

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF OKLAHOMA

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In re:	)	
	)	
MACCO PROPERTIES, INC.,	)	Case No. 10-16682-NLJ
	)	Chapter 11
Debtor.	)	
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DISCLOSURE STATEMENT TO ACCOMPANY  
FIRST MODIFIED FIFTH AMENDED PLAN OF REORGANIZATION  
PROPOSED BY JENNIFER PRICE

January 11, 2012

/s/ Brandon C. Bickle

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**ARTICLE I**  
**INTRODUCTION**

This disclosure statement ("Disclosure Statement") accompanies the *First Modified Fifth Amended Plan of Reorganization* dated January 11, 2013 (the "Plan"), filed by Jennifer Price (the "Proponent") for the reorganization of the Debtor, Macco Properties, Inc. This Disclosure Statement contains information about the Debtor and describes the Plan. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A.

***Your rights may be affected by these proceedings. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.***

This Disclosure Statement is submitted pursuant to Section 1125 of the Bankruptcy Code to holders of Claims against, and Interests in, the Debtor in connection with the prosecution of the Plan. On \_\_\_\_\_, 2013, after notice and a hearing, the Court entered an Order (the "Disclosure Statement Order") which, among other things, approved this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable hypothetical, reasonable investors typical of the Debtor's creditors to make an informed judgment as to whether to accept or reject the Plan. A copy of the Disclosure Statement Order accompanies this Disclosure Statement as Exhibit B. Approval of this Disclosure Statement does not constitute a determination by the Court as to the fairness or merits of the Plan.

A hearing at which the Bankruptcy Court will determine whether to confirm the Plan will take place on \_\_\_\_\_, 2013, at \_\_:\_\_.m., in the Second Floor Courtroom, at the United States Courthouse, 215 Dean A. McGee Avenue, Oklahoma City, Oklahoma.

Objections to confirmation of the Plan must be filed with the Bankruptcy Court and served upon all parties entitled to notice by \_\_\_\_\_, 2013.

***Be sure to read the Plan as well as this Disclosure Statement. The Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.***

**THE PROPONENT BELIEVES THAT THE PLAN REPRESENTS THE BEST DISPOSITION OF THIS CASE AND THE DEBTOR'S ESTATE. THE PROPONENT URGES YOU TO READ THIS DISCLOSURE STATEMENT AND SUPPORT THE PLAN.**

## **ARTICLE II** **DEFINITIONS**

In addition to the terms defined in context elsewhere in this Disclosure Statement, as used in this Disclosure Statement, the following definitions shall apply:

**Administrative Expense Claims:** Shall mean all expenses of administration (including Professional Fees) that are entitled to priority under Section 507(a)(2) of the Code, as allowed and ordered by the Court.

**Allowed Claim:** Shall mean: (a) the amount of a Claim that has been allowed by a Final Order; or (b) the amount of a Claim timely filed with the Clerk of the Court or that is listed in the Schedules as undisputed, non-contingent and liquidated as to which Claim (i) no objection to allowance thereof has been interposed within any period of limitation fixed by the Code, the Federal Rules of Bankruptcy Procedure, this Plan or orders of the Court, or (ii) an objection has been interposed, which objection has been determined by a Final Order. Allowed Claim shall not include any Claim that has previously been satisfied through payment or otherwise, within or without this Case.

**Case:** Shall mean this Chapter 11 bankruptcy case, filed in the Court by the Debtor on the Petition Date.

**Chapter 11 Trustee:** Shall mean Michael E. Deeba, the Chapter 11 trustee appointed in this Case.

**Claim:** Shall mean any "claim" against the Debtor as defined in Section 101(5) of the Code.

**Code:** Shall mean the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as amended and applicable to this Case.

**Confirmation Date:** Shall mean the date of entry of an order of the Court confirming the Plan.

**Confirmation Order:** Shall mean the order entered by the Court confirming the Plan.

**Contested Claim(s):** Shall mean the Claim(s) to which a timely objection has been lodged and not resolved by Final Order by the Effective Date.

**Court:** Shall mean the United States Bankruptcy Court for the Western District of Oklahoma.

**Creditor:** Shall mean any person who has a Claim against the Debtor, as defined in Section 101(10) of the Code.

**Creditor's Committee:** Shall mean the official committee of unsecured creditors that has been appointed in this Case pursuant to Section 1102 of the Code.

**Debtor-in-Possession:** Shall mean the Debtor in its fiduciary capacity under Section 1108 of the Code from and after the Petition Date until the appointment of the Chapter 11 Trustee.

**Distribution Agent:** Shall mean that individual appointed as a fiduciary under this Plan and/or Court Order to receive funds necessary to consummation of the Plan, and make all required payments from the Reorganization Fund under the terms of the Plan, as more fully detailed in Article VII hereof. The initial Distribution Agent shall be G. Blaine Schwabe, III – an attorney at the law firm of Mock, Schwabe, Waldo, Elder, Reeves & Bryant, PLLC.

**Effective Date:** Shall mean the twenty-fifth (25th) day following the Confirmation Date (but if such date is not a business day then the next business day following the 25th day), provided that no order staying consummation of the Plan or staying the Confirmation Order has been entered prior thereto. If an order staying consummation of the Plan or staying the Confirmation Order has been entered, then the Effective Date shall mean the first business day following the lifting of such stay.

**Estate:** Shall mean the bankruptcy estate of the Debtor created under Code Section 541.

**Final Order:** Shall mean an order of the Court which shall not have been reversed, stayed, modified, or amended, the time to appeal from, or to seek review or rehearing of, such order shall have expired, and no appeal is pending, as a result of which such order has become final in accordance with Federal Rule of Bankruptcy Procedure 8002.

**Interests:** Shall mean any ownership rights in the Debtor held by an equity security holder.

**Petition Date:** Shall mean November 2, 2010.

**Professional Fee Claims:** Shall mean any Claim awarded under Code Section 330, and entitled to administrative priority pursuant to Code Sections 503(b)(2) and 507(a)(2). Such Claims include, without limitation, (i) compensation of the Chapter 11 Trustee under Code Section 326; and (ii) fees and expenses of attorneys and other professionals retained, with Court approval, by the Debtor-in-Possession, the Chapter 11 Trustee, and/or the Creditor's Committee.

**Proponent:** Shall mean Jennifer Price in her capacity as proponent of this Plan.

**Reorganization Fund:** Shall mean a fund of cash deposited with the Distribution Agent sufficient to consummate the Plan.

**Reorganized Debtor:** Shall mean Macco Properties, Inc. after the occurrence of the Effective Date.

**Rules:** Shall mean the Federal Rules of Bankruptcy Procedure as applicable to this Case.

**Schedules:** Shall mean the schedules of assets and liabilities filed in the Case, as amended by all filed amendments to the same.

**Tax Claims:** Shall mean the Claims described in Code Section 507(a)(8).

### **ARTICLE III** **OVERVIEW OF CHAPTER 11**

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor's business may be reorganized for the benefit of its creditors and equity interest holders. In addition to rehabilitating a debtor, Chapter 11 also promotes equality of treatment for similarly situated creditors and equity interest holders with respect to the distribution of a debtor's assets.

Commencing a Chapter 11 case creates an estate that contains all of a debtor's property as of the filing date. In this case, the Chapter 11 Trustee is currently serving as the fiduciary of the Debtor's Estate.

The principal objective of a Chapter 11 case is the consummation of a plan of reorganization. A plan of reorganization sets forth the treatment of claims against, and equity interests in, a debtor. Once the Bankruptcy Court confirms a plan of reorganization, the terms of the plan become binding upon the debtor, any issuer of securities under the plan, any person acquiring property under the Plan, and any creditor or equity interest holder of the debtor. Generally, an order of the Bankruptcy Court confirming a plan of reorganization discharges the debtor from any debt that arose prior to the date of confirmation of the plan, and substitutes for that debt the obligations specified for that debt under the confirmed plan. Nonetheless, in this Case the Proponent's Plan provides that there shall be no discharge of allowed Claims with respect to certain classes of claims that are not satisfied in full as of the Effective Date under the Plan.

Each class of "impaired" claims is entitled to vote to accept or reject a proposed plan of reorganization. Chapter 11 does not require that every holder of a claim or interest vote to accept that plan in order for the Court to confirm the plan. However, the plan must meet a number of statutory tests—including a minimum level of acceptance—before the plan may be confirmed.

In order to solicit acceptances of a proposed plan, a plan proponent, like the Proponent here, must prepare and distribute a disclosure statement to the creditors and

equity interest holders entitled to vote on the plan. Code Section 1125 requires that the disclosure statement contain adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. The Proponent has prepared this Disclosure Statement in accordance with the requirements of Code Section 1125.

#### **ARTICLE IV** **BACKGROUND OF THE DEBTOR**

##### **Overview.**

The Debtor, Macco Properties, Inc. (hereafter occasionally referred to as “Macco”), was incorporated in the State of Oklahoma on March 10, 1992, for the purpose of ownership and management of multifamily properties, office buildings, warehouses, industrial parks, shopping centers and vacant land.

Macco is a real estate holding and management company that is the sole or controlling member of several limited liability companies (“LLC(s)”). With the exception of Vendamatic, L.L.C.,<sup>1</sup> these limited liability companies own or owned individual real estate properties, consisting of apartment complexes and other commercial holdings situated primarily in Oklahoma and Kansas.

The LLC entities in which Macco presently holds a controlling membership interest are the following:

- AP Bristol Park Apartments, L.L.C.
- AP Canyon Creek Apartments, L.L.C.
- AP Foxfire Apartments, L.L.C.
- AP Tower Crossing Apartments, L.L.C.
- Holbrook Shopping Plaza, L.L.C. , an Arizona entity.
- JU Villa del Mar Apartments, L.L.C.
- SEP Riverpark Plaza Apartments, L.L.C.
- Vendamatic, L.L.C.

(the “Membership Interests”).

Historically, Macco’s property interests have been located primarily in Oklahoma and Kansas, where over the last five years it has been one of the largest buyers and sellers of apartment communities. Macco’s objective has been to acquire properties and improve them to their highest potential, economically and physically. Macco achieved this objective through strategic, hands-on management, and aggressive marketing.

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<sup>1</sup> Vendamatic, L.L.C. owns and operates coin-operated laundry machines at various apartment locations.

Prior to the appointment of the Chapter 11 Trustee in this Case, management of Macco's operations and business affairs was vested in its Board of Directors and Officers, namely the following individuals:

- Jennifer A. Price -- Director and Secretary/Treasurer. Ms. Price is also the sole shareholder of Macco, and Proponent of the Plan. Ms. Price was a certified public accountant who specialized in real estate when she was employed by Peat, Marwick and Mitchell Company. In 1981, Ms. Price became involved in the ownership and management of her own properties, which consisted of multifamily communities, warehouses, industrial parks, shopping centers, office buildings and vacant land. She eventually incorporated Macco in 1992.

- Lew S. McGinnis -- Director and President. Mr. McGinnis ("McGinnis") has owned and operated multifamily properties since 1963. In Oklahoma City he has owned or operated, at one time or another, more than 50% of the total multifamily properties existing within that market, and has operated other properties throughout the country.

#### **Debt Structure.**

##### *Guaranty Claims -*

Macco is or was a corporate guarantor under the terms of various commercial guaranties that accommodate or accommodated the indebtedness owed by certain of the LLCs and other entities no longer affiliated with Macco. The unpaid promissory note(s) underlying these claims are each secured by one or more mortgages on real property owned by an affiliate of Macco, as stated in the Chart below.

<b>Creditor [Class]</b>	<b>Claim Amount [estimated]</b>	<b>Collateral Security [Gross Value]<sup>2</sup></b>	<b>Unpaid <i>Ad Valorem</i> Taxes</b>
Quail Creek Bank [Class 1]	\$1,064,213.00	Property of LP Chalet \$1,650,000.00	\$0
FAA Credit Union [Class 2]	\$9,500,000.00	Property of SEP Riverpark \$16,300,000.00	\$1,130,995.00
All America Bank [Class 3]	\$1,456,000.00	Property of SEP Riverpark " " "	" " "
FAA Credit Union [Class 4]	\$5,000,000.00	Property of JU Villa Del Mar \$5,600,000.00	\$419,778.00
FAA Credit Union [Class 5]	\$1,200,000.00	Property of Holbrook Shopping Plaza, LLC \$1,850,000.00	\$230,482.00

<sup>2</sup> Utilizing, *inter alia*, the latest available appraisal information within the Proponent's control. Additional information on such appraisals and competing/supplemental appraisal information supplied by creditors is presented in Exhibit G hereto.



Frontier Savings Bank [Classes 6 and 7]	\$5,840,000.00	Property of JU Madison Park \$8,100,000.00	\$302,351.00
250 West LLC [Class 8]	\$375,000.00	Property of JU Madison Park “ “ “	“ “ “
Frontier Savings Bank [Class 14]	\$2,100,000.00	Property of Emerald Court \$3,500,000.00	\$29,640.00
Frontier Savings Bank [Class 15]	\$2,550,000.00	Property of Newport/Granada \$3,700,000.00	\$51,845.00
Frontier Savings Bank [Class 16]	\$850,000.00	Property of Newport/Granada & Emerald Court \$7,200,000.00	\$81,485.00
Frontier Savings Bank [Class 17]	\$750,000.00	Property of Northgate Business Park \$2,100,000.00	\$ -0-

*Other Obligations -*

Macco has miscellaneous direct obligations for debts that have arisen in the course of its operations.

**Events Leading to Bankruptcy.**

A major factor that propelled Macco into this Case was the unprecedented constriction in national and local credit markets in 2009 and 2010, which caused the financing of multifamily and other properties to become extremely difficult. Those conditions (i) precluded Macco's completion of the refinancing of certain loans secured by properties then owned by entities in which it had an interest, and (ii) inhibited the closing of sale transactions in which Macco had a seller's interest.

At the time of the filing of this Case, several Macco-accommodated affiliates had mortgage obligations that had matured and/or defaulted. Among those distressed affiliates, Twin Lakes Apartments, LLC ("Twin Lakes"), fell into mortgage default because it was unsuccessful in timely refinancing or selling its real estate assets to pay off its mortgage obligations. Twin Lakes' mortgage lender then sued Macco on its guaranty, and this Case ensued.

Another major contributor to the filing of this Case was an increase in the volume of litigation against Macco. An early piece of litigation -- a lawsuit out of Utah involving claims against Macco -- in connection with a real estate purchaser's eventual loss of its purchased properties -- was eventually settled for a minimal amount. However, such litigation encouraged a group of "copycat" lawsuits against Macco. In connection with one such lawsuit, the plaintiff's lawyer contacted approximately 50 entities to whom Macco had sold properties and suggested that Macco may have been guilty of fraud



and/or misrepresentation in connection with such sales. The resulting litigation process became very expensive, distracting and time consuming. The Proponent knows of no judgment against Macco, any LLC, the Proponent, or McGinnis for fraud or mismanagement.<sup>3</sup> Further, the Proponent knows of no currently threatened litigation against such entities.

### **The Course of the Bankruptcy Case.**

Subsequent to the initiation of this Case, due to circumstances similar to the Twin Lakes matter, several LLCs in which Macco held an interest filed separate Chapter 11 cases in an attempt to protect the equity in the underlying properties. The Proponent believes that at the time of those filings, each of those entities had significant equity in its property over and above the amount of indebtedness secured thereby.<sup>4</sup>

This Case has spawned a great deal of contentious litigation including, among others, disputes arising over (i) the propriety and competency of the Debtor-in-Possession's and Chapter 11 Trustee's respective administration of the Case, (ii) the successful attempt by certain parties in interest to have the Chapter 11 Trustee appointed, and (iii) the effort by the Proponent to have the Case dismissed. A comprehensive account of the history of those aspects of this Case, through the hearing on dismissal, is contained in the Court's *Order Denying Motion of Jennifer Price for Dismissal of Chapter 11 Case and other Related Relief and Denying Plaintiff's Emergency Motion for Preliminary Injunction Against Defendant, Michael E. Deebe, Trustee* [Doc. No. 441] (the "Memorandum Order"), which Order is fully incorporated herein by reference.

The Proponent believes and asserts that since the appointment of the Chapter 11 Trustee, Macco and its affiliated businesses have sustained undue losses as a result of the Trustee's inexperience in the management of apartment complexes and his employment of sub-standard property managers. The Trustee denies all such allegations, and certain creditors -- including All America Bank and FAA Credit Union -- are supportive of his position. Conversely, other creditors -- including Frontier Savings Bank and First Enterprise Bank -- are supportive of the Proponent's conclusions regarding the Trustee's stewardship.

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<sup>3</sup> Certain civil proceedings -- *i.e.* the so-called "Bristol Park", "Linwood", "Cobblestone", and "Utah federal court receiver" litigations -- in which allegations of fraud, mismanagement and/or breach of fiduciary duties were alleged, have each been consensually resolved.

<sup>4</sup> Plans of Reorganization have been filed in several of those cases. The Macco Plan and those LLC plans are alternative means of disposition proposed by the Proponent. They are not intended to work in concert with respect to a specific LLC. If the Macco Plan were to be confirmed before any of the subject LLC membership interests or assets were disposed of by the relevant debtor-in-possession, then the LLC plans would become moot from the Proponent's perspective. By contrast, if for example, the assets of one of the LLCs were proposed to be sold by its debtor-in-possession, then the subject LLC Plan may become relevant.

### **Disposition of Property Since the Trustee's Appointment.**

In or about September, 2011, in an attempt to preserve the Proponent's equity position in Macco, a \$5,000,000 offer was submitted to the Chapter 11 Trustee for all of Macco's then-existing real and personal property, including, without limitation, limited liability membership interests (the "Global Transaction"). In connection with that proposed transaction, the Trustee required that a release be granted by each of the subject "secured" creditors<sup>5</sup> as to any liability of the Trustee and Macco.

The Global Transaction failed to close under circumstances that are disputed among the parties. It is undisputed that the purchasing entity successfully escrowed \$5,000,000, but that sum was not ultimately disbursed at closing. The Trustee and other parties blame this failure upon the Proponent and her affiliates. The Proponent and her affiliates attribute the failure to the following circumstances: the demand by the Trustee for personal releases from secured parties was a position that, in turn, precipitated a demand from one secured creditor for an additional guaranty that was not available at that time.

After the collapse of the Global Transaction, the Proponent and/or her affiliates, negotiated and closed various purchase agreements for individual properties or packages of properties (the "Individual Sales"). Exhibit C, attached hereto, presents in schedule form, the various Individual Sales and other material dispositions of property from this bankruptcy estate. These transactions have paid off, or otherwise satisfied claims asserted against the Macco Estate.

Since the appointment of the Chapter 11 Trustee, the Proponent, and/or her affiliates, have (i) made payments to First Enterprise Bank, NBC Oklahoma, FAA Credit Union, Sooner State Bank, All America Bank, and Frontier State Bank in order to keep the properties owned by Macco and its affiliates from being foreclosed; and (ii) paid off mortgage obligations on other, non-income producing properties, upon the Trustee's abandonment thereof -- saving the Macco estate from potentially substantial "deficiency" claims.

Division Properties, LLC -- one of the entities on Exhibit C -- has recently commenced a Chapter 11 case in the Northern District of Texas (Case No. 12-34679) in order to forestall the potential appointment of a receiver -- a fact that would have precluded a pending refinance transaction. Division has reached agreement with its principal creditor for the use of cash collateral and a structure for final resolution of that case.<sup>6</sup> None of the more than 20 other commercial real estate entities previously involved in this case, and now under the management and/or control of the Proponent and/or her affiliates have commenced bankruptcy proceedings.

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<sup>5</sup> Creditors holding mortgage interests in (i) property owned directly by Macco; and (ii) property owned by entities in which Macco held an ownership interest.

<sup>6</sup> Interested parties may follow docketed developments via PACER.

**Financial Performance of Macco in Bankruptcy.**

The Proponent is not in control of the Debtor, or of the LLCs in which it continues to hold Membership Interests.

The financial performance of the Debtor is presented in the Monthly Operating Reports (“MORs”) required by the Office of the United States Trustee, filed with the Court and served upon all appearing parties via the CM/ECF system. These Reports are extremely voluminous, but are available to view on the Case Docket via the Court’s PACER system. The final MOR (April 2011) filed by the Debtor-in-Possession is docketed as Doc. No. 160, and the Trustee’s most recently filed MOR (November 2012) is docketed as Doc. No. 1365.

The financial performance of the LLCs that are presently in bankruptcy may be gleaned from the MORs filed in those cases, as follows:

<b>Debtor</b>	<b>Case No.</b>	<b>April 2011 MOR</b>	<b>Most Recent MOR</b>
SEP Riverpark Plaza, LLC	Case No. 10-16832	Doc. No. 74	Macco Doc. No. 1345
NV Brooks Apartments, LLC	Case No. 10-16503	Doc. No. 80	Macco Doc. No. 1380
MA Cedar Lake Apartments, LLC	Case No. 10-16563	Doc. No. 83	Macco Doc. No. 1343
JU Villa Del Mar Apartments, LLC	Case No. 10-16842	Doc. No. 53	Macco Doc. No. 1342
Holbrook Shopping Plaza, LLC	Case No. 11-11235	Doc. No. 14	Doc. No. 85

**ARTICLE V**  
**BRIEF SUMMARY OF THE PLAN**

The Plan provides for (i) payment in full, with applicable interest, of all Administrative Expense Claims and Tax Claims; (ii) payment in full, with interest, of all non-guaranty or indemnification Claims against the Debtor; (iii) payment in full, implementation of agreed treatment, or a waiver of discharge with respect to guaranty and indemnification Claims; and (iv) retention of equity Interests by the holder thereof.

The Plan further provides that the property of the Debtor’s Estate shall re-vest in the Reorganized Debtor. This re-vested property, plus draws, as necessary, under committed lines/letters of credit providing supplemental liquidity of \$20.0 million, shall be used to satisfy all Claims entitled to present payment under the Plan and any ongoing obligations of the Reorganized Debtor.

## **ARTICLE VI**

### **PLAN CONFIRMATION PRINCIPLES**

#### **Classification of Claims Under the Plan.**

Pursuant to Section 1122 of the Bankruptcy Code, claims and interests must be grouped into classes, *i.e.* “classified” under a plan of reorganization. All claims or interests within a particular class must be substantially similar to each other, and must generally receive the same treatment as each other, except to the extent that a particular claim holder agrees to a less favorable treatment. The Plan divides the Claims against, and Interests in, the Debtor into 22 separate classes, and sets forth the treatment accorded each class. The Proponent believes the classification of Claims under the Plan is proper under the Bankruptcy Code.

#### **Unclassified Claims.**

Certain types of claims are automatically entitled to specialized treatment under the Code, and need not be “classified” by a plan proponent. Also, because those claims are not considered to be “impaired”, their holders do not vote on the plan. They may, however, object to confirmation of a plan if, in their view, their treatment under the plan does not comply with that required by the Code. Unclassified Claims under the Proponent’s Plan include Administrative Expense Claims and Tax Claims.

#### **Acceptance of the Plan.**

The Bankruptcy Code requires that, in order to be confirmed, a plan of reorganization must specify whether a class of claims or interests is “impaired” by its treatment under such plan. Holders of claims and interests impaired under a plan are entitled to vote to accept or reject the Plan.

An impaired class of Claims or Interests has accepted the Plan if (i) the holders (other than those designated under Section 1126(e) of the Bankruptcy Code) of at least two-thirds (2/3) in amount of the Allowed Claims or Interests actually voting in such class have voted to accept the Plan and (ii) the holders (other than those designated under Section 1126(e) of the Bankruptcy Code) of more than one-half (1/2) in number of the Allowed Claims or Interests actually voting in such class have voted to accept the Plan.

#### **Non-Consensual Confirmation.**

If an impaired class of claims or interests entitled to vote on a plan does not vote to accept the plan, the plan proponent may seek a non-consensual (*i.e.* “cram-down”) confirmation of the plan under Code Section 1129(b).

The “cram down” provisions of Section 1129(b) of the Bankruptcy Code permit confirmation of a plan in certain circumstances if the plan is “fair and equitable” and does not “discriminate unfairly” vis-à-vis a non-accepting class, even if the plan is not accepted by all impaired classes of claims and interests.



**ARTICLE VII**  
**CLASSIFICATION OF CLAIMS AND INTERESTS**

For purposes of the Plan, Claims and Interests, other than Administrative Expense Claims and Tax Claims, are classified as follows:

**Class 1 – Claim of Quail Creek Bank re: LP Chalet, L.L.C.**

Class 1 consists of the unsecured Claim of Quail Creek Bank arising from the Debtor's guaranty of a first mortgage note obligation of LP Chalet, L.L.C.

**Class 2 – Claim of FAA Credit Union re: SEP Riverpark Plaza Apartments, L.L.C.**

Class 2 consists of the unsecured Claim of FAA Credit Union arising from the Debtor's guaranty of a first mortgage note obligation of SEP Riverpark Plaza Apartments, L.L.C.

**Class 3 – Claim of All-America Bank re: SEP Riverpark Plaza Apartments, L.L.C.**

Class 3 consists of the unsecured Claim of All-America Bank arising from the Debtor's guaranty of a second mortgage note obligation of SEP Riverpark Plaza Apartments, L.L.C.

**Class 4 – Claim of FAA Credit Union re: JU Villa del Mar Apartments, L.L.C.**

Class 4 consists of the unsecured Claim of FAA Credit Union arising from the Debtor's guaranty of a first mortgage note obligation of JU Villa del Mar Apartments, L.L.C.

**Class 5 – Claim of FAA Credit Union re: Holbrook Shopping Plaza, L.L.C.**

Class 5 consists of the unsecured Claim of FAA Credit Union arising from the Debtor's guaranty of a first mortgage note obligation of Holbrook Shopping Plaza, L.L.C.

**Class 6 – Claim of Frontier Savings Bank re: JU Madison Park Apartments, L.L.C.**

Class 6 consists of the unsecured Claim of Frontier Savings Bank arising from the Debtor's guaranty of a first mortgage note obligation of JU Madison Park Apartments, L.L.C.

**Class 7 – Claim of Quail Creek Bank re: JU Madison Park Apartments, L.L.C.**

Class 7 consists of the unsecured Claim of Quail Creek Bank arising from the Debtor's guaranty of a first mortgage note obligation of JU Madison Park Apartments, L.L.C.

**Class 8 – Claim of 250 West LLC re: JU Madison Park Apartments, L.L.C.**

Class 8 consists of the unsecured Claim of 250 West LLC arising from the Debtor's guaranty of a second mortgage note obligation of JU Madison Park Apartments, L.L.C.

**Class 9 – Claim of V&S Enterprises re: JU Madison Park Apartments, L.L.C.**

Class 9 consists of the unsecured Claim of V&S Enterprises arising from the Debtor's guaranty of a third mortgage note obligation of JU Madison Park Apartments, L.L.C.

**Class 10 – Claim of All-America Bank re: MA Cedar Lake Apartments, L.L.C.**

Class 10 consists of the unsecured Claim of All-America Bank arising from the Debtor's guaranty of a *first* mortgage note obligation of MA Cedar Lake Apartments, L.L.C.

**Class 11 – Claim of All-America Bank re: MA Cedar Lake Apartments, L.L.C.**

Class 11 consists of the unsecured Claim of All-America Bank arising from the Debtor's guaranty of a *second* mortgage note obligation of MA Cedar Lake Apartments, L.L.C.

**Class 12 – Claim of All-America Bank re: NV Brooks Apartments, L.L.C.**

Class 12 consists of the unsecured Claim of All-America Bank arising from the Debtor's guaranty of a first mortgage note obligation of NV Brooks Apartments, L.L.C.

**Class 13 – Claim of All-America Bank re: 59th Street Business Park, L.L.C.**

Class 13 consists of the unsecured Claim of All-America Bank arising from the Debtor's guaranty of a first mortgage note obligation of 59th Street Business Park, L.L.C.

**Class 14 – Claim of Frontier Savings Bank re: Emerald Court Apartments, L.L.C.**

Class 14 consists of the unsecured Claim of Frontier Savings Bank arising from the Debtor's guaranty of a first mortgage note obligation of Emerald Court Apartments, L.L.C.

**Class 15 – Claim of Frontier Savings Bank re: Newport/Granada Apartments, L.L.C.**

Class 15 consists of the unsecured Claim of Frontier Savings Bank arising from the Debtor's guaranty of a first mortgage note obligation of Newport/Granada Apartments, L.L.C.

**Class 16 - Claim of Frontier Savings Bank re: Emerald Court Apartments, L.L.C. and Newport/Granada Apartments, L.L.C.**

Class 16 consists of the unsecured Claim of Frontier Savings Bank arising from the Debtor's guaranty of a obligation secured by second mortgages on the real property of Emerald Court Apartments, L.L.C. and Newport/Granada Apartments, L.L.C.

**Class 17 – Claim of Frontier Savings Bank re: Northgate Business Park, L.L.C.**

Class 17 consists of the unsecured Claim of Frontier Savings Bank arising from the Debtor's guaranty of a first mortgage note obligation of Northgate Business Park, L.L.C.

**Class 18 – Claims of Jennifer Price and/or Lew S. McGinnis.**

Class 18 Claims consist of the contingent Claims of Jennifer Price and/or Lew S. McGinnis arising from indemnification agreements between the Debtor and Jennifer Price and/or Lew S. McGinnis, which are the only claims asserted by them in this Case.

**Class 19 – Claims of General Unsecured Creditors.**

Class 19 Claims consist of all unsecured, non-priority Claims against the Debtor, whether listed on the Schedules or set forth in a proof of claim filed in the Case, other than the Claims in one or more of Classes 1 - 18.

**Class 20 – Priority Claims.**

Class 20 Claims consist of all Claims entitled to priority under Code Sections 507(a)(4), (5) or (7), whether listed on the Schedules or set forth in a proof of claim filed in the Case.

**Class 21 – Equity Interests.**

Class 21 Interests consists of all Interests in the Debtor.



**ARTICLE VIII**  
**TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

**Administrative Expense Claims.**

Professional Fee Claims that have been allowed pursuant to a Final Order of the Court prior to the Effective Date shall be paid in full on the Effective Date. Professional Fees that are allowed pursuant to a Final Order of the Court subsequent to the Effective Date shall be paid in full within five (5) days after such Final Order becomes final. The Distribution Agent shall pay non-Professional Fee Administrative Expense Claims, if any, on the Effective Date, or according to ordinary business terms agreed to by such administrative expense Creditors.<sup>7</sup>

Certain Administrative Claims for Professional Fees have already been paid. Namely, interim compensation for Creditors' Committee counsel, the Trustee, and his accountants and attorneys, have been allowed by the Court, and presumably paid by the Trustee.

If her Plan is confirmed, the Proponent estimates that approximately \$500,000 in additional Professional Fees will be payable from the Estate; and she knows of no other substantial categories of Administrative Claims that would be due upon the Effective Date of the Plan or thereafter.

**Tax Claims.**

Allowed Tax Claims shall be paid in full, with all applicable penalties, and interest from and after the Petition Date to the date of payment at the greater of (i) the rate allowed on judgments entered in the federal courts under 28 U.S.C. §1961, or (ii) the rate allowed under the applicable revenue law. Such Claims shall be paid (i) on the Effective Date if Allowed by such date, or (ii) if not finally Allowed on the Effective Date, then within 10 days after the entry of a Final Order allowing such Claim.

The Proponent's analysis of Claims indicates that there are presently no Tax Claims remaining for treatment. The only allowable Tax Claims that were asserted in this case -- those of the Treasurers Sedgwick County, Kansas, and Canadian and Oklahoma Counties in Oklahoma, for *ad valorem* taxes -- have been satisfied during this Case.

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<sup>7</sup> The quarterly fees payable to the United States Trustee under 28 U.S.C. § 1930(a)(6) shall be paid when due (*i.e.*, on or before the last day of the month following each calendar quarter) until the Case is closed. All other fees payable pursuant to 28 U.S.C. § 1930 through confirmation of the Plan shall be paid on the Effective Date, and thereafter by the Reorganized Debtor.

**Class 1 - Claim of Quail Creek Bank re: LP Chalet, L.L.C.**

Class 1 is not impaired. The credit facility encompassing the Class 1 Claim has been re-written to mature on February 20, 2013, with Consolidated Capital Investments, LLC as principal obligor, and Edward Snyder as guarantor. In that connection Quail Creek Bank has tendered to the Chapter 11 Trustee a release of the Estate, inter alia. Thus, the Class 1 Claim shall be deemed released and withdrawn.

**Class 2 - Claim of FAA Credit Union re: SEP Riverpark Plaza Apartments, L.L.C.**

Class 2 is designated as impaired. The Allowed Claim in Class 2 shall be paid in full on the Effective Date.

**Class 3 - Claim of All-America Bank re: SEP Riverpark Plaza Apartments, L.L.C.**

Class 3 is designated as impaired. The Allowed Claim in Class 3 shall be paid in full on the Effective Date.

**Class 4 - Claim of FAA Credit Union re: JU Villa del Mar Apartments, L.L.C.**

Class 4 is designated as impaired. The Allowed Claim in Class 4 shall be paid in full on the Effective Date.

**Class 5 - Claim of FAA Credit Union re: Holbrook Shopping Plaza, L.L.C.**

Class 5 is designated as impaired. The Allowed Claim in Class 5 shall be paid in full on the Effective Date.

**Class 6 - Claim of Frontier Savings Bank re: JU Madison Park Apartments, L.L.C.**

Class 6 is impaired. Consolidated Capital Investments, LLC shall be substituted as guarantor for Macco on the Class 6 guaranty obligation, and Edward Snyder shall provide a guaranty of two (2) years of payments on the principal obligation owed by JU Madison Park Apartments, L.L.C. The Class 6 Claim shall be deemed released and withdrawn.

**Class 7 - Former Claim of Quail Creek Bank re: JU Madison Park Apartments, L.L.C.**

Class 7 is impaired. The Class 7 Claim, previously asserted by Quail Creek Bank, has been acquired by Frontier Savings Bank. That claim is treated in the manner recited for Class 6, above. The Class 7 Claim shall be deemed released and withdrawn.

**Class 8 - Claim of 250 West LLC re: JU Madison Park Apartments, L.L.C.**

Class 8 is not impaired. The Class 8 obligation has been fully satisfied, and 250 West, LLC has tendered to the Chapter 11 Trustee a release of the Estate, *inter alia*. Thus, the Class 8 Claim shall be deemed released and withdrawn.

**Class 9 - Claim of V&S Enterprises re: JU Madison Park Apartments, L.L.C.**

Class 9 is not impaired. The Class 9 obligation has been fully satisfied, and V&S Enterprises has tendered to the Chapter 11 Trustee a release of the Estate, *inter alia*. Thus, the Class 9 Claim shall be deemed released and withdrawn.

**Class 10 - Claim of All-America Bank re: MA Cedar Lake Apartments, L.L.C.**

Class 10 is designated as impaired. The Class 10 obligation has been fully satisfied, and All America Bank has tendered to the Chapter 11 Trustee a conditional release of the Estate, *inter alia*. To the extent that All America Bank holds any residual Allowed Class 10 Claim, such Claim shall be paid in full on the Effective Date.

**Class 11 - Claim of All-America Bank re: MA Cedar Lake Apartments, L.L.C.**

Class 11 is designated as impaired. The Class 11 obligation has been fully satisfied, and All America Bank has tendered to the Chapter 11 Trustee a conditional release of the Estate, *inter alia*. To the extent that All America Bank holds any residual Allowed Class 11 Claim, such Claim shall be paid in full on the Effective Date.

**Class 12 - Claim of All-America Bank re: NV Brooks Apartments, L.L.C.**

Class 12 is designated as impaired. The Class 12 obligation has been fully satisfied. To the extent that All America Bank holds any residual Allowed Class 12 Claim, such Claim shall be paid in full on the Effective Date.

**Class 13 - Claim of All-America Bank re: 59th Street Business Park, L.L.C.**

Class 13 is designated as impaired. The Class 13 obligation has been fully satisfied, and All America Bank has tendered to the Chapter 11 Trustee a conditional release of the Estate, *inter alia*. To the extent that All America Bank holds any residual Allowed Class 13 Claim, such Claim shall be paid in full on the Effective Date.

**Class 14 - Claim of Frontier Savings Bank re: Emerald Court Apartments, L.L.C.**

Class 14 is impaired. Consolidated Capital Investments, LLC shall be substituted as guarantor for Macco on the Class 14 guaranty obligation, and Edward Snyder shall provide a guaranty of two (2) years of payments on the principal obligation owed by

Emerald Court Apartments, L.L.C. The Class 14 Claim shall be deemed released and withdrawn.

**Class 15 - Claim of Frontier Savings Bank re: Newport/Granada Apartments, L.L.C.**

Class 15 is impaired. Consolidated Capital Investments, LLC shall be substituted as guarantor for Macco on the Class 15 guaranty obligation, and Edward Snyder shall provide a guaranty of two (2) years of payments on the principal obligation owed by Newport/Granada Apartments, L.L.C. The Class 15 Claim shall be deemed released and withdrawn.

**Class 16 - Claim of Frontier Savings Bank re: Emerald Court Apartments, L.L.C. and Newport/Granada Apartments, L.L.C.**

Class 16 is impaired. Consolidated Capital Investments, LLC shall be substituted as guarantor for Macco on the Class 16 guaranty obligation, and Edward Snyder shall provide a guaranty of two (2) years of payments on the principal obligation owed by Emerald Court Apartments, L.L.C. and Newport/Granada Apartments, L.L.C. The Class 16 Claim shall be deemed released and withdrawn.

**Class 17 - Claim of Frontier Savings Bank re: Northgate Business Park, L.L.C.**

Class 17 is impaired. Consolidated Capital Investments, LLC shall be substituted as guarantor for Macco on the Class 17 guaranty obligation, and Edward Snyder shall provide a guaranty of two (2) years of payments on the principal obligation owed by Northgate Business Park, L.L.C. At such time, the Class 17 Claim shall be deemed simultaneously released and withdrawn.

**Class 18 - Jennifer Price and Lew McGinnis**

Class 18 Claims are impaired. Class 18 Claims shall be excepted from any discharge of the Debtor in this Case. On the Effective Date the Reorganized Debtor shall be deemed to reaffirm each of the indemnification agreements that give rise to the Class 18 Claims. The Class 18 Claims shall also be deemed to be fully and completely subordinated in treatment and distribution under this Plan to all Allowed Unclassified Claims and all Allowed Claims in Classes 19 and 20.

**Class 19 - General Unsecured Claims**

Class 19 Claims are impaired. Each Allowed Class 19 Claim shall be paid in full, with interest from and after the Petition Date to the date of payment at the rate allowed on judgments entered in the federal courts under 28 U.S.C. §1961, payable (i) on the Effective Date if Allowed by such date, or (ii) if not finally Allowed on the Effective Date, then within 10 days after the entry of a Final Order allowing such Claim.

The following table sets forth the Proponent's estimate of the maximum universe of Class 19 Claims. Although the Proponent believes that certain of the Claims are objectionable, in whole or in part, the claims are generally presented in their fully scheduled, or Proof of Claim ("POC") face, amount.

<b>Class 19</b>		
<b>Claimant</b> [Transferor, if applicable]	<b>Scheduled Amount</b> (if scheduled as Fixed, Undisputed, and Liquidated)	<b>Maximum Amount</b> [POC #(s)]
Jackie Hill [Fidelity Management]		\$780.00 [POC #1]
Richard Ledbetter [Woodard, Hernandez Roth & Day]		\$25,076.47 [POC #2/61]
Geneva Price		\$55,000.00 [POC #4]
City of Oklahoma City Water Dept.		\$4,538.31 [POC #6]
Citibank, N.A [Citibank South Dakota, N.A.]		\$14,877.33 [POC #9]
Oklahoma Publishing Company		\$11,213.82 [POC #11]
Internal Revenue Service <sup>8</sup>		\$1,750.51 [POC #16]
First Enterprise Bank	\$1,100,300.00	\$1,100,000.00 <sup>9</sup> [POC #19]
Varner Enterprises LLC		\$5,172.66 [POC #20]
FedEx Tech Connect, Inc.		\$821.36 [POC #29]
OG&E Electric Services		\$16,787.68 [POC #31]
Quantum Properties, L.L.C.		\$154,954.51 [POC #32]
CompSource, OK		\$1,652.71 [POC #33]
Cobblestone Apartments of Tulsa, LLC		\$400,000.00 [POC #35]

<sup>8</sup> Stated as a non-priority claim.

<sup>9</sup> Determined by Court Order.



Travelers Insurance		\$13,526.93 [POC #36]
Fidelity Management		\$2,700.00 [POC #42]
Westar Energy		\$571.05 [POC #43]
Westar Energy		\$778.58 [POC #44]
1 Ashbury Court Partners LLC		\$110,000.00 <sup>10</sup> [POC #47]
250 West, LLC [Louis Vargas and/or Red Fox Garden Apartments, LLC]		\$543,442.59 <sup>11</sup> [POC #48]
Conner & Winters LLP		\$44,247.31 [POC #51]
AT&T	\$300.00	
City of Wichita	\$177.41	
Cox Communications	\$171.91	
Cox Communications	\$1,317.97	
Howery	\$800.00	
Lou Reynolds (Eller & Detrich)	\$2,500.00	
Security Telephone	\$1,993.20	
Wichita Eagle	\$7,500.00	
<b>Subtotals</b>	<b>\$14,760.49</b>	<b>\$2,507,891.82</b>
<b>Total</b>	<b>\$2,522,652.31</b>	

The following POCs have been excluded from the foregoing analysis, for the reasons indicated:

<b>Claimant</b>	<b>POC #</b>	<b>Reason</b>
Quail Creek Bank	[POC #3]	Classes 1 and 7
V&S Enterprises	[POC #5]	Class 9
Coastal Federal Credit Union	[POC #7]	Claim Satisfied - Withdrawn
Travelers Casualty & Surety Company	[POC #8]	Disallowed
Dallas County	[POC #10]	Tax Claim - Satisfied - Disallowed
Ford Motor Credit Co., LLC	[POC #12]	Claim Satisfied - Withdrawn
Ford Motor Credit Co., LLC	[POC #13]	Claim Satisfied - Withdrawn

<sup>10</sup> Amount of consideration paid by assignee of Claim. Claim transfer to be filed.

<sup>11</sup> Amount of consideration given by holder/transferee of Claim.

Kirkpatrick Bank	[POC #14]	Claim Satisfied - Withdrawn
Jackie L. Hill, Jr.	[POC #15]	Claim Satisfied - Withdrawn
Bingham McCutchen LLP	[POC #17]	Disallowed
Bristol Park Apartments, et al.	[POC #18]	Claim Satisfied - Withdrawn
Sedgwick County	[POC #21]	Tax Claim - Satisfied - Disallowed
NBC Oklahoma	[POC #22]	Claim Satisfied - Withdrawn
All America Bank	[POC #23]	Assigned
All America Bank	[POC #24]	Class 3
All America Bank	[POC #25]	Classes 10 and 11
All America Bank	[POC #26]	Class 12
All America Bank	[POC #27]	Class 13
Travelers Casualty & Surety Company	[POC #28]	Disallowed
Canadian County Treasurer	[POC #30]	Tax Claim - Satisfied - Disallowed
Premise Management	[POC #34]	Claim Satisfied - Disallowed
Oklahoma County Treasurer	[POC #37]	Tax Claim - Satisfied - Withdrawn
PTN-Texas	[POC #38]	Claim Satisfied
PTN-Texas	[POC #39]	Claim Satisfied
The Linwood Group, LLC	[POC #40]	Claim Satisfied - Withdrawn
Flood Masters, Inc.	[POC #41]	Claim Satisfied - Withdrawn
Claridge Association	[POC #45]	Claim Satisfied - Disallowed
Ralph Sallusti	[POC #46]	Disallowed
G. Rudy Hiersche, Jr.	[POC #49]	Withdrawn
G. Rudy Hiersche, Jr.	[POC #50]	Withdrawn
Frontier State Bank	[POC #52]	Classes 6, 14, 15, 16 and 17
FAA Credit Union	[POC #53]	Claim Satisfied - Withdrawn
FAA Credit Union	[POC #54]	Claim Satisfied - Withdrawn
FAA Credit Union	[POC #55]	Claim Satisfied - Withdrawn
FAA Credit Union	[POC #56]	Class 2
FAA Credit Union	[POC #57]	Class 4
FAA Credit Union	[POC #58]	Previous Class 2 - Withdrawn
FAA Credit Union	[POC #59]	Claim Satisfied - Withdrawn
FAA Credit Union	[POC #60]	Class 5
Ed Tennison	[POC #62]	Disallowed
Lew McGinnis	[POC #63]	Class 18
Jennifer Price	[POC #64]	Class 18
Jennifer Price	[POC #65]	Class 21
Dallas County	[POC #66]	Tax Claim - Satisfied - Disallowed



### **Class 20 - Priority Claims**

Class 20 Claims are impaired. Each Class 20 Claim shall be paid in full, with interest from and after the Petition Date to the date of payment at the rate allowed on judgments entered in the federal courts under 28 U.S.C. §1961, payable (i) on the Effective Date if Allowed on such date, or (ii) if not finally Allowed on the Effective Date, then within 10 days after the entry of a Final Order allowing such Claim.

The Proponent does not believe there are, or will be, any Class 20 Claims. Even if priority claims exist, but are accounted for here as Class 19 Claims, there is no material effect on this analysis since the treatment of Class 19 and 20 is identical.

### **Class 21 - Equity Interests**

Class 21 Interests are not impaired. The Interests of the Proponent in the Debtor shall continue and not be extinguished.

## **ARTICLE IX** **IMPLEMENTATION OF THE PLAN**

### **Continued Corporate Existence.**

Following the occurrence of the Effective Date under the Plan, Macco, as the Reorganized Debtor, shall continue to exist in accordance with applicable non-bankruptcy law and its internal corporate governance documents in effect prior to the Petition Date.

### **Title to Property.**

All property of the Debtor and its Estate shall, upon the Effective Date, be deemed vested in the Reorganized Debtor free and clear of all Claims, liens and encumbrances of Creditors, except as explicitly set forth in the Plan or in the Confirmation Order.

The Plan further provides that to the extent property of the Estate is titled in the name of the Estate and/or the Trustee on the Effective Date, the Trustee shall execute all documents, and take all additional action, as is necessary and sufficient to vest the Reorganized Debtor with such title as of the Effective Date.

Under the Plan any avoidance actions pending on the Confirmation Date shall be deemed to abate as of the Effective Date, and if necessary for docketing purposes, will be voluntarily dismissed by the Reorganized Debtor.

### **Business Operations.**

From and after the Effective Date, the Reorganized Debtor may operate its business, and use, acquire and dispose of property without supervision by the Bankruptcy

Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order. Without limiting the generality of the foregoing, the Reorganized Debtor may, without application to or approval by the Bankruptcy Court, pay fees that it incurs after the Effective Date for professional fees and expenses.

### **Management.**

On the Effective Date, the following pre-Petition Date directors and officers of Macco shall be retained as directors and officers of Reorganized Debtor, and shall continue to serve in the following capacities until such time as they may resign, be removed or be replaced in accordance with its internal corporate governance principles and/or applicable non-bankruptcy law:

Lew McGinnis	Director and President
Jennifer Price	Director, Treasurer and Secretary

Mr. McGinnis and Ms. Price will each draw a \$5,000/month salary for their services to the Reorganized Debtor.

### **Funding of the Plan**

The payments to be made to Classes 2 - 5, 10 - 13, 19 and 20 under the Plan shall be funded from the following (collectively, the “Reorganization Fund”): (a) the liquid assets of the Debtor and its Estate, which include, among other things, funds held in one or more deposit accounts presently controlled by the Chapter 11 Trustee (the “Estate Funds”); and (b) \$20.0 million to be advanced by Edward Snyder (the “Snyder Advance”). Repayment of the Snyder Advance shall not be secured by any of the assets of the Reorganized Debtor or of any entity in which it holds an interest..

Edward Snyder is a “high net-worth” individual who is a member and officer of Innovation Ventures, LLC - the owner of, among other products, “5-Hour Energy” - the top-selling energy product in the United States.

Mr. Snyder and/or his affiliate(s) – including 250 West LLC<sup>12</sup> – are well known to the participants in this case, having already successfully purchased multiple LLC membership interests from the Chapter 11 Trustee, and satisfied and/or accommodated obligations relieving the Estate of millions of dollars in claims. The Proponent shall furnish to creditors certain additional information on the financial wherewithal of Mr. Snyder upon the execution of a confidentiality agreement.

The Snyder Advance shall not be secured by any of the assets of the Reorganized Debtor. A written commitment for the Snyder Advance is attached to this Disclosure Statement as Exhibit D.

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<sup>12</sup> As indicated previously, 250 West, LLC is the Class 8 creditor under the Plan.

**ARTICLE X**  
**ADDITIONAL PLAN PROVISIONS**

**Chapter 11 Trustee.**

On the Effective Date, the Chapter 11 Trustee shall be relieved of his powers and duties.

**Creditors' Committee.**

On the Effective Date, the Creditors' Committee shall be dissolved.

**Discharge of Debts.**

Except as otherwise provided in Section 1141(d) of the Code, in this Plan, or in the Confirmation Order, confirmation of the Plan shall, pursuant to Section 1141(d)(1) of the Code, discharge the Debtor from any debt that arose before the Confirmation Date.

Creditors should carefully review the Claim treatment provisions of Article VIII of this Disclosure Statement with respect to discharge.

**Exculpation & Exoneration.**

The Plan generally provides for exculpation and exoneration of the Creditors' Committee, the Distribution Agent, the Reorganized Debtor, and any of their respective present or former members, equity holders, directors, officers, managers, employees, advisors, attorneys, or other agents ("Releasee(s)") from any act or omission in connection with, relating to, or arising out of, the Case except for their gross negligence or willful misconduct. Any claims against a Releasee alleging gross negligence or willful misconduct must be brought within 60 days of the Effective Date in the Court, which retains jurisdiction for the same.

**Dismissal of Affiliated Cases.**

It shall be a condition of the confirmation of the Plan that the affiliated cases of *SEP Riverpark Plaza, LLC* (Case No. 10-16832) and *JU Villa Del Mar Apartments, LLC* (Case No. 10-16842) be dismissed upon the verified payment of all creditors of those estates.

**ARTICLE XI**  
**TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

To the best of the Proponent's knowledge, the Debtor is no longer a party to any pre-Petition Date executory contracts or unexpired leases. To the extent the Debtor is a party to any pre-Petition Date executory contract or unexpired lease, such executory contract or unexpired lease shall be deemed assumed, and the Debtor and/or Reorganized

Debtor shall cure all defaults under such contract and/or lease as required by Code Section 365(b).

Executory contracts and/or unexpired leases entered into after the Petition Date by the Debtor-in-Possession or Trustee, and any executory contracts and/or unexpired leases assumed by the Reorganized Debtor, will be performed by the Reorganized Debtor in the ordinary course of business.

Except to the extent different treatment is agreed to between or among the contract/lease parties, the monetary amount by which each executory contract or unexpired lease to be assumed is in default, will be satisfied, under Code Section 365(b)(1), at the Reorganized Debtor's option, by the payment of cash or distribution of other property as necessary to cure any such default. If there is a dispute regarding (i) the nature or amount of any cure, (ii) the Reorganized Debtor's ability, or the ability of any intended assignee, to provide "adequate assurance of future performance" (within the meaning of Code Section 365) under the contract or lease to be assumed, or (iii) any other matter pertaining to assumption, such assumption (and associated cure) will occur following the entry of a Final Order resolving the dispute and approving the assumption, or assumption and assignment, as the case may be.

## **ARTICLE XII**

### **DISTRIBUTION UNDER THE PLAN**

All payments due on Claims under this Plan shall be made by the Distribution Agent from the Reorganization Fund under the following procedures:

#### **A. Distribution Agent.**

(1) The Distribution Agent shall serve as the fiduciary of the Reorganization Fund. In that capacity he shall receive and maintain in trust the Estate Funds and Snyder Advance, and make all required payments from the Reorganization Fund under the terms of the Plan on a timely basis. In addition, the Distribution Agent shall have exclusive discretion (subject to Court review) over the determination of the universe of Allowed Claims to be paid.

(2) The Distribution Agent shall have the right to retain the services of attorneys, accountants, and other professionals that, in the discretion of the Distribution Agent, are necessary to assist the Distribution Agent in the performance of his duties. The reasonable fees and expenses of such professionals shall be paid by the Distribution Agent from the Reorganization Fund in the ordinary course of business and shall not be subject to approval of the Court.

(3) The Reorganization Fund shall indemnify and hold harmless the Distribution Agent and his agents, representatives, professionals, and employees from and against and in respect to any and all liabilities, losses, damages, claims, costs and expenses, including, but not limited to, attorneys' fees and costs, arising out of or due to actions or omissions, or consequences of such actions or omissions, with respect to the

Reorganization Fund or the implementation or administration of the Plan; provided, however, that no such indemnification will be made to such persons for such actions or omissions as a result of willful misconduct, gross negligence or fraud.

**B. Creation of the Reorganization Fund.**

On or before the Effective Date the Chapter 11 Trustee shall deliver the Estate Funds, and Snyder shall deliver the Snyder Advance, to the Distribution Agent, who shall maintain such funds in trust, separate and apart from any other funds, in an account titled, "Macco Properties, Inc. Reorganization Trust Fund". Prior to solicitation with respect to the Plan, but in no event later than 15 days following the entry of an order approving a disclosure statement in respect to the Plan, funds shall be escrowed with the Distribution Agent, for the benefit of the holders of Allowed Claims in Class 19 in sufficient amount, in the fiduciary judgment of the Creditors' Committee, to satisfy all Allowed Claims in Class 19, together with interest as provided in this Plan.

**C. Claim Determination.**

(1) All applications or requests for allowance and payment of Administrative Expense Claims allegedly incurred on or before the Confirmation Date shall be filed no later than twenty (20) days after the Confirmation Date. Any administrative expense Creditors who do not apply for allowance and payment of an Administrative Expense Claim within 20 days after the Confirmation Date shall be forever barred from asserting such Claims against the Debtor, its Estate, and/or the Reorganized Debtor. At the expiration of such 20-day period, the Distribution Agent shall set aside an "Administrative Expense Reserve" from the Reorganization Fund in the aggregate amount of all filed and unpaid Administrative Expense Claims. The Administrative Expense Reserve shall be used by the Distribution Agent to fully satisfy all Administrative Expense Claims to the extent, and at such time as, they are ultimately Allowed and authorized for payment.

(2) Within five (5) days of the Confirmation Date, creditors with Claims in Classes 2, 3, 4 and 5 shall file, and serve upon the Distribution Agent, *inter alia*, (i) an amended or supplemented Proof of Claim, stating the "pay-off" amount of their Claim, and itemizing all elements of the Claim, including, without limitation, principal, interest, and other charges, and (ii) a loan history of the subject credit facility.

(3) Any objection(s) to Claims other than Administrative Expense Claims must be filed with the Court within fourteen (14) days of the Confirmation Date, or be forever barred. At the expiration of such 14-day period, the Distribution Agent shall set aside a "General Reserve" from the Reorganization Fund in the aggregate amount of all such contested claims (the "Contested Claims"), plus an additional amount to provide for the interest, if any, applicable under this Plan as part of the treatment of such Claims. The General Reserve shall be used by the Distribution Agent to fully satisfy all Contested Claims to the extent, and at such time as, they are ultimately Allowed.

**D. Delivery of Payments in General.**

(1) Payments to each holder of an Allowed Claim shall be made by the Distribution Agent, in his discretion, either (a) by in-hand delivery to an authorized agent of the Claim holder; or (b) by mail as follows: (i) at the address set forth in the professional fee application or other request for allowance and/or payment of an Administrative Expense Claim; (ii) at the address set forth on the proof of claim filed by the Claimant; (iii) at the address set forth in any written notice of address change of record after the date of any related proof of claim; and/or (iv) if no application or proof of claim was filed, then at the address reflected in the Schedules. To the extent the Distribution Agent has no current address for the holder of an Allowed Claim, he shall withhold the remittance of any payment to such holder unless and until he is notified in writing of such holder's then-current address.

(2) In making payments under the Plan, the Distribution Agent shall comply with all tax withholding and reporting requirements imposed by a governmental unit, and all payments pursuant to the Plan shall be subject to all applicable withholding and reporting requirements. The Distribution Agent may withhold the entire payment due to any holder of an Allowed Claim until such time as the holder provides Debtor with the information necessary for it to comply with applicable tax withholding and reporting requirements.

(3) If a payment is remitted to the holder of any Allowed Claim as provided in this Plan and is returned as undeliverable, such payment shall remain in the possession of the Distribution Agent until such time as a payment becomes deliverable.

(4) Checks issued by the Distribution Agent in payment of Allowed Claims shall be null and void if not negotiated within sixty (60) days after the date of issuance, and shall thereafter be deemed unclaimed. The Distribution Agent shall maintain within the Reorganization Fund any amounts in respect of such unclaimed checks.

(5) With respect to any payment deemed undeliverable or unclaimed under subsections D.(1) - (4) of this Article, all amounts represented by such payment will be held for one (1) year after the Effective Date, and all requests for reissuance by the holder of the Allowed Claim in respect of payment shall be made directly to the Distribution Agent before such date. Thereafter, all Claims in respect of such payments, and the underlying distributions, shall be forever barred, estopped and enjoined from assertion in any manner, and holders thereof shall be forever barred from receiving any payments under the Plan, or from asserting a Claim against Debtor, its Estate, the Reorganized Debtor, the Distribution Agent or the Reorganization Fund.

**E. Final Disposition of Reorganization Fund.**

All undeliverable or unclaimed payments not timely claimed under subsection D.(5) of this Article will thereupon be deemed to be the property of the Reorganized Debtor, and shall be disbursed to the Reorganized Debtor as soon as is practicable. All other funds in the Reorganization Fund that exceed the distributional needs and expenses



of the Reorganization Fund (as determined by the Distribution Agent within his discretion) shall be disbursed by the Distribution Agent to the Reorganized Debtor at the time of such determination, and may be used by the Reorganized Debtor for any lawful purpose.

### **ARTICLE XIII**

#### **CONFIRMATION PROCEDURES AND REQUIREMENTS**

Section 1129(a) of the Code sets forth specific requirements for confirmation of a plan. Among other things, the Court must find that a plan is “proposed in good faith” and not by any means forbidden by law, that it makes certain specified disclosures, and that it provides that any payment made to any person in connection with such plan and incident to the reorganization case be reasonable and subject to the Court’s approval. In addition, the plan and the plan proponent must comply with the provisions of the Bankruptcy Code, all impaired classes must vote in favor of the plan, the plan must satisfy the “best interest of creditors” test, and the plan must be feasible.

#### **“Best Interest of Creditors” Test.**

Section 1129(a)(7) of the Code provides that before a plan can be confirmed, the Court must determine that the plan provides, with respect to each impaired class of claims or interests, that each holder of a claim or interest in such impaired class either:

- (i) has accepted the plan, or
- (ii) will receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than such would receive or retain if the debtor were liquidated on such date under chapter 7 of the Bankruptcy Code.

The “best interest test” is satisfied under the Plan. That is because all classes entitled to payment under the Plan shall receive payment in full, with interest that, by definition, is not less than the amount that would be received upon such Claims under any Chapter 7 liquidation scenario. Claims not receiving monetary payment under the Plan (*e.g.*, preserved guaranty Claims) shall also retain as much, or more, property than they would receive under any Chapter 7 liquidation scenario – they are entitled to enforce their claims in full, plus all accrued and accruing contract interest, costs, penalties, etc.

For a more detailed liquidation analysis, please refer to the same in Article XIV of this Disclosure Statement.

#### **Feasibility Test.**

The Code requires for plan confirmation that the Court determine that the confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor. For purposes of determining whether the Plan meets this requirement, the Proponent has analyzed the ability of the Reorganized



Debtor to meet its obligations under the Plan while retaining a sufficient amount of cash and other assets to carry on its operations. The Proponent maintains that the property of this Estate, coupled with the Line of Credit, will be more than sufficient to fully fund and consummate the Plan, and sustain the Reorganized Debtor's operations indefinitely.

Under the Plan, unclassified Claims (*i.e.* Administrative Expense Claims and Tax Claims) will be paid in full on the Effective Date. The Proponent estimates that such Claims will not exceed \$500,000, including Professional Fee Claims, U.S. Trustee fees, Clerk's charges, and other miscellaneous administrative priority Claims.

The Proponent has also performed an analysis of presently unpaid Class 19 and 20 Claims that must be paid in full under the Plan. See Article VIII of this Disclosure Statement. That analysis was based upon (i) all Proofs of Claim filed in this case, and (ii) all Claims scheduled by the Debtor as liquidated, non-contingent and undisputed. As previously noted, the Proponent estimates the *maximum* amount of Claims in Classes 20 and 21 to be satisfied on the Effective Date (including approximately \$5,000 in Plan interest) at approximately \$2,500,000.

The Proponent estimates that the amount of cash required to satisfy all Classes entitled to payment on the Effective Date, other than Classes 20 and 21, will not exceed \$17,700,000.00.

According to his most recently filed MOR, the Chapter 11 Trustee had unrestricted cash-on-hand, on November 30, 2012, in the approximate amount of \$1,500,000.00. Under the Plan, this amount, plus the value of yet-to-be liquidated LLC membership interests, will inure to the Reorganized Debtor on the Effective Date. Those assets, plus the \$20,000,000 in available funds under the Line of Credit, will result in liquidity in the approximate *minimum* amount of \$21,500,000. From that fund the Reorganized Debtor can safely satisfy the approximately \$20,700,000 in Claims necessary to consummate the Plan.

The foregoing conservative analysis indicates that the Reorganized Debtor will emerge from bankruptcy with a minimum available cash cushion of \$800,000 with which to augment future operations. Moreover, this analysis is made without consideration of the substantial value of the Debtor's remaining LLC membership interests and any other personal property existing on the Effective Date.<sup>13</sup>

These conclusions are wholly consistent with the Proponent's Projections, prepared by her for Macco for the period March 1, 2013 through March 31, 2014, which are attached hereto as Exhibit E.

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<sup>13</sup> The Reorganized Debtor under the Plan will not be pursuing avoidance actions under Chapter 5 of the Bankruptcy Code, since the Plan is intended, and sufficiently funded, to satisfy all claims; and avoidance recoveries will simply have the circular effect of creating new claims. Under the Plan any avoidance actions pending on the Confirmation Date shall be deemed to abate as of the Effective Date, and if necessary for docketing purposes, will be voluntarily dismissed by the Reorganized Debtor.

**“Cram Down”—Fair and Equitable Test; Unfair Discrimination.**

If all of the requirements of Section 1129(a) of the Bankruptcy Code are met except for the requirement that each class of impaired claims or interests accept the plan, the Court may confirm the plan pursuant to Code Section 1129(b) of the Bankruptcy Code if the Plan does not “discriminate unfairly” and is “fair and equitable” with respect to each impaired class that has not accepted the plan.<sup>14</sup>

The requirement that a plan not “discriminate unfairly” means, among other things, that a dissenting class must be treated substantially equally with respect to other classes of equal rank. The Proponent asserts that the Plan does not unfairly discriminate against any class that may not accept or otherwise consent to the Plan.

Tests for defining the term “fair and equitable” are contained in Section 1129(b)(2) of the Bankruptcy Code. A plan is deemed fair and equitable with respect to an impaired class of *unsecured* claims if each member of the class receives or retains on account of its claim property of a value, as of the effective date of the plan, equal to the allowed amount of the claim, or alternatively, no holder of a claim or interest that is junior to the claims of the rejecting class of unsecured creditors will receive or retain any value under the plan on account of such junior claims or interests. This test is sometimes referred to as the “absolute priority” rule because it entitles any rejecting class to have its claims satisfied in full before junior classes receive or to retain any value under the plan of reorganization.

The Proponent contends that the Plan provides “fair and equitable” treatment of all classes of Claims because its treatment of all Claims meets or exceeds the requirements of Code Section 1129(b).

**ARTICLE XIV**  
**LIQUIDATION ANALYSIS**

Assets	
Cash	\$1,500,000.00
Avoidance Actions	undetermined <sup>15</sup>

<sup>14</sup> The vote of an “insider”, such as Price, is not counted for purposes of Code Section 1129(a)(10).

<sup>15</sup> The Chapter 11 Trustee has commenced a series of avoidance action adversary proceedings, and is presumably continuing an analysis of avoidance and related actions he deems to be available to the Estate. As of the preparation of this Disclosure Statement, the Trustee’s analysis was not known to be complete. Nonetheless, the Trustee has furnished the post-petition transfer analysis attached hereto as Exhibit F.

LLC Membership Interests	(est. net value)
• AP Bristol Park Apartments, L.L.C.	\$-0-
• AP Canyon Creek Apartments, L.L.C.	\$-0-
• AP Foxfire Apartments, L.L.C.	\$-0-
• AP Tower Crossing Apartments, L.L.C.	\$-0-
• Holbrook Shopping Plaza, L.L.C.	\$20,000.00
• JU Villa del Mar Apartments, L.L.C.	\$200,000.00
• SEP Riverpark Plaza Apartments, L.L.C.	\$3,200,000.00
• Vendamatic, L.L.C.	\$30,000.00
<b>Total</b>	<b>\$4,950,000.00</b>

**Less:**

Chapter 7 trustee fees and expenses \$150,000.00 (est.)  
 (assuming no compensation taken on  
 distributions to LLC secured creditors)

**Less:**

Chapter 11 administrative expenses \$ 500,000.00  
 (Professional Fees, UST, Clerk)

**Less:**

Priority claims \$ 0.00

**Balance available for unsecured claims \$4,300,000.00**

**Total General Unsecured Claims \$ 2,500,000.00 (est.)**

*Percentage of Claims That Unsecured Creditors Would  
 Receive Or Retain in a Chapter 7 Liquidation: 100%*

*Percentage of Allowed Claims Which General Unsecured  
 Creditors Will Receive or Retain under the Plan: 100%*

The Proponent believes that Section 1129(a)(7) is satisfied under the Plan. That is because all classes entitled to payment under the Plan shall receive payment in full with interest, which, by definition, is not less than the amount that would be received upon such Claims under any Chapter 7 liquidation scenario. Claims not receiving monetary payment under the Plan (e.g., preserved guaranty Claims) shall also retain as much, or more, property than they would receive under any Chapter 7 liquidation scenario – they are entitled to enforce their claims in full, plus all accrued and accruing contract interest, costs, penalties, etc.



**ARTICLE XV**  
**VOTING PROCEDURES, BALLOTING AND CONFIRMATION HEARING**

If, notwithstanding the assertions of the Plan, any classes of Claims are deemed to be impaired, then the holders of Claims in such classes are requested to complete an appropriate Ballot, in accordance with the instructions provided therewith. Holders of Claims should take care to use the correct Ballot(s) in voting on the Plan. If any Ballots are damaged or lost, or if a holder has any questions concerning the voting instructions, it may contact GABLE & GOTWALS, P.C. (the "Balloting Agent") at the address or telephone number indicated immediately below. Incomplete, unsigned, or otherwise irregular Ballots will be returned to the sender and not tabulated.

All votes to accept or reject the Plan must be cast by using the Ballot(s) enclosed with the Disclosure Statement, if any. No other votes will be counted. A properly completed and executed Ballot must be received no later than 5:00 p.m., Prevailing Central Time, on \_\_\_\_\_, 2013, by the Balloting Agent, at the following address:

GABLE & GOTWALS, P.C.  
Attn: Mark D.G. Sanders, Esq.  
1100 ONEOK Plaza  
100 West Fifth Street  
Tulsa, Oklahoma 74103-4217

Ballots must be returned by U.S. mail, hand delivery or overnight mail. A return envelope will be provided for your convenience.

**ARTICLE XVI**  
**SUMMARY OF CERTAIN RISK FACTORS RELATING TO THE PLAN**

The payments to be made pursuant to the Plan are subject to a number of material risks, including those enumerated below.

There can be no assurance that the requisite acceptance votes to confirm the Plan will be received. Even if the Bankruptcy Court were to determine that requisite acceptances were received, the Bankruptcy Court could still decline to confirm the Plan if it were to find that any of the statutory requirements for confirmation had not been met. Code Section 1129 sets forth the requirements for confirmation and requires, among other things, a finding by the Bankruptcy Court that the confirmation of the Plan is not likely to be followed by a liquidation or a need for further financial reorganization.

While there can be no assurance that the Bankruptcy Court will conclude that all confirmation requirements have been met, or that the Debtor can consummate the Plan, the Proponent firmly believes that the Plan can be confirmed, will be consummated, and not be followed by a need for further financial reorganization.

**ARTICLE XVII**  
**TAX CONSEQUENCES OF THE PLAN**

The Proponent provides the following discussion of the federal tax consequences of the Plan as general information. The Proponent has not obtained or requested a ruling from the Internal Revenue Service or any opinion of counsel with respect to any tax matters. This general discussion is not intended to present a detailed explanation of the federal income tax consequences of the Plan. Those consequences will depend, in substantial part, upon factual matters relating to each particular party-in-interest.

**THE PROPONENT URGES EACH CREDITOR TO SEEK ADVICE FROM ITS OWN TAX ADVISOR ABOUT THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE PLAN.**

**Tax Consequences to the Estate and Interest Holders.**

The Debtor is a pass-through entity for income tax purposes. As a pass-through entity, the Debtor has not paid income taxes and does not have tax attributes. Additionally, since all Creditors will be paid in full, or not otherwise have their Claims impaired, under the terms of the Plan, debt forgiveness income and its potential consequences under the Internal Revenue Code should not be an issue at the Estate or Reorganized Debtor level. See 26 U.S.C. §§ 108(a) and (b).

Should the Debtor sell any of its assets to obtain the funds necessary to fulfill its obligations under the Plan, there should be no tax consequences to it therefrom. Any tax resulting from such sale should be the obligation of the owner of equity of the Debtor.

**Tax Consequences to Creditors.**

The tax consequences of the Plan on Creditors will depend on many factors, including: (i) the type of consideration received by the Creditor in exchange for its Claim; (ii) whether the Creditor reports income on the accrual basis; and (iii) whether the Creditor receives consideration in more than one tax year. However, the Proponent does not expect Creditors to experience any material, adverse tax consequences as a result of the Plan, other than those inherent in such Creditors' Claims being paid.

**ARTICLE XVIII**  
**RETENTION OF JURISDICTION**

The Court shall retain jurisdiction of these proceedings for the following purposes:

1. To determine any and all objections to the allowance of Claims;
2. To determine any and all applications for the allowance of compensation for services rendered prior to the Effective Date and reimbursement of expenses incurred

prior to the Effective Date, and to determine any and all controversies and disputes relating to Professional Fee Claims;

3. To determine any and all controversies and disputes arising under or in connection with the Plan or such other matters as may be contained in the Confirmation Order;

4. To determine any and all applications, adversary proceedings and contested matters in litigation that have been or may be instituted by the Trustee, the Debtor or Reorganized Debtor, or other party-in-interest, including, without limitation, any adversary proceeding referenced in Article XIV of the Plan;

5. To enforce and interpret the terms and conditions of the Plan;

6. To correct any defect, to cure any omission, or to reconcile any inconsistency in the Plan and the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;

7. To modify the Plan after confirmation pursuant to the Code and the Federal Rules of Bankruptcy Procedure;

8. To enter any order, or injunction, necessary to enforce the title, rights and powers of the Reorganized Debtor and to impose such limitations, restrictions, terms and conditions of such title, rights and powers as the Court may deem necessary;

9. To approve, pursuant to Section 365 of the Code, the assumption, assignment, or rejection of any executory contract or unexpired lease not previously assumed or rejected during the Case or by the Plan; and

10. To enter Final Decree concluding and terminating this case.

#### **ARTICLE XIX** **RECOMMENDATION AND CONCLUSION**

For all of the reasons set forth in this Disclosure Statement, the Proponent believes that the confirmation and consummation of the Plan is preferable to all other alternatives.

**CONSEQUENTLY, THE PROPONENT URGES ALL HOLDERS OF CLAIMS AND INTERESTS TO SUPPORT CONFIRMATION OF THE PLAN.**

Dated: January \_\_, 2013

/s/ Jennifer Price  
Jennifer Price - Plan Proponent

**CERTIFICATE OF SERVICE**

I do hereby certify that on the 11th day of January, 2013, a true, correct and exact copy of the foregoing *Disclosure Statement* was served by electronic notice by the CM/ECF filing system to the following:

Office of the U.S. Trustee  
Kevin Blaney  
Brian J. Boemer  
Bart E. Boren  
Andrew R. Chilson  
Stephen W. Elliott  
Roger D. Everett  
John Gatliff  
William R. Grimm  
Robert J. Haupt  
Jackie L. Hill  
Brandon C. Bickle  
David T. Lin  
James H. Bellingham  
Kevin Coffey

Timothy Kline  
Michael P. Kirschner  
Gina D. Knight  
John Thomas Lee  
William M. Lewis  
Timothy D. Matheny  
Laurence E. Pinkerton  
Ross Plourde  
Nathan D. Richter  
Max C. Tuepker  
Ruston C. Welch  
Gretchen Crawford  
Janice D. Loyd  
Michael E Deeba

/s/ Brandon C. Bickle  
Brandon C. Bickle



**EXHIBIT A**

[PLAN]

**EXHIBIT B**

[DISCLOSURE STATEMENT ORDER]

## **EXHIBIT C**

[PROPERTY DISPOSITION SCHEDULE]

MACCO PROPERTIES  
DISPOSITION OF ASSETS

<u>ASSET</u>	<u>DISPOSITION</u>
TWIN LAKES APARTMENTS, LLC	PROPERTY SOLD IN LLC IN OWN CHP 11 SOLD TO TWIN LAKES OF OKLAHOMA, LLC
NEWPORT/GRANADA LLC	ASSET ABANDONED BY TRUSTEE
MACARTHUR PLAZA LLC	PURCHASE AGREEMENT CONCLUDED LLC INTEREST NOW OWNED BY CONSOLIDATED CAPITAL INVESTMENTS, LLC
NORTHSIDE BUSINESS PARK	PURCHASE AGREEMENT CONCLUDED LLC INTEREST NOW OWNED BY CONSOLIDATED CAPITAL INVESTMENTS, LLC
LAKE VILLA, LLC	PURCHASE AGREEMENT CONCLUDED LLC INTEREST NOW OWNED BY CRESENT CAPITAL INVESTMENTS, LLC
RESERVE PROPERTIES, LLC	PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED LLC INTEREST NOW OWNED BY CRESENT CAPITAL INVESTMENTS, LLC
9900 OV, LLC	PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED QUAIL CREEK BANK PAID IN FULL LLC INTEREST NOW OWNED BY CONSOLIDATED CAPITAL INVESTMENTS, LLC
SOVEREIGN OFFICE PARK, LLC	LLC IN CHAPTER 11 ASSET ABANDONED BY TRUSTEE

EDWARD SNYDER AFFILIATE BOUGHT FROM BANK

CHARTER BUSINESS PARK, LLC

PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED  
LLC INTEREST NOW OWNED BY CONSOLIDATED  
CAPITAL INVESTMENTS, LLC

DIVISION PROPERTIES, LLC

TRUSTEE SOLD MEMBERSHIP INTEREST TO SNYDER AFFILIATE  
OUT OF MACCO CHAPTER 11  
LLC INTEREST NOW OWNED BY CONSOLIDATED  
CAPITAL INVESTMENTS, LLC

JM INVESTORS, LLC

PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED  
LLC INTEREST NOW OWNED BY CONSOLIDATED  
CAPITAL INVESTMENTS, LLC

JU MADISON PARK APARTMENTS, LLC

PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED  
LLC INTEREST NOW OWNED BY 250 WEST AND  
JENNIFER PRICE

EMERALD COURT, LLC

PROPERTY ABANDONED BY TRUSTEE

LIBERTY PROPERTIES, LLC  
CHALET

PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED  
LLC INTEREST NOW OWNED BY 250 WEST AND  
JENNIFER PRICE  
FAA CREDIT UNION PAID IN FULL

FEB RED FOX APARTMENTS, LLC

PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED  
LLC INTEREST NOW OWNED BY CONSOLIDATED



CAPITAL INVESTMENTS, LLC  
FAA CREDIT UNION PAID IN FULL

NORTHGATE OFFICE, LLC

PROPERTY ABANDONED BY TRUSTEE

LIBERTY PROPERTIES, LLC  
BATTIN

PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED  
LLC INTEREST NOW OWNED BY CRESENT CAPITAL  
INVESTMENTS, LLC

LIBERTY PROPERTIES, LLC  
PARKWOOD VILLAGE  
LIBERTY PROPERTIES, LLC  
SOUTHEAST VILLAGE

PROPERTY ABANDONED BY TRUSTEE  
PROPERTY ABANDONED BY TRUSTEE

CASA LINDA INVESTORS, LLC  
BROOKS  
IN CHP 11

PURCHASE CONCLUDED BY TRUSTEE  
ALL AMERICA BANK PAID IN FULL

MA CEDAR LAKE  
IN CHP 11

PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED  
LLC INTEREST NOW OWNED BY 250 WEST AND  
JENNIFER PRICE  
ALL AMERICA BANK PAID IN FULL

59TH STREET

PURCHASE AGREEMENT WITH TRUSTEE CONCLUDED  
LLC INTEREST NOW OWNED BY 250 WEST AND  
JENNIFER PRICE  
ALL AMERICA BANK PAID IN FULL

5500 SARA ROAD, YUKON, OK	PROPERTY SOLD BY TRUSTEE TO CRESCENT CAPITAL INVESTMENTS, LLC FAA CREDIT UNION PAID IN FULL
1440 GATEWOOD, WICHITA, KS	PROPERTY SOLD BY TRUSTEE TO CRESCENT CAPITAL INVESTMENTS, LLC FAA CREDIT UNION PAID IN FULL
2550 OVERHOLSER, OKLAHOMA CITY, OK	PROPERTY SOLD BY TRUSTEE TO CRESCENT CAPITAL INVESTMENTS, LLC FAA CREDIT UNION PAID IN FULL
CLARIDGE CONDOMINIUMS UNIT A&B	PROPERTY ABANDONED BY TRUSTEE FAA CREDIT UNION PAID IN FULL
CLARIDGE CONDOMINIUMS, UNIT D	PROPERTY SOLD BY TRUSTEE TO CONSOLIDATED CAPITAL INVESTMENTS, LLC
SWAN LAKE HOUSE, EDMOND, OK	PROPERTY ABANDONED BY TRUSTEE
6925 AVONDALE CT, NICHOLS HILLS, OK	PROPERTY ABANDONED BY TRUSTEE

**EXHIBIT D**

[LINE OF CREDIT COMMITMENT]

EDWARD SNYDER

January \_\_, 2013

Jennifer Price  
Shareholder  
Macco Properties, Inc.

Dear Ms. Price:

I wish to confirm my commitment to Macco Properties, Inc. ("Macco") to provide for its use and benefit the sum of Twenty Million Dollars (\$20,000,000) (the "Advance") upon the occurrence of the "Effective Date" under a confirmed *Plan of Reorganization* of which you are the proponent in Case No. 10-16682-NLJ ("Plan").

The sole purpose of the Advance is to permit satisfaction of claims against Macco as identified in, and in accordance with, a Plan. My commitment hereunder is subject to the specific conditions that (i) a Plan be confirmed by the United States Bankruptcy Court for the Western District of Oklahoma, by a final order that has not been appealed or stayed, and (ii) the occurrence of the Effective Date under that Plan.

The funds to be provided by me pursuant to this commitment shall be made available not later than the Effective Date; and shall be made payable to the Distribution Agent named in the confirmed Plan, or if no distribution agent is so named, then to Macco.

This commitment is not made to or for the benefit of any trustee, debtor-in-possession, or other entity, except Macco *as a reorganized bankruptcy debtor* upon the occurrence of the Effective Date under a Plan. This commitment is not intended to confer rights or benefits upon any person or other entity, except as specifically provided herein and for the specific purposes hereof; and it may not be assigned without my written consent.

This commitment is the entire agreement relating to the subject matter hereof, and this commitment supersedes any and all previous commitments, agreements and understandings, oral or written, relating to the subject matter hereof, specifically including, without limitation, my line of credit commitment letter dated December 21, 2012. This commitment shall be revocable by me if confirmation of a Plan is denied or no confirmation hearing occurs within ninety (90) days from the date of issuance of this commitment.

Dated this \_\_ day of January, 2013.

EDWARD SNYDER

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**EXHIBIT E**

[PROJECTIONS]



MACCO PROPERTIES, INC.  
POST CONFIRMATION PROJECTIONS  
FOR THE YEAR 2013

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
INCOME:														
MANAGEMENT FEES	NOTE 1	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000
INVESTMENT INCOME LLC'S	NOTE 2	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000
OPERATING EXPENSES:														
ACCOUNTING LABOR CHARGE	NOTE 4	10,890	10,890	10,890	10,890	10,890	10,890	10,890	10,890	10,890	10,890	10,890	10,890	130,680
AREA MANAGER LABOR CHARGE	NOTE 4	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	72,600
OFFICER MANAGEMENT CHARGE		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
OFFICE SUPPLIES		500	500	500	500	500	500	500	500	500	500	500	500	6,000
RENT EXPENSE		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
TOTAL EXPENSES	NOTE 3	31,440	31,440	31,440	31,440	31,440	31,440	31,440	31,440	31,440	31,440	31,440	31,440	377,280
NET MONTHLY OPERATING INCOME		3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	42,720
=====														

NOTE 1: FEES ARE BASED ON MONTHLY INCOME FROM MANAGEMENT FEES PRE-CHAPTER 11. THIS INCLUDES RESUMPTION OF MANAGEMENT OF ALL PRE- CHAPTER 11 PROPERTIES INCLUDING THOSE IN MEMBERSHIP INTERESTS SOLD DURING THE CHAPTER 11 OPERATION.

NOTE 2: TO BE ON THE CONSERVATIVE SIDE NO INCOME HAS BEEN INCLUDED FROM THE REMAINING LLC INVESTMENTS. INCOME FROM THE LLC'S IS CALCULATED AT YEAR END FOR TAX PURPOSES AS IT RELATES TO MACCO. ANY CASH REQUIREMENTS FOR THE LLC'S WILL BE DEALT WITH WITHIN THE LLC'S. MANAGEMENT DOES NOT ANTICIPATE ANY CASH LOSSES BASED ON THE MONTHLY OPERATIONS PRIOR TO CHAPTER 11. ALSO, LLC'S THAT DID NOT GENERATE MONTHLY INCOME HAVE BEEN TRANSFERRED TO LLC'S WHERE MACCO DOES NOT HAVE AN INTEREST.

NOTE 3: THE MONTHLY EXPENSES HAVE BEEN REDUCED GREATLY DUE TO FACTS THAT THE PROPERTIES THAT WERE PREVIOUSLY OWNED DIRECTLY BY MACCO WERE TRANSFERRED TO NEW LLC'S UNDER TRANSACTIONS WITH BANKRUPTCY COURT APPROVAL. THEREFORE, NO OPERATING COSTS, PROPERTY TAXES, INSURANCE, OR MORTGAGE PAYMENTS ASSOCIATED WITH THOSE PROPERTIES WILL BE OWED BY MACCO IN THE FUTURE.

MACCO PROPERTIES, INC. WILL BE RENTING UNDER AN EXECUTIVE SUITE ARRANGEMENT WHERE UTILITIES, PHONE AND INSURANCE ARE COVERED BY THE RENT EXPENSE.

NOTE 4: EMPLOYER TAX BURDEN AND WORKER COMPENSATION EXPENSE HAVE BEEN INCLUDED IN THE ABOVE CHARGE

MACCO PROPERTIES, INC.  
POST CONFIRMATION PROJECTIONS  
FOR THE FIRST FOUR MONTHS OF 2014

		JANUARY	FEBRUARY	MARCH	APRIL	TOTAL
INCOME:						
MANAGEMENT FEES	NOTE 1	35,000	35,000	35,000	35,000	140,000
INVESTMENT INCOME LLC'S	NOTE 2	0	0	0	0	0
TOTAL INCOME		35,000	35,000	35,000	35,000	140,000
OPERATING EXPENSES:						
ACCOUNTING LABOR CHARGE	NOTE 4	10,890	10,890	10,890	10,890	43,560
AREA MANAGER LABOR CHARGE	NOTE 4	6,050	6,050	6,050	6,050	24,200
OFFICER MANAGEMENT CHARGE		10,000	10,000	10,000	10,000	40,000
OFFICE SUPPLIES		500	500	500	500	2,000
RENT EXPENSE		4,000	4,000	4,000	4,000	16,000
TOTAL EXPENSES	NOTE 3	31,440	31,440	31,440	31,440	125,760
NET MONTHLY OPERATING INCOME		3,560	3,560	3,560	3,560	14,240

NOTE 1: FEES ARE BASED ON MONTHLY INCOME FROM MANAGEMENT FEES PRE-CHAPTER 11. THIS INCLUDES RESUMPTION OF MANAGEMENT OF ALL PRE- CHAPTER 11 PROPERTIES INCLUDING THOSE IN MEMBERSHIP INTERESTS SOLD DURING THE CHAPTER 11 OPERATION.

NOTE 2: TO BE ON THE CONSERVATIVE SIDE, NO INCOME HAS BEEN INCLUDED FROM THE REMAINING LLC INVESTMENTS. INCOME FROM THE LLC'S IS CALCULATED AT YEAR END FOR TAX PURPOSES AS IT RELATES TO MACCO. ANY CASH REQUIREMENTS WILL BE DEALT WITH WITHIN THE LLC'S. MANAGEMENT DOES NOT ANTICIPATE ANY CASH LOSSES BASED ON THE MONTHLY CASH FLOW PRIOR TO THE CHAPTER 11. ALSO, LLC'S THAT DID NOT GENERATE MONTHLY CASH FLOW, PRIMARILY FROM LAND OWNERSHIP, HAVE BEEN TRANSFERRED TO LLC'S WHERE MACCO DOES NOT HAVE AN INTEREST

NOTE 3: THE MONTHLY EXPENSES HAVE BEEN GREATLY REDUCED DUE TO THE FACT THAT THE PROPERTIES PREVIOUSLY OWNED DIRECTLY BY MACCO WERE TRANSFERRED TO NEW LLC'S UNDER TRANSACTIONS APPROVED BY THE BANKRUPTCY COURT. THEREFORE, NO OPERATING COSTS, PROPERTY TAXES, INSURANCE, OR MORTGAGE PAYMENTS ASSOCIATED WITH THOSE PROPERTIES WILL BE AN EXPENSE OF MACCO IN THE FUTURE.

MACCO PROPERTIES, INC. WILL BE RENTING UNDER AN EXECUTIVE SUITE ARRANGEMENT WHERE UTILITIES, PHONE AND INSURANCE ARE COVERED BY THE RENT EXPENSE.

NOTE 4: EMPLOYER TAX BURDEN AND WORKER COMPENSATION EXPENSE HAVE BEEN INCLUDED IN THE ABOVE CHARGE

## **EXHIBIT F**

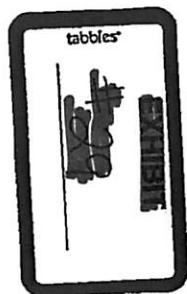
[AVOIDANCE ACTION ANALYSIS]

**Macco Properties, Inc. and Operating LLC's Owned by Macco**  
**Analysis of Accounting, Office Expense, Payroll and**  
**Post Petition Owner/Officer Disbursements**  
**For Period 11/01/2010 to 05/31/2011**

DRAFT - SUBJECT TO CHANGE - WORK IN PROCESS SCHEDULE

	Accounting / Consulting / Management Fees /Miscellaneous Expense Accounts			Other Disbursements Balance Sheet Accts - Net			Total			
	Macco	Other LLC's - BK	Other LLC's - Non BK	Macco	Other LLC's - BK	Other LLC's	Macco	Other LLC's - BK	Other LLC's	Total
L. McGinnis (Officer)	8,500	21,000	4,000	82,486	48,200	25,475	90,986	69,200	29,475	189,661
J. Price (Owner)	2,500	19,000	7,000	23,554	-	2,000	26,054	19,000	9,000	54,054
Other Consultants (1)	26,000		17,500				26,000	-	17,500	43,500
Accounting / Office Support Payroll	171,736						171,736	-	-	171,736
Corporate Group in excess of all payroll (100% Owned by L. McGinnis)				307,459	(60,286)	102,300	307,459	(60,286)	102,300	349,473
Office Support and Expense - Non Payroll - TBD							-	-	-	-
Other Disbursements - TBD							-	-	-	-
	208,736	40,000	28,500	413,499	(12,086)	129,775	622,235	27,914	158,275	808,425

(1) Other does not include attorneys, tax preparation or payroll fees



## **EXHIBIT G**

[PROPERTY APPRAISAL INFORMATION]



**APPRAISALS WITHIN CONTROL OF PROPONENT**

(copies of appraisals are available to creditors from Proponent's counsel)

LLC Property	Appraisal Firm	Appraised Value	Appraisal Date	
Brooks	Multifamily Appraisal Specialists <sup>1</sup>	\$4,000,000	05/24/2011	
Chalet	Multifamily Appraisal Specialists	\$1,650,000	02/21/2011	
Riverpark	Multifamily Appraisal Specialists	\$16,300,000	03/31/2011	
Villa Del Mar	Multifamily Appraisal Specialists	\$5,600,000	03/31/2011	
Madison Park	Multifamily Appraisal Specialists	\$8,100,000	02/21/2011	
Cedar Lake	Multifamily Appraisal Specialists	\$2,800,000	02/21/2011	
Emerald Court	CB Richard Ellis, Inc. <sup>2</sup>	\$3,500,000	07/31/2007	
Newport / Granada	CB Richard Ellis, Inc.	\$3,700,000	07/31/2007	
Northgate	CB Richard Ellis, Inc.	\$2,100,000	09/01/2009	
59th Street Business Park <sup>3</sup>	J.W. Hoyt & Associates	\$570,000	09/11/2012	
Holbrook <sup>4</sup>				

<sup>1</sup>Multifamily Appraisal Specialists  
2011 Brown Drive  
Denton, TX 76209

Responsible Appraisers: Victor K. Thomas, President  
Jeff D. Thompson, MAI

<sup>2</sup>CB Richard Ellis, Inc.  
Valuation & Advisory Services  
2700 Post Oak Blvd., Ste. 250  
Houston, TX 77056

Responsible Appraisers: Stephen D. Duplantis, MAI  
*Senior Managing Director*  
  
Hayden D. Littlefield, Jr.  
*Senior Real Estate Analyst*

<sup>3</sup>J.W. Hoyt & Associates  
4300 N. Classen Boulevard  
Oklahoma City, OK 73118

Responsible Appraiser: James W. Hoyt, MAI

<sup>4</sup>An appraisal on this property has been ordered, and is expected to be completed and delivered prior to December 28, 2012.

**APPRAISALS WITHIN CONTROL OF CREDITORS**

(copies of appraisals are available to parties-in-interest from creditor's counsel upon request and fulfillment of other terms required by creditor)

LLC Property	Appraisal Firm	Appraised Value	Appraisal Date	Creditor
Chalet	CB Richard Ellis, Inc. <sup>1</sup>	\$1,500,000	11/24/2010	FAA Credit Union
Riverpark	CB Richard Ellis, Inc. <sup>1</sup>	\$14,600,000	11/24/2010	FAA Credit Union
Villa Del Mar	CB Richard Ellis, Inc. <sup>1</sup>	\$4,900,000	11/24/2010	FAA Credit Union
Holbrook	CB Richard Ellis, Inc. <sup>2</sup>	\$850,000 (as is) \$1,600,000 (as stabilized)	09/05/2011 03/05/2014	FAA Credit Union

<sup>1</sup>CB Richard Ellis, Inc.  
Valuation & Advisory Services  
4717 Grand Ave., Ste. 500  
Kansas City, MO 64112

**Responsible Appraisers:**

Chris M. Williams, MAI  
*Managing Director*

P. Scott Ryan  
*Senior Appraiser*

<sup>2</sup>CB Richard Ellis, Inc.  
Valuation & Advisory Services  
2415 East Camelback Road  
Phoenix, AZ 85016

**Responsible Appraisers:**

Michael R. Rowland, MAI,  
MRICS  
*Managing Director*

Andrew W. Dorr  
*Senior Appraiser*