

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

IN RE:	§	
	§	
TNP TITAN PLAZA FUND, LLC	§	BANKRUPTCY No. 16-50780-RBK
	§	
DEBTOR	§	CHAPTER 11 CASE
	§	

**DISCLOSURE STATEMENT REGARDING PLAN OF LIQUIDATION FOR
TNP TITAN PLAZA FUND, LLC, DEBTOR AND DEBTOR-IN-POSSESSION**

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THIS DISCLOSURE STATEMENT AND ACCOMPANYING PLAN OF LIQUIDATION FOR TNP TITAN PLAZA FUND, LLC, DEBTOR AND DEBTOR-IN-POSSESSION HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE DEBTOR HAS SEPARATELY NOTICED A HEARING TO CONSIDER THE ADEQUACY OF THIS DISCLOSURE STATEMENT UNDER SECTION 1125 OF THE BANKRUPTCY CODE. THE DEBTOR RESERVES THE RIGHT TO FURTHER MODIFY OR SUPPLEMENT THE DISCLOSURE STATEMENT AND THE ACCOMPANYING PLAN OF LIQUIDATION PRIOR TO AND UP TO THE DATE OF SUCH HEARING.

PLEASE READ THIS IMPORTANT INFORMATION

THIS DOCUMENT IS THE DISCLOSURE STATEMENT FOR THE PLAN DESCRIBED HEREIN. THE DISCLOSURE STATEMENT INCLUDES CERTAIN EXHIBITS, EACH OF WHICH ARE INCORPORATED INTO AND MADE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN. THE STATEMENTS AND OTHER INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT WERE MADE AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE DATE SET FORTH ON THE COVER PAGE HEREOF. HOLDERS OF CLAIMS AND INTERESTS MUST RELY ON THEIR OWN EVALUATION OF THE DEBTOR AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO ACCEPT OR REJECT THE PLAN.

[THE BANKRUPTCY COURT HAS REVIEWED THIS DISCLOSURE STATEMENT, AND HAS DETERMINED THAT IT CONTAINS ADEQUATE INFORMATION AND MAY BE SENT TO YOU TO SOLICIT YOUR VOTE TO ACCEPT THE PLAN.]

ALL HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS CITED HEREIN AND THE PLAN ATTACHED HERETO, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

DEBTOR IS PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT SOLELY FOR PURPOSES OF SOLICITING HOLDERS OF CLAIMS AND INTERESTS TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PERSON FOR ANY OTHER PURPOSE. THE CONTENTS OF THIS DISCLOSURE STATEMENT SHALL NOT BE DEEMED AS PROVIDING ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE. THE DEBTOR URGES EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY SUCH LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT AND THE PLAN. MOREOVER, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE SUMMARY OF THE PLAN AND OTHER DOCUMENTS DESCRIBED IN THIS DISCLOSURE STATEMENT ARE QUALIFIED BY REFERENCE TO DOCUMENTS THEMSELVES AND THE EXHIBITS THERETO. THE DEBTOR BELIEVES THAT THE INFORMATION HEREIN IS ACCURATE BUT IS UNABLE TO WARRANT THAT IT IS WITHOUT ANY INACCURACY OR OMISSION.

DEBTOR HAS NOT AUTHORIZED ANY PARTY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OR THE DEBTOR OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS

DISCLOSURE STATEMENT. HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT RELY UPON ANY OTHER INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN ACCEPTANCE OR REJECTION OF THE PLAN.

THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

NEITHER THIS DISCLOSURE STATEMENT NOR THE PLAN HAS BEEN FILED WITH OR REVIEWED BY ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE UNDER ANY STATE SECURITIES LAW ("BLUE SKY LAW"). THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION AND NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, CERTAIN OTHER DOCUMENTS, AND CERTAIN FINANCIAL INFORMATION. DEBTOR BELIEVES THAT THESE SUMMARIES ARE FAIR AND ACCURATE. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION CONTAINED IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS OR FINANCIAL INFORMATION INCORPORATED HEREIN BY REFERENCE, THE PLAN, OR SUCH OTHER DOCUMENTS, AS APPLICABLE, SHALL GOVERN FOR ALL PURPOSES.

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 TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER UNDER THE TAX CODE; (B) SUCH DISCUSSION IS INCLUDED HEREBY BY THE DEBTOR IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

TABLE OF EXHIBITS

- A. Plan of Liquidation for TNP Titan Plaza Fund, LLC, Debtor and Debtor-in-Possession
- B. Order Approving Disclosure Statement
- C. Liquidation Analysis
- D. Limited Liability Company Agreement of TNP Titan Plaza Fund, LLC

ARTICLE I BRIEF EXPLANATION OF CHAPTER 11

Chapter 11 is the principal business reorganization chapter of title 11 of the United States Code (as amended, the “Bankruptcy Code”). Chapter 11 authorizes a debtor to reorganize its business for the benefit of its creditors, equity interest holders, and other parties in interest. Commencing a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor in possession.”

The principal objective of a chapter 11 case is to consummate a plan of reorganization. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by a bankruptcy court binds a debtor, any issuer of securities thereunder, any person acquiring property under the plan, any creditor or equity interest holder of a debtor, and any other person or entity the bankruptcy court may find to be bound by such plan. Chapter 11 requires that a plan treat similarly situated creditors and similarly situated equity interest holders equally, subject to the priority provisions of the Bankruptcy Code.

Subject to certain limited exceptions, a bankruptcy court order confirming a plan of reorganization discharges a debtor from any debt that arose prior to the date of confirmation of the plan and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

Prior to soliciting acceptances of a proposed plan of reorganization, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan of reorganization. This Disclosure Statement is submitted in accordance with section 1125 of the Bankruptcy Code.

BRIEF DESCRIPTION OF THE DEBTOR AND STATUS OF THE CASE

2.1. Historical Background

Debtor is limited liability company organized under the laws of the state of Delaware. The rights and obligations for the membership interests are governed by the Limited Liability Company Agreement of TNP Titan Plaza Fund, LLC, attached hereto as Exhibit D, which became effective on October 19, 2010.

Debtor owned and leased commercial real estate located at 2700 NE Loop 410 and 8200 Perrin Beitel, San Antonio, Texas 78218 (the “Real Property”). Debtor conducted no other business operations besides the management and leasing of the Real Property. The Real Property constituted “single asset real estate” (as defined under Section 101(51B) of the Bankruptcy Code) and Debtor is a “single asset real estate” entity.

On or about October 19, 2010, Debtor, as Borrower, and A10 Capital, LLC, a Delaware limited liability company (“A10”), as Lender, entered into that specific Loan Agreement,

whereby Debtor entered into that certain Promissory Note (the "Note") in order to borrow funds in the principal amount of \$6,300,000.00 (the "Loan"). Payment of the Note was secured by a first priority security interest in the Real Property and an assignment of the leases and rents.

On or about November 1, 2013, the Note matured; however, Debtor was unable to pay the remaining balance due under the Note, causing A10 to declare a default under the Note. On November 27, 2013, Debtor and A10 entered into that certain Extension Agreement, whereby the maturity date for the Note was extended to November 1, 2015.

On November 1, 2015, the Note matured; however, Debtor was unable to pay the remaining balance due under the Note, causing A10 to declare a default under the Note. Debtor and A10 agreed to a forbearance agreement that extended the date upon which Debtor was required to pay the remaining balance due under the Note. The Loan, along with the other Loan Documents, were then assigned to Romeo Echo Oscar, LLC ("REO"). REO sent Debtor notice that a foreclosure sale of the Real Property was to occur on April 5, 2016.

On April 4, 2016, Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code in order to protect the value of the equity in the Real Property. As of the Petition Date, the Debtor was indebted to REO in the amount of at least \$3,983,262.01, plus fees, costs, expenses and attorney's fees incurred as of the Petition Date (collectively, the "Pre-Petition Claim").

2.2. Events in the Chapter 11 Case

During the course of this Chapter 11 case, Debtor continued its operations. On June 1, 2016, the Court entered the *Final Order Approving Use of Cash Collateral and Granting Adequate Protection* [Doc. # 36], wherein the Court approved Debtor's ability to continue using REO's cash collateral in order to fund ongoing operations.

On June 16, 2016, the Court entered its *Order on the Application to Employ Endura Advisory Group as Broker* [Doc. # 49], wherein Debtor was authorized to retain Endura Advisory Group ("Endura") as real estate broker for the marketing and sale of the Real Property. Endura immediately began marketing the Real Property, and on July 18, 2016, Endura received several offers to purchase the Real Property ranging between \$4.225 million and \$7.25 million.

After negotiating with several prospective buyers for the purchase of the Real Property, Debtor accepted the offer of \$7.25 million submitted by Brockwell Investments, LLC ("Brockwell") and proposed to sell the Real Property pursuant to Bankruptcy Code section 363. In connection with the Brockwell Sale, Debtor proposed to pay all allowed Secured Claims, as well as any outstanding 2016 property taxes attributable to the Debtor at Closing. Debtor also assumed and assigned each of the Tenant Leases related to the Real Property to Brockwell. On November 1, 2016, the Court entered the *Order Approving Debtor's Motion for Authorization to (I) Sell Property of the Estate Pursuant to 11 U.S.C. § 363 and (II) Assume and Assign Executory Contracts Pursuant to 11 U.S.C. § 365* [Doc. # 84].

In connection with the sale, Debtor had only one significant cure claim associated with assumption and assignment of the Tenant Leases, which was litigation arising out of a lease with VHS San Antonio Partners, LLC ("VHS"). Debtor was ultimately able to achieve a settlement with VHS, whereby VHS was granted an allowed cure claim of \$200,000.

The sale of the Real Property closed on January 19, 2017. At closing, Debtor paid all secured claims in full, as well as the cure claim owed to VHS. After payment of closing fees and expenses, Debtor received \$2,754,474.64 from the sale of the Real Property.

ARTICLE III GENERAL OUTLINE OF THE PLAN

THE PRINCIPAL PROVISIONS OF THE PLAN ARE SET FORTH BELOW. THIS IS A BROAD OVERVIEW OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH IS ATTACHED HERETO AS EXHIBIT A. AS NOTED ABOVE, ALL CAPITALIZED TERMS USED HEREIN AND NOT OTHERWISE DEFINED IN THE BANKRUPTCY CODE SHALL HAVE THE MEANING ASSIGNED TO THEM IN THE PLAN ATTACHED HERETO.

3.1. Classification and Treatment of Claims Against and Interest in the Debtor

Class 1 Allowed Priority Non-Tax Claims. Each holder of an Allowed Priority Non-Tax Claim will receive, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Non-Tax Claim, either (i) on, or as soon as reasonably practicable thereafter, the later of the Effective Date or the date on which such Claim becomes an Allowed Claim, Cash in an amount equal to the principal amount of such Allowed Claim, plus Post-Petition Interest at the Plan Rate on such Allowed Claim or (ii) such different treatment as agreed to in writing. Twana Lynn Becker has asserted a priority non-tax claim of \$4,000.00.

Class 2 Allowed General Unsecured Claims. Each holder of an Allowed General Unsecured Claim will receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, either (i)(a) on, or as soon as reasonably practicable thereafter, the later of the Effective Date or the date on which such Claim becomes an Allowed Claim, Cash in an amount equal to the principal amount of such Allowed Claim, plus Post-Petition Interest at the Plan Rate on such Allowed Claim or (ii) such different treatment as agreed to in writing. Debtor estimates that the Allowed General Unsecured Claims total approximately \$479,000.

Class 3 Allowed Interests. Class 3 is comprised of all Holders of Interests in the Debtor. Each Holder of Class 3 Interests will receive, in full satisfaction, settlement, release and discharge of and in exchange for such Class 3 Interests, payment in Cash as provided under Section 5.2 of the LLC Agreement. Upon completion of the payments required by the LLC Agreement, all existing Interests shall, without any further actions, be cancelled, annulled and extinguished and any certificates representing such Interests shall become null, void and of no force or effect.

3.2. Treatment of Unclassified Claims

Administrative Claims. Subject to the provisions of Article XI of the Plan, on, or as soon as reasonably practicable thereafter, the later of (i) the Effective Date, (ii) the date such Administrative Claim becomes an Allowed Administrative Claim, or (iii) the date such Administrative Claim becomes payable pursuant to any agreement, the holder of each Allowed Administrative Claim shall receive in full satisfaction, release, settlement and discharge of such Allowed Administrative Claim: (a) Cash equal to the unpaid portion of such Allowed Administrative Claim; or (b) in accordance with the terms of any written agreement regarding such Allowed Administrative Claim; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by a Debtor in the ordinary course of business during this Case will be paid in the ordinary course of business in accordance with the terms and conditions of any agreement relating thereto. Debtor believes that other than Professional Fees, no other Administrative Expense Claims will need to be paid.

Priority Tax Claims. On, or as soon as reasonably practicable thereafter, the later of (a) the Effective Date or (b) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Priority Tax Claim, (i) Cash equal to the due and unpaid portion of such Allowed Priority Tax Claim or (ii) such different treatment agreed to in writing. Priority Tax Claims totaling \$5,500.00 have been filed by the California Franchise Tax Board and the Texas Comptroller of Public Accounts.

Title 28 U.S.C. § 1930 Fees. On or before the Effective Date, the Debtor shall have paid in full, in Cash (including by check or wire transfer), in U.S. dollars, all fees payable pursuant to section 1930 of title 28 of the United States Code, in the amount determined by the Bankruptcy Court at the Confirmation Hearing. Based on the sale to Brockwell, Debtor anticipates a fee of \$13,000 being owed to the United States Trustee.

Allowed Administrative Expenses of Professionals. All final requests for compensation or reimbursement of Professional Fees pursuant to sections 327, 328, 330, 331, 363, 503(b) or 1103 of the Bankruptcy Code for services rendered to or on behalf of the Debtor prior to the Effective Date (other than Substantial Contribution Claims under section 503(b)(4) of the Bankruptcy Code) must be filed and served on the Debtor and its counsel no later than the thirty (30) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of expenses must be filed and served on the Debtor and the requesting Professional or other entity no later than twenty-one (21) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served. Debtor anticipates that Professional Fees and expenses for Pulman, Cappuccio, Pullen, Benson & Jones, LLP and Kelly Hart & Hallman, LLP will be approximately \$120,000.00 on the Effective Date.

3.3. Implementation of the Plan

On the Effective Date, Debtor will fund a Creditor Payment Account for payment in full, including interest, of all Claims, including Allowed Priority Non-Tax Claims, Allowed Priority Tax Claims, Allowed General Unsecured Claims, Administrative Claims and the Disputed Claims Reserve. Debtor will make all required payments to Holders of Allowed Claims. Distributions will be made pursuant to Articles IX, X and XI of the Plan. The remainder of the funds held by Debtor may be distributed, at the Debtor's discretion, to Holders of Interests pursuant to Section 5.2 of the LLC Agreement.

3.4. Executory Contracts and Leases

On the Effective Date, and to the extent permitted by applicable law, all of the Debtor's executory contracts and unexpired leases will be rejected by Debtor unless such executory contract or unexpired lease: (a) is being assumed pursuant to the Plan; (b) is the subject of a motion to assume filed on or before the Confirmation Hearing; or (c) has been previously rejected or assumed.

3.5. Effect of Confirmation

The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against the Debtor or its Estate, assets, properties, or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Interests in the Debtor shall be satisfied, discharged, and released in full. Neither Brockwell, nor any of its successors or assigns, shall be responsible for any pre-Effective Date obligations of the Debtor, except those expressly set forth in the Plan. Except as otherwise provided herein, all Persons and Entities shall be precluded and forever barred from asserting against Debtor, Brockwell, their respective successors or assigns, or their estates, assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

Under Sections 105 and 1142 of the Bankruptcy Code, and notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of or related to the Chapter 11 Case and the Plan, to the fullest extent permitted by law.

ARTICLE IV VOTING

4.1. Ballots and Voting Deadline. The Plan as proposed by Debtor does not impair any classes of Claims or Interests under section 1124 of the Bankruptcy Code. Therefore, all Holders of Claims and Interests are deemed to have accepted the Plan.

4.2. Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied. Debtor believes that the Plan satisfies or will satisfy the applicable requirements, as follows:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtor, as plan proponent, will have 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 Case, or in connection with the Plan and incident to the Case, has been disclosed to the Bankruptcy Court, and any such payment: (a) made before the confirmation of the Plan is reasonable; or (b) subject to the approval of the Bankruptcy Court as reasonable if it is to be fixed after the confirmation of the Plan.
- Either each holder of an impaired claim or equity interest has accepted the Plan, or will receive or retain under the Plan on account of that claim or equity interest, property of a value, as of the effective date of the Plan, that is not less than the amount that the holder would receive or retain if the Debtor were liquidated on that date under chapter 7 of the Bankruptcy Code.
- The Debtor has disclosed the identity and affiliations of any individual prepared to serve, after confirmation of the Plan, as a director, officer or voting trustee of the reorganized debtor or a successor to the debtor under the Plan and the appointment to, or continuance in, such office of such individual is consistent with the interests of the creditors and equity holders and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by such Debtor, and the nature of the compensation for such insider.
- The reorganized debtor is not proposing any rate change requiring approval by any governmental regulatory commission.
- Each class of claims that is entitled to vote on the Plan has either accepted the Plan or is not impaired under the Plan, or the Plan can be confirmed without the approval of each voting class pursuant to section 1129(b) of the Bankruptcy Code.
- Except to the extent that the holder of a particular claim will agree to a different treatment of its claim, the Plan provides that administrative claims, priority tax claims and, other priority claims will be paid in full, in cash, on the effective date, or as soon thereafter as practicable.

- At least one class of impaired claims will accept the Plan, determined without including any acceptance of the Plan by any insider holding a claim of that class.
- Confirmation of the plan is not likely to be followed by the liquidation or the need for further financial reorganization of the reorganized debtor or any successor thereto under the Plan unless such a liquidation or reorganization is proposed in the plan.
- All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the effective date.
- The Plan provides for the continuation after consummation of the Plan of payment of all retirement benefits, if any, at the level established under section 1114(e)(1)(b) or (g) of the Bankruptcy Code at any time prior to confirmation of the Plan, for the duration of the period each of the reorganized debtor has obligated itself to provide such benefits.

Debtor believes that: (a) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (b) it complies or will have complied with all of the requirements of chapter 11; and (c) the Plan has been proposed in good faith.

A. Best Interest of Creditors Test/Liquidation Analysis

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 in such Class either: (a) has accepted the Plan; or (b) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such person would receive or retain if the Debtor liquidated under chapter 7 of the Bankruptcy Code. In chapter 7 liquidation cases, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order, with no junior Class receiving any payments until all amounts due to senior Classes have been paid fully or any such payment is provided for:

- Secured creditors (to the extent of the value of their collateral);
- Administrative and other priority creditors;
- Unsecured creditors;
- Debt expressly subordinated by its terms or by order of the bankruptcy court; and
- Equity interest holders.

As described in more detail in the Liquidation Analysis set forth in Exhibit C hereto, the Debtor believes that the value of any distributions in a chapter 7 case would be less than the value of distributions under the Plan because, among other reasons, distributions in a chapter 7 case may not occur for a longer period of time, thereby reducing the present value of such distributions. In this regard, the distribution of the proceeds from liquidation would be delayed

until a chapter 7 trustee and its professionals become knowledgeable about the Case and the Claims against the Debtor. Debtor would also have to pay the fees and expenses of a chapter 7 trustee in addition to the Professionals' pre-conversion fees and expenses (thereby further reducing cash available for distribution).

B. Feasibility

The Bankruptcy Code requires a bankruptcy court to find, as a condition to confirmation, that confirmation is not likely to be followed by a debtor's liquidation or the need for further financial reorganization, unless that liquidation or reorganization is contemplated by the Plan. For purposes of showing that the Plan meets this feasibility standard, Debtor analyzed its ability to meet its obligations under the Plan, determining that Debtor has the means to liquidate as provided in its Plan. Accordingly, Debtor believes that the Plan complies with the financial feasibility standard of section 1129(a)(11) of the Bankruptcy Code.

C. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation that, except as described in the following section, each class of claims or equity interests that is impaired under the Plan accept the Plan. A class that is not "impaired" under a plan of reorganization is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder of that claim or equity interest; or (b) notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest after the occurrence of a default—(1) cures any such default that occurred before or after the commencement of the case under this title, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (2) reinstates the maturity of such claim or interest as such maturity existed before such default; (3) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (4) if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and (5) does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

There are no Classes of Claims or Interests Impaired under the Plan.

D. Confirmation without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan, even if impaired classes entitled to vote on the plan have not accepted it, provided that the plan has been accepted by at least one impaired Class. Section 1129(b) of the Bankruptcy Code states that, notwithstanding an impaired class' failure to accept a plan of reorganization, the plan shall be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down,"

so long as the plan does not “discriminate unfairly” and is “fair and equitable” with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

The condition that a plan be “fair and equitable” with respect to a non-accepting class of unsecured claims includes the following requirement that either: (a) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) the holder of any claim or equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or equity interest any property.

Debtor reserves the right to alter, amend, modify, revoke or withdraw the Plan or any Exhibit or Schedule; including amending or modifying it to satisfy section 1129(b) of the Bankruptcy Code, if necessary.

ARTICLE V CERTAIN RISK FACTORS RELATED TO THE PLAN

5.1. General

The following provides a non-exhaustive summary of various important considerations and risk factors associated with the Plan. In considering whether to vote for or against the Plan, Holders of Claims or Interests should read and carefully consider the factors set forth below, as well as all other information set forth or otherwise referenced in this Disclosure Statement.

5.2. Certain Bankruptcy Law Considerations

(a) Parties-in-Interest May Object To the Plan and Confirmation

Section 1129 of the Bankruptcy Code provides certain requirements for a chapter 11 plan to be confirmed, Parties-in-Interest may object to confirmation of a plan based on an alleged failure to fulfill these requirements or other reasons. Debtor believes that the Plan complies with the requirements of the Bankruptcy Code.

(b) Parties-in-Interest May Object To the Debtor’s Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class.

Debtor believes that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because each class of Claims and Interests encompass Claims or Interests that are substantially similar to the other Claims or Interests in each such class.

(c) The Debtor May Not Be Able To Obtain Confirmation of the Plan

There can be no assurance that the Bankruptcy Court will confirm the Plan. The Bankruptcy Court could still decline to confirm the Plan if it were to determine that any of the statutory requirements for confirmation had not been met, including a determination that the terms of the Plan are not fair and equitable to Classes not accepting the Plan. Therefore, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the resolicitation of votes.

(d) Risk of Non-Occurrence of the Effective Date

Although the Debtor believes that the Effective Date may occur within a reasonable time following the Confirmation Date, there can be no assurance as to such timing.

**ARTICLE VI
TAX ISSUES**

6.1. Introduction

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtor and certain Holders of Claims and Interests, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to any particular Holder of a Claim or Interest. This discussion does not purport to be a complete analysis or listing of all potential tax considerations.

This discussion is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), Treasury Regulations promulgated thereunder (the “Regulations”), judicial decisions and published administrative rules and pronouncements of the Internal Revenue Service (“IRS”) as in effect on the date hereof. Legislative, judicial or administrative changes or new interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the United States federal income tax consequences of the Plan. Any such changes or new interpretations may have retroactive effect and could significantly affect the federal income tax consequences of the Plan.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. Debtor has not requested and will not request a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this summary does not address foreign, state or local tax consequences of the Plan, nor does it purport to address the U.S. federal income tax consequences of the Plan to (i) special classes of taxpayers (such as Persons who are related to the Debtor within the meaning of the Tax Code, foreign taxpayers, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, investors in pass-through entities and Holders of Claims who are themselves in bankruptcy) or (ii) Holders not entitled to vote on the Plan, including Holders whose Claims or Interests are entitled to reinstatement or payment in full in cash under the Plan or Holders whose Claims or Interests are to be extinguished without any distribution.

This discussion assumes that the various debt and other arrangements to which Debtor is a party will be respected for federal income tax purposes in accordance with their form. Furthermore, this discussion assumes that Holders of Claims or Interests hold only Claims or Interests in a single Class. Holders of multiple Classes of Claims or Interests should consult their own tax advisors as to the effect such ownership may have on the federal income tax consequences described below.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE TO THEM UNDER THE PLAN.

INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE UNITED STATES INTERNAL REVENUE SERVICE, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) (1) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE TAX CODE, AND (2) IS WRITTEN TO SUPPORT THE PROMOTION, MARKETING OR PROMOTION OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THE DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

6.2. Tax Status of the Debtor

For federal income tax purposes, Debtor is a Limited Liability Company and as a result of the implementation of the Plan, Debtor is a pass through entity, is unlikely to have potential attribute reduction to itself, but may have such an effect on Interest Holders when their Interests are cancelled under the Plan.

6.3. Generally Applicable U.S. Federal Income Tax Consequences of the Exchanges Pursuant to the Plan to Holders of Allowed Claims

Pursuant to the Plan, Holders of Allowed Claims will receive, in exchange for and in full satisfaction and discharge of such Claims, cash in some cases, and in other cases non-cash assets (i.e., interest in the Creditor Trust being established pursuant to the Plan).

A. Tax Consequences of the Exchanges.

For U.S. federal income tax purposes, the Holders of Allowed Claims will be treated as exchanging their Claims for cash in a fully taxable exchange. Each Holder will recognize gain or loss equal to the difference between (i) the sum of the amount of cash and (ii) the Holder's adjusted tax basis in the Claims surrendered. The amount, and the character of any gain or loss as

long-term or short-term capital gain or loss or as ordinary income or loss, will be determined by a number of factors, including, the tax status of the Holder, whether the Claim constitutes a capital asset in the hands of the Holder and how long it has been held, whether the Claim was acquired at a market discount, and whether and to what extent the Holder had previously claimed a bad debt deduction in respect of the Claim.

B. Accrued but Unpaid Interest.

To the extent that a portion of the Applicable Consideration received by a Holder in the exchange is allocable to accrued but unpaid interest not previously included by the recipient Holder in taxable income, such amount should be taxable to the Holder as interest income. Conversely, a Holder of a Claim may be able to recognize a deductible loss (or, possibly, a write-off against a reserve for worthless debts) to the extent that any accrued interest on the Claim or Interest was previously included in the Holder's gross income but was not paid (or treated as paid) in full by the Debtor.

C. Market Discount.

A Holder that purchased its Allowed Claim from a prior holder at a market discount may be subject to the market discount rules of the Tax Code. Under the "market discount" provisions of sections 1276 through 1278 of the Tax Code, some or all of any gain realized by a Holder of an Allowed Claim may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on the Allowed Claim. In general, a debt instrument is considered to have been acquired with "market discount" if its Holder's adjusted tax basis in the debt instrument is less than (i) the sum of all remaining payments to be made on the debt instrument (excluding "qualified stated interest") or (ii) in the case of a debt instrument issued with original issue discount, its adjusted issue price, in each case, by at least a de minimis amount (equal to 0.25% of the sum of all remaining payments to be made on the Allowed Claim, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

D. Bad Debt and/or Worthless Security Deduction.

A Holder who, under the Plan, receives in respect of a Claim an amount less than the Holder's tax basis in the Claim may be entitled to a bad debt deduction in some amount under section 166(a) of the Tax Code or a worthless security deduction under section 165 of the Tax Code. The rules governing character, timing and amount of bad debt or worthless security deductions place considerable emphasis on the facts and circumstances of the Holder, the obligor and the instrument with respect to which a deduction is claimed. Holders of a Claim therefore are urged to consult their tax advisors with respect to their ability to take such a deduction.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION AND CONTAINS NO DISCUSSION AS TO STATE, LOCAL OR FOREIGN TAX ASPECTS. ALL HOLDERS OF CLAIMS OR INTERESTS

SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

Dated: March 3, 2017

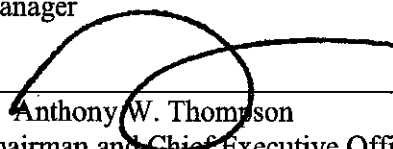
Respectfully Submitted,

Debtor and Debtor-in-Possession:

TNP TITAN PLAZA FUND, LLC,
a Delaware limited liability company

By: TNP 2008 Participating Notes Program,
LLC, a Delaware limited liability company
Its: Manager

By: Thompson National Properties, LLC,
a Delaware limited liability company
Its: Manager

By: 
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Its: Chairman and Chief Executive Officer

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