

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

IN RE:	X	
	X	
ALDRIDGE NURSERY, INC.	X	CASE NO.
	X	
DEBTOR	X	CHAPTER 11

**DISCLOSURE STATEMENT TO PLAN OF REORGANIZATION OF
ALDRIDGE NURSERY, INC.**

I. INTRODUCTION

On September 28, 2017, Aldridge Nursery, Inc. (hereinafter the "Debtor"), filed its voluntary petition under Chapter 11 of the United States Bankruptcy Code. Since that time it has continued to operate as Debtor in Possession pursuant to the provisions of Section 1108 of the Bankruptcy Code.

This Disclosure Statement To Plan of Reorganization (hereinafter "Disclosure Statement") has been prepared by the Debtor pursuant to Section 1125 of the Bankruptcy Code, which requires that creditors receive a written Disclosure Statement containing sufficient information about the Debtor to enable creditors to make an informed and intelligent decision regarding the Plan of Reorganization (hereinafter "Plan"). Prior to the solicitation of your vote on the Plan, and as required by the Bankruptcy Code, the Bankruptcy Court has approved this Disclosure Statement as containing adequate information on the Debtor.

In addition to this Disclosure Statement and accompanying Plan, you will also receive an order of the Court setting the hearing on the confirmation of the Plan and establishing deadlines for casting your vote or filing objections to confirmation. Mailing instructions are included in your Ballot. YOUR VOTE IS IMPORTANT. In order for the Plan to be accepted, at least two-third (2/3's) in amount and one-half (1/2) in number of the voting creditors in each class must affirmatively vote for the Plan. Even if all classes of claims accept the Plan, the Bankruptcy Court may refuse to confirm the Plan. Among other things, Section 1129 requires that the Plan be in the best interests of the creditors and other parties in interest, and generally requires that the holders of the claims not receive less than would otherwise be realized if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

In appropriate circumstances, the Bankruptcy Court may confirm a Plan even though less than all of the classes of claims accept the Plan. The circumstances warranting confirmation notwithstanding the vote of a dissenting class or classes of creditors are set forth in Section 1129(b) of the Bankruptcy Code. Except as otherwise provided in the Plan, the Order of Confirmation, or

Section 1141(d), confirmation of the Plan will discharge the Debtor from all of its debts. Confirmation makes the Plan binding on the Debtor and all of his creditors, regardless of whether or not they have accepted the Plan.

A. The Debtor. The Debtor is Aldridge Nursery, Inc.

B. The Disclosure Statement.

Pursuant to Section 1125(b) of the Bankruptcy Code (Title 11 of the United States Code, hereinafter referenced as 11 U.S.C. section number), a precondition to solicitation of acceptances and rejections of a Plan of Reorganization from holders of claims or interests in the bankruptcy estate is that the holders be furnished with a copy of the Plan or a summary of the Plan and a written Disclosure Statement which contains "adequate information".

"Adequate information" means

information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, that would enable a hypothetical reasonable investor typical of holders of claims or interests of the relevant class to make an informed judgment about the Plan, but adequate information need not include such information about any other possible or proposed Plan. 11 U.S.C. 1125(a)(1).

Whether or not a Disclosure Statement contains adequate information is determined by the Court upon notice and hearing. 11 U.S.C. 1125(b). All parties in interest may participate in this determination. After the Disclosure Statement is approved by the Court, a hearing will be set on confirmation of the Plan and a Plan package which includes copies of the Order Approving Disclosure Statement, Plan, Disclosure Statement and Ballot will be sent to the parties entitled to vote on the Plan.

C. Chapter 11.

Chapter 11 is a portion of the Bankruptcy Code which provides businesses and certain individuals with protection from creditors while it seeks to reorganize its financial affairs, including the repayment of its debts. The terms of the proposed reorganization are embodied in a Plan of Reorganization. While the Bankruptcy Code gives the Debtor many aids in the reorganization of its financial affairs, these aids are balanced with rights and protections afforded to creditors. Confirmation of a Plan of Reorganization is the objective of the Debtor in a Chapter 11 Reorganization Case. Performance of the confirmed Plan is the objective of the Reorganized Debtor. The Plan is the terms by which the claims against and interests of the Debtor is satisfied.

D. The Process of Confirmation.

1. Hearing on Confirmation. Confirmation of a Plan is simply approval by the Court. This approval is sought by the Plan proponent at the hearing on confirmation. In order to obtain approval of the Court, the Plan proponent must show that the Plan meets all requirements for confirmation.

2. Requirements for Confirmation. The requirements for confirmation are listed in 11 U.S.C. Section 1129(a). These requirements are part of the balancing of rights and aids between the Debtor and its creditors. Certain of the requirements for confirmation necessitate the solicitation of ballots from the holders of claims against and interests in the Debtor indicating either the acceptance or rejection of the Plan. Section 1129(a) does not require that each and every holder of a claim against or interest in the Debtor's vote to accept the Plan in order for it to be confirmed by the Court. First, only those holding claims or interests which are in classes which are impaired are entitled to vote. Impairment is defined in 11 U.S.C. 1124.

Impairment basically means an alteration of the legal, equitable or contractual rights of the holder of the claim or interest. The Plan proponents must assert in the Disclosure Statement whether or not each class is deemed by them to be impaired. The proponents' conclusion may be disputed by a creditor and the dispute resolved by the Court. If a Plan impairs or changes the rights of any creditor, it must be accepted by at least one Class of impaired claims. Second, only those ballots that are properly completed and timely delivered are counted. Third, of those voting in each class, only a majority of the claims in number and at least two-thirds (2/3) in amount are needed for the acceptance of the Plan by that class.

Even if all Classes of claims and interests accept the Plan, its confirmation may be denied by the Bankruptcy Court for the failure to meet some other requirement of Section 1129 of the Bankruptcy Code. Among those requirements is one that the Plan be in the best interest of claimholders and interest holders. That generally requires that the value to be distributed to claimholders and interest holders may not be less than such parties would receive if the Debtor were liquidated under Chapter 7 of the Code.

3. Cramdown. The Court may confirm a Plan even though a class of claims or interest holders rejects the Plan. Confirmation of a Plan over the rejection by one or more classes of claims or interests is generally referred to as "cram down". In order for the Plan to be confirmed in spite of the rejection by a class of claims or interests, the proponent of the Plan must show that the Plan does not discriminate unfairly and is fair and equitable with respect to each class of claims or interests that is impaired and has not accepted the Plan.

Section 1129(b)(2) provides that the following standards are among the issues to be considered in determining whether the Plan is "fair and equitable" with respect to a particular class:

Secured Claims. The Plan is fair and equitable with respect to a class of secured claims if it provides that either:

1. The holders are to retain their lien, whether the collateral is retained by the Debtor or transferred to another entity, to the extent of the allowed amount of their secured claim, and are to receive deferred cash payments totaling not less than the allowed amount of their claims and having a present value of not less than the value of the collateral.

2. The collateral is to be sold in a sale permitting the holder to "bid in" free and clear of holder's lien, with such lien to attach to the proceeds of such sale, and the treatment of the lien on such proceeds under either clause (1) or (3) hereof; or

3. The holders are to receive the "indubitable equivalent" of their claims.

Unsecured Claims. The fair and equitable requirement in the context of a class of unsecured claims requires that either:

1. The holders are to receive property with a present value equal to the allowed amount of their claims; or

2. No holders in a class junior to the rejecting class are to receive any property.

II. REPRESENTATIVES

The statements contained in this Disclosure Statement are made as of the date of this Disclosure Statement unless another time is specified. Except as stated herein, no other representations concerning the Debtor, its financial affairs, the value of its property, or the value of any benefits offered to you in the Plan are authorized. ANY REPRESENTATIONS OR INDUCEMENTS WHICH ARE CONTRARY TO THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, and such representations or inducements and their origin should be immediately reported to William R. Davis, Jr., Langley & Banack, Inc., Counsel for the Debtor, 745 E. Mulberry, Suite 900, San Antonio, Texas 78212 Telephone: (210) 736-6600.

THE DEBTOR AND ITS COUNSEL HAVE MADE EVERY EFFORT TO INSURE THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS ACCURATE. WE CANNOT, HOWEVER, WARRANT THAT ALL OF THE DATA IS COMPLETELY ACCURATE, THOUGH WE FEEL IT IS MATERIALLY ACCURATE TO OUR BEST KNOWLEDGE, INFORMATION AND BELIEF. THE INFORMATION IN THIS DISCLOSURE STATEMENT HAS NOT BEEN SUBJECT TO AN INDEPENDENT AUDIT, AND FINANCIAL INFORMATION HAS BEEN BASED UPON OUR INTERNAL RECORDS. IF ANY STATEMENTS OF FINANCIAL MATTERS WERE MADE BY THIRD-PARTY ACCOUNTING PROFESSIONALS ACCOMPANY THIS DISCLOSURE STATEMENT, THEY WILL CONTAIN A DISCLAIMER REQUIRED OF UNAUDITED FINANCIAL INFORMATION. FURTHER, YOU SHOULD NOT CONSTRUE THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT AS AN ENDORSEMENT OF THE PLAN OR A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION PRESENTED HEREIN.

The Debtor has expended considerable time in devising a Plan which it believes to be financially feasible and fair to its creditors. Consequently, the Debtor urges you to vote for acceptance of the Plan.

III. INFORMATION CONCERNING THE DEBTOR

A. History of the Debtor

1. Description of the Debtor's Operations

The Debtor operates a full service nursery business from its headquarters in Von Ormy, Texas.

2. Results of Operations as Debtor in Possession

The Debtor was operating profitably when it filed this bankruptcy, and has continued profitable operations post-petition. The Debtor agrees to timely file its monthly operating reports showing its income/expenses during this bankruptcy case.

3. Estimated Future Income and Expenses

A copy of the Debtor's 2016 corporate income tax return (Form 1120) is attached hereto as Exhibit "E". Additionally, attached hereto as Exhibit "B" is a copy of the Debtor's liquidation analysis, projections, which estimates the amounts to be realized from the liquidation of the Company's assets of the Plan of Reorganization as proposed herein.

4. Future Management of the Reorganized Debtor

No changes are proposed, other than as discussed herein, as part of the liquidation of the Debtor's assets.

5. Causes of the Bankruptcy Filing

The bankruptcy filing is the result of the Debtor's Internal Revenue Service liability for income taxes in the approximate amount of \$460,000.00 for tax periods 2012-2013. The Debtor attempted to negotiate an installment agreement with the Internal Revenue Service, which was rejected, leaving the Debtor no alternative other than to file this bankruptcy case and restructure the payments owing to the Internal Revenue Service.

6. Changes to Operations

The Debtor has worked hard to increase its product mix, lower its costs and increase its market share and profitability.

IV. ANALYSIS AND VALUATION OF PROPERTY

A. Real Property

The Debtor owns several pieces of real property where it operates its business and grows its nursery stock. The Debtor owns the following pieces of real property in Bexar County:

- | | | |
|---|--|--------------|
| - | 10440 Jarratt Rd. (23 acres) | \$460,000.00 |
| - | 13550 and 13920 Kearney Rd. (90 acres) | \$740,000.00 |

B. Personal Property

Attached hereto as Exhibit "C" is the Schedule B - Personal Property filed by the Debtor with the Court. The Debtor's personal property includes accounts receivable, vehicles, equipment and furniture. Based upon the pre-petition liens, value is projected to exist for the Estate's creditors in a liquidation scenario (See Exhibit "C").

C. Leases

Attached hereto as Exhibit "D" is a copy of Schedule G - Executory Contracts and Unexpired Lease, which lists the leases to which the Debtor is a party.

D. Liquidation Value

The Debtor's analysis of the distribution to creditors in a Chapter 7 liquidation scenario concludes that the estate's administrative and priority creditors will be paid in full. The estate's unsecured creditors will likely be paid in full should the case be converted to a case under Chapter 7 and the assets liquidated. The secured claims of the various secured creditors, including the large secured claim of the Internal Revenue Service, do not exceed the value of the Estate's assets. A liquidation analysis prepared by the Debtor is attached hereto as Exhibit "F".

V. SUMMARY OF PLAN OF REORGANIZATION

A. Classification and Treatment of Claims

Administrative claims consist of the professionals who have provided services to the Debtor during the pendency of this Chapter 11 case. These claimants and the estimated amount of their claims are as follows:

Langley & Banack, Inc. (Attorneys)	\$15,000.00
Total Estimated Professional Claims	<u>\$15,000.00</u>

The amount of the professional fees disclosed above is an approximate amount. It is unknown at this time exactly how much money will be incurred in professional fees in this Chapter 11 case. A final determination cannot be made until such time as the case is closed as to reasonable professional fees for the provision of whatever services become necessary in this Chapter 11 case. Any other allowed costs and expenses of administration of the Debtor's Chapter 11 bankruptcy case are also included as administrative claims. These claims will be paid in full at confirmation, less any retainers already received, after approval by the Court of said fees. The anticipated administrative expenses of the Debtor is moderate, with the largest estimated administrative expense claim being the legal fees of Langley & Banack, Inc.

Administrative claims are unimpaired under the Plan and not entitled to vote.

The Class 1 claim consists of the secured claims of the local taxing authorities, including Bexar County. The claims of Bexar County and other local taxing authorities are secured by real/personal property belonging to the Debtor. The Debtor believes that the real/personal property securing the claim exceeds the amount owing. The Debtor is current on all ad valorem (real and personal) taxes through tax year 2016 and will pay the 2017 taxes in a timely manner when they come due. Bexar County will retain its liens until the 2017 taxes have been paid in full.

The Class 1 claims are unimpaired under the Debtor's Plan of Reorganization and not entitled to vote.

Class 2 - Secured claims of Community National Bank, which has two (2) fully secured claims in the approximate amount of \$38,000.00 and \$25,000.00, and are secured by equipment with a market value in excess of the amount owing. Community National Bank will retain all liens until its Class 2 claims are paid in full. The claims will be paid in full through the current contractual payments without change herein. The Debtor is current on its payments to Community National Bank as of the filing of this bankruptcy case, and the Debtor will remain current on all obligations to Community National Bank, including payments, post-petition.

Class 2 claims are unimpaired under the Debtor's Plan of Reorganization and is not entitled to vote.

Class 3 - Secured claim of Texas Community Bank, which has a secured claim in the approximate amount of \$38,000.00, and is fully secured by equipment with a market value in excess of the amount owing. Texas Community Bank will retain all liens until its Class 3 claim is paid in full. The claim will be paid in full through the current contractual payments without change herein. The Debtor is current on its payments to Texas Community Bank as of the filing of this bankruptcy case, and the Debtor will remain current on all obligations to Texas Community Bank, including payments, post-petition.

Class 3 claim is unimpaired under the Debtor's Plan of Reorganization and is not entitled to vote.

The Class 4 claim consists of the secured claim of the Internal Revenue Service in the approximate amount of \$375,000.00. The claim is fully secured and will be paid in full over ten (10) years at 4% interest through monthly payments of principal and interest in the approximate amount of \$3,800.00. The payments are to begin on the 1st day of the month following the Effective Date of the Plan. The IRS will retain its pre-petition Notices of Federal Tax Liens until the Class 4 secured claim has been paid in full.

The Class 4 claim is impaired under the Debtor's Plan of Reorganization and entitled to vote.

The Class 5 claims consist of the claims of unsecured creditors (excluding unsecured insider claims which are treated as Class 6 creditors) which existed prior to confirmation. The amount of unsecured claims consist of the claims scheduled on the Debtor's Schedules (Schedule F) filed with the Court, and as amended, and the Proofs of Claim filed in this case. The Debtor believes that the total amount of allowed unsecured creditors will be in the approximate amount of \$50,000.00. The Debtor is current on all payments due to Class 5 creditors as of the filing of this bankruptcy case. Class 5 claims will continue to be paid without interruption and/or modification of the contractual agreement between the Debtor and unsecured creditors. The Debtor will continue with its payments to Class 5 creditors as set forth in its agreement(s) with the Class 5 creditor. The Class 5 unsecured claims will continue to be paid pursuant to the contractual terms existing between the Debtor and its Class 5 creditors without interruption.

The Class 5 claims are deemed to be unimpaired under the Plan and are not entitled to vote.

The Class 6 claims consist of unsecured insider claims which consist of Thomas C. Trautner (\$110,000.00), Louise Raimondi (\$320,000.00) and Dr. Larry Seitz (\$975,000.00), which will be paid in full after the full payment of Class 5 unsecured creditors; partial payments will be made to Class 6 unsecured creditors as funds are available going forward.

The Class 6 claim are deemed to be impaired under the Plan are entitled to vote.

The Class 7 claim consists of the Debtor's Shareholders - Thomas C. Trautner (60%) and Dr. Larry Seitz (40%). The Shareholders will continue their ownership in the same percentage as existed at the filing of this bankruptcy case.

The Class 7 claims are unimpaired under the Plan and not entitled to vote.

B. Summary of the Mechanics/Implementation of Debtors' Plan of Reorganization

Attached to this Disclosure Statement as Exhibit "A" is a complete copy of the Debtor's Proposed Plan of Reorganization. For the specific details of the Plan of Reorganization, reference should be made to the Plan in its entirety. The summary provided below is merely for the convenience of anyone reading the Disclosure Statement and to the extent that this Disclosure Statement in any way conflicts with the actual Plan, the terms of the Plan will govern.

C. Payment of Administrative Claims

All allowed administrative claims will be paid in full on or before the Plan's Effective Date in accordance with the provisions of 11 U.S.C. §1129(a)(9)(A), unless otherwise agreed to between the particular administrative claimholder and the Debtor.

D. Feasibility of the Plan.

The Plan is feasible as a result of the income being generated through the operation of the Debtor's business over the term of the Plan.

E. Claims Allowance Procedure

The Debtor will file any claims objections on or before sixty (60) days from the Plan's Effective Date. At present, the Debtor is attempting to resolve any disputes regarding claims with the particular creditor. The Debtor is hopeful that such negotiations will lead to an amicable resolution of any claims disputes; however, there is no guarantee that the negotiations will lead to a resolution of any disputes.

F. Retention of Jurisdiction

The Court retains jurisdiction as set out in the Plan (See Article VIII).

G. Interest Retained by the Debtor

The Debtor is retaining any ownership interests in real and personal property subject to the terms of this Plan, while the claims of allowed claims of creditors are paid in full.

VI. ALTERNATIVES TO THE DEBTORS' PLAN

The Debtor does not believe that any other Plan other than the one it has proposed herein, is feasible for the payment of the Debtor's creditors. The Debtor believes that a liquidation of its assets will result in the largest payment of the Estate's creditors.

In the event of a Chapter 7 liquidation, the Bankruptcy Code would provide for the priorities of payment. The first priority of payment would be administrative claims. Those would consist of the attorneys' fees for the Debtor, along with the other professional fees for the Debtor. The Debtor estimates these will total approximately \$15,000.00 (less respective retainers of the professionals).

Based on the foregoing, the Debtor believes the Plan proposed herein is far superior to a Chapter 7 liquidation. A Liquidation Analysis prepared by the Debtor is attached hereto as Exhibit "F".

VII. RISK TO CREDITORS UNDER THE DEBTOR'S PLAN

The principal risk that creditors will incur under the Debtor's Plan is that the Debtor will not be able to operate profitable and perform under the terms contained in this Plan of Reorganization.

VIII. TAX CONSEQUENCES

The Debtor is a taxable entity and federal income taxes are payable by the Debtor. It is the Debtor's opinion that minimal adverse tax consequences will occur to the Debtor as a result of the reorganization. The Debtor is on a calendar tax year. The Debtor is current on its tax filings at the State and Federal levels.

IX. LITIGATION

The Debtor was not a party to any lawsuits at the time of its bankruptcy filing.

X. RELATIONSHIP OF DEBTOR WITH AFFILIATES

The Debtor does not have a relationship with any affiliates as the term "affiliate" is defined in Section 101(2) of the Code.

XI. PREFERENTIAL OR VOIDABLE TRANSFERS

The Debtor is unaware of any preferential or voidable transfers at this time. However, Debtor will continue to review and investigate its books, records and financial affairs to determine if a basis exists to pursue such preferential and/or voidable transfers.

XII. SUMMARY OF SIGNIFICANT ORDERS ENTERED

1. Order Approving the Employment of Langley & Banack, Inc. As Attorneys For the Estate of

XIII. MISCELLANEOUS DISCLOSURES

A. Modification of the Plan.

The Debtor may propose amendments or modifications to its Plan at any time prior to the date of the entry of the Order Confirming Plan, with leave of the Court, and upon proper notice to parties in interest. After the date of the Order Confirming Plan, Debtor may, with approval of the Court so long as it does not materially or adversely affect the interests of creditors, remedy any defects or omissions or reconcile any inconsistencies in the Plan or in the Order Confirming Plan in such manner as may be necessary to carry out the purpose and effect of this Plan.

B. Effect of Confirmation of the Plan.

The provisions of the Plan once confirmed are binding upon the Debtor and all of its creditors. The confirmation of the Plan vests all property of the estate in the Debtor except as otherwise provided in the Plan. All non-exempt assets will automatically revert in the Debtor's estate in the event that the Debtor's case is converted to Chapter 7 at some point in the future. The Debtor's property is free and clear of all claims and interests except as otherwise provided in the Plan. The Debtor is discharged from any debt which arose prior to confirmation, whether maker or guarantor, except as provided for in the Plan, Order Confirming Plan or the Bankruptcy Code upon completing the terms and payments of the Plan of Reorganization. Upon the Debtor successfully completing the terms of a confirmed Chapter 11 Plan of Reorganization, the Debtor will have no further liability to any creditor of the Debtor, including the Internal Revenue Service, for any and all debts and liabilities included herein.

C. Executory Contracts.

All executory contracts of the Debtor not expressly rejected, in writing on or before the date of the hearing on Confirmation of the Plan shall be deemed assumed. The Debtor has agreed to cure its various lease defaults (if any) by adding them to the end of the lease and remaining current on its lease obligations in the future as they come due. Rejection is accomplished by filing a Notice thereof with the Court, together with a proof of service of said Notice of the Application to Reject upon all parties affected thereby.

All parties to a rejected contract (other than creditors whose lease(s) were previously rejected by Motion and Court Order) shall have thirty (30) days from and after an Order approving rejection becomes a Final Order in which to file a Proof of Claim for damages, if any, resulting from such

rejection. Failure to file such Proof of Claim within the period indicated will forever bar the party affected by the rejection from participating in any distribution under the Plan or recovering any payment of any claim on account of such rejection.

D. Default

Upon default by the Reorganized Debtor, creditors (other than the Internal Revenue Service) are required to provide written notice of such Default to the Reorganized Debtor and its counsel, William R. Davis, Jr. of Langley & Banack, Inc., by certified mail, return receipt requested, and by regular first class mail, and the Reorganized Debtor shall have thirty (30) days from the date of the notice to cure the default. Any defect in such default notice shall toll the running of the thirty (30) day cure period. Notice of default shall be given to the Reorganized Debtor and William R. Davis, Jr. If the Reorganized Debtor fails to cure within the thirty (30) day cure period provided herein, creditors shall be allowed to foreclose their liens/pursue collection activity allowed by applicable State law without further notice of hearing before the Court, and/or pursue available collection activities.

The United States (Internal Revenue Service) requests the following default language:

- (i) The debt owed by the Debtor to the Internal Revenue Service is a non-dischargeable debt, except as otherwise provided for in the Bankruptcy Code, and that if the Debtor should default, the Internal Revenue Service is not subject to the provisions of the Bankruptcy Code so that the Internal Revenue Service can take whatever actions are necessary to collect said debt in the event of default; the federal tax liens survive the plan confirmation, a bankruptcy discharge, and dismissal of the case. The liens continue to be enforceable against all of the Debtor's property under federal law.
- (ii) A failure by the Reorganized Debtor to make a payment to the Internal Revenue Service pursuant to the terms of the Plan shall be an event of default, and as to the Internal Revenue Service, there is an event of default if payment is not received by the fifteen (15th) day of each month. If there is a default, the Internal Revenue Service must send written demand for payment, and said payment must be received by the Internal Revenue Service within fifteen (15) days of the date of the demand letter. These default provisions pertain to the entire claim(s) of the Internal Revenue Service, secured, unsecured priority, unsecured general, administrative priority and post-confirmation accrued tax.
- (iii) The Internal Revenue Service is bound by the provisions of the confirmed Plan and is barred under Section 1141 of the Bankruptcy Code from taking any collection actions against the Reorganized Debtor for pre-petition claims during the duration of the Plan (provided there is no default as to the Internal Revenue Service). The period of limitations on collection remains suspended under 26 U.S.C. Sec. 6503(h) for tax periods being paid under the Plan and terminates on the earlier of (1) all required payments to the Internal Revenue Service have been made; or (2) thirty (30) days after the date of the demand letter (described above) for which the Debtor failed

to cure the default.

- (iv) The Internal Revenue Service will also agree to withhold collections of the trust fund recovery penalty assessment against the responsible officers (if any). This agreement only encompasses the tax periods involved in the confirmed plan. The forbearance of collection efforts by the Internal Revenue Service does not preclude any action by the Internal Revenue Service to file liens or otherwise to perfect a security interest against the responsible officer as permitted under federal and state law. The period of limitations on collection will be suspended under 26 U.S.C. 603(h) for the trust fund periods and will terminate on the earlier of (1) all required payments to the Internal Revenue Service have been made under the Plan; or (2) thirty (30) days after the date of the demand letter (described above) for which the Debtor failed to cure the default.
- (v) Internal Revenue Service remedies upon default: Upon any final and non-curable default by the Reorganized Debtor, the Internal Revenue Service may accelerate its allowed pre- and post-petition claims (and any future administrative claims), and declare the outstanding amounts of such claims to be immediately due and owing. The Internal Revenue Service may pursue any and all available state and federal rights and remedies as provided by law without future order of this Court.
- (vi) Payments must be mailed to:

Internal Revenue Service
ATTN: Keri Templeton
300 East 8th Street, STOP 5026AUS
Austin, TX 78701
- (vii) Agreement with the Internal Revenue Service: The federal tax liens survive the Plan confirmation, a bankruptcy discharge, and dismissal of the case. The liens continue to be enforceable against the Reorganized Debtor's property to the extent, priority, and validity such liens were entitled to as of the Petition Date and under federal law. All liens will be timely released upon the completion of the payments to the Internal Revenue Service as set forth and required herein.
- (viii) The Debtor must remain current with respect to all post-petition federal tax liabilities, including the timely filing of tax returns and payment of all tax liabilities as required by applicable law during the term of the Plan. Failure to remain current with respect to one or more post-petition federal tax liabilities shall constitute an event of default to the Plan; however, the Bankruptcy Court shall have no jurisdiction over any tax issues arising after the date of confirmation. There will be no automatic stay or post-confirmation injunction with regard to federal tax liabilities accrued after the Petition Date (November 3, 2016), and the IRS shall be free to collect any such liabilities in accordance with the provisions of Title 26 of the United States Code and other applicable laws.

- (ix) To the extent the Debtor has made, or makes in the future, any overpayment of post-petition taxes, post-petition over payments of federal taxes may be setoff against any post-petition federal tax liabilities as allowed by applicable law. If the Debtor has not accrued any post-petition liability to the IRS, the overpayments will be applied to the Debtor's Plan payments under the Plan.

XIV. CONCLUSION

Debtor submits this Disclosure Statement and the information contained herein in good faith, in accordance with the provisions of 11 UCC Section 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 of Reorganization.

The Debtor recommends that the Plan of Reorganization be approved in light of the alternative of a non-orderly liquidation, which would provide a significant payment only to the Secured Creditors. An operating plan as proposed herein leads the Debtor to conclude that the Plan is in the best interest of all creditors and parties-in-interest; therefore, all Creditors and Interest Holders alike should vote to accept the Plan.


ARTICLE XV.

ATTACHMENTS AND EXHIBITS

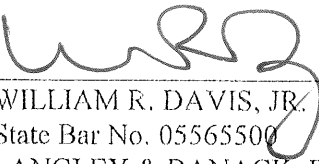
Exhibit "A"	Plan of Reorganization
Exhibit "B"	Debtor's Pro-Forma Projections
Exhibit "C"	Schedule of Personal Property
Exhibit "D"	List of Executory Contracts
Exhibit "E"	2016 Income Tax Return (Form 1120)
Exhibit "F"	Liquidation Analysis
Exhibit "G"	_____, 2017 Monthly Operating Report
Exhibit "H"	Pre-Petition Litigation/Status

Date: September 28, 2017

ALDRIDGE NURSERY, INC.

BY: 
Thomas C. Trautner, President

OF COUNSEL:

BY: 
WILLIAM R. DAVIS, JR.
State Bar No. 05565500
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