

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

In re: § **Chapter 11 Proceeding**
§
LAREDO WO, LTD § **Case No. 16-51297-rbk**
§
Debtor. §

**DEBTOR’S DISCLOSURE STATEMENT
FOR DEBTOR’S PLAN OF REORGANIZATION**

IMPORTANT DATES

NOTICE: THIS DISCLOSURE STATEMENT HAS *NOT* BEEN APPROVED BY THE BANKRUPTCY COURT FOR USE IN THE SOLICITATION OF ACCEPTANCES OF THE DEBTOR’S PLAN OF REORGANIZATION. THE DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN PROPOSED BY THE DEBTOR. PLEASE READ THIS DOCUMENT WITH CARE.

IF THE COURT APPROVES THIS DISCLOSURE STATEMENT, DEBTOR SERVE A NOTICE OF VOTING AND OBJECTION DEADLINE AND NOTICE OF CONFIRMATION HEARING.

Date by which Ballots must be received: **NOT YET SET** (Prevailing Central Time)

Date by which Objections to Confirmation of the Plan must be filed and served: **NOT YET SET** (Prevailing Central Time)

Hearing on confirmation of the Plan: **NOT YET SET** (Prevailing Central Time)

ERIC TERRY LAW PLLC
Eric Terry
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and

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ATTORNEYS FOR DEBTOR

Dated: November 7, 2016

IMPORTANT NOTICE

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT INCLUDES FORWARD-LOOKING STATEMENTS BASED LARGELY ON THE CURRENT EXPECTATIONS OF THE DEBTOR AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS AFFECTING THE FINANCIAL CONDITION OF THE DEBTOR OR THE REORGANIZED DEBTOR'S BUSINESS. THE WORDS "BELIEVE," "MAY," "WILL," "ESTIMATE," "CONTINUE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS IDENTIFY THESE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS, INCLUDING THOSE DESCRIBED BELOW UNDER THE CAPTION "RISK FACTORS." IN LIGHT OF THESE RISKS AND UNCERTAINTIES, THE FORWARD LOOKING EVENTS AND CIRCUMSTANCES DISCUSSED IN THIS DISCLOSURE STATEMENT MAY NOT OCCUR AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THE FORWARD-LOOKING STATEMENTS. NEITHER THE DEBTOR NOR THE REORGANIZED DEBTOR UNDERTAKE ANY OBLIGATIONS TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

NO REPRESENTATIONS OR OTHER STATEMENTS CONCERNING THE DEBTOR (PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF ITS ASSETS) ARE AUTHORIZED BY THE DEBTOR, OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE, WHICH ARE OTHER THAN AS SET FORTH IN THIS STATEMENT, SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISIONS. ANY SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR WHO SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT, WHICH MAY TAKE SUCH ACTION AS IT DEEMS APPROPRIATE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN INDEPENDENTLY AUDITED, EXCEPT AS SPECIFICALLY REFERENCED HEREIN. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED BY THE DEBTOR AND ITS INTERNAL ACCOUNTING STAFF, UNLESS SPECIFICALLY STATED TO BE FROM OTHER SOURCES. THE DEBTOR'S PLAN IS AN INTEGRAL PART OF THIS DISCLOSURE STATEMENT, AND EACH CREDITOR IS URGED TO REVIEW THE PLAN IN ITS ENTIRETY PRIOR TO VOTING ON IT.

THE DEBTOR MAKES NO REPRESENTATIONS WITH RESPECT TO THE EFFECTS OF TAXATION (STATE OR FEDERAL) ON THE INTEREST HOLDERS OR CREDITORS WITH RESPECT TO THE TREATMENT OF THEIR CLAIMS OR INTERESTS UNDER THE PLAN, AND NO SUCH REPRESENTATIONS ARE AUTHORIZED BY THE DEBTOR. CREDITORS AND INTEREST HOLDERS ARE ENCOURAGED TO SEEK THE ADVICE OF THEIR OWN PROFESSIONAL ADVISORS IF THEY HAVE ANY SUCH QUESTIONS.

ARTICLE 1.
INTRODUCTION

This Disclosure Statement is submitted by Laredo WO Ltd. (the “Debtor”), the chapter 11 debtor-in-possession in the above-captioned Case, in connection with the Debtor’s efforts to solicit votes necessary to confirm the Debtor’s Plan of Reorganization (the “Plan”). A copy of the Plan is attached hereto as **Exhibit “C.”**

1.01. **Filing of the Debtor’s Chapter 11 Case**

On June 6, 2016 (the “Petition Date” or the “Filing Date”), Debtor filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (“Court” or “Bankruptcy Court”). The Debtor continues to manage its affairs as a debtor-in-possession pursuant to Bankruptcy Code Sections 1107 and 1108. This Disclosure Statement and the accompanying Plan are filed on behalf of the Debtor.

1.02. **Purpose of Disclosure Statement**

The purpose of this Disclosure Statement is to provide you, as the holder of a Claim against the Debtor, with information to enable you to make a reasonably informed decision on the Plan before exercising your right to vote to accept or reject the Plan.¹

You should read all of this Disclosure Statement before voting on the Plan. **HOWEVER, THE DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE A CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN ITSELF BY EACH HOLDER OF A CLAIM OR INTEREST. THE DISCLOSURE STATEMENT IS INTENDED TO AID AND SUPPLEMENT THAT REVIEW. THE DESCRIPTION OF THE PLAN IS A SUMMARY ONLY. HOLDERS OF CLAIMS AND INTERESTS AND OTHER PARTIES IN INTEREST ARE CAUTIONED TO REVIEW THE PLAN AND ANY RELATED ATTACHMENTS IN THEIR ENTIRETY FOR A FULL UNDERSTANDING OF THE PLAN’S PROVISIONS. THE DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN.**

You are urged to consult with your own financial and other advisors in deciding whether to vote to approve or reject the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement, and no person has been authorized to use any information concerning the Debtor or their businesses other than the information contained in this Disclosure Statement.

About this Disclosure Statement:

- The statements contained in this Disclosure Statement are made as of the date that the Bankruptcy Court enters an order approving this Disclosure Statement, unless another time is specified in this Disclosure Statement. Neither the delivery of this Disclosure Statement nor any

¹ Capitalized terms that are not defined in the Disclosure Statement are defined in the Plan.

action taken in connection with the Plan implies that the information contained in this Disclosure Statement is correct as of any time after that date.

- Unless the context requires otherwise: (a) the gender (or lack of gender) of all words used in this Disclosure Statement includes the masculine, feminine and neuter; (b) references to articles and sections (other than in connection with the Bankruptcy Code, the Bankruptcy Rules, another specified law or regulation or another specified document) refer to the articles and sections of this Disclosure Statement; and (c) “including” means “including, without limitation.”

- Many capitalized words used in this Disclosure Statement have been defined in the context of the provisions in which they first appear within this Disclosure Statement. Any other capitalized terms used in this Disclosure Statement are intended to have the meanings ascribed to them in the Plan. Any capitalized term not defined in the context of a provision or in the Plan shall have the meaning ascribed to that term in the Bankruptcy Code or Bankruptcy Rules, whichever is applicable.

- You may not rely on this Disclosure Statement for any purpose other than to determine how to vote on the Plan. Nothing contained in this Disclosure Statement constitutes or will be deemed to be advice on the tax or other legal effects of the Plan on holders of Claims or interests.

- Certain of the information contained in this Disclosure Statement is forward-looking. This Disclosure Statement contains estimates and assumptions that may prove not to have been accurate and financial projections that may be materially different from actual future experiences.

- Acceptance or rejection of the Plan is subject to a number of risks. See “Risk Factors” at Section 9 of this Disclosure Statement.

1.03. **Plan Balloting and Confirmation Procedures**

1.03.01. ***Holder of Claims and Interests Entitled to Vote***

Only Classes of Claims and interests that are (i) “impaired” by a plan of reorganization or liquidation and (ii) entitled to receive a distribution under such a plan are entitled to vote to accept or reject a plan under the Bankruptcy Code. In this case, holders of Claims in Class I, II, III, IV, and V are impaired, or possibly impaired, by the Plan and entitled to vote to accept or reject the Plan.

1.03.02. ***Voting Procedures***

If you are entitled to vote to accept or reject the Plan, a Ballot (the “Ballot”) for acceptance or rejection of the Plan and a pre-addressed envelope for return of the Ballot are enclosed. **BALLOTS FOR ACCEPTANCE OR REJECTION OF THE PLAN ARE BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN CLASS III, IV AND V, BECAUSE THEY ARE THE ONLY HOLDERS OF CLAIMS THAT MAY VOTE TO ACCEPT OR REJECT THE PLAN.** If you are the holder of a Claim in one of these Classes and did not receive a Ballot, received a

damaged or illegible Ballot, or lost your Ballot, or if you are a party in interest and have any questions concerning the Disclosure Statement and Exhibits hereto, the Plan or the voting procedures in respect thereof, please contact:

ERIC TERRY LAW PLLC
Eric Terry
State Bar No. 00794729
4040 Broadway Ste. 350
San Antonio, Texas 78209
Phone: (210) 468-8274
Fax: (210) 319-5447

After carefully reviewing this Disclosure Statement, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan, then return the Ballot to the Debtor's counsel, at the address set forth on the Ballot, by **NOT YET SET**. Any Ballot not indicating an acceptance or rejection will be deemed an acceptance of the Plan. You may also return your Ballot by courier or fax by following the instructions on the Ballot. **ANY BALLOTS RECEIVED BY THE DEBTOR'S COUNSEL AFTER (NOT YET SET), PREVAILING CENTRAL TIME, ON (NOT YET SET), WILL NOT BE COUNTED, UNLESS THIS DATE IS EXTENDED BY THE BANKRUPTCY COURT.**

1.03.03. *Voting Requirements for Class Acceptance of the Plan*

YOUR ACCEPTANCE OF THE PLAN IS IMPORTANT. In order for the Plan to be "accepted" by Creditors and interest holders, at least sixty-six and two-thirds percent (66.66%) in amount of Allowed Claims and more than fifty percent (50%) in number of Allowed Claims voting in each Class must accept the Plan. By not voting, a Creditor favoring acceptance of the Plan jeopardizes confirmation.

1.03.04. *Confirmation Hearing*

The Bankruptcy Court has entered an order fixing **NOT YET SET** (Prevailing Central Time), Bankruptcy Courtroom for the Hon. Ronald B. King, 615 E. Houston, Street, San Antonio, Texas as the date, time and place for the initial commencement of a hearing on confirmation of the Plan, and fixing **NOT YET SET** (Prevailing Central Time), as the time by which all objections to confirmation of the Plan, which must be accompanied by a memorandum of authorities, must be filed with the Bankruptcy Court and served on counsel for the Debtor. The confirmation hearing may be adjourned from time to time without further notice except for the announcement of the adjourned time and date at the confirmation hearing or any adjournment thereof.

Section 1128(a) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan must be in writing, conform to Federal Rules of Bankruptcy Procedure and Local Rules of the Bankruptcy Court, set forth the name of the objecting party, the nature and amount of the Claim or Interest held or asserted by

the objecting party against the Debtor's Estate, the basis for the objection and the specific grounds thereof. The objection, together with proof of service thereof, must then be filed with the Bankruptcy Court, with copies served upon the following and upon the Limited Service list in this case:

ERIC TERRY LAW PLLC
Eric Terry
State Bar No. 00794729
4040 Broadway Ste 350
San Antonio, Texas 78209
Phone: (210) 468-8274
Fax: (210) 319-5447

UNLESS AN OBJECTION IS TIMELY AND PROPERLY SERVED AND FILED BY (NOT YET SET) (PREVAILING CENTRAL TIME), IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

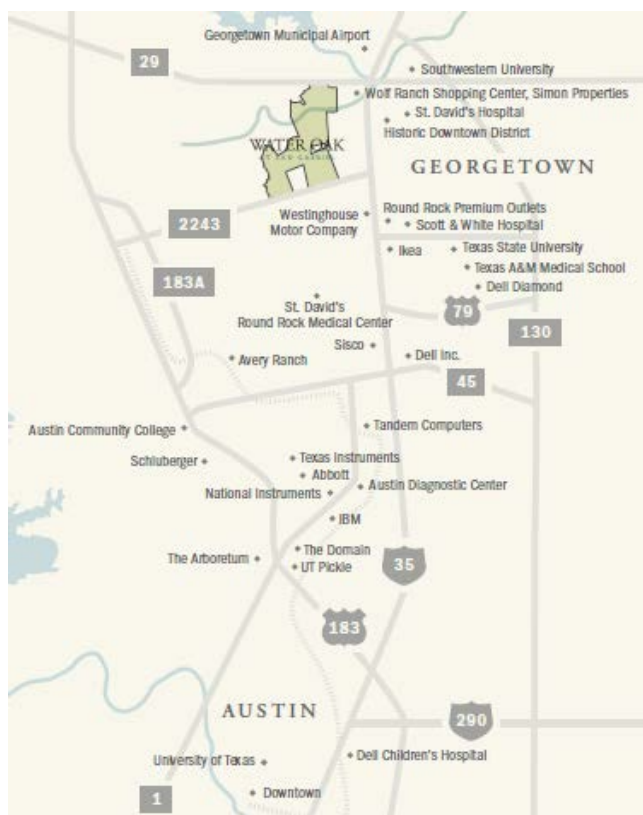
ARTICLE 2.
DEBTOR'S BACKGROUND AND FINANCIAL PICTURE

2.01. **General**

Debtor is a Texas limited partnership whose general partner is ABG Enterprises Ltd.

2.02. **History of Debtor and Causes of Bankruptcy Filing**

The Debtor was formed on January 18, 2007, to acquire, develop, sell, lease or operate a tract of land in Georgetown, Texas, to be called the "Water Oak" (the "Property") which currently consists of approximately 1,158.879 acres of the Laredo Water Oak master planned community located along the south side of SH-29 at Water Oak Parkway and the north side of FM 2243 in Georgetown, Williamson County, Texas. The location of the Property is reflected in the map below:



The Property is fully entitled. The Debtor is a party to Amended and Restated Development Agreement Concerning the Water Oak Subdivision (f/k/a ABG Subdivision) dated March 14, 2012, and recorded under Document No. 2012027844, Official Public Records of Williamson County, Texas (the "COG Development Agreement"). The COG Development Agreement sets forth the terms, conditions and agreements with applicable governmental authorities governing the development of the Property.

The Property is also subject to an Amended and Restated Consent Agreement dated January 4, 2012 (the "Consent Agreement") pursuant to which the Williamson County Municipal; District #25 was created.

On or about February 22, 2007, Hillcrest Bank, a Kansas state banking association ("HCB") and the Debtor entered into an Acquisition and Pre-Development Loan Agreement (the "Loan Agreement") whereby HCB agreed to loan the Debtor up to \$48,500,000.00 (the "Loan") in connection with the acquisition of the Property. The Loan was secured by a Deed of Trust (With Security Agreement, Assignment of Rents and Lease and Financing Statement) (the "First Deed of Trust") granted by Debtor in favor of HCB, relating to the Property.

On or about January 28, 2008, the Debtor and HCB entered into a First Modification of Loan Documents. Contemporaneously therewith, Borrower executed a Promissory Note (the "Second Note") for the principal sum of \$599,555.00. The Second Note was secured by another Deed of Trust (With Security Agreement, Assignment of Rents and Lease and Financing Statement) (the "Second Deed of Trust") granted by Borrower in favor of HCB, relating to the Property. Borrower subsequently provided a third Deed of Trust (With Security Agreement,

Assignment of Rents and Lease and Financing Statement) (the “Third Deed of Trust”) in favor of HCB in connection with a Second Modification of Loan Documents on March 31, 2009. As of the Petition Date, the Debtor alleges that the total indebtedness owed to HCB was \$36,151,911.02.

The only additional liens on the Property may consist of lienable mechanics and materialmen’s claims. The Debtor is not aware of any mechanic’s or materialmen’s liens being recorded as of the date of this Motion. The Debtor believes that the time has expired for any possible lien claims to be filed. In addition, various taxing authorities may assert claims for taxes accruing in 2016 which may be lienable claims against the Property. Williamson County has filed such a secured claim in the amount of \$118,522.09

The Debtor filed the Chapter 11 Case to prevent foreclosure upon the Property and to either restructure its debts or to conduct an orderly sale of the Property.

ARTICLE 3.
SELECTED FINANCIAL INFORMATION,
PROJECTIONS AND VALUATION ANALYSIS

3.01. **General**

This section provides summary financial information concerning the Debtor, its assets and potential sources of recovery for creditors. The information is based on information available as of the date of this Disclosure Statement. Any forward-looking projections, including analysis and valuation of Litigation Claims, is based upon the Debtor’s best estimates and belief but, as with any projections, may vary in the future.

3.02. **Operating Performance**

The Debtor’s most recent Monthly Operating Report is attached as **Exhibit “A”**.

3.03. **Financial Projections of the Reorganized Debtor**

Attached as **Exhibit “B”** are projections for sales, income and expenses for the next 5 years.

3.04. **Valuation and Description of Debtor’s Assets**

HCB obtained an appraisal from The Aegis Group, Inc., a property appraisal company located in Austin, Texas. The appraisal was performed by John Coleman and Chad Goddard, who both hold the MAI designation. The value of the Property as of July 14, 2015 was estimated to be \$56,100,000 on an as-is basis.

The Debtor may obtain another appraisal before confirmation.

ARTICLE 4.
PROCEEDINGS IN THE CHAPTER 11 CASE

4.01. Commencement and Administration of the Case

The Debtor's Chapter 11 Case was commenced on June 6, 2016. The following is a description of the more significant matters to have come before the Court.

4.01.01. *Approval of Employment of Law Offices of Ray Battaglia, PLLC and Eric Terry Law PLLC as Debtor's Counsel*

Law Offices of Ray Battaglia, PLLC and Eric Terry Law PLLC as counsel for the Chapter 11 Debtor. As counsel for the Debtor, the firms are entitled to seek interim and final compensation from the Estate of Debtor upon duly noticed application and after a hearing before the Court.

4.01.02. *Approval of Employment of The Law Office of Ronald W. Hagauer as Special Counsel*

The Law Office of Ronald W. Hagauer as Special Counsel for the Debtor. As special counsel for the Debtor, the firm is entitled to seek interim and final compensation from the Estate of Debtor upon duly noticed application and after a hearing before the Court.

4.01.03. *Sale Order for Sale of Substantially all of Debtor's Assets to WRR Interests, LLC*

Since the Petition Date, and prior to engaging a real estate broker or actively marketing the Property, the Debtor received numerous expressions of interest to acquire the Property. Those early expressions of interest progressed quickly to negotiations of a Purchase and Sale Agreement with one particular prospective buyer.

The general partner of the Debtor after weighing the sentiment of its limited partners and taking into consideration that the offer received by the Debtor is adequate to pay all of the creditors of the estate in full, determined to forgo a market clearing process and a formal sale procedure. The Debtor has executed a PSA with WRR to purchase the Property for a base purchase price of \$38,300,000.00 plus additional consideration of up to \$10,800,000 to be paid over time from monies paid by a MUD from bond proceeds (the "WRR PSA"). The Court entered a Sale Order approving the sale of the Property pursuant to the WRR PSA on October 14, 2016.

4.01.04. *Broker Order*

The WRR PSA permits the Purchaser a 75 day examination period during which the Purchaser has the right to terminate the WRR PSA. On October 14, 2016, the Court entered an Order approving employment of Land Advisors Organization ("Broker") as the Broker to market the Property, identify additional prospective purchasers for the Property and negotiate a back-up contract(s) in the event the Purchaser elects not to proceed with the purchase of the Property as provided in the WRR PSA.

ARTICLE 5.
SUMMARY OF THE DEBTOR'S PLAN

5.01. Explanation of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, the plan proponent attempts to restructure a debtor's financial affairs or effectively liquidate the debtor's assets for the benefit of the creditors, equity interest holders and other parties in interest. The Chapter 11 plan is the debtor's agreement with its creditors containing the terms and conditions for the operation and/or liquidation of the properties and assets of the debtor and the treatment of the Claims and interests of creditors and parties-in-interest.

According to Section 1125 of the Code, acceptances of a Chapter 11 plan may be solicited by the debtor only after a written disclosure statement approved by the Bankruptcy Court as containing adequate information has been provided to each creditor or equity interest holder.

5.02. Terms of the Plan Control

The following represents the Debtor's best efforts to describe the treatment afforded the Claims of the Creditors in various Classes. Creditors should be aware that the terms of the Plan control the treatment of all Claims. In the event of any inconsistencies between the Plan and this Disclosure Statement, the terms of the Plan shall be, in all events, determinative. The Debtor urges all Creditors to read the Plan for a complete understanding of the treatment of their Claims.

5.03. Classification and Treatment

5.03.01. Class I – Priority Secured Tax Claims. Notwithstanding anything to the contrary contained within the Plan or approved Disclosure Statement, Allowed Priority Secured Tax Claims shall be paid by the Debtor upon consummation of a Sale Transaction from the proceeds of the sale. In the event a Sale Transaction is not consummated, Allowed Priority Tax Claims will be paid pursuant to the provisions of 11 USC §1129 (a) (9) (C). Upon closing of each Partial Sale Transaction, the Allowed Priority Secured Tax Claim attributable to the Water Oak tract sold in that sale shall be paid from the proceeds of the each Partial Sale Transaction. All Allowed Priority Secured Tax Claims shall be paid on or before sixty (60) months from the petition date. Allowed Priority Secured Tax Claims shall bear interest at the statutory rate of 12% per annum from the date of filing of this case until said Allowed Priority Secured Tax Claims are paid in full.

Taxing Entities shall retain all liens until such taxes are paid in full.

In the event of a default, Taxing Entities may proceed with the state law remedies for collection of all amounts due under state law pursuant to the Texas Property Tax Code.

5.03.02. Class II – Secured Claim of Lender. The Allowed secured claim of the Class II creditor will be paid as follows:

- (i) The Class II Allowed Claim will be paid with interest over 5 years from

the Effective Date. Interest on the Allowed Class II Claim shall accrue at the non-default interest rate provided for in the Class II Creditor's pre-petition loan documents, or such other rate as is determined by the Court not to exceed 7%.

(ii) The Class II Creditor shall retain all liens until the Class II Allowed Claim has been paid in full.

(iii) Any and all guarantees securing the Class II Allowed Claim shall be reinstated in accordance with their existing terms. Nothing in this Plan shall be construed to release Lender's claims against any guarantor or any defenses which any guarantor may assert to Lender's claims under such guarantees. The Confirmation Order shall enjoin the Class II Creditor (the "Guarantor Injunction") from filing or continuing any litigation, claims or causes of action against the Guarantors, provided however, that the Guarantor Injunction shall dissolve upon any uncured default by Debtor in its obligations under the Plan to the Class II Creditor.

(iv) The Allowed Class II Claim shall be paid from Net Proceeds derived from (a) a Sale Transaction, (b) a Partial Sale Transaction, and MUD 25 Reimbursements, if as and when the Debtor receives such Net Proceeds. All remaining principal, interest and costs will be due and payable on the 15th day of the 60th month from the Effective Date. This Class is impaired.

Debtor shall be entitled to close any Partial Sale Transaction and the Lender shall release its lien on any tract of Water Oak sold in a Partial Sale Transaction for which the gross sale price is an amount not less than the per acre price established by the Court at the Confirmation Hearing, or such other, lesser per acre price agreed to between the Debtor and the Lender. The Debtor shall submit a schedule of per acre minimum prices in a Plan Supplement filed under seal.

The Class II Creditor shall release its Lien upon closing of any Partial Sale Transaction or Sale Transaction which will pay the then outstanding balance due on the Allowed Class II Claim in full.

In the event of a default under these provisions, Debtor shall be entitled to five (5) days' written notice and opportunity to cure, after which Lender shall be entitled to pursue its available remedies. Debtor shall be entitled to three (3) such notices and opportunities to cure, after which Lender shall be entitled to pursue its available remedies.

Fifteen days prior to the Confirmation Hearing, the Debtor may elect to convey all or a part of Water Oak to the Lender in full satisfaction of the Allowed Class II claims. At the sole discretion of the Debtor, the holder of the Class II Claim will receive a sufficient number of acres of Water Oak, as designated by the Debtor prior to the hearing on confirmation and based upon the valuation of the Property by the Bankruptcy Court, along with all entitlements related to such Property, in satisfaction of its claim (the "Conveyed Property"). Upon conveyance of the Conveyed Property, the claim and the indebtedness owed to the Class II holder will be deemed paid in full and satisfied. The Debtor will also release all claims owned by the Estate against the Class II Creditor. This Class is impaired.

5.03.03. Class III – General Unsecured Creditors. Holders of General Unsecured Claims will receive payment of their claims paid pari passu on a pro-rata basis from Net Proceeds, but shall not receive any payment until unclassified claims and senior classes are paid in full. This Class is impaired.

5.03.04. Class IV - Unsecured Claims of Current and Former Equity Interests of the Debtor. This class consists of the Unsecured Claims held by current and former Equity Interests of the Debtor. Holders of Class IV Claims will retain their claims, but shall not receive any payment until senior classes are paid in full, after which holders of Class IV Claims will be paid pari passu on a pro-rata basis from Net Proceeds. This Class is impaired.

5.03.05. Class V – Equity Interests. Holders of Equity Interests in the Debtor shall retain their interests, but shall not receive any payments or distributions on account of those interests until all senior classes are paid in full. It is agreed and acknowledged by the Debtor that nothing in the Plan, or in the Order Confirming the Plan, changes, alters, or modifies: (i) the Debtor's partnership agreements as amended from time to time; or (ii) the rights and obligations of the Debtor or any partner (whether general or limited) under the partnership agreement; provided, further, nothing in this Plan constitutes a release of the general partner or any guarantor to the Debtor unless specifically set out herein and in the Disclosure Statement. This Class is impaired.

5.04. **Payments to U.S. Trustee**

Debtor shall make the payments and file all reports required by 28 U.S.C. § 1930(a)(6) so long as the Bankruptcy Case remains open

5.05. **Discharge of Claims**

Except as otherwise provided in the Plan, the rights afforded in the Plan and the payments and distributions to be made thereunder are in complete exchange for, and in full satisfaction and release of, all existing Claims, and, debts and obligations of any kind, nature or description whatsoever of or against the Debtor or any of their assets or property to the fullest extent permitted under Section 1141 of the Bankruptcy Code. Upon the Effective Date, and except as otherwise provided in the Plan, all existing Claims against the Debtor and the Reorganized Debtor shall be and shall be deemed to be discharged. Subject to the provisions of the Plan, all holders of Claims or Equity Interest shall be precluded from asserting against the Debtor, or any of their assets or property, 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 Effective Date, whether or not such holder filed a proof of Claim or proof of interest. Subject to the provisions of the Plan, upon the Effective Date, the Debtor shall be deemed discharged and released from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (a) a proof of Claim or Interest based upon such obligation is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt is Allowed under Section 502 of the Bankruptcy Code; or (c) the holder of a Claim or Interest based upon such debt has accepted the Plan. Except as provided herein, the Confirmation Order shall be a judicial determination of

discharge of all liabilities of the Debtor and the Reorganized Debtor. In accordance with Section 524 of the Bankruptcy Code, the discharge provided for hereunder shall void any judgment against the Debtor to the extent it relates to a Claim discharged, and operates as an injunction against the prosecution of any action against the Debtor or their Property to the extent it relates to a discharged Claim..

5.06. **Plan Releases and Exculpation**

None of the Debtor, Reorganized Debtor, its counsel, or any other party in interest, or any of their respective members or former partners, general partners, members, agents, employees, representatives, financial advisors, attorneys or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to or arising out of the Chapter 11 Case, the negotiation and pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan (the “Chapter 11 Activities”), except for their acts or omissions constituting willful misconduct or gross negligence, as finally determined by a court of competent jurisdiction, and in all respects are entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities in connection with the Chapter 11 Activities. No holder of a Claim, or any other party in interest, including their respective agents, employees, representatives, financial advisors, attorneys or affiliates, have any right of action against the Debtor, the Reorganized Debtor, or its counsel for any act or omission in connection with the Chapter 11 Activities, except for their acts or omissions constituting willful misconduct or gross negligence as finally determined by a court of competent jurisdiction.

ARTICLE 6.
IMPLEMENTATION OF PLAN

6.01. **Summary of Implementation of the Plan**

All Cash necessary for the Reorganized Debtor to make payments pursuant to the Plan shall be obtained from the net proceeds of sales of the Property, projected to be well in excess of the secured debt.

6.02. **The Reorganized Debtor’s Obligations Under the Plan**

The Reorganized Debtor shall perform all of the obligations under the Plan, including obligations to pay or otherwise satisfy the Allowed Claims. From and after the Effective Date, the Reorganized Debtor shall, among other things:

- (a) administer the Plan and take all steps and execute all instruments and documents necessary to effectuate the Plan;
- (b) reconcile Claims and resolve Disputed Claims, and administer the Claims allowance and disallowance processes as set forth in the Plan, including, without limitation, objecting, prosecuting, litigating, reconciling, settling and resolving Claims and Disputed Claims in accordance with the Plan;

- (c) make decisions regarding the retention, engagement, payment and replacement of professionals, employees and consultants;
- (d) administer the Distributions under the Plan, including (a) making Distributions in accordance with the terms of the Plan and (b) establishing and maintaining the various Reserves;
- (e) exercise such other powers as necessary or prudent to carry out the provisions of the Plan;
- (f) invest any Cash pending Distribution;
- (g) file appropriate tax returns; and
- (h) take such other actions as may be necessary or appropriate to effectuate this Plan.

On the Effective Date, Debtor will be managed though the General Partner.

Following the Effective Date, the Debtor may pay its post Effective Date operating expenses in the ordinary course of its business without notice or orders of this Court.

6.03. **Exemption from Transfer Taxes**

Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under the Plan or the making or delivery of any deed or other instrument or transfer under, in furtherance of, or in connection with the Plan, including without express or implied limitation, any transfers to or by the Reorganized Debtor shall not be subject to any transfer, sales, stamp or other similar tax.

6.04. **Claims Objections**

Notwithstanding the occurrence of the Effective Date, and except as to any Claim that has been Allowed before the Effective Date, the Reorganized Debtor may object to the Allowance of any Claim against the Debtor or seek estimation of any Claim on any grounds permitted by the Bankruptcy Code. All objections to Claims must be brought by filing the appropriate pleading in the Bankruptcy Court before the first Business Day that is 60 days after the Effective Date, but the Bankruptcy Court may approve a later date on the Reorganized Debtor's motion filed (but not necessarily heard) before the first Business Day that is 60 days after the Effective Date. At this point, the Debtor is not aware of any unsecured claims that it intends to contest. Debtor may contest the amount of attorney's fees and interest sought by any creditor *Debtor reserves the right to object to or seek estimation of any claims.*

6.05. **Contingent Claims**

Until a Contingent Claim becomes an Allowed Claim or is Disallowed, the Claim will be treated as a Disputed Claim for all purposes under this Plan. The holder of a Contingent Claim

will be entitled to a distribution under this Plan only when the Contingent Claim becomes an Allowed Claim. Any Contingent Claim for reimbursement or contribution held by a Person that may be liable with the Debtor on a Claim of a Creditor is Disallowed as of the Effective Date if: (a) that Creditor's Claim is Disallowed; (b) the Claim for reimbursement or contribution is contingent as of the Effective Date; or (c) that Person asserts a right of subrogation to the rights of the Creditor under Bankruptcy Code § 509.

6.06. **Distributions on Allowance or Disallowance of Disputed Claims**

No distributions will be made to any holder of a Claim unless and until the Claim becomes an Allowed Claim. If a Claim is not an Allowed Claim as of the Effective Date, distributions on account of that Claim will commence only when the Claim becomes an Allowed Claim after the Effective Date or as otherwise specifically provided in this Plan. If a Disputed Claim becomes an Allowed Claim, the Reorganized Debtor will make a distribution in accordance with the terms of this Plan applicable to Claims of the Class in which that Claim resides.

6.07. **Undeliverable/Returned Distributions**

Any distribution to be made to a Creditor will be sent to that Creditor at (i) the address set forth on the proof of claim filed for such Creditor, or (ii) if no proof of claim is filed, at the address set forth on the Debtor's schedules. In the event that a distribution as herein provided is returned as undeliverable, or a distribution is returned on account of there being no payment due to the affected Creditor, the Reorganized Debtor shall hold such distribution for the affected Creditor for a period of 60 days following the Date of that distribution for the benefit of the Creditor. If the affected Creditor does not make a demand, in writing, for such unclaimed distribution within the 60-day period, the Creditor shall forfeit all entitlement to the distribution, and the distribution shall revert to the Reorganized Debtor.

6.08. **De Minimis Distributions**

Any other provision of the Plan notwithstanding, the Reorganized Debtor shall not be required to make distributions to holders of Allowed Claims in an amount less than \$50.00 (unless such Allowed Claim is less than \$50.00). Cash allocated to an Allowed Claim but withheld from distribution pursuant to this subsection shall be held for the account of and future distribution to the holder of such Allowed Claim.

6.09. **Additional Charges**

Except as may be expressly provided in the Plan or allowed by Final Order of the Bankruptcy Court, no interest, penalty, attorney's fee or late charge shall be allowed or paid with respect to any Claim.

6.10. **Treatment of Executory Contracts and Unexpired Leases**

6.10.01. **Assumption or Rejection of Executory Contracts and Unexpired Leases.**
On the Effective Date, except as otherwise provided in the Plan, any unexpired lease or executory

contract that has not been previously assumed or rejected by the Debtor pursuant to an order of the Bankruptcy Court shall be deemed rejected by the Debtor under Sections 365(a) and 1123 of the Bankruptcy Code, other than those executory contracts and unexpired leases that are (a) listed on the Plan at Exhibit A thereto (as such list may be amended, supplemented or modified on or before the Confirmation Date) or (b) subject to a motion to reject that is pending on the Effective Date. Entry of the Confirmation Order shall constitute approval of such assumptions, and the rejection of the executory contracts or unexpired leases listed in the exhibit to be provided at the confirmation hearing hereto (as such list may be amended, supplemented or modified on or before the Confirmation Date), pursuant to Sections 365(a) and 1123 of the Bankruptcy Code. Any motions to assume executory contracts and unexpired leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order.

6.10.02. Objections to Assumption and Assignments of Executory Contracts and Unexpired Leases. To the extent that any party to an executory contract or unexpired lease identified for assumption, or any other party in interest, (a) asserts arrearages or damages pursuant to § 365(b)(1) of the Bankruptcy Code in an amount different from the amount, if any, set forth in the Petition and Schedules, (b) has any objection to the proposed adequate assurance of future performance, if required, or (c) has any other objection to the proposed assumption, cure, or assignment of a particular executory contract or unexpired lease on the terms and conditions provided for herein, all such asserted arrearages and any other objections shall be filed and served within the same deadline and in the same manner established for filing objections to Confirmation.

Failure to assert any arrearages different from the amount set forth in the Schedules (or the exhibits thereto), or to file an objection within the time period set forth above, shall constitute consent to the assumption, cure, and assignment on the terms provided for herein, including acknowledgment that (a) the Debtor (or its assignee) has provided adequate assurance of future performance, if required, (b) the amount identified for “cure,” if any, is the amount necessary to compensate for any and all outstanding defaults or actual pecuniary loss under the executory contract or unexpired lease to be assumed, and (c) no other defaults exist under such executory contract or unexpired lease.

If an objection to assumption and assignment is Filed based upon lack of adequate assurance of future performance or otherwise, and the Court determines that the Debtor cannot assume the executory contract or unexpired lease either as proposed or as may be proposed pursuant to a modified proposal submitted by the Debtor, then the unexpired lease or executory contract shall automatically thereupon be deemed to have been rejected

6.10.03. Payments Related to Assumption of Executory Contracts and Unexpired Leases. Any monetary defaults, including claims for actual pecuniary loss, under each executory contract and unexpired lease to be assumed under the Plan shall be satisfied, pursuant to Section 365(b)(1) of the Bankruptcy Code, by payment of the cure amount, if any, as otherwise agreed by the parties, or as ordered by the Bankruptcy Court in Cash within 90 days following the Effective Date, or on such other terms as may be agreed to by the parties to such executory contract or unexpired lease. In the event of a dispute regarding (a) the amount of any cure or pecuniary loss payment, (b) the ability of Reorganized Debtor to provide adequate assurance of future performance under the contract or lease to be assumed, if required, or (c) any other matter

pertaining to assumption, the cure or pecuniary loss payments required by § 365(b)(1) of the Bankruptcy Code shall be made within a reasonable time following entry of a Final Order resolving the dispute and approving assumption..

6.10.04. Bar Date for Rejection Damages. If the rejection of an executory contract or unexpired lease pursuant to Article 6 of the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim, to the extent that it is timely Filed and is a Allowed Claim, shall be classified in Class 3; provided, however, that the Unsecured Claim arising from rejection shall be forever barred and shall not be enforceable against a Debtor, Reorganized Debtor, their successors or properties, unless a proof of Claim is Filed and served on the Reorganized Debtor within 30 days after the date of the notice of the entry of an order of the Bankruptcy Court authorizing rejection of the executory contract or unexpired lease, which order may be the Confirmation Order.

6.11. **Pending Claims and Causes of Action**

The following is a general discussion of the type and nature of claims and causes of action of the Estate:

NOTE: THE FOLLOWING DISCUSSION IS NOT INTENDED TO BE EXHAUSTIVE AND SHALL NOT LIMIT OR MODIFY ANY CLAIMS OR CAUSES OF ACTION OF THE ESTATE.

Some of the payments made by the Debtor to creditors within ninety (90) days of the filing of bankruptcy (or to an insider within one year of the filing of bankruptcy) may be subject to a claim for recovery as preferential transfers under 11 U.S.C. §547.

While the Debtor is unaware of any recoverable preferential transfers at this time, the Reorganized Debtor will retain the right to object to claims pursuant to 11 U.S.C. § 502(d) or pursue any preferences.

ALL CLAIMS OF THE BANKRUPTCY ESTATE ARE BEING PRESERVED AND TRANSFERRED TO REORGANIZED DEBTOR UNDER THE PLAN.

Any and all causes of action which the Debtor may have, including, but not limited to Avoidance Actions, which may be enforceable under any statute, shall be preserved and shall constitute Property of the Estate to be conveyed to Reorganized Debtor in accordance with the Plan. The Court shall retain jurisdiction to determine all such causes of action.

YOU MAY BE SUED IF:

- i) You were or are a creditor and you received a payment on a prior debt within ninety (90) days before the Petition Date;
- ii) You were an insider of the Debtor and you received a payment on a prior debt within one (1) year before the Petition Date;

- iii) You received any payments or property from the Debtor for goods or services you did not deliver or provide before the Petition Date;
- iv) You received any payments or property from the Debtor without providing reasonably equivalent value;
- v) You received pre-payments, advances or deposits from the Debtor which you did not earn;
- vii) You were involved in pending litigation with the Debtor at the time of the Petition Date or have been sued thereafter;
- viii) You owe the Debtor any money under a contract or as a result of your breach of contract with the Debtor;
- ix) Potential claims against you or any of your affiliates are described or referred to in this Disclosure Statement; or
- x) The Debtor has any claims against you under state or federal law, whether in contract or in tort, whether known or unknown.

ARTICLE 7.
CONFIRMATION OF THE PLAN

7.01. **Feasibility**

As a condition to confirmation of a plan, Section 1129 of the Bankruptcy Code requires, among other things, that the Bankruptcy Court determine that confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor.

The projections set forth in **Exhibit “B”** are Debtor’s best estimate of the revenues and expenses under the Plan, and demonstrate the Plan’s feasibility.

7.02. **Best Interests Test**

In order to confirm the Plan, the Court must find that each holder of an impaired Claim or Equity Interest either (i) accepted the Plan or (ii) received or retained under the plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the debtor was liquidated under Chapter 7 of the Bankruptcy Code. In a typical Chapter 7 case the debtor ceases operations and a trustee is appointed to conduct an orderly liquidation of the Debtor’s assets. The proceeds, net of trustee’s fees and other costs and expenses incurred in conducting the liquidation, are distributed to creditors in accordance with their rights and statutorily prescribed priorities of payment.

If this Case was converted to a liquidation under Chapter 7, the Court would likely lift the automatic stay to permit HCB to foreclose its lien on the Property. The Debtor believes that it is highly unlikely that HCB would bid more than the amount of the indebtedness, meaning other

creditors would likely recover nothing unless a higher cash bidder appeared at the sale. Though possible, such bidders at this level rarely appear. If the property did sell at foreclosure for an amount in excess of the debt, that amount would be returned to the Debtor and could be used to pay creditors.

Based upon the foregoing liquidation analysis, unsecured creditors and equity interest holders would receive no distributions on account of their Claims in a Chapter 7 liquidation. Under the Plan, those creditors will receive distributions more than they would get in a Chapter 7 Liquidation. The Plan proposes to pay secured creditors in full. Accordingly, Secured Claims are receiving at least as much as they would get under a Chapter 7 liquidation.

ARTICLE 8. **ALTERNATIVES TO THE PLAN**

8.01. General

The Debtor believes that the Plan affords the holders of Claims the potential for the greatest realization on the Debtor's assets and, therefore, is in the best interests of such holders. If the Plan is not confirmed, however, the theoretical alternatives include: (a) an alternative plan of reorganization; or (b) liquidation of the Debtor under Chapter 7 of the Bankruptcy Code; or (c) dismissal of the Chapter 11 Case. **BASED UPON DEBTOR'S ASSESSMENT, UNSECURED CREDITORS WOULD RECEIVE NO DISTRIBUTIONS IN A CHAPTER 7 CASE OR IN THE EVENT OF DISMISSAL OF THE CASE.**

8.02. Alternative Plans

If the Plan is not confirmed, the Debtor or any other party in interest in the case could attempt to formulate and propose a different plan. Other parties may propose alternative plans, but the Debtor does not believe that any other plan will provide a greater recovery for the Creditors than proposed by Debtor's Plan, or that any such plans will be feasible.

8.03. Liquidation Under Chapter 7 or Dismissal

If no Plan can be confirmed, this Chapter 11 Case may be converted to a case under Chapter 7 of the Bankruptcy Code. In a Chapter 7 case, a trustee would be elected or appointed to liquidate the assets of the Debtor. The proceeds of the liquidation would be distributed to the respective holders of Claims against the Debtor in accordance with the priorities established by the Bankruptcy Code.

As set forth in the preceding section, the Plan is clearly superior to a Chapter 7 liquidation. No separate liquidation analysis has been prepared as an exhibit.

ARTICLE 9. **RISK FACTORS**

The risk factors are discussed in Section 7 above.

9.01. Uncertainty in the Financial Projections and Plan Default

The Projections are based on numerous assumptions that are an integral part of the projections. The assumptions and estimates underlying the projections are inherently uncertain and are subject to business, economic and competitive risks and other uncertainties which could materially affect the accuracy of the Projections. Consequently, the Projections contained in this Disclosure Statement are not intended, nor should they be received as representations that the projections will be achieved. If sales are not made as projected, the amount of the debt owed to HCB will increase with interest accrual. In the event of a default under the Plan, such default in the performance of the Plan shall not automatically result in the termination of the Plan or constitute a revocation of the Confirmation order. In the event of a default by the Debtor under the Plan, the Creditors may exercise any rights granted to them under documents executed to evidence the Plan or any rights available to them under applicable non-bankruptcy law. In the absence of a document executed to evidence the Plan, this Plan may be enforced as a contract by filing suit to collect the payments required under the Plan as if the Plan were a promissory note or other written contract.

ARTICLE 10.
CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

10.01 **Income Tax Consequences**

The transactions contemplated by the confirmation of the Plan may have an impact on the tax treatment received with respect to distributions under the Plan. That impact may be adverse to a creditor or interest holder. The Debtor has attempted to structure the Plan to preserve any valuable tax attributes.

An analysis of federal income tax consequences of the Plan to creditors, interest holders, and the Debtor requires a review of the Internal Revenue Code ("IRS Code"), the Treasury regulations promulgated there under, judicial authority and current administrative rulings and practice. The Plan and its related tax consequences are complex. Neither the Debtor nor the Debtor's counsel have requested a ruling from the Internal Revenue Service with respect to these matters. Accordingly, no assurance can be given as to the IRS's interpretation of the Plan.

THE TRANSACTION CONTEMPLATED BY THE CONFIRMATION OF THE PLAN MAY HAVE AN IMPACT ON THE TAX TREATMENT OF ANY CREDITOR OR INTEREST HOLDER. THAT IMPACT MAY BE ADVERSE TO THE CREDITOR OR INTEREST HOLDER. NOTHING HEREIN IS INTENDED TO BE ADVICE OR OPINION AS TO THE TAX IMPACT OF THE PLAN ON ANY INDIVIDUAL CREDITOR OR INTEREST HOLDER. EACH CREDITOR OR INTEREST HOLDER IS CAUTIONED TO OBTAIN INDEPENDENT AND COMPETENT TAX ADVICE PRIOR TO VOTING ON THE PLAN.

ARTICLE 11
JURISDICTION OF THE COURT

11.01. **General Retention of Jurisdiction**

Until the Bankruptcy Case is closed, the Bankruptcy shall retain the fullest and most extensive jurisdiction permissible, including, without limitation, that necessary (a) to ensure that the purposes and intent of the Plan are carried out, (b) to enforce and interpret the terms and conditions of the Plan, and (c) to enter such orders or judgments including, without limitation, injunctions necessary to enforce the rights, title, and powers of the Debtor and/or the Reorganized Debtor. Except as otherwise provided in the Plan, the Bankruptcy Court shall retain jurisdiction to hear and determine all Claims against and Interests in the Debtor and to adjudicate and enforce all other causes of action that may exist on behalf of the Debtor. Nothing contained herein shall prevent the Reorganized Debtor from taking such action as may be necessary in the enforcement of any cause of action that each has or may have and that may not have been enforced or prosecuted by the Debtor, which cause of action shall survive entry of the Confirmation Order and occurrence of the Effective Date and shall not be affected thereby except as specifically provided herein.

11.02. **Specific Purposes**

Without limiting the effect of Section 11.01. the Bankruptcy Court shall retain jurisdiction after Confirmation to:

- (a) modify the Plan after entry of the Confirmation Order, pursuant to the provisions of the Plan, the Bankruptcy Code, and the Bankruptcy Rules;
- (b) correct any defect, cure any omission, reconcile any inconsistency, or make any other necessary changes or modifications in or to the Plan, or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;
- (c) hear and determine any cause of action, and to enter and implement such orders as may be necessary or appropriate, to execute, interpret, implement, consummate, or enforce the Plan and the transactions contemplated thereunder;
- (d) hear and determine disputes arising in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan, and to enforce, including by specific performance, the provisions of the Plan;
- (e) hear and determine disputes arising in connection with the execution, interpretation, implementation, consummation, or enforcement of the settlement agreements or other agreements entered into by any of the Debtor during the Case.
- (f) enter and implement orders or take such other actions as may be necessary or appropriate to restrain interference with the consummation or implementation of the Plan, including, without limitation, to issue, administer, and enforce injunctions, releases, assignments, transfers of property or property rights, or other obligations contained in the Plan and the Confirmation Order;
- (g) assure the performance by Reorganized Debtor of their obligations to make distributions under the Plan;

- (h) enter such orders or judgments, including injunctions, as necessary to enforce the title, rights, and powers of the Debtor, Reorganized Debtor, or the Plan;
- (i) hear and determine any and all adversary proceedings, applications, and contested matters, including any remands after appeal;
- (j) ensure that distributions to holders of Allowed Claims are accomplished as provided herein;
- (k) hear and determine any timely objections to or motions or applications concerning Claims or the allowance, classification, priority, compromise, setoff, estimation, or payment of any Claim, to the fullest extent permitted by the provisions of Section 157 of title 28 of the United States Code;
- (l) enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed, or vacated;
- (m) hear and determine any motions, contested matters or adversary proceedings involving taxes, tax refunds, tax attributes, tax benefits, and similar or related matters with respect to the Debtor and/or Reorganized Debtor arising on or prior to the Effective Date, arising on account of transactions contemplated by the Plan, or relating to the period of administration of the Case;
- (n) hear and determine all applications for the employment or compensation of Professional Persons and reimbursement of expenses under Sections 330, 331, or 503(b) of the Bankruptcy Code or the Plan;
- (o) recover all assets of the Debtor and Property of the Estates wherever located, including actions under chapter 5 of the Bankruptcy Code;
- (p) hear and determine any and all motions pending as of the Confirmation Date for the rejection, assumption, or assignment of executory contracts or unexpired leases and the allowance of any Claim resulting therefrom;
- (q) hear and determine such other matters and for such other purposes as may be provided in the Confirmation Order;
- (r) consider and act on the compromise and settlement of any Claim against, or Interest in, the Debtor, including, without limitation, any disputes relating to any Administrative Claims, any Bar Date, or Bar Date Order;
- (s) hear and determine all questions and disputes regarding title to the assets of any of the Debtor, their respective Estates;
- (t) hear and determine any other matters related hereto, including the implementation and enforcement of all orders entered by the Bankruptcy Court in the Case; and

- (u) enter such orders as are necessary to implement and enforce any injunctions provided for in the Plan and Confirmation Order.

ARTICLE 12.
MISCELLANEOUS

12.01. Amendment or Modification of the Plan

This Plan may be amended or modified by the Debtor prior to the hearing on confirmation without notice or hearing and without an additional Disclosure Statement pursuant to § 1127(a) of the Bankruptcy Code and, to the extent applicable, Bankruptcy Rule 3019. Post-confirmation amendments or modifications of the Plan may be allowed by the Court under § 1127(b) of the Bankruptcy Code if the proposed amendment or modification is offered before the Plan has been substantially consummated. The sole right to amend or modify the Plan at any time shall be reserved to the Debtor.

12.02. Modification of Loan and Collateral Documents

To the extent that the Plan proposes changes in the treatment of the Lender Secured Claim, restated or amended or modified documents will be executed in order to properly document and reflect the terms of the plan for the benefit and protection of the affected Lender. The form of such documents will be subject to lender approval.

12.03. Effective Date and Final Decree

The effective date will be the first Business Day that is fifteen (15) days after the Confirmation Date on which (a) no stay of the Confirmation Order is in effect; and (b) all conditions to effectiveness set forth in Section 8.02 of the Plan have been satisfied or waived in accordance with the terms of the Plan. No payments to creditors will be made prior to the Effective Date. Debtor intends to file a motion for entry of a final decree within six(6) months from the Effective Date.

ARTICLE 13.
REQUEST FOR APPROVAL AND ACCEPTANCE OF PLAN

WHEREFORE, DEBTOR submits this Disclosure Statement and the information contained therein, in good faith, in accordance with the provisions of Title 11, U.S.C. § 101 et. seq. for consideration by Creditors and other parties in interest, and as the sole source of information furnished by the Debtor, or to be furnished by the Debtor, in solicitation of acceptance of Debtor's Plan.

Dated this the 7th day of November, 2016.

LAREDO WO, LTD.

By: ABG Enterprises, Ltd., a Texas limited partnership, its
General Partner

By: Galo, Inc., a Texas corporation, its General Partner

By: /s/ A. Bradford Galo

Name: A. Bradford Galo

Title: CEO

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