received one written offer for the Houston South Mason Property, as-is, for \$4.4 million from Merit Hill Capital, LP. In addition, Store It has been engaged in preliminary talks with a second potential buyer who is expected to make an offer. Should either of these offers or any subsequent offer be accepted, such net proceeds would be used to fund distributions under the Plan. The property was not being marketed for sale and the interest in the properties shows significant interest and likelihood of a sale that exceeds all secured Store It providing a distribution to Store It.

Store It contends that if minor repairs were made and/or if the Houston South Mason Property were built out further occupancy would improve increasing the ultimate value of the property. Management for the Houston South Mason Property believes that some climate control and unit door repairs and improvements along with signage improvements will facilitate an increase in the current occupancy from the in the 70% range to approximately 90%. This in turn would result in an increased net operating income of approximately \$180,000 per year to approximately \$389,000 per year. Assuming a sale capitalization rate of 6% the gross value of the property would increase to approximately \$6.6 million.

In addition, Store It believes construction of a final building of at least 12,000 sq. ft. could also be beneficial to the estate. Given current market conditions, Store It estimates it would cost approximately \$600,000 to build out the space. Store It would be responsible for 75% of the costs or about \$450,000. At the current unit market rate of \$0.90 per sq. ft for climate-controlled storage space (plus miscellaneous income of \$0.10) and assuming obtaining occupancy of 90%, the additional space would result in \$141,000 of operating income per year. Discounting marginal operating costs of \$0.20 per sq. ft for insurance, tax and staff as estimated by Management, or approximately \$24,000 annually, the net operating income would increase by an estimated \$112,000 per year. Again, assuming a sale capitalization rate of 6% the marginal value of the build out would result in an increased gross value of \$1,950,000. Deducting the costs of construction of \$600,000, this could result in a net increase in value of \$1,350,000 for the Houston South Mason Property. Of course, such avenue would require an investment of time and would delay sale.

D. Liquidating Trust

Pursuant to the Plan, a Liquidating Trust will be established on the Effective Date. The purpose of the Liquidating Trust is (i) to receive, as of the Effective Date, all assets of Store It's Bankruptcy Estate, including, without limitation, the Litigation Assets, as defined below, and any and all other information, documents, electronic information, stored information and documents, communications, all as may be specifically described in the Liquidating Trust Agreement, (ii) to liquidate any assets of Store It, including, but not limited to, its interests in Houston South Mason, Fort Worth and River Oaks, (iii) to review, evaluate and, if appropriate, pursue the Litigation Assets, and (iv) to distribute any and all proceeds from the liquidation of the assets and recoveries from the Litigation Assets to the Holder of Claims and Interests in the order and amount as provided herein and in the Plan.

In furtherance of and consistent with the purpose of the Liquidating Trust and the Plan, the Liquidating Trustee shall (i) hold all the Liquidating Trust Assets, including, but not limited to, the Litigation Assets for the benefit of the holders of Allowed Claims and Interests described herein, (ii) reconcile Claims (including to object to, seek to subordinate, recharacterize or settle such Claims) (iii) have sole authority to manage Store It's business affairs, including, without limitation, the authority and power, without further order of the Bankruptcy Court, to incur debt for the purpose of improving and/or building the final Phase of the South Mason, and (iv) without further order of the Bankruptcy Court (a) have the power and authority to prosecute and resolve, in the names of Store Its and/or the Liquidating Trustee, any Litigation Assets, (b) liquidate, transfer or otherwise dispose of the any Liquidating Trust Asset or any part thereof or any interest therein upon such terms as the Liquidating Trustee determines to be necessary, appropriate or desirable, (c) terminate the Liquidating Trust in accordance with the terms of the Plan and the Liquidating Trust Agreement, (d) provide quarterly reports filed with the Bankruptcy Court while the Liquidating Trust is active, (e) sell, liquidate, dispose of or abandon Liquidating Trust Assets and (f) distribute any Liquidating Trust Net Proceeds from the sale, settlement or recovery of the Liquidating Trust Assets to the Holders of Claims and Interests as provided herein and in the Plan.

The Liquidating Trustee shall be responsible for all decisions and duties with respect to the Liquidating Trust and the Liquidating Trust Assets. In all circumstances, the Liquidating Trustee shall act in the best interests of all current beneficiaries of the Liquidating Trust and in furtherance of the purposes of the Liquidating Trust. The Liquidating Trustee shall not be required to give any bond or surety or other security for the performance of his duties unless otherwise ordered by the Bankruptcy Court.

All fees, expenses, and costs of the Liquidating Trust shall be paid from any Liquidating Trust Assets, and the Liquidating Trustees shall not be responsible for any fees, expenses, and costs of the Liquidating Trust. The material terms of the Liquidating Trustee's compensation are included in the Liquidating Trust Agreement which shall be provided in a Supplement upon selection of the Liquidating Trustee.

E. Preservation of Claims and Causes of Action

The following claims and causes of action (the "**Litigation Assets**") will be preserved, and, as of the Effective Date, will be transferred to the Liquidating Trustee to investigate, evaluate and pursue in his sole discretion.

1. Avoidance Actions

Under Section 547 of the Bankruptcy Code, a debtor's bankruptcy estate may recover certain preferential transfers of property, including cash, made while insolvent during the 90 days immediately prior to the filing of its bankruptcy petition with respect to pre-existing debts, to the extent the transferee received more than it would have in respect of the pre-existing debt had Store It been liquidated under chapter 7 of the Bankruptcy Code. In the case of "insiders," the Bankruptcy Code provides for a one (1) year preference period.

There are certain defenses to preference recoveries. Transfers made in the ordinary course of Store It's and transferee's business according to the ordinary business terms in respect of debts less than 90 days before the filing of a bankruptcy are not recoverable. Additionally, if the transferee extended credit subsequent to the transfer (and prior to the commencement of the bankruptcy case), such extension of credit may constitute a defense to recovery, to the extent of any new value, against an otherwise recoverable transfer of property. If a transfer is recovered by the estate, the transferee has an Unsecured Claim against Store It to the extent of the recovery.

On August 24, 2018, Store It filed an Amended Statement of Financial Affairs which includes, among other information, a list of potentially preferential transfers made within the preference period. Copies of Store It's Statement of Financial Affairs and any amendments thereto filed in this bankruptcy case may be viewed online any time through the Bankruptcy Court's PACER System at www.txs.uscourts.gov. Creditors should be aware that payments received within the preference period may be subject to avoidance and recovery in a subsequent action by any Chapter 7 Trustee that may be appointed in this case if the Plan is not confirmed. **Upon the Effective Date, the Liquidating Trustee will be vested with the sole authority to review,**

initiate, and/or pursue any and all preference actions and all other avoidance actions under Chapter 5 of the Bankruptcy Code. Under Section 548 of the Bankruptcy Code and various state laws, a debtor may avoid as “constructive fraudulent transfers” certain obligations and may recover certain prepetition transfers of property, including the grant of a security interest in property, incurred or made while insolvent to the extent Store It receives less than fair (or “reasonably equivalent”) value for such obligations or property. In addition, avoidance actions exist under Sections 544, 545, 549 and 553(b) of the Bankruptcy Code that allow a debtor to avoid and/or recover certain property. As of the date of the distribution of this Disclosure Statement, Store It has not analyzed whether any transfers made by Store It are subject to challenge as constructive fraudulent transfers. Any and all such potential claims and causes of action will be preserved and transferred to the Liquidating Trustee who will pursue this investigation and analysis if appropriate. **Upon the Effective Date, the Liquidating Trustee will be vested with the sole authority to review, initiate, and/or pursue any and all avoidance actions under 544, 548, 545, 549 or 553(b) of the Bankruptcy Code.**

As of the date of the distribution of this Disclosure Statement, Store It has not yet estimated the potential recovery from the prosecution of their Avoidance Actions. Under the Plan, the Avoidance Actions belonging to Store It’s Bankruptcy Estate are specifically reserved and the Liquidating Trustee will have the exclusive authority as a representative of the Bankruptcy Estate to investigate and prosecute all such Avoidance Actions in accordance with Section 1123(b)(3) of the Bankruptcy Code.

2. Causes of Action Against Insiders

In its Schedules, Store It has disclosed potential claims and causes of action it may have against interest holders or directors/officers of Store It including, but not limited to, claims for negligence, breach of contract, failure to provide accounting and/or inspection of records, conversion, breach of fiduciary duty and failure to make distribution. In addition, Store It has identified one potential claim against William Jay Carden for the reimbursement of legal fees paid by Store It for Carden’s benefit to the extent it is determined the legal expenses were personal and not covered by Store It indemnification agreement, Virginia law and/or the indemnification provisions in the Articles of Incorporation. Store It is expressly retaining these claims for the benefit of the Liquidating Trust.

Under the terms of Store It’s Articles of Incorporation, any director, advisor or affiliate of Store It, as defined therein, is potentially entitled to indemnification for any act or omission performed or omitted to be performed on behalf of Store It in such capacity. In addition, Virginia law provides that an officer or director of a corporation who is sued in that capacity may also be reimbursed for expenses in defending a suit of expenses and may also apply to the court to require the corporation to indemnify him/her. Va. Code. Ann. §§ 13.1-698, 13.1-700.1, 13.1-702. Finally, Mr. Carden and his entity ASJ Realty have contractual indemnity agreements with Store It. Mr. Barrett and Mr. Itzel also have a written indemnity agreement with Store It.

On the Effective Date, all potential claims and causes of action Store It may have against its managers, officers, directors, insiders and/or affiliates will be preserved and transferred to the Liquidating Trustee to review, evaluate, prosecute, and settle as described herein and the Liquidating Trust Agreement.

3. Other Retained Claims and Causes of Action

In addition to the Avoidance Actions described above, Store It has claims and potential Causes of Action against third parties which, if successful, could generate additional Cash or result in the reduction or elimination of Claims against Store It's Bankruptcy Estates.

Store It may have claims and/or Causes of Action for, without limitation, commercial torts, tortious interference with contractual and/or business relations, unfair competition, breach of contract, loss of income, setoff, recoupment, fraud, fraudulent inducement, misrepresentation, fraudulent or negligent omission, fraudulent or preferential transfers arising other than under the United States Bankruptcy Code, conversion, replevin, lender liability, recharacterization of debt as equity, equitable subordination, challenges as to the extent, priority and validity of any purported claims, liens and/or security interests, injury to property and/or title to property, negligence, recklessness, conspiracy, aiding and abetting, breach of fiduciary duty, breach of confidential relationship, mismanagement, violation of securities laws, self-dealing, usurpation of corporate opportunity, insolvent trading, breach of duty of loyalty, allowing, authorizing and/or receiving unlawful or improper distributions, unreasonable related party transactions, uncommercial transactions, improper redemption of equity interests, breach of duty of good faith, breach of duty to provide information, breach of duties of care and/or diligence, failure to make informed decisions, improper use of information to gain improper advantage and other, similarly grounded claims and Causes of Action against, without limitation, current and/or former shareholders, members, equity interest holders, debt holders, partners, prospective joint venture participants, joint venture participants, prospective contracting parties, contracting parties, prospective purchasers, purchasers, prospective sellers, sellers, directors, officers, managers, employees, agents, contractors, insurers, sureties, investment bankers, consultants, advisors, representatives, competitors, vendors and/or other creditors of Store It and/or entities affiliated with or otherwise related to any of the foregoing. Except as otherwise specifically provided by the Plan, all claims and Causes of Action will be retained under the Plan and transferred to the Liquidating Trustee to be prosecuted for the benefit of creditors.

Specifically, Store It retains its interests in the following lawsuits:

- Cause No. CIV-MSC16-01910, *River Oaks Self-Storage TI 4, LP v. River Oaks Storage LLC*, In the Superior Court of California, Contra Costa County including a declaratory judgment action to establish ownership and distributions comparable to other equity invested in River Oaks.
- Claims against Plaintiffs in the Shareholder Suit and/or their counsel, including but not limited Ms. Rathbone, for legal fees, tortious interference with contract,

barratry, malicious prosecution, abuse of process, fraudulent misrepresentation, disparagement, quantum meruit, and, promissory estoppel.

- Claims related to any allegations asserted by Plaintiffs in the Shareholder Suit which give rise to an actual claim Store It has against Carden or any other party/person noted in the Shareholder Suit Complaint.

F. Disbursing Agent.

The Liquidating Trustee shall act as the Disbursing Agent. If the Liquidating Trustee chooses not to act as the Disbursing Agent, then it shall designate a substitute.

G. Vesting of Property of the Bankruptcy Estate in the Liquidating Trustee.

Except as otherwise provided in the Plan, upon the Effective Date of the Plan, all property of Store It and of its Bankruptcy Estate, including the Litigation Assets, shall vest in the Liquidating Trustee free and clear of liens, claims and encumbrances except as otherwise provided by the Plan or by applicable law. Except as otherwise provided in the Plan, the Liquidating Trustee may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

H. Other Provisions of the Plan

1. Conditions to Confirmation.

Confirmation of the Plan shall not occur and the Bankruptcy Court shall not enter the Confirmation Order unless (a) all of the requirements of the Bankruptcy Code for confirmation of the Plan with respect to Store It shall have been satisfied. In addition, confirmation shall not occur, the Plan shall be null and void and of no force and effect, and the Plan shall be deemed withdrawn unless the Bankruptcy Court shall have entered all orders (which may be orders included within the Confirmation Order) required to implement the Plan.

2. Waiver and Nonfulfillment of Conditions to Confirmation.

Nonfulfillment of any condition to confirmation of the Plan may be waived only by Store It. In the event that Store It determines that the conditions to the Plan's confirmation which it may waive cannot be satisfied and should not, in its discretion, be waived, Store It may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

3. Confirmation Order Provisions for Pre-Effective Date Actions.

The Confirmation Order shall empower and authorize Store It to take or cause to be taken, prior to the Effective Date, all actions which are necessary to enable it to implement the provisions of the Plan and satisfy all other conditions precedent to the effectiveness of the Plan.

4. Binding Effect.

As provided for in Section 1141(d) of the Bankruptcy Code, the provisions of the Plan shall bind Store It, any entity acquiring property under the Plan and any Creditor, Interest Holder, or shareholder of Store It, whether or not the Claim or Interest of such Creditor or Interest Holder is impaired under the Plan and whether or not such Creditor or Interest Holder has accepted the Plan. After confirmation, the property dealt with by the Plan shall be free and clear of all Claims and Interests of Creditors and Interest Holders, except to the extent as provided for in the Plan as the case may be. The Confirmation Order shall contain an appropriate provision to effectuate the terms of paragraph 13.1 of the Plan.

5. Discharge.

Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Effective Date, Store It 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.

6. Plan Injunction.

The Confirmation Order shall include a permanent injunction prohibiting the collection of Claims in any manner other than as provided for in the Plan. All Holders of Claims shall be prohibited from asserting against Store It or any of its assets or properties, any other or further Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not such Holder filed a proof of Claim. Such prohibition shall apply whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under Section 502 of the Bankruptcy Code; or (c) the Holder of a Claim based upon such debt has accepted the Plan.

7. Preservation of Setoff Rights.

In the event that Store It has a Claim of any nature whatsoever against the Holders of Interests, Store It may, but is not required to setoff against the Claim (and any payments or other distributions to be made in respect of such Claim hereunder), subject to the provisions of Section 553 of the Bankruptcy Code. Neither the failure to setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by Store It of any Claim that Store It has against the Holder of Claims. Neither this provision nor the injunctive provision of the Confirmation Order shall impair the existence of any right of setoff or recoupment that may be held by a Creditor herein; provided that the exercise of such right shall not be permitted unless the Creditor provides Store It with written notice of the intent to effect such setoff or recoupment. If Store It or the Disbursing Agent, as applicable, objects in writing within twenty (20) business days following the receipt of such notice, such exercise shall only be allowed upon order of the Bankruptcy Court. In

the absence of timely objection, the Creditor may implement the proposed setoff or recoupment against the Claim held by the Bankruptcy Estate.

8. Releases.

On the Effective Date and pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code, Store It, the Liquidating Trustee, and to the maximum extent provided by law, its agents release and forever discharge all claims, including acts taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into or any other act taken or entitled to be taken in connection with the Plan or this case against the following, whether known or unknown:

- William Jay Carden, Patrick Barrett and John Itzel, Store It, their employees, agents, affiliates attorneys and representatives (the “**Insider Released Parties**”), in connection with any and all claims and causes of action after the Confirmation Date. The release of these Insider Released Parties shall be conditioned upon the occurrence of the Effective Date. Neither the releases contemplated by this Article IV.F.9, nor any provisions of the Plan, shall release claims against non-debtor third parties or the potential claims that may be asserted against the Insider Related Parties for pre-petition acts as described in Article IV.E.
- Store It’s Professionals will be released from any and all claims and liabilities other than gross negligence and willful misconduct or except as otherwise provided under the Professional Code of Responsibility.

9. Exculpation.

As of the Effective Date, the Liquidating Trustee, Disbursing Agent, and Store It Officers, board of directors, and attorneys shall be and hereby are exculpated by all Persons, including without limitation, all Holders of Claims, Holders of Equity interests, and other parties-in-interest, from any and all Claims, Causes of Action and other assertions of liability arising out of or related to the discharge of their respective powers and duties conferred by the Plan, the Liquidating Trust Agreement or any order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan, or applicable law or otherwise, except for actions or omissions to act that are determined by final order of the Bankruptcy Court to have arisen out of their own respective intentional fraud, criminal conduct, gross negligence or willful misconduct. No Liquidating Trust beneficiary, Holder of a Claim, Holder of an Equity Interest, or other party-in-interest shall have or be permitted to pursue any claim or cause of action against the Liquidating Trustee or Disbursing Agent, the Liquidating Trust, the employees, professionals, agents, or representatives of either the Liquidating Trustee or the Liquidating Trust, for making payments in accordance with, or for implementing, the provisions of the Plan, the Confirmation Order and the Liquidating Trust Agreement. Any action

taken or omitted to be taken with the express approval of the Bankruptcy Court shall conclusively be deemed not to constitute gross negligence or willful misconduct.

10. Lawsuits.

On the Effective Date, all lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of Claims against Store It except proof of Claims and/or objections thereto pending in the Bankruptcy Court shall be dismissed as to Store It and the Liquidating Trustee. Such dismissal shall be with prejudice to the assertion of such Claims in any manner other than as prescribed by the Plan. All parties to any such action shall be enjoined by the Bankruptcy Court by the Confirmation Order from taking any action to impede the immediate and unconditional dismissal of such actions. All lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of a claim(s) by Store It or any entity proceeding in the name of or for the benefit of Store It against a person shall remain in place only with respect to the claim(s) asserted by Store It or such other entity, and shall become property of the Liquidating Trustee as may be applicable, to prosecute, settle or dismiss as it sees fit.

I. Claims Bar Dates

1. Administrative Claims Bar Date.

Any holder of an Administrative Claim against Store It, except for expenses incurred in the ordinary course of operating Store It's business, and Claims of governmental units as provided in Section 503(b)(1)(D) of the Bankruptcy Code, shall file proof of such Claim or application for payment of such Administrative Claim on or within 120 days after the Confirmation Date, with actual service upon the Liquidating Trustee or such Holder's Administrative Claim will be forever barred and extinguished and such Holder shall, with respect to any such Administrative Claim be entitled to no distribution and no further notices. To the extent, if any, post-petition taxes are due to the Comptroller on or before the Effective Date, they shall be paid in full on the Effective Date in accordance with Section 1129(a)(9)(A) of the Bankruptcy Code. To the extent, if any, post-petition taxes have been incurred by Store It but are not yet due as of the Effective Date, those taxes shall be paid when due under and in accordance with state law.

2. Claims Bar Date.

The deadline for filing a proof of claim for unsecured claims (other than a claim for damages stemming from the rejection of an executory contract or lease) is **August 27, 2018**. The deadline for filing governmental proofs of claim is **October 29, 2018**.

3. Rejection Damage Claim Bar Date.

An Unsecured Claim arising from the rejection of an executory contract or unexpired lease must be filed no later than twenty (20) days after the Effective Date.

ARTICLE V LIQUIDATING TRUST

A. General.

On the Effective Date, Store It and the Liquidating Trustee shall execute the Liquidating Trust Agreement and shall take all other necessary steps to establish the Liquidating Trust and the beneficial interests therein. Such Liquidating Trust Agreement may provide powers, duties, and authorities in addition to those explicitly stated herein, but only to the extent that such powers, duties, and authorities do not affect the status of the Liquidating Trust as a liquidating trust for United States federal income tax purposes, or otherwise materially affect the recovery of holders of Allowed Claims and Interests.

B. Purpose of Liquidating Trust.

The Liquidating Trust shall be established for the sole purpose of maximizing recovery of assets from liquidation of same and distributing the proceeds in compliance with Section liquidating and distributing the Liquidating Trust Assets.

C. Fees and Expenses of Liquidating Trust.

All fees, expenses, and costs of the Liquidating Trust shall be paid from any Liquidating Trust Assets, and the Liquidating Trustees shall not be responsible for any fees, expenses, and costs of the Liquidating Trust.

D. Assignment to and Funding of Liquidating Trust.

As of the Effective Date, Store It shall assign and transfer the Liquidating Trust Assets to the Liquidating Trust. The transfer(s) of the Liquidating Trust Assets shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use, or other similar tax and shall be free and clear of any Liens, claims, and encumbrances, and no other entity, including Store It, shall have any interest, legal, beneficial, or otherwise, in the Liquidating Trust or the Liquidating Trust Assets upon their assignment and transfer to the Liquidating Trust (other than as expressly provided herein or in the Liquidating Trust Agreement). The Liquidating Trustee shall also be authorized, on behalf of Store It and its Bankruptcy Estate, to pursue all objections, counterclaims and defenses against holders of Claims that are not waived or released pursuant to the Plan.

E. Governance of Liquidating Trust.

The Liquidating Trust shall be governed by the Liquidating Trust Agreement and administered by the Liquidating Trustee. Such Liquidating Trust Agreement shall comply with and such Liquidating Trustee shall administer the Liquidating Trust in accordance with applicable law.

F. Appointment of the Liquidating Trustee.

Upon entry of the Confirmation Order confirming the Plan, the approved Liquidating Trustee will be automatically appointed. In the event the Liquidating Trustee dies, is terminated, or resigns for any reason, a successor Liquidating Trustee shall be appointed in accordance with the terms of the Liquidating Trust Agreement.

G. Continuing Court Jurisdiction.

The Bankruptcy Court shall have continuing jurisdiction over all matters related to the Liquidating Trust.

H. Role of the Liquidating Trustee.

In furtherance of and consistent with the purpose of the Liquidating Trust and the Plan, the Liquidating Trustee shall (i) hold all the Liquidating Trust Assets, including, but not limited to, the Litigation Assets for the benefit of the holders of Allowed Claims and Interests described herein, (ii) reconcile Claims (including to object to, seek to subordinate, recharacterize or settle such Claims) (iii) have sole authority to manage Store It's business affairs, including, without limitation, the authority and power, without further order of the Bankruptcy Court, to incur debt for the purpose of improving and/or building the final Phase of the South Mason, and (iv) without further order of the Bankruptcy Court (a) have the power and authority to prosecute and resolve, in the names of Store Its and/or the Liquidating Trustee, any Litigation Assets, (b) liquidate, transfer or otherwise dispose of the any Liquidating Trust Asset or any part thereof or any interest therein upon such terms as the Liquidating Trustee determines to be necessary, appropriate or desirable, (c) move to administratively close the case, (d) terminate the Liquidating Trust in accordance with the terms of the Plan and the Liquidating Trust Agreement, (e) file quarterly reports with the Bankruptcy Court, (f) sell, liquidate, dispose of or abandon Liquidating Trust Assets and (g) distribute any Liquidating Trust Net Proceeds from the sale, settlement or recovery of the Liquidating Trust Assets to the Holders of Claims and Interests as provided herein and in the Plan.

I. Nontransferability of Liquidating Trust Interests.

The beneficial interests in the Liquidating Trust shall not be certificated and are not transferable.

J. Cash Investment.

The Liquidating Trustee may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code and the Liquidating Trust Agreement; provided, however, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

K. Retention of Professionals by the Liquidating Trustee.

The Liquidating Trustee may retain and reasonably compensate counsel and other professionals to assist in its duties as Liquidating Trustee on such terms as the Liquidating Trustee deems appropriate, including on a contingent fee basis, and without Bankruptcy Court approval. All fees, costs and expenses of any counsel or other professional retained by the Liquidating Trustee shall be paid from proceeds and revenues from the Liquidating Trust.

L. Compensation of the Liquidating Trustee.

The salient terms of the Liquidating Trustee's employment, including the Liquidating Trustee's duties and compensation, to the extent not set forth in the Plan, shall be set forth in the Liquidating Trust Agreement or the Confirmation Order. The Liquidating Trustee shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy proceedings.

M. Distributions from Liquidating Trust.

All distributions of Cash and property shall be made in accordance with the terms of the Liquidating Trust Agreement by the Liquidating Trustee as disbursing agent. The Liquidating Trustee shall distribute at periodic intervals as Cash becomes available, in accordance with the Liquidating Trust Agreement, all Cash on hand (including any Cash received from Store It on the Effective Date, and treating as Cash for purposes of this section M any permitted investments under Section J hereof), except such amounts (i) as would be distributable to a holder of a Disputed Claim, (ii) as are reasonably necessary to meet contingent liabilities and to maintain the value of the Liquidating Trust Assets during liquidation, (iii) to pay reasonable expenses (including, but not limited to, any taxes imposed on the Liquidating Trust or in respect of the Liquidating Trust Assets, and (iv) to satisfy other liabilities incurred by the Liquidating Trust in accordance with this Plan or the Liquidating Trust Agreement.

N. Loans to Liquidating Trust.

The Liquidating Trustee may borrow funds at reasonable terms to fund the operations of the Liquidating Trust.

O. Limitation of Liquidating Trustee's Liability.

The Liquidating Trustee shall not have any liability to any holder of a Claim for the consequences of their acts and omissions in the performance of their duties under the Plan, except to the extent such consequences are caused by the Liquidating Trustee's intentional and willful wrongdoing or gross negligence. The Liquidating Trustee shall have no liability to any holder of a Claim for the consequences of any act or omission that is approved or ratified by the Bankruptcy Court. The Liquidating Trustee shall be deemed to have acted in good faith, and shall have no liability to any holder of a Claim, in reasonably relying and acting upon the advice or opinion of any professional person retained by it. Under no circumstances shall the Liquidating Trustee be liable to any holder of a Claim or any other Person for an amount in excess of the amount that such Person was or would have been entitled to receive from the Liquidating Trust.

P. Tax Treatment.

Liquidating Trust is intended to be treated for federal income tax purposes as a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), for the benefit of the holders of Allowed Claims. The Liquidating Trust shall be a “grantor trust” as defined in Section 671 of the Tax Code with each holder of an Allowed Claim treated as a “grantor” of the Liquidating Trust.

For all U.S. federal income tax purposes, all parties shall treat the transfer of assets by Store It to the Liquidating Trust for the benefit of the holders of Allowed Claims and Interests, whether Allowed on or after the Effective Date, as (A) a transfer of the assets of Store It directly to the holders of Allowed Claims, followed by (B) the transfer by such persons to the Liquidating Trust of such assets in exchange for beneficial interests in the Liquidating Trust. Accordingly, the holders of Allowed Claims, whether Allowed on or after the Effective Date, shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the applicable assets of the Liquidating Trust.

Q. Tax Payments.

Each holder of an Allowed Claim will be required to report on its federal income tax return(s) the holder’s allocable share of any income, gain, loss, deduction or credit recognized or incurred by the Liquidating Trust (irrespective of whether distributions are made by the Liquidating Trust).

The Liquidating Trustee may request an expedited determination of taxes of the Liquidating Trust, under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Liquidating Trust for all taxable periods from commencement of the Liquidating Trust through the dissolution of the Liquidating Trust.

All holders of Claims shall report, for tax purposes, consistent with the foregoing.

R. Tax Returns.

The Liquidating Trustee shall file returns for the Liquidating Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a). The Liquidating Trustee also shall annually send to each record holder of a beneficial interest a separate statement setting forth the holder’s share of items of income, gain, loss, deduction, or credit and will instruct all such holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The Liquidating Trust’s taxable income, gain, loss, deduction, or credit will be allocated to the holders of Allowed Claims in accordance with their relative beneficial interests in the Liquidating Trust. The Liquidating Trustee also shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidating Trust that are required by any governmental unit. The Liquidating Trustee shall not be required or have authority to file tax returns on behalf of Store It, but only on behalf of the Liquidating Trust.

S. Dissolution of Liquidating Trust.

The Liquidating Trustee and the Liquidating Trust shall be discharged or dissolved, as the case may be, at such time as (i) the Liquidating Trustee determines, in its sole discretion, that the pursuit of additional Liquidating Trust Assets is not likely to yield sufficient additional proceeds to justify further pursuit of such claims, (ii) all Disputed Claims have become Allowed Claims or have been disallowed by Final Order, and (iii) all distributions of Liquidating Trust Assets required to be made by the Liquidating Trustee under the Plan have been made; provided, however, that in no event shall the Liquidating Trust be dissolved later than three (3) years from the Effective Date unless the Bankruptcy Court, upon motion made, determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Liquidating Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery on and liquidation of the Liquidating Trust Assets . Upon dissolution of the Liquidating Trust, any remaining Liquidating Trust Assets shall be distributed to holders of Allowed Claims and Interests.

If at any time the Liquidating Trustee determines that the expense of administering the Liquidating Trust so as to make a final distribution to its beneficiaries of all remaining Liquidating Trust Assets is likely to exceed the value of the remaining Liquidating Trust Assets, the Liquidating Trustee shall apply to the Bankruptcy Court for authority to donate any balance to a charitable organization exempt from federal income tax under section 501(c)(3) of the Tax Code that is unrelated to the Liquidating Trust, and any insider of the Liquidating Trustee. Notice of such application shall be given electronically, to the extent practicable, to those parties who have filed requests for notices and whose electronic addresses remain current and operating.

**ARTICLE VI
ACCEPTANCE AND CONFIRMATION OF THE PLAN**

A. Confirmation Hearing

The Bankruptcy Court will schedule a hearing to consider Confirmation of the Plan. At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan should be Confirmed in light of both the affirmative requirements of the Bankruptcy Code and any objections that are timely filed.

B. Requirements of Confirmation

Confirmation of a Plan under Chapter 11 requires, among other things, that at least one class of impaired creditors or claimants, such as the unsecured creditors in this case, vote in favor of the Plan. This vote is calculated by only counting those creditors who actually send in a ballot on time. If two thirds in total dollar amount and a majority in number of claims actually voting in a class approve the Plan, that class of creditors is considered an accepting class. If the vote is insufficient, the Court can still confirm the Plan, but only upon being provided additional proof

regarding the ultimate fairness of the Plan to the creditors. Store It believes that the unsecured creditors will support the Plan when they consider the fact that they will be paid in full over the term of the Plan, but would only receive a fraction of what is owed if the case were to be converted to one under Chapter 7.

The proponent of a Plan also must meet all other applicable requirements of Section 1129(a) of the Bankruptcy code (except Section 1129(a)(8), if the proponent proposes to seek confirmation of a Plan under Section 1129(b) of the Bankruptcy Code). At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of Section 1129 of the Bankruptcy Code. Store It believes that the Plan satisfies or will satisfy all of the necessary requirements of chapter 11 of the Bankruptcy Code. Specifically, in addition to other applicable requirements, Store It believes that the Plan satisfies or will satisfy the applicable Confirmation requirements of Section 1129 of the Bankruptcy Code set forth below:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- Store It, as the Plan proponent, has complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, will be disclosed to the Bankruptcy Court, and any such payment: (a) made before Confirmation will be reasonable or (b) will be subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after Confirmation.
- Either each Holder of an Impaired Claim or Interest will accept the Plan, or each non-accepting Holder will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that the Holder would receive or retain if Store It were liquidated on that date under chapter 7 of the Bankruptcy Code.
- Except to the extent that the Holder of a particular Claim agrees to a different treatment of its Claim, the Plan provides that Administrative Claims and Other Priority Claims will be paid in full on the Effective Date, or as soon thereafter as is reasonably practicable.
- At least one Class of Impaired Claims will have accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in that Class.

- Confirmation is not likely to be followed by liquidation or the need for further financial liquidation of Store It or any successors thereto under the Plan.
- All fees of the type described in 28 U.S.C. § 1930, including the fees of the U.S. Trustee, will be paid as of the Effective Date.

Store It believes that the Plan will be able to satisfy each of the 1129(a) confirmation requirements.

1. Best Interest of Creditors

Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each class, that each holder of a claim or interest of such class either (a) has accepted the Plan or (b) will receive or retain under the Plan on account of such claim or interest property of a value, as of the effective date, that is not less than the amount that such person would receive or retain if Store It was, on the effective date, liquidated under Chapter 7 of the Bankruptcy Code. As set forth below, Store It believes that this test will be satisfied.

2. Liquidation Analysis and Financial Feasibility

(a) Methodology.

The starting point in determining the amount which members of each impaired class of unsecured claims and interests would receive in a Chapter 7 case is to estimate the dollar amount that would be generated from the liquidation of Store It (the “**Liquidation Proceeds**”). The Liquidation Proceeds of Store It would consist of the proceeds from the sale of all of the assets of Store It, augmented by the cash held by Store It. The present value of the distribution from the Liquidation Proceeds is then compared with the present value offered to each of the classes of unsecured claims and interests of each such class.

(b) Analysis.

The Liquidation Analysis indicates that Holders of Claims and Interests will receive more than what they would be likely to receive if the case were converted to a Chapter 7 liquidation case. A supplement will be filed with the Liquidation Analysis after the proof of claim bar dates have passed.

If the case were converted to one under Chapter 7, the Chapter 7 Trustee would have limited ability to improve the Houston South Mason Property and by implication limited ability to increase its value for Holders of Claims and Interests. The role of the Chapter 7 Trustee is to liquidate assets as quickly and efficiently as possible. Although in some circumstances a Chapter 7 Trustee is authorized to manage a business, that authority would not include the right to incur additional costs to make repairs, unless such repairs were needed to correct a safety concern, and certainly would not include the ability to incur financing to construct an additional building. By

contrast, the Liquidating Trustee would have the sole discretion and authority to incur any and all expenses which he or she deemed necessary to increase value to Holders of Claims and Interests. This, in turn, would maximize value of the Houston South Mason Property for all parties.

(c) Financial Feasibility

Store It represents that the Plan is based solely on the sale of the Liquidating Trust Assets including recoveries, if any, made from the Litigation Assets, and that Store It has limited operating revenue aside from minimal distributions from Fort Worth. Based on the information available to Store It, it believes South Mason can be liquidated for \$4.4 million “as is.” This would provide Store It payment of its loans to South Mason in the amount of about \$750,000 as well as Store It’s share of the profits from the sale which is estimated to be \$750,000. It is Store It’s opinion that, based on the recommendations to repair, improve, and build out the final phase of South Mason is constructed, it can be sold for approximately \$6 million to 8.45 million. Store It has made no evaluation of the viability or collectability of the Litigation Assets. This projection is subject to change as new financial information becomes available.

C. Confirmation without Acceptance of All Impaired Classes

The Bankruptcy Code contains provisions for confirmation of a Plan even if the Plan is not accepted by all impaired classes, provided that at least one impaired class of claims has accepted it (determined without including any acceptance by any insider holding a claim of such class). These “cram-down” provisions, for confirmation of a Plan despite the non-acceptance of one or more impaired classes of claims or interests, are set forth in Section 1129(b) of the Bankruptcy Code.

1. No Unfair Discrimination.

This test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a proposed plan. The test does not require that the treatment be the same or equivalent, but that the treatment be “fair.” In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. Under certain circumstances, a proposed plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

2. Fair and Equitable Test

Under Section 1129(b) of the Bankruptcy Code, a plan is “fair and equitable” as to a class if, among other things, the plan provides: (a) with respect to secured claims, that each holder of a claim included in the rejecting class will receive or retain, on account of its claim, property that has a value as of the Effective Date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and interests, that the holder of any claim or interest that is junior to the claims or interest of such class will not receive or retain, on account of such junior claim or interest, any property unless the senior class is paid in full. The Bankruptcy Court must

further find that the economic terms of a plan do not unfairly discriminate as provided in Section 1129(b) of the Bankruptcy Code with respect to the particular objecting class. Under the terms of this plan, the principals of Store It shall retain their interest in the Liquidating Trustee. The retention of this interest may prevent Store It from seeking relief under 1129(b)(2)(B). However, if the plan is not confirmed, unsecured creditors will likely not receive any distribution in a liquidation.

3. Absolute Priority Rule

Absolute Priority Rule. Section 1129(b)(2)(B)(ii) controls the payment of senior and junior classes of claims or interests in the event that all of the applicable requirements of Section 1129(a).

Store It believes that the Plan meets the “fair and equitable” test and does not discriminate unfairly with respect to all classes of creditors or interest holders. Under the terms of this plan, the principals of Store It shall retain their interest in the Liquidating Trust. The retention of this interest may prevent Store It from seeking relief under 1129(b)(2)(B). Unless all impaired classes vote for Store It’s plan, the retention of this interest will prevent Store It’s plan from being confirmed and this case will be converted to chapter 7.

ARTICLE VII VOTING PROCEDURES

A. Ballots and Voting Deadline

Accompanying this Disclosure Statement is a “Notice of: (A) Deadline to Vote to Accept or Reject the First Amended Joint Chapter 11 Plan of Liquidation for Store It and Debtor-in-Possession, (B) Deadline to Object to Approval of the First Amended Disclosure Statement for the First Amended Joint Chapter 11 Plan of Liquidation for Store It and Debtor-in-Possession, (C) Deadline to Object to Plan Confirmation, (D) Combined Hearing to Consider Final Approval of Disclosure Statement and Confirmation of Plan, and (E) Related Matters and Procedures” (the “**Solicitation Notice**”).

In order for your vote to count, you must follow the directions set forth in the Solicitation Notice accompanying the Disclosure Statement and Plan which contains a detailed description of the process for voting and the tabulation of ballots.

A ballot for voting to accept or reject the Plan is enclosed with this Disclosure Statement and has been mailed to holders of Claims and Interests entitled to vote. After carefully reviewing the Disclosure Statement and all exhibits, including the Plan, each holder of a Claim or Interest entitled to vote should indicate its vote on the enclosed ballot. All holders of Claims or Interests entitled to vote must (i) carefully review the ballot and instructions thereon, (ii) execute the ballot, and (iii) return it to the address indicated on the ballot by the Voting Deadline (defined below) for the **ballot to be considered**.

In order for your vote on the Plan to count, the original, signed Ballot *must be actually received* by counsel for Store It **no later than** Error! Reference source not found. **at 5:00 p.m. United States Central Time (“Voting Deadline”)**. Any Ballot received by the Balloting Agent after the Voting Deadline shall not be counted, unless the Bankruptcy Court orders otherwise. Ballots will not be counted if they are delivered by facsimile, email or any other electronic means or that do not contain an original signature.

After completion of the ballot, creditors should return the executed ballot in the self-addressed envelope to:

**STORE IT REIT, INC.
C/O DEIRDRE CAREY BROWN
HOOVER SLOVACEK LLP
5051 WESTHEIMER, SUITE 1200
HOUSTON, TX 77056**

B. Holders of Claims Entitled to Vote

Except as otherwise provided in the Plan, any holder of a Claim against Store It whose claim is impaired under the Plan is entitled to vote, if either (i) Store It has scheduled the holder’s Claim at a specific amount other than \$0.00 (and such Claim is not scheduled as “disputed,” “contingent,” or “unliquidated”) or (ii) the holder of such Claim has filed a Proof of Claim on or before the deadline set by the Bankruptcy Court for such filings in a liquidated amount. Any holder of a Claim as to which an objection has been filed (and such objection is still pending as of the time of confirmation of the Plan) is not entitled to vote, unless the Bankruptcy Court (on motion by a party whose Claim is subject to an objection) temporarily allows the Claim in an amount that it deems proper for the purpose of accepting or rejecting the Plan. Such motion must be heard and determined by the Bankruptcy Court before the first date set by the Bankruptcy Court for the Confirmation Hearing of the Plan. In addition, the vote of a holder of a Claim may be disregarded if the Bankruptcy Court determines that the holder’s acceptance or rejection was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code.

C. Bar Date for Filing Proofs of Claim

The Bankruptcy Court established a bar date for filing proofs of claim or interests in this case of **August 27, 2018**. The Bankruptcy Court further established a bar date for filing proofs of claim by Governmental Units of **October 29, 2018**. Timeliness or other substantive issues which may affect the ultimate allowability of a particular claim have not been considered in connection with classification. As described in Article VI.D.3., for the filing of claims objections, the Plan provides the Liquidating Trustee one hundred twenty (120) days after the Effective Date to file such objections; provided, however, that this deadline may be extended by the Bankruptcy Court upon motion of the Liquidating Trustee, with or without notice or hearing.

Prior to the Confirmation Hearing, Store It intends to file a Plan Supplement that includes, among other things, the list of assumed Executory Contracts (with associated Cure Amounts, if any). As the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available to parties in interest upon request.

D. Classes Impaired Under the Plan

Holders of Class 1, Class 2, and Class 3 Claims are impaired under the plan and are entitled to vote. Holders of Class 5 Interests are unimpaired under the Plan and will retain their interests in the Liquidating Trust to the same extent as held in Store It before the Petition Date. Accordingly the Equity Interests are conclusively presumed to have accepted the Plan under Bankruptcy Code Section 1126(g), and therefore, are not entitled to vote to accept or reject the Plan.

E. Information on Voting and Ballots

Ballots will be forwarded to all holders of Claims entitled to vote. The Bankruptcy Court has approved the procedures for solicitation of votes on the Plan and the tabulation of the ballots received from holders of Claims and Interests that are contained in the Solicitation Notice included in the solicitation package. **The descriptions of the solicitation and tabulation procedures contained in the Solicitation Notice are incorporated by reference as if fully set forth herein.**

**ARTICLE VIII
ALTERNATIVES**

Although the Disclosure Statement is intended to provide information to assist creditors in making a judgment on whether to vote for or against the Plan, and although creditors are not being offered through that vote an opportunity to express an opinion concerning alternatives to the Plan, a brief discussion of alternatives to the Plan may be useful. These alternatives include conversion to a Chapter 7 or dismissal of the proceedings. Store It of course, believes the proposed Plan to be in the best interests of creditors. Store It assesses the alternatives as follows:

A. Conversion to Chapter 7

The first alternative would be to convert the Chapter 11 case to a Chapter 7 liquidating bankruptcy to liquidate the business. If this occurred, the Bankruptcy Court will appoint a trustee to liquidate Store It's assets for the benefit of its creditors. The costs associated with a trustee would then be added to the additional tier of administrative expenses entitled to priority over general unsecured claims upon conversion. Such administrative expenses include the Trustee's commissions, as well as fees for professionals retained by the Trustee to assist in the liquidation. The Trustee's commissions are based on disbursements to creditors. The Trustee receives 25% of the first \$5,000, 10% of the next \$45,000, 5% of the next \$950,000 and 3% on all amount disbursed in excess of \$1 million. In addition, US Trustee fees must be paid on all disbursements which can be substantial.

B. Dismissal

Dismissal of the proceeding would likely result in Store It and the plan proponents defending debt-collection litigation and numerous new lawsuits to collect debts. Compass would foreclose on most of Store It's assets likely halting operations. Under this scenario, the unsecured creditors would likely receive no payment whatsoever on their claims.

C. No Assurance of Either

There are other possibilities which are less likely, such as a competing plan proposed by a different party. Store It has attempted to set forth the reasonable alternatives to the proposed Plan. However, Store It must caution creditors that a vote must be for or against the Plan. The vote on the Plan does not include a vote on alternatives to the Plan. There is no assurance what course the proceedings will take if the Plan fails acceptance.

D. Preferences and Fraudulent Transfers

Under the Bankruptcy Code and Texas State Law, the bankruptcy estate may sue to recover assets (or their value) that were transferred by "voidable transfers", which includes assets transferred:

- (A) in fraud of Creditors,
- (B) in constructive fraud of Creditors – because the asset was transferred without sufficient consideration while Store It was insolvent,
- (C) as a preferential transfer - a payment before bankruptcy outside the ordinary course that allows a creditor to receive more than it would receive in liquidation, or
- (D) as an unauthorized post-bankruptcy transfer by Store It outside of the ordinary course.

A list of all transfers made during the applicable avoidance periods is attached to Store It's Amended Statement of Financial Affairs filed with the Bankruptcy Court on August 24, 2018. Store It has not evaluated whether any of these transfers are voidable under Sections 550, 547, 548, 544, or similar provision of the Bankruptcy Code.

**ARTICLE IX
RISKS POSED TO CREDITORS**

The principal risk to the creditors is that the Plan will not be confirmed. Absent confirmation of the Plan, the case would be converted to a Chapter 7 to liquidate Store It's assets. Store It believes conversion to Chapter 7 would result in reduced distributions to Holders of Claims and Interests. Accordingly, conversion to Chapter 7 is a risk.

**ARTICLE X
CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

A. Tax Consequences to Store It

Store It represents that as previously stated herein, it is the position of Store It that through the end of tax year 2016, Store It has an approximate \$3.3 million net operating loss carry forward for federal income tax purposes. The Plan is designed to preserve the net operating loss c for the benefit of the Liquidating Trustee.

Store It represents that it was the position of Store It that under the provisions of the Plan, there is no “change in ownership” as defined in I.R.C. § 382 that would invoke the limitations of I.R.C. § 382 on the net operating loss carry forward.

Store It represents that it has not sought a letter ruling or any other determination from the Internal Revenue Service regarding the status of the net operating loss carry forward. There can be no assurance that a subsequent ruling from the Internal Revenue Service may not adversely affect Store It’s ability to use the net operating loss carry forward. There can be no assurance that subsequent actions or transactions might constitute a “change in ownership” as defined in I.R.C. § 382 and thus limit the utilization of the net operating loss carry forward.

B. Tax Consequences to Creditors

1. Generally

The tax consequence to any particular creditor may vary depending on their own circumstances and they should consult with their own tax professional for advice regarding the impact on them of their acceptance or rejection of the plan.

2. Unsecured Claims

Holders of Class 3 Unsecured Claims will receive distributions from Store It. These Claimholders should either be treated as (i) recognizing ordinary income in an amount equal to cash received and recognizing a loss in an amount equal to the tax basis in the Claim or (ii) recognizing a loss equal to the difference between the amount of cash received and their tax basis in their Claim.

A Claimholder’s tax basis in a Claim should generally equal the amount included in income as a result of the provision of goods or services to Store It, except to the extent that a bad debt loss had previously been claimed. The gain or loss with respect to the Claim should be ordinary to the extent that it arose in the ordinary course of trade or business for services rendered or from the sale of inventory to Store It.

DUE TO THE COMPLEX NATURE OF APPLICABLE TAX LAWS, CLAIMANTS SHOULD CONSULT WITH THEIR TAX PROFESSIONAL CONCERNING

COMPLIANCE WITH AND THE AFFECT OF BOTH STATE AND FEDERAL TAX LAWS ON THEIR INTEREST BEFORE THEY CAST A BALLOT TO ACCEPT OR REJECT THE PLAN.

THE ACCOUNTANTS, ATTORNEYS, AND THE MANAGEMENT OF STORE IT MAKE NO REPRESENTATIONS HEREIN CONCERNING THE IMPACT OF THE TAX LAW ON ANY INDIVIDUAL TREATED UNDER THE PLAN.

**ARTICLE XI
CONCLUSION**

The information provided in this Disclosure Statement is intended to assist you in voting on the Plan in an informed fashion. If the Plan is confirmed, you will be bound by its terms. Accordingly, you are urged to make such further inquiries as you may deem appropriate and then cast an informed vote on the Plan.

[Signature Page Follows]

Dated: August 24, 2018

/s/ John Itzel
(with permission by Deirdre Carey Brown)
John Itzel
Director

/s/ Patrick Barrett
(with permission by Deirdre Carey Brown)
Patrick Barrett
Director

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ATTORNEY FOR DEBTOR and
DEBTOR IN POSSESSION

CERTIFICATE OF SERVICE

I, Deirdre Carey Brown, certify that on the August 24, 2018, a copy of the foregoing Disclosure Statement was served on the Master Service list and via the ECF system to the parties listed below:

Deirdre Carey Brown on behalf of Debtor Store It REIT, Inc.
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US Trustee
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/s/ Deirdre Carey Brown

DEIRDRE CAREY BROWN

EXHIBIT A

PLAN

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

IN RE: §
§
STORE IT REIT, INC. § **CASE NO. 18-32179-H1-11**
§ **Chapter 11**
Debtor. §

**PLAN OF LIQUIDATION FILED BY DEBTOR
STORE IT REIT, INC.**

OF COUNSEL:

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Attorneys for Debtor and Debtor in Possession

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PLAN OF LIQUIDATION

In accordance with Sections 1121 and 1106 of the Bankruptcy Code, Debtor, Store It REIT, Inc. (“**Store It**”), files this Plan of Liquidation (“**Plan**”) as follows:

**ARTICLE I
GENERAL PURPOSES OF THE PLAN**

Store It formerly known as American Spectrum REIT I, Inc. is a corporation organized under the laws of Virginia. Store It is the general partner of Evergreen Realty REIT, LP. As of the April 27, 2018, Evergreen owned interests in three (3) entities who each owed an interest in a respective self-storage unit located in Texas. Specifically, Evergreen held (i) a 76.55% interest in 1001 South Mason, Katy, TX 77450, (ii) an 11.263% interest in 1850 Ephriham Ave. Fort Worth, TX, and (iii) a 14.102% interest in 5700 River Oaks Blvd, River Oaks, TX 77614. Evergreen also owed a 100% interest in Ft Worth Northwest Self Storage TIC 4 Manager LLC, and entity that previously managed the Fort Worth Property but was replaced by another management company.

This bankruptcy case was filed as a result of multiple factors which prevented Store It from properly collecting distributions and obtaining necessary information to manage its affairs. This Plan provides for creation of the Liquidating Trust to which all assets, claims and causes of action to which Store It has an interest will be transferred. The Liquidating Trust will be managed by a the Liquidating Trustee appointed by the Bankruptcy Court pursuant to the Confirmation Order. The duties and responsibilities of the the Liquidating Trustee as set forth in the Liquidating Trust Agreement.

This Plan provides for payment to Creditors as follows:

Class	Type of Claim or Equity Interest	Treatment of Claims or Interests
1	Priority	Allowed Tax Claims shall be paid in full from the proceeds of the Liquidating Trust on a pro-rata basis until such claims are paid in full.
2	Administrative	Each Holder of an Allowed Non-Professional Administrative Claim shall be paid from the proceeds of the Liquidating Trust Assets on a pro-rata basis until such claims are paid in full.
3	Unsecured	Except to the extent that the holder of an Allowed General Unsecured Claim and Store It and/or the Liquidating Trustee agree to different treatment, the holders of each Allowed Class 3 Claim shall receive a pro rata distribution from proceeds of the Liquidating Trust Assets payable by the Liquidating Trustee upon the sale of Store It’s assets until such claims are paid in full.

Class	Type of Claim or Equity Interest	Treatment of Claims or Interests
4	Equity Interests including shares, tracking units or any other form of equity	Holders of Allowed Class 4 Interests will retain an interest in the Liquidating Trust to the same extent as the held against Store It as of the Petition Date. There shall be no distribution under the Plan on account of Allowed Class 4 Interests unless and until all Allowed Class 1, Class 2, and Class 3 Claims are paid in full. Thereafter, each Holder of an Allowed Class 4 Interest shall received a pro rata distribution form the proceeds of the Liquidating Trust Assets. The Plan leaves unaltered the legal, equitable, and contractual rights to which such interest entitles the holder of such interest.

Total distributions shall not exceed the amount of any Allowed Claim, with interest.

ARTICLE II DEFINITIONS

Section 2.1 Definitions. For purposes of this Plan of Liquidation, the following terms and definitions shall have the following meanings unless the context clearly indicates otherwise:

2.1.1 “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.

2.1.2 “Administrative Expenses” shall mean those expenses described in Section 503 of the Bankruptcy Code.

2.1.3 “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 Court within the applicable period of limitations fixed by Bankruptcy Rule 3001 or, by order of this Court, (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, 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 limitations fixed by Bankruptcy Rule 3001 or an order of the Bankruptcy Court, 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 proceeding is pending.

2.1.4 “Allowed Unsecured Claim” means an allowed claim that is not an Administrative Claim, a Secured Claim, or a Priority Claim.

2.1.5 “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 voidable transfers or similar legal theories, such as the Uniform Fraudulent Transfer Act or Uniform Fraudulent Conveyance Act, as enacted.

2.1.6 “Bankruptcy Case” shall mean Case No. 18-32179 in the United States Bankruptcy Court for the Southern District of Texas, Houston Division filed by Store It REIT, Inc. on April 17, 2018.

2.1.7 “Bankruptcy Code” shall mean the Bankruptcy Code, 11 U.S.C. § 101 et seq., and any amendments thereof.

2.1.8 “Bankruptcy Court” shall mean the United States Bankruptcy Court for the Southern District of Texas, Houston Division, in which Store It’s 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.

2.1.9 “Bankruptcy Estate” shall mean all of the assets owned by Store It.

2.1.10 “Bankruptcy Rules” shall mean the rules of procedure in bankruptcy cases applicable to cases pending before the Bankruptcy Court and local bankruptcy rules as adopted by the Bankruptcy Court.

2.1.11 “Bar Date” shall mean August 27, 2018, the deadline established by the Bankruptcy Court in its Order Fixing a Bar Date for Filing Certain Proofs of Claim and Approving Proof of Claim Form and Notice Procedures and in the Notice of Commencement of an Expedited Case under Chapter 11 of the Bankruptcy Code, Fixing Meeting of Creditors and Other Dates no later than which proofs of claim must be filed except for those claims specified in this plan, which claims shall have the bar dates established herein.

2.1.12 “Cash” shall mean Cash and Cash equivalents including, without limitation, checks and wire transfers.

2.1.13 “Causes of Action” shall mean, without limitation, any and all of Store It’s and the Bankruptcy Estate’s actions, causes of action, rights, suits, accounts, debts, sums of money, damages, judgments, claims and demands, actions, defenses, offsets, powers, privileges, licenses, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whatsoever, whether known or unknown, suspected or unsuspected, whether arising under state or other non-bankruptcy law or arising under the Bankruptcy Code, in these Bankruptcy Cases, or in any way related to these Bankruptcy Cases, whether arising prior to, on or after the April 27, 2018, in

contract or tort, in law, equity or otherwise, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured and whether asserted or assertable. Causes of Action shall include without limitation (i) derivative claims of Store It or its Bankruptcy Estate pursuant to state or non-bankruptcy law, the Bankruptcy Code or any other statute or legal theory or theory under equity, (ii) any avoidance or recovery actions under sections 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code, (iii) any rights to, claims, or causes of action for recovery under any policies of insurance issued to or on behalf of Store It or its Bankruptcy Estate, (iii) all tax refunds, net operating losses, and insurance proceeds, (iv) any rights, claims, Claims, and causes of action against any third parties, (v) any rights, claims and causes of action, of Store It or its Bankruptcy Estate against any former or current manager, director, officer, affiliate or insider of Store It arising under state or other non-bankruptcy law or arising under the Bankruptcy Code, in these Bankruptcy Cases, or in any way related to these Bankruptcy Cases, or under and/or pursuant to any statute or legal or equitable theory that is in any manner arising from, connected with or related to any act or omission of such director or officer that occurred prior to the Effective Date, except only those claims that are specifically and expressly released as of the Effective Date under this Plan. For the avoidance of doubt, (and as applicable to reiterate) Causes of Action include, but are in no way limited to, Store It's and the Bankruptcy Estate's (a) rights of setoff, counterclaim or recoupment, and claims on contracts or for breaches of duties imposed by law, (b) claims pursuant to section 362 of the Bankruptcy Code, (c) such claims and defenses as fraud, mistake, duress, and usury, (d) all Avoidance Claims and (e) all causes of action that may be directly or derivatively asserted on behalf of Store it or its Bankruptcy Estate.

2.1.14 "Claim" shall mean 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 Store It in existence on or before the April 27, 2018, 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, secured or unsecured.

2.1.15 "Class" shall mean any class into which Allowed Claims or Allowed Interests are classified pursuant to Article 4.

2.1.16 "Class 1 Claims, Class 2 Claims, Class 3 Claims, Class 4 Claims, and Class 4 Claims," shall mean the Allowed Claims and Interests so classified in Sections 4.1 through 4.4 respectively.

2.1.17 "Confirmation Date" shall mean the date upon which the Order Confirming Plan is entered by the Clerk of the Bankruptcy Court.

2.1.18 "Confirmation Hearing" shall mean the hearing held by the Bankruptcy Court to consider confirmation of the Plan.

2.1.19 “Confirmation Order” shall mean the order entered by the Bankruptcy Court confirming the Plan.

2.1.20 “Creditors” shall mean all creditors of Store It holding claims for debts, liabilities, or demands of any character whatsoever, as defined in Section 101(10) of the Bankruptcy Code.

2.1.21 “Debtor” shall mean Store It REIT, Inc.

2.1.22 “Disbursing Agent” shall mean the Liquidating Trustee or any party designated by the Liquidating Trustee to act as disbursing agent.

2.1.23 “Disclosure Statement” shall mean the written document filed by Store It 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.

2.1.24 “Disputed Claim” shall mean that portion (including, where appropriate, the whole) of any Claim that (a) is listed in Store It’s schedules of liabilities as disputed, contingent, or unliquidated; (b) is listed in Store It’s 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 a Store It’s 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 to a proof of claim has been filed and has not become an Allowed Claim.

2.1.25 “Effective Date” shall mean the 15th day following entry of the Confirmation Order.

2.1.26 “Equity Interest” shall mean any ownership interest or shares in Store It whether or not transferable, preferred, common, voting, or denominated “stock” or a similar security.

2.1.27 “Evergreen” shall mean Evergreen Realty REIT, LP an entity wholly owned by Store It.

2.1.28 “Executory Contract(s)” shall mean any Pre-petition Unexpired lease(s) or executory contract(s) of Store It within the meaning of Section 365 of the Bankruptcy Code.

2.1.29 “Final Order” shall mean an Order of the Bankruptcy Court which, not having been stayed, and the time to appeal from which, or to seek review or certiorari or rehearing, has expired and such Order has become conclusive upon all matters adjudicated thereby, and in full force and effect.

2.1.30 “Fort Worth Property” shall mean Evergreen’s 11.263% interest in 1850 Ephriham Ave. Fort Worth, TX owned by virtue of Evergreen’s complete ownership of Fort Worth Northwest Self Storage TIC 4, LP.

2.1.31 “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 Store It has an interest or which is not subject to setoff under Section 553 of the Bankruptcy Code or (ii) a Claim that is secured in one of the foregoing manners to the extent the amount of the Claim exceeds the value of the property securing the Claim.

2.1.32 “Government Bar Date” shall mean October 29, 2018, the deadline established by the Bankruptcy Court in its Order Shortening Governmental Claims Bar Date.

2.1.33 “Holder” shall mean the owner or holder of any Claim or Interest.

2.1.34 “Houston South Mason Property” shall mean Evergreen’s 76.55% interest in 1001 South Mason, Katy, TX 77450 owned by virtue of Evergreen’s complete ownership of South Mason Self Storage TIC 5, LP.

2.1.35 “Interest” shall mean an interest or equity 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).

2.1.36 “Insider” shall have that meaning defined by Section 101(31) of the Bankruptcy Code.

2.1.37 “Liquidating Trust” shall mean the grantor trust established pursuant to Section 6.2 of the Plan.

2.1.38 “Liquidating Trust Agreement” shall mean the trust agreement pursuant to which the Liquidating Trust is established.

2.1.39 “Liquidating Trust Assets” shall mean all assets of the Bankruptcy Estate of Store It, and shall include without limitation, Litigation Assets; Store It’s indirect ownership interests in Houston South Mason Property, the Fort Worth Property, and the River Oaks Property; Evergreen; the Net Operating Loss; and any and all other information, documents, electronic information, stored information and documents, communications, of Store It all as may be specifically described in the Liquidating Trust Agreement, and any other assets vested in the Liquidating Trust under this Plan

2.1.40 “Liquidating Trust Net Proceeds” shall mean the proceeds held and/or recovered by the Liquidating Trust minus the fees and expenses of the Liquidating Trust, to be distributed to the beneficiaries of the Liquidating Trust. The Liquidating Trust Assets shall be transferred to and vest in the Liquidating Trust on the Effective Date.

2.1.41 “Liquidating Trustee” shall mean that person or entity identified in a notice filed by Store It with the Bankruptcy Court on or before the Confirmation Date as the “the Liquidating Trustee.” the Liquidating Trustee shall act as the representative of the Bankruptcy Estate pursuant to section 1123(b)(3)(B) of the Bankruptcy Code for the purposes of pursuing Litigation Assets and with respect to the other Liquidating Trust Assets in accordance with the terms specified herein and in the Liquidating Trust Agreement. the Liquidating Trustee shall be deemed to be a party in interest within the meaning of section 1109(b) of the Bankruptcy Code and the representative of the Bankruptcy Estate for all purposes related to or in connection with Litigation Assets and the other Liquidating Trust Assets. The Liquidating Trustee shall be named in a Plan Supplement prior to the Confirmation Hearing.

2.1.42 “Litigation Assets” shall mean all claims and Causes of Action of Store It including but not limited to those set forth on **Exhibit B** (to be supplemented).

2.1.43 “Officer” shall mean William Jay Carden, Patrick Barrett, and John Itzel.

2.1.44 “Net Operating Loss” shall mean Store It’s net operating loss carry forward of approximately \$3.3 million for federal income tax purposes.

2.1.45 “Order Confirming Plan” shall mean the Final Order of the Bankruptcy Court determining that the Plan meets the requirements of Chapter 11 of the Bankruptcy Code and is entitled to an entry of an Order of Confirmation.

2.1.46 “Petition Date” shall mean April 27, 2018 or the date of filing of Store It’s Chapter 11 Bankruptcy Case No. 18-32179.

2.1.47 “Plan” shall mean this Store It’s Plan of Liquidation in its present form, or as it may be amended or supplemented from time to time.

2.1.48 “Priority Claim” shall mean any Claim that is defined in Section 507(a)(2)-(8) of the Bankruptcy Code.

2.1.49 “Pro Rata” shall mean the proportion that the amount of such Claim bears to the aggregate amount of Claims in each respective Class.

2.1.50 “River Oaks Property” shall mean Evergreen’s 14.102% interest in 5700 River Oaks Blvd, River Oaks, TX 77614 owned by virtue of Evergreen’s complete ownership of River Oaks Self Storage TIC 4, LP

2.1.51 “Secured Claim” shall mean a Claim secured by a lien, security interest or other charge against or interest in property in which Store It has 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 Store It’s interest in such property or to the extent of the amount subject to such setoff, as the case may be.

2.1.52 “Substantial Consummation” shall occur on the Effective Date.

2.1.53 “Store It” shall mean Store It REIT, Inc., Debtor herein.

Section 2.2 Interpretation. Unless otherwise specified, all section, article and exhibit references in the Plan are to the respective sections, articles of or exhibits to the Plan, as the same may be amended, waived or modified from time to time. The headings and table of contents in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan . Words denoting the singular number shall include the plural number and vice versa and words denoting one gender shall include the other gender. All exhibits and schedules attached to the Plan are incorporated herein by such attachment.

Section 2.3 Application of Definitions and Rules of Construction Contained in the Bankruptcy Code. Words and terms defined in the Bankruptcy Code shall have the same meaning when used in the Plan, unless a different definition is given in the Plan. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

Section 2.4 Other Terms. The words “herein,” “hereof,” “hereto,” “hereunder” and others of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

ARTICLE III ADMINISTRATIVE CLAIMS AND U.S. TRUSTEE FEES

Section 3.1 Administrative Claims Bar Date. Any holder of an Administrative Claim against Store It, except for expenses incurred in the ordinary course of operating Store It’s business, and Claims of governmental units as provided in Section 503(b)(1)(D) of the Bankruptcy Code, shall file proof of such Claim or application for payment of such Administrative Claim on or within 120 days after the Confirmation Date, with actual service upon the Liquidating Trustee or such Holder’s Administrative Claim will be forever barred and extinguished and such Holder shall, with respect to any such Administrative Claim be entitled to no distribution and no further

notices. To the extent, if any, post-petition taxes are due to the Comptroller on or before the Effective Date, they shall be paid in full on the Effective Date in accordance with Section 1129(a)(9)(A) of the Bankruptcy Code. To the extent, if any, post-petition taxes have been incurred by Store It but are not yet due as of the Effective Date, those taxes shall be paid when due under and in accordance with state law.

Section 3.2 Payment of United States Trustee Fees Subsequent to Confirmation. All fees incurred pursuant to 28 U.S.C. § 1930(a)(6) for time periods prior to entry of Order Confirming Plan shall be paid by Store It on or before the Effective Date. The Liquidating Trustee shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6) after entry of Order Confirming Plan. After confirmation, the Liquidating Trustee shall file with the Bankruptcy Court and serve on the United States Trustee a quarterly financial report for each quarter (or portion thereof) the case remains open in a format prescribed by the United States Trustee and provided to Store It by the United States Trustee.

Section 3.3 Payment to Professionals. All payments to professionals for actual, necessary services and costs advanced on behalf of the bankruptcy up until the Confirmation Date shall be pursuant to Bankruptcy Court order and subject to the restrictions of Bankruptcy Code Section 330. Professional fees incurred for services rendered and costs advanced subsequent to the Effective Date shall be the liability of the Liquidating Trustee.

ARTICLE IV CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

Subject to all other applicable provisions of the Plan (including its distribution provisions), classified Claims and Interests shall receive the treatment set forth below. The Plan will not provide any distributions on account of a Claim or Interest to the extent that such Claim or Interest has been disallowed, released, withdrawn, waived, settled, or otherwise satisfied or paid as of the Effective Date, including, without limitation, payments by third party guarantors, sureties, or insurers, whether governmental or nongovernmental. The Plan will not provide any distributions on account of a Claim or Interest, the payment of which has been assumed by a third party.

Section 4.1 Class 1. Allowed Priority Tax Claims.

4.1.1 Classification. Class 1 consists of the Allowed Priority Tax Claims of Store It.

4.1.2 Treatment. Class 1 Claims shall be paid from the proceeds of the Liquidating Trust on a pro-rata basis until such claims are paid in full.

4.1.3 Impairment. The Class 1 Claim is impaired.

Section 4.2 Class 2. Allowed Non-Professional Administrative Claims.

4.2.1 Classification. Class 2 consists of Allowed Non-Professional Administrative Claims of Store It.

4.2.2 Treatment. Each Holder of an Allowed Non-Professional Administrative Claim shall be paid from the proceeds of the Liquidating Trust Assets on a pro-rata basis until such claims are paid in full.

4.2.3 Impairment. Class 2 Claims are impaired.

Section 4.3 Class 3. Allowed General Unsecured Creditor Claims.

4.3.1 Classification: Class 3 consists of Allowed General Unsecured Creditor Claims of Store It.

4.3.2 Treatment: Except to the extent that the holder of an Allowed General Unsecured Claim and Store It and/or the Liquidating Trustee agree to different treatment, the holders of each Allowed Class 4 Claim shall receive a pro rata distribution from proceeds of the Liquidating Trust Assets payable by the Liquidating Trustee upon the sale of Store It's assets until such claims are paid in full.

4.3.3 Impairment. The Class 3 Claims are impaired

Section 4.4 Class 4. Allowed Interests of Equity Holders.

4.4.1 Classification. Class consists of the Allowed Equity Interests in Store It REIT, Inc.

4.4.2 Treatment. Holders of Allowed Class 4 Interests will retain an interest in the Liquidating Trust to the same extent as the held against Store It as of the Petition Date. There shall be no distribution under the Plan on account of Allowed Class 4 Interests unless and until all Allowed Class 1, Class 2, and Class 3 Claims are paid in full. Thereafter, each Holder of an Allowed Class 4 Interest shall received a pro rata distribution from the proceeds of the Liquidating Trust Assets. The Plan leaves unaltered the legal, equitable, and contractual rights to which such interest entitles the holder of such interest.

4.4.3 Impairment. The Class 4 Interests are unimpaired.

**ARTICLE V
VOTING OF CLAIMS AND INTERESTS**

Holders of Class 1, Class 2, and Class 3 Claims are impaired under the plan and are entitled to vote. Holders of Class 4 Interests are unimpaired under the Plan and will retain their interests in the Liquidating Trust to the same extent as held in Store It before the Petition Date. Accordingly the Equity Interests are conclusively presumed to have accepted the Plan under Bankruptcy Code Section 1126(g), and therefore, are not entitled to vote to accept or reject the Plan.

**ARTICLE VI
MEANS FOR EXECUTION OF PLAN**

Section 6.1 Vesting of Property of the Bankruptcy Estate in the Liquidating Trust. All property of Store It or its Bankruptcy Estate under section 541(a) of the Bankruptcy Code including, but not limited to, all Cash on hand, the Houston South Mason Property, the Fort Worth Property, the River Oaks Property, Evergreen, the Net Operating Loss, and the Litigation Assets, shall vest in the Liquidating Trust as of the Effective Date. After the Effective Date the Litigation Trustee shall be the representative of the Bankruptcy Estate. The Houston South Mason Property, Fort Worth Property, River Oaks Property and Evergreen shall be managed, operated and ultimately sold by the Liquidating Trustee in his sole discretion. The Litigation Assets shall be pursued, litigated, compromised or settled by the Litigation Trustee as it deems appropriate, in accordance with the terms of the Liquidating Trust Agreement, all without further approval of the Bankruptcy Court.

Except as otherwise expressly provided in the Plan or the Confirmation Order, pursuant to Section 1141(b) of the Bankruptcy Code, upon the Confirmation Date, all Property of the Bankruptcy Estate shall vest in the Liquidating Trust free and clear of all Claims, liens, encumbrances, charges or other Interests of Creditors and Interest Holders. Except as otherwise expressly provided in the Plan or the Confirmation Order, all assets of the Digerati Bankruptcy Estate shall vest in the Reorganized Debtor free and clear of all Claims, liens, and encumbrances. Moreover, all licenses and permits held by the Debtor shall continue be held by them.

Section 6.2 Creation of Liquidating Trust. All assets, including the Net Operating Loss of the Bankruptcy Estate will be transferred to the Liquidating Trust, which shall be a grantor trust, in conformance with the Liquidating Trust Agreement with Liquidating Trustee having the sole discretion and authority over such assets.

Section 6.3 Continuation of Business Operations. From and after the Effective Date of the Plan, the Liquidating Trustee shall be authorized to continue normal business operations previously conducted by Store It. The Liquidating Trustee shall enter into such transactions as it deems advisable, free of any restriction or limitation imposed under any provision of the

Bankruptcy Code, except to the extent otherwise provided in the Plan. Cash flow from the operations shall be used to fund payments required by the Plan.

Section 6.4 Equity Interests in Store It. Each person with an Equity Interests in Store It will obtain interests in the Liquidating Trust equal to their Equity Interest in Store It and such Equity Interest will not be affected by the Plan.

Section 6.5 Source of funds for Payments due on the Effective Date. Sources of funds to fund the Plan include, but are not limited to (1) Cash received by the Liquidating Trust on the Effective Date, (2) distributions and/or collections from the Fort Worth Property and/or the River Oaks Property, (3) sale proceeds from the sale of the Houston South Mason Property, the Fort Worth Property and/or the River Oaks Property, and (4) recoveries, if any, from the Litigation Assets.

Section 6.6 Disbursing Agent. the Liquidating Trustee shall act as the Disbursing Agent. If the Liquidating Trustee chooses not to act as the Disbursing Agent, then it shall designate a substitute.

Section 6.7 Powers of the Disbursing Agent. The Disbursing Agent shall have full power and authority to do the following:

6.7.1 Make disbursements in accordance with Article III and other Article IV of the Plan.

6.7.2 File all reports required under law, including state and federal tax returns, and to pay all taxes incurred by the Bankruptcy Estate.

6.7.3 Suspend distribution to any Creditor that has not provided the Disbursing Agent with its Federal Tax Identification number or social security number, as the case may be.

Section 6.8 Presumption of Disbursing Agent's Authority. In no case shall any party dealing with the Disbursing Agent in any manner whatsoever be obligated to see that the terms of its engagement have been complied with, or be obligated or privileged to inquire into the necessity or expediency of any act of the Disbursing Agent, or to inquire into any other limitation or restriction of the power and authority of the Disbursing Agent, but as to any party dealing with the Disbursing Agent in any manner whatsoever in relation to the assets, the power of the Disbursing Agent to act or otherwise deal with said property shall be absolute except as provided under the terms of the Plan.

Section 6.9 Limitation on Disbursing Agent's Liability.

6.9.1 Except for gross negligence or willful misconduct, no recourse shall ever be had directly or indirectly against the Disbursing Agent personally or against any employee of the Disbursing Agent by legal or equitable proceedings or by virtue of any statute or otherwise, nor upon any promise, contract, instrument, undertaking, obligation, covenant or agreement whatsoever executed by the Disbursing Agent pursuant to this Plan, or by reason of the creation of any indebtedness by the Disbursing Agent for any purpose authorized by the Plan, it being expressly understood and agreed that all such liabilities, covenants and agreements of the Disbursing Agent or any such employee, whether in writing or otherwise shall be enforceable only against and be satisfied only out of the assets of the Bankruptcy Estate and every undertaking, contract, covenant or agreement entered into in writing by the Disbursing Agent shall provide expressly against the personal liability of the Disbursing Agent.

6.9.2 The Disbursing Agent shall not be liable for any act the Disbursing Agent may do or omit to do as Disbursing Agent hereunder while acting in good faith and in the exercise of the best judgment of the Disbursing Agent and the fact that such act or omission was advised, directed or approved by an attorney acting as attorney for the Disbursing Agent, shall be evidence of such good faith and best judgment; nor shall the Disbursing Agent be liable in any event except for gross negligence or willful default or misconduct of the Disbursing Agent.

Section 6.10 Delivery of Distributions. Subject to Bankruptcy Rule 9010 and the provisions of the Plan, distributions to Holders of Allowed Claims and Interests shall be made at the address of each such Holder as set forth on the proofs of Claim filed by such Holders (or at the last known addresses of such a Holder if no proof of Claim or proof of Equity Interest is filed or if the Disbursing Agent has been notified in writing of a change of address), except as provided below. If any Holder's distribution is returned as undeliverable, no further distributions to such Holder shall be made unless and until the Disbursing Agent is notified of such Holder's then current address, at which time all missed distributions shall be made to such Holder without interest. Amounts in respect of undeliverable distributions shall be returned to the Disbursing Agent until such distributions are claimed.

Section 6.11 Time Bar for Cash Payments. Checks issued by the Disbursing Agent in respect of Allowed Claims shall be null and void if not negotiated within six (6) months after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Disbursing Agent by the Holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before the later of (a) the first anniversary of the Effective Date or (b) ninety (90) days after the date of reissuance of

such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

Section 6.12 Unclaimed Property. If any Person entitled to receive distributions under the Plan cannot be located within a reasonable period of time after the Effective Date, the distributions such Person would be entitled to receive shall be held by the Disbursing Agent in a segregated interest-bearing account. If the Person entitled to any such distributions is located within six (6) months after the Effective Date, such distributions, together with any dividends and interest earned thereon, shall be paid and distributed to such Person. If such Person cannot be located within such period, such distributions and any dividends and interest thereof shall be returned to the Liquidating Trustee and such Person shall have waived and forfeited its right to such distributions. Nothing contained in this Plan shall require the Disbursing Agent to attempt to locate such Person. It is the obligation of each Person claiming rights under the Plan to keep the Disbursing Agent advised of current address by sending written notice of any changes to the Disbursing Agent.

Section 6.13 Minimum Payment. The minimum amount of any distribution shall be \$25. If a payment anticipated by the Plan is due in an amount less than \$25, then such payments is hereby waived and the funds shall be retained by the Liquidating Trustee.

Section 6.14 Fractional Dollars. Any other provision of the Plan notwithstanding, no payments of fractional dollars will be made to any Holder of an Allowed Claim. Whenever any payment of a fraction of a dollar to any holder of an Allowed Claim would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest whole dollar (up or down).

Section 6.15 Distribution Dates. The Disbursing Agent shall have sole authority to determine if and when distributions should be made, provide however, that the Disbursing Agent must make distributions from sales of the Houston South Mason Property, Fort Worth Property, and/or River Oaks Property and any recoveries from the Litigation Assets within a reasonable time after receipts of such sale proceeds and recoveries.

Section 6.16 Orders Respecting Claims Distribution. After confirmation of the Plan, the Bankruptcy Court shall retain jurisdiction to enter orders in aid of consummation of the Plan respecting distributions under the Plan and to resolve any disputes concerning distributions under the Plan.

Section 6.17 Agreements, Instruments and Documents. All agreements, instruments and documents required under the Plan to be executed or implemented, including but not limited to the Liquidating Trust Agreement, together with such others as may be necessary, useful, or appropriate in order to effectuate the Plan shall be executed on or before the Effective Date or as soon thereafter as is practicable. the Liquidating Trustee shall have a power of attorney, coupled with an interest,

to execute and deliver any Plan Document to the extent that counterparty to such document fails to execute and deliver any document required to effectuate the Plan following 20 days written notice and request to such counterparty.

Section 6.18 Further Authorization. The Liquidating Trustee shall be entitled to seek such orders, judgments, injunctions, and rulings from the Bankruptcy Court, in addition to those specifically listed in the Plan, as may be necessary to carry out the intentions and purposes, and to give full effect to the provisions, of the Plan. The Bankruptcy Court shall retain jurisdiction to enter such orders, judgments, injunctions and rulings.

ARTICLE VII LIQUIDATING TRUST

Section 7.1 General. On the Effective Date, Store It and the Liquidating Trustee shall execute the Liquidating Trust Agreement and shall take all other necessary steps to establish the Liquidating Trust and the beneficial interests therein. Such Liquidating Trust Agreement may provide powers, duties, and authorities in addition to those explicitly stated herein, but only to the extent that such powers, duties, and authorities do not affect the status of the Liquidating Trust as a liquidating trust for United States federal income tax purposes, or otherwise materially affect the recovery of holders of Allowed Claims and Interests. Upon the Effective Date the Officers and Directors of Store It will be divested of all authority to manage or direct any of Store It's assets or business affairs. All shall be terminated from such positions with the Liquidating Trustee having sole control.

Section 7.2 Purpose of Liquidating Trust. The Liquidating Trust shall be established as a grantor trust for the sole purpose of maximizing recovery of assets from liquidation of same and distributing the proceeds in compliance with Section liquidating and distributing the Liquidating Trust Assets.

Section 7.3 Fees and Expenses of Liquidating Trust. All fees, expenses, and costs of the Liquidating Trust shall be paid from any Liquidating Trust Assets, and the Liquidating Trustee shall not be responsible for any fees, expenses, and costs of the Liquidating Trust.

Section 7.4 Assignment to and Funding of Liquidating Trust. As of the Effective Date, Store It shall assign and transfer the Liquidating Trust Assets to the Liquidating Trust. The transfer(s) of the Liquidating Trust Assets shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use, or other similar tax and shall be free and clear of any Liens, claims, and encumbrances, and no other entity, including Store It, shall have any interest, legal, beneficial, or otherwise, in the Liquidating Trust or the Liquidating Trust Assets upon their assignment and transfer to the Liquidating Trust (other than as expressly provided herein or in the Liquidating Trust Agreement). The Liquidating Trustee shall also be authorized, on behalf of Store It and its

Bankruptcy Estate, to pursue all objections, counterclaims and defenses against holders of Claims that are not waived or released pursuant to the Plan.

Section 7.5 Governance of Liquidating Trust. The Liquidating Trust shall be governed by the Liquidating Trust Agreement and administered by the Liquidating Trustee. Such Liquidating Trust Agreement shall comply with and such Liquidating Trustee shall administer the Liquidating Trust in accordance with applicable law.

Section 7.6 Appointment of the Liquidating Trustee. Upon entry of the Confirmation Order confirming the Plan, the approved Liquidating Trustee will be automatically appointed. In the event the Liquidating Trustee dies, is terminated, or resigns for any reason, a successor Liquidating Trustee shall be appointed in accordance with the terms of the Liquidating Trust Agreement.

Section 7.7 Continuing Court Jurisdiction. The Bankruptcy Court shall have continuing jurisdiction over all matters related to the Liquidating Trust.

Section 7.8 Role of the Liquidating Trustee. In furtherance of and consistent with the purpose of the Liquidating Trust and the Plan, the Liquidating Trustee shall (i) hold all the Liquidating Trust Assets, including, but not limited to, the Litigation Assets for the benefit of the holders of Allowed Claims and Interests described herein, (ii) reconcile Claims (including to object to, seek to subordinate, recharacterize or settle such Claims) (iii) have sole authority to manage Store It's business affairs, including, without limitation, the authority and power, without further order of the Bankruptcy Court, to incur debt for the purpose of improving and/or building the final Phase of the South Mason, and (iv) without further order of the Bankruptcy Court (a) have the power and authority to prosecute and resolve, in the names of Store Its and/or the Liquidating Trustee, any Litigation Assets, (b) liquidate, transfer or otherwise dispose of the any Liquidating Trust Asset or any part thereof or any interest therein upon such terms as the Liquidating Trustee determines to be necessary, appropriate or desirable, (c) move to administratively close the case, (d) terminate the Liquidating Trust in accordance with the terms of the Plan and the Liquidating Trust Agreement, (e) file quarterly reports with the Bankruptcy Court, (f) sell, liquidate, dispose of or abandon Liquidating Trust Assets and (g) distribute any Liquidating Trust Net Proceeds from the sale, settlement or recovery of the Liquidating Trust Assets to the Holders of Claims and Interests as provided herein and in the Plan.

Section 7.9 Non-transferability of Liquidating Trust Interests. The beneficial interests in the Liquidating Trust shall not be certificated and are not transferable.

Section 7.10 Cash Investment. The Liquidating Trustee may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code and the Liquidating Trust Agreement; provided, however, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section

301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

Section 7.11 Retention of Professionals by the Liquidating Trustee. The Liquidating Trustee may retain and reasonably compensate counsel and other professionals to assist in its duties as Liquidating Trustee on such terms as the Liquidating Trustee deems appropriate, including on a contingent fee basis, and without Bankruptcy Court approval. All fees, costs and expenses of any counsel or other professional retained by the Liquidating Trustee shall be paid from proceeds and revenues from the Liquidating Trust.

Section 7.12 Compensation of the Liquidating Trustee. The salient terms of the Liquidating Trustee's employment, including the Liquidating Trustee's duties and compensation, to the extent not set forth in the Plan, shall be set forth in the Liquidating Trust Agreement or the Confirmation Order the Liquidating Trustee shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy proceedings.

Section 7.13 Distributions from Liquidating Trust. All distributions of Cash and property shall be made in accordance with the terms of the Liquidating Trust Agreement by the Liquidating Trustee as disbursing agent. The Liquidating Trustee shall distribute at periodic intervals as Cash becomes available, in accordance with the Liquidating Trust Agreement, all Cash on hand (including any Cash received from Store It on the Effective Date, and treating as Cash for purposes of this section M any permitted investments under Section J hereof), except such amounts (i) as would be distributable to a holder of a Disputed Claim, (ii) as are reasonably necessary to meet contingent liabilities and to maintain the value of the Liquidating Trust Assets during liquidation, (iii) to pay reasonable expenses (including, but not limited to, any taxes imposed on the Liquidating Trust or in respect of the Liquidating Trust Assets, and (iv) to satisfy other liabilities incurred by the Liquidating Trust in accordance with this Plan or the Liquidating Trust Agreement.

Section 7.14 Loans to Liquidating Trust. The Liquidating Trustee may borrow funds at reasonable terms to fund the operations of the Liquidating Trust.

Section 7.15 Limitation of Liquidating Trustee's Liability. The Liquidating Trustee shall not have any liability to any holder of a Claim for the consequences of their acts and omissions in the performance of their duties under the Plan, except to the extent such consequences are caused by the Liquidating Trustee's intentional and willful wrongdoing or gross negligence. The Liquidating Trustee shall have no liability to any holder of a Claim for the consequences of any act or omission that is approved or ratified by the Bankruptcy Court. The Liquidating Trustee shall be deemed to have acted in good faith and shall have no liability to any holder of a Claim, in reasonably relying and acting upon the advice or opinion of any professional person retained by it. Under no circumstances shall the Liquidating Trustee be liable to any holder of a Claim or any other Person for an amount in excess of the amount that such Person was or would have been entitled to receive from the Liquidating Trust.

Section 7.16 Tax Treatment.

7.16.1 Liquidating Trust is intended to be treated for federal income tax purposes as a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), for the benefit of the holders of Allowed Claims. The Liquidating Trust shall be a “grantor trust” as defined in Section 671 of the Tax Code with each holder of an Allowed Claim treated as a “grantor” of the Liquidating Trust.

7.16.2 For all U.S. federal income tax purposes, all parties shall treat the transfer of assets by Store It to the Liquidating Trust for the benefit of the holders of Allowed Claims and Interests, whether Allowed on or after the Effective Date, as (A) a transfer of the assets of Store It directly to the holders of Allowed Claims, followed by (B) the transfer by such persons to the Liquidating Trust of such assets in exchange for beneficial interests in the Liquidating Trust. Accordingly, the holders of Allowed Claims, whether Allowed on or after the Effective Date, shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the applicable assets of the Liquidating Trust.

Section 7.17 Tax Payments.

7.17.1 Each holder of an Allowed Claim will be required to report on its federal income tax return(s) the holder’s allocable share of any income, gain, loss, deduction or credit recognized or incurred by the Liquidating Trust (irrespective of whether distributions are made by the Liquidating Trust).

7.17.2 The Liquidating Trustee may request an expedited determination of taxes of the Liquidating Trust, under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Liquidating Trust for all taxable periods from commencement of the Liquidating Trust through the dissolution of the Liquidating Trust.

7.17.3 All holders of Claims shall report, for tax purposes, consistent with the foregoing.

Section 7.18 Tax Returns. The Liquidating Trustee shall file returns for the Liquidating Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a). The Liquidating Trustee also shall annually send to each record holder of a beneficial interest a separate statement setting forth the holder’s share of items of income, gain, loss, deduction, or credit and will instruct all such holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The Liquidating Trust’s taxable income, gain, loss, deduction, or credit will be allocated to the holders of Allowed Claims in accordance with their relative beneficial interests in the Liquidating Trust. The Liquidating Trustee also shall file (or cause to be filed) any

other statements, returns, or disclosures relating to the Liquidating Trust that are required by any governmental unit. The Liquidating Trustee shall not be required or have authority to file tax returns on behalf of Store It, but only on behalf of the Liquidating Trust.

Section 7.19 Dissolution of Liquidating Trust.

7.19.1 The Liquidating Trustee and the Liquidating Trust shall be discharged or dissolved, as the case may be, at such time as (i) the Liquidating Trustee determines, in his sole discretion, that the pursuit of additional Liquidating Trust Assets is not likely to yield sufficient additional proceeds to justify further pursuit of such claims, (ii) all Disputed Claims have become Allowed Claims or have been disallowed by Final Order, and (iii) all distributions of Liquidating Trust Assets required to be made by the Liquidating Trustee under the Plan have been made; provided, however, that in no event shall the Liquidating Trust be dissolved later than three (3) years from the Effective Date unless the Bankruptcy Court, upon motion made, determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Liquidating Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery on and liquidation of the Liquidating Trust Assets . Upon dissolution of the Liquidating Trust, any remaining Liquidating Trust Assets shall be distributed to holders of Allowed Claims and Interests.

7.19.2 If at any time the Liquidating Trustee determines that the expense of administering the Liquidating Trust so as to make a final distribution to its beneficiaries of all remaining Liquidating Trust Assets is likely to exceed the value of the remaining Liquidating Trust Assets, the Liquidating Trustee shall apply to the Bankruptcy Court for authority to donate any balance to a charitable organization exempt from federal income tax under section 501(c)(3) of the Tax Code that is unrelated to the Liquidating Trust, and any insider of the Liquidating Trustee. Notice of such application shall be given electronically, to the extent practicable, to those parties who have filed requests for notices and whose electronic addresses remain current and operating.

**ARTICLE VIII
CRAMDOWN AND CLAIMS ALLOWANCE**

Section 8.1 Cramdown. Subject to the absolute priority rule discussed in Section 8.2 below, in the event any Class rejects the Plan, Store It will seek to invoke the provisions of Section 1129(b) of the Bankruptcy Code and confirm the Plan notwithstanding the rejection of the Plan by any Class of Claims or Interests.

IN THE EVENT ANY CLASS REJECTS THE PLAN STORE IT WILL SEEK TO INVOKE THE PROVISIONS OF SECTION 1129(B) OF THE BANKRUPTCY CODE AND CONFIRM THE PLAN OVER THE REJECTION

OF THE CLASS OR CLASSES. THE TREATMENT AFFORDED EACH CREDITOR IN EACH CLASS IN THE EVENT OF A CRAMDOWN WILL BE THE SAME AS THAT PROVIDED FOR IN THE PLAN AS THE CASE MAY BE.

Section 8.2 Absolute Priority Rule. Absolute Priority Rule. Section 1129(b)(2)(B)(ii) controls the payment of senior and junior classes of claims or interests in the event that all of the applicable requirements of Section 1129(a). Store It believes that the Plan meets the “fair and equitable” test and does not discriminate unfairly with respect to all classes of creditors or interest holders. Under the terms of this plan, the principals of Store It shall retain their interest in the Liquidating Trust. The retention of this interest may prevent Store It from seeking relief under 1129(b)(2)(B). Unless all impaired classes vote for Store It’s plan, the retention of this interest will prevent Store It’s plan from being confirmed and this case will be converted to chapter 7

Section 8.3 Allowance of Claims under the Plan. Allowance is a procedure whereby the Bankruptcy Court determines the amount and enforceability of Claims against Store It, if the parties cannot agree upon such allowance. It is expected that Store It and/or the Liquidating Trustee will file objections to Claims of Creditors, if any are deemed necessary, before and after confirmation of the Plan. The Plan merely provides for payment of Allowed Claims, but does not attempt to pre-approve the allowance of any Claims.

Section 8.4 Objection Deadline. The Liquidating Trustee shall, on and after the Effective Date, have the right to make and file objections to Claims. As soon as practicable, but in no event later than one hundred twenty (120) days after the Effective Date, unless extended by order of the Bankruptcy Court for cause, objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made.

Section 8.5 Prosecution of Objections. On and after the Effective Date, except as the Bankruptcy Court may otherwise order, the filing, litigation, settlement or withdrawal of all objections to Claim and Litigation Assets may be made by the Liquidating Trustee.

ARTICLE IX EXECUTORY CONTRACTS AND LEASES

Section 9.1 Assumption. Store It hereby assumes the executory contracts and leases set forth in **Exhibit A** (to be supplemented if any) and any executory contracts and leases previously assumed pursuant to bankruptcy court order. All licenses issued to Store It by governmental authorities are assumed.

Section 9.2 Rejection. Store It hereby rejects all Executory Contracts and leases not otherwise assumed in this Plan or by prior order of the Bankruptcy Court.

Section 9.3 Rejection Claims. Any Claims arising from rejection of an executory contract or lease must be filed on or before twenty (20) days from the Confirmation Date.

Otherwise, such Claims are forever barred and will not be entitled to share in any distribution under the Plan. Any Claims arising from rejection, if timely filed and allowed, will be treated as General Unsecured Claims.

Section 9.4 Payment of Rejection Claims. Except as specifically provided for herein, Store It shall pay all cure claims in the amount listed on **Exhibit A** on or before thirty (30) days after the Administrative Claims Bar Date set in paragraph 3.1, unless a Claim is filed before the Administrative Claims Bar Date in an amount different from that set forth on **Exhibit A**, in which case the cure claim will be paid when and if allowed by Final Order of the Bankruptcy Court.

ARTICLE X MODIFICATION OF THE PLAN

Section 10.1 Modification. Store It may propose amendments and modifications of this Plan prior to the Confirmation Date with leave of the Bankruptcy Court upon appropriate notice. After the Confirmation Date, Store It may, with approval of the Bankruptcy Court, so long as it does not materially or adversely affect the interests of the Creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the intent of this Plan. After the Confirmation Date, Store It may, with approval of the Bankruptcy Court, modify the Plan as to any Class, even though such modification materially affects the rights of the Creditors or Interest Holders in such Class; provided, however, that such modifications must be accepted as to Classes of Creditors by at least sixty-six and two-thirds percent (66-2/3%) in amount of Allowed Claims voting in each such Class and fifty-one percent (51%) in number of Allowed Claims voting in such Class, and as to Classes of Interest Holders by at least sixty-six and two-thirds percent (66-2/3%) in amount of Allowed Interests voting in each such Class; and provided, further, that additional disclosure material needed to support such modification shall be approved by the Bankruptcy Court in the manner consistent with Section 1125 of the Bankruptcy Code and Rule 3017 of the Federal Rules of Bankruptcy Procedure. With respect to all proposed modifications to the Plan both before and after confirmation, Store It shall comply with the requirements of Section 1127 of the Bankruptcy Code.

ARTICLE XI CONDITIONS PRECEDENT

Section 11.1 Conditions to Confirmation. Confirmation of the Plan shall not occur and the Bankruptcy Court shall not enter the Confirmation Order unless all of the requirements of the Bankruptcy Code for confirmation of the Plan with respect to Store It shall have been satisfied. In addition, confirmation shall not occur, the Plan shall be null and void and of no force and effect, and the Plan shall be deemed withdrawn unless the Court shall have entered all orders (which may be orders included within the Confirmation Order) required to implement the Plan.

Section 11.2 Waiver and Nonfulfillment of Conditions to Confirmation. Nonfulfillment of any condition to confirmation of the Plan may be waived only by Store It. In the event Store It determines that the conditions to the Plan's confirmation which they may waive cannot be satisfied and should not, in its discretion, be waived, Store It may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

Section 11.3 Confirmation Order Provisions for Pre-Effective Date Actions. The Confirmation Order shall empower and authorize Store It to take or cause to be taken, prior to the Effective Date, all actions which are necessary to enable it to implement the provisions of the Plan and satisfy all other conditions precedent to the effectiveness of the Plan.

Section 11.4 Waiver and Nonfulfillment of Conditions to Effective Date. Nonfulfillment of any condition set forth in the immediately foregoing paragraph of the Plan may be waived only by Store It. If Store It determines that the conditions to the Plan's Effective Date set forth in the immediately foregoing paragraph of this Plan cannot be satisfied and should not, in its sole discretion, be waived, Store It may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

ARTICLE XII JURISDICTION OF THE BANKRUPTCY COURT

Section 12.1 Retention of Bankruptcy Court Jurisdiction. Notwithstanding entry of the Confirmation Order or the Effective Date having occurred, the Bankruptcy Court shall retain exclusive jurisdiction of this case after the Confirmation Date with respect to the following matters:

12.1.1 To allow, disallow, reconsider (subject to Bankruptcy Code Section 502(j) and the applicable Bankruptcy Rules) Claims and to hear and determine any controversies pertaining thereto;

12.1.2 To estimate, liquidate, classify or determine any Claim against Store It, including claims for compensation or reimbursement;

12.1.3 To resolve controversies and disputes regarding the interpretation and implementation of the Plan, including entering orders to aid, interpret or enforce the Plan and to protect Store It and any other entity having rights under the Plan as may be necessary to implement the Plan;

12.1.4 To hear and determine any and all applications, contested matters, or adversary proceedings arising out of or related to this Plan or this case or as otherwise might be maintainable under the applicable jurisdictional scheme of the Bankruptcy Code prior to or after confirmation and consummation of the Plan whether or not pending on the Confirmation Date;

12.1.5 To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked or vacated;

12.1.6 To liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated Claim;

12.1.7 To adjudicate all Claims to any lien on any of Store It's assets;

12.1.8 To hear and determine matters concerning state, local and federal taxes pursuant to the Bankruptcy Code, including (but not limited to) Sections 346, 505 and 1146 thereof and to enter any order pursuant to Bankruptcy Code Section 505 or otherwise to determine any tax of Store It, whether before or after confirmation, including to determine any and all tax effects of the Plan;

12.1.9 To correct any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan or to modify the Plan as provided by applicable law;

12.1.10 To determine all questions and disputes regarding title to assets and shares of Store It, the Liquidating Trustee or of the Bankruptcy Estate, as may be necessary to implement the Plan;

12.1.11 To enforce and to determine actions and disputes concerning the releases contemplated by the Plan and to require persons holding Claims being released to release Claims in compliance with the Plan;

12.1.12 To fix the value of collateral in connection with determining Claims;

12.1.13 To enter a final decree closing the case and making such final administrative provisions for the case as may be necessary or appropriate; and

12.1.14 To, even after entry of a final decree, hear any cases enforcing Bankruptcy Code Section 525.

Section 12.2 Failure of the Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under or related to the Chapter 11 case, including the matters set forth in Section 12.1 of the Plan, this Article 12 shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE XIII
EFFECT OF CONFIRMATION

Section 13.1 Binding Effect. As provided for in Section 1141(d) of the Bankruptcy Code, the provisions of the Plan shall bind Store It, any entity acquiring property under the Plan and any Creditor, Equity Holder of Store It, whether or not the Claim or Interest of such Creditor or Equity Holder is impaired under the Plan and whether or not such Creditor or Equity Holder has accepted the Plan, and the United States and any licensing authority. After confirmation, the property dealt with by the Plan shall be free and clear of all Claims and Interests of Creditors and Equity Holders, except to the extent as provided for in the Plan as the case may be. The Confirmation Order shall contain an appropriate provision to effectuate the terms of this paragraph 13.1.

Section 13.2 Satisfaction of Claims and Interests. Holders of Claims and Interests shall receive the distributions provided for in this Plan, if any, in full settlement and satisfaction of all such Claims, and any interest accrued thereon, and all Interests.

Section 13.3 Vesting of Property. Except as otherwise expressly provided in the Plan or the Confirmation Order, all property of Store It and of its Bankruptcy Estate, including the Litigation Assets, shall vest in the Liquidating Trust free and clear of liens, claims and encumbrances. Except as otherwise provided in the Plan, the Liquidating Trustee may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

Section 13.4 Discharge. Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Confirmation Date, Store It 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.

Section 13.5 Plan Injunction. The Confirmation Order shall include a permanent injunction prohibiting the collection of Claims against Store It, and or its property, the Liquidating Trust and or any property vested in the Liquidating Trust, or the Liquidating Trustee except for post-confirmation gross negligence. All Holders of Claims shall be prohibited from asserting any Claims against Store It, and or its property, the Liquidating Trust and or any property vested in the Liquidating Trust, or the Liquidating Trustee except for post-confirmation gross negligence. Such prohibition shall apply whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under Section 502 of the Bankruptcy Code; or (c) the Holder of a Claim based upon such debt has accepted the Plan. This injunction also permits the Liquidating Trustee to enforce 11 U.S.C. Section 525(a) upon improper revocation or restriction of licenses.

Section 13.6 Preservation of Setoff Rights. In the event that Store It has a Claim of any nature whatsoever against the Holders of Interests, Store It may, but is not required to setoff against the Claim (and any payments or other distributions to be made in respect of such Claim hereunder), subject to the provisions of Section 553 of the Bankruptcy Code. Neither the failure to setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by Store It of any Claim that Store It has against the Holder of Claims. Neither this provision nor the injunctive provision of the Confirmation Order shall impair the existence of any right of setoff or recoupment that may be held by a Creditor herein; provided that the exercise of such right, except as set forth herein with respect to Class 4, shall not be permitted unless the Creditor provides Store It with written notice of the intent to affect such setoff or recoupment. If Store It or the Disbursing Agent, as applicable, objects in writing within twenty (20) business days following the receipt of such notice, such exercise shall only be allowed upon order of the Bankruptcy Court. In the absence of timely objection, the Creditor may implement the proposed setoff or recoupment against the Claim held by the Bankruptcy Estate.

Section 13.7 Releases. On the Effective Date and pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code, Store It, the Liquidating Trustee, and to the maximum extent provided by law, its agents release and forever discharge all claims, including acts taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into or any other act taken or entitled to be taken in connection with the Plan or this case against the following, whether known or unknown:

13.7.1 Jay Carden, Patrick Barrett and John Itzel, Store It, their employees, agents, affiliates attorneys and representatives (the “**Insider Released Parties**”), in connection with any and all claims and causes of action arising after the Confirmation Date. The release of these Insider Released Parties shall be conditioned upon the occurrence of the Effective Date. Neither the releases contemplated by this Section 13.7, nor any provisions of the Plan, shall release claims against non-debtor third parties or the potential claims that may be asserted against the Insider Related Parties for pre-petition acts as described in **Exhibit B**.

13.7.2 Store It’s Professionals will be released from any and all claims and liabilities other than gross negligence and willful misconduct or except as otherwise provided under the Professional Code of Responsibility.

Section 13.8 Exculpation. As of the Effective Date, the Liquidating Trustee, Disbursing Agent, and Store It Officers, board of directors, and attorneys shall be and hereby are exculpated by all Persons, including without limitation, all Holders of Claims, Holders of Equity interests, and other parties-in-interest, from any and all Claims, Causes of Action and other assertions of

liability arising out of or related to the discharge of their respective powers and duties conferred by the Plan, the Liquidating Trust Agreement or any order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan, or applicable law or otherwise, except for actions or omissions to act that are determined by final order of the Bankruptcy Court to have arisen out of their own respective intentional fraud, criminal conduct, gross negligence or willful misconduct. No Liquidating Trust beneficiary, Holder of a Claim, Holder of an Equity Interest, or other party-in-interest shall have or be permitted to pursue any claim or cause of action against the Liquidating Trustee or Disbursing Agent, the Liquidating Trust, the employees, professionals, agents, or representatives of either the Liquidating Trustee or the Liquidating Trust, for making payments in accordance with, or for implementing, the provisions of the Plan, the Confirmation Order and the Liquidating Trust Agreement. Any action taken or omitted to be taken with the express approval of the Bankruptcy Court shall conclusively be deemed not to constitute gross negligence or willful misconduct.

Section 13.9 Guarantors. Nothing herein shall be deemed to release the liability of any non-debtor guarantor to a Creditor; provided, however, that so long as Store It is current with respect to all of its obligations under this Plan and the Confirmation Order Creditors may not pursue collection of their Claims from any guarantor. If Store It commits an uncured default in its obligations hereunder, then and only then may Creditors seek relief against guarantors.

Section 13.10 Lawsuits. On the Effective Date, all lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of Claims against Store It and any guarantor except proof of Claim and/or objections thereto pending in the Bankruptcy Court shall be dismissed as to Store It and/or the Liquidating Trustee. Such dismissal shall be with prejudice to the assertion of such Claim in any manner other than as prescribed by the Plan. All parties to any such action shall be enjoined by the Bankruptcy Court by the Confirmation Order from taking any action to impede the immediate and unconditional dismissal of such actions. All lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of a claim(s) by Store It or any entity proceeding in the name of or for the benefit of Store It against a person shall remain in place only with respect to the claim(s) asserted by Store It or such other entity, and shall become property of the Post-Confirmation the Liquidating Trustee to prosecute, settle or dismiss as it sees fit.

Section 13.11 U.S. Trustee Fees. Store It shall timely pay post-confirmation quarterly fees assessed pursuant to 28 U.S.C. § 1930(a)(6) until such time as the Bankruptcy Court enters the Confirmation Order or enters an order either converting these cases to cases under Chapter 7 or dismisses the cases. After entry of the Confirmation Order, the Liquidating Trustee shall file with the Bankruptcy Court and shall transmit to the United States Trustee a true and correct statement of all disbursements made by them for each month or portion thereof, which these Chapter 11 cases remain open in a format prescribed by the United States Trustee.

Section 13.12 Term of Stays. Except as otherwise provided in the Plan, the stay provided for in this case pursuant to Bankruptcy Code Section 362 shall remain in full force and effect until the Effective Date.

ARTICLE XIV MISCELLANEOUS PROVISIONS

Section 14.1 Corporate Authority. All actions and transactions contemplated under the Plan shall be authorized upon confirmation of the Plan without the need of further board or stockholder resolutions, approval, notice or meetings, other than the notice provided by serving this Plan on all known Creditors of Store It, all Interest Holders, and all current directors of Store It.

Section 14.2 Documentation. Store It, all Creditors and other parties in interest required to execute releases, termination statements, deeds, bills of sale or other documents required by the Plan, shall be ordered and directed to execute such documents as are necessary in order to effectuate the terms of this Plan. The Bankruptcy Court may determine that the failure of any party to execute a required document shall constitute contempt of the Bankruptcy Court's Confirmation Order, which shall require such documents to be executed in accordance with the terms of the Plan and the Confirmation Order. On the Effective Date, all documents and instruments contemplated by the Plan not requiring execution and delivery prior to the Confirmation Date shall be executed and delivered by Store It, and Creditors, as the case may be. All Documents shall be consistent with the terms of the Plan and shall otherwise be subject to approval as to form by all respective counsel.

Section 14.3 Integration Clause. This Plan is a complete, whole, and integrated statement of the binding agreement between Store It, Creditors, Equity Interests and the parties-in-interest upon the matters herein. Parole evidence shall not be admissible in an action regarding this Plan or any of its provisions.

Section 14.4 Primacy of the Plan and Confirmation Order. To the extent of any conflict or inconsistency between the provisions of the Plan on the one hand, and the Confirmation Order on the other hand, the provisions of the Confirmation Order shall govern and control.

Section 14.5 Severability. Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest or transaction, the proponent may modify the Plan as provided herein so that such provision shall not be applicable to the Holder of any Claim or Equity Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

Section 14.6 No Admission. Neither the filing of the Plan, nor Disclosure Statement, nor any statement or provision contained herein, nor the taking by Store It of any action with respect to the Plan shall (i) be or 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 Store It may possess against any other party. If the Effective Date does not occur, neither the Plan, Disclosure Statement nor any statement contained herein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside of Store It's case.

Section 14.7 No Waiver or Relinquishment. Store It does not waive, relinquish, or abandon (nor shall the Litigation Trust be estopped or otherwise precluded from asserting) any right, claim, Cause of Action, defense, or counterclaim that constitutes property of the Bankruptcy Estate: (a) whether or not such right, claim, Cause of Action, defense, or counterclaim has been listed or referred to in the Plan, the Schedules, or any other document filed with the Bankruptcy Court; (b) whether or not such right, claim, Cause of Action, defense, or counterclaim is currently known to Store It; and (c) whether or not a party in any litigation relating to such right, claim, cause of action, defense or counterclaim filed a proof of Claim in the Bankruptcy Case, filed a notice of appearance or any other pleading or notice in the Bankruptcy Case, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity including, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, THE FAILURE TO LIST, DISCLOSE, DESCRIBE, IDENTIFY, OR REFER TO A RIGHT, CLAIM, CAUSE OF ACTION, DEFENSE, OR COUNTERCLAIM, OR POTENTIAL RIGHT, CLAIM, CAUSE OF ACTION, DEFENSE, OR COUNTERCLAIM, IN THE PLAN, THE SCHEDULES, OR ANY OTHER DOCUMENT FILED WITH THE BANKRUPTCY COURT SHALL IN NO MANNER WAIVE, ELIMINATE, MODIFY, RELEASE, OR ALTER ANY RIGHT OF THE LITIGATION TRUST TO COMMENCE, PROSECUTE, DEFEND AGAINST, SETTLE, AND REALIZE UPON ANY RIGHTS, CLAIMS, CAUSES OF ACTION, DEFENSES, OR COUNTERCLAIMS THAT STORE IT HAVE, OR MAY HAVE, AS OF THE EFFECTIVE DATE. In addition, Store It expressly reserves and as of the Effective Date the Litigation Trust shall have the right to pursue or adopt any claim alleged in any lawsuit in which Store It is a party. Except as is otherwise expressly provided herein or in the Confirmation Order, nothing in this Plan or the Confirmation Order shall preclude or estop (i) the Litigation Trust from bringing a subsequent action in any court or adjudicative body of competent jurisdiction, to enforce any or all of its respective rights in connection with the Litigation Assets and any other assets vested in the Litigation Trust under this Plan. Moreover, the failure to commence any of the Retained Causes of Action prior to the Confirmation Date shall not constitute res judicata, judicial or collateral estoppel with respect to any Retained Cause of Action.

Section 14.8 Bankruptcy Restrictions. From and after the Effective Date, Store It shall no longer be subject to the restrictions and controls provided by the Bankruptcy Code or Rules

(e.g., section 363, section 364, rule 9019), the Bankruptcy Court, or the United States Trustee's guidelines. The Disbursing Agent may, on behalf of Store It, compromise Claims and/or controversies post-Effective Date without the need of notice or Bankruptcy Court approval. No monthly operating reports will be filed after the Effective Date; however, the Disbursing Agent shall provide the U.S. Trustee such financial reports as provided above and as the U.S. Trustee may reasonably request until the entry of a final decree.

Section 14.9 Governing Law. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or the law of the jurisdiction of organization of any entity, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any agreements, documents and instruments executed in connection with the Plan or the Chapter 11 case, including the documents executed pursuant to the Plan.

Section 14.10 Closing of Case. As soon as Store It has either obtained substantial consummation or otherwise performed its obligations under the Plan the Liquidating Trustee shall seek the entry of an Order of the Court closing this case.

Section 14.11 Successors and Assigns. The rights, benefits and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

Section 14.12 Notices. All notices or requests in connection with the Plan shall be in writing and given by mail addressed to:

Store It REIT, Inc.
120 Rustin Ave, C-911
Newport Beach, CA 92663

with copies to:
Deirdre Carey Brown
Hoover Slovacek LLP
Galleria Tower II
5051 Westheimer, Suite 1200
Houston, Texas 77056

All notices and requests to Persons holding any Claim or Interest in any Class shall be sent to them at their last known address or to the last known address of their attorney of record in the case. Any such holder of Claim or Interest may designate in writing any other address for purposes of this section, which designation will be effective upon receipt by Store It.

Section 14.13 Validity and Enforceability. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have

been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms. Should any provision in this Plan be determined by the Court or any appellate court to be unenforceable following the Effective Date, such determination shall in no way limit the enforceability and operative effect of any and all other provisions of this Plan.

Section 14.14 Plan Supplement. Any and all exhibits or schedules not filed with the Plan shall be contained in a Plan Supplement to be filed within ten (10) days of the Confirmation Hearing.

Respectfully submitted this 24th day of August, 2018

STORE IT REIT, INC.

By: /s/ Patrick Barrett (with permission by Deirdre Carey Brown)
Patrick Barrett
Director

STORE IT REIT, INC.

By: /s/ John Itzel (with permission by Deirdre Carey Brown)
John Itzel
Director

Dierdre Carey Brown
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ATTORNEYS FOR DEBTOR

PLAN EXHIBIT A

**EXECUTORY CONTRACTS TO BE ASSUMED
AND PROPOSED CURE AMOUNTS**

(To be supplemented prior to the Confirmation Hearing)

PLAN EXHIBIT B

LITIGATION ASSETS

(To be supplemented prior to the Confirmation Hearing)

EXHIBIT B

CLAIMS ANALYSIS

(To Be Supplemented)

EXHIBIT C

LIQUIDATION ANALYSIS

(To Be Supplemented)

EXHIBIT D

LIQUIDATION TRUST AGREEMENT

(To Be Supplemented)