

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS  
BANKRUPTCY DIVISION  
ST. CROIX, VIRGIN ISLANDS**

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In re:

HOVENSA L.L.C.,

Debtor.

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Chapter 11

Case No. 1:15-bk-10003-MFW

**GLOBAL NOTES, METHODOLOGY AND SPECIFIC  
DISCLOSURES REGARDING THE DEBTOR'S SCHEDULES OF  
ASSETS AND LIABILITIES AND STATEMENT OF FINANCIAL AFFAIRS**

**Introduction**

HOVENSA L.L.C, as debtor and debtor in possession (the “Debtor”), with the assistance of its advisors, has filed its Schedules of Assets and Liabilities (the “Schedules”) and Statement of Financial Affairs (the “Statement” and, together with the Schedules, the “Statement and Schedules”) with the United States District Court of the Virgin Islands, Bankruptcy Division (the “Bankruptcy Court”), pursuant to section 521 of title 11 of the United States Code (the “Bankruptcy Code”) and rule 1007 of the Federal Rules of Bankruptcy Procedure.

These Global Notes, Methodology and Specific Disclosures Regarding the Debtor’s Statement and Schedules (the “Global Notes”) pertain to, are incorporated by reference in, and constitute an integral part of, the Statement and Schedules. Any party reviewing the Statement and Schedules should refer to, consider and consult the Global Notes in connection with such review.

The Debtor prepared the Statement and Schedules on an independent basis and without taking into account generally accepted accounting principles in the United States (“GAAP”). The Statement and Schedules may not reconcile with the financial statements that the Debtor prepares in the ordinary course of its business. The Statement and Schedules contain unaudited information that is subject to further review and potential adjustment.

In preparing the Statement and Schedules, the Debtor relied upon information derived from its books and records that was available at the time of such preparation. Although the Debtor has made reasonable efforts to ensure the accuracy and completeness of the financial information contained in the Statement and Schedules, inadvertent errors or omissions, as well as the discovery of conflicting, revised or subsequent information, may cause material changes to the Statement and Schedules. Accordingly, the Debtor reserves all of its rights to amend, supplement or otherwise modify the Statement and Schedules as the Debtor deems necessary and appropriate. Notwithstanding the foregoing, the Debtor makes no affirmative representation that it will revise, amend or otherwise update the Statement and Schedules. The Debtor and its

agents, consultants, attorneys, and financial advisors do not guarantee or warrant the accuracy or completeness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating or delivering the information contained herein. In no event shall the Debtor or its agents, consultants, attorneys, and/or financial advisors be liable to any third party for any direct, indirect, incidental, consequential or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtor or damages to business reputation, lost business or lost profits), whether foreseeable or not and however caused, even if the Debtor or its agents, consultants, attorneys, and/or financial advisors are advised of the possibility of such damages.

Sloan Schoyer has signed the Statement and Schedules in his capacity as an authorized signatory for the Debtor. As part of his review and signing of the Statement and Schedules, Mr. Schoyer necessarily has relied upon the efforts, statements, and representations of various personnel previously employed by the Debtor, the Debtor's current consultants, and the Debtor's advisors. Mr. Schoyer has not (and could not have) personally verified the accuracy of each statement and representation contained in the Statement and Schedules, including, without limitation, statements and representations concerning amounts owed to creditors, classification of such amounts, and creditor addresses. **Neither the Statement and Schedules, nor the Global Notes, should be relied upon by any persons for information relating to current or future financial conditions, events, or performance of the Debtor.**

#### **Global Notes and Overview of Methodology**

1. **Global Notes Control.** In the event that the Statement and Schedules differ from the Global Notes, the Global Notes shall control.

2. **Reservation of Rights.** The Debtor, its consultants, and its advisors have made reasonable efforts to prepare and file complete and accurate data in the Statement and Schedules; however, inadvertent errors or omissions in the Statement and Schedules may exist. The Debtor reserves all rights to amend, supplement or otherwise modify the Statement and Schedules from time to time, in all respects, as may be necessary or appropriate, including, without limitation, the right to amend the Statement and Schedules with respect to the description or designation of any claim against the Debtor (a "Claim") (including, without limitation, reserving the right to: (a) alter the description or designation of any Claim; (b) dispute or otherwise assert a right of setoff or other defenses to any Claim, including, without limitation, any defenses relating to amount, liability, priority, status or classification; (c) subsequently designate any Claim as "disputed," "contingent" or "unliquidated"; and/or (d) object to the extent, validity, enforceability, priority or avoidability of any Claim). The absence of a "disputed," "contingent" or "unliquidated" designation with respect to any Claim or amount in the Statement and Schedules does not constitute an admission by the Debtor that such Claim or amount is not "disputed," "contingent" or "unliquidated." The Debtor's inclusion of a Claim in the Statement and Schedules does not constitute an admission of liability. Furthermore, nothing contained in the Statement and Schedules shall constitute a waiver of any right the Debtor may possess, including, without limitation, any right involving Claims, defenses, equitable subordination, substantive consolidation and/or causes of action arising under the provisions of chapter 5 of the

Bankruptcy Code and any other relevant non-bankruptcy laws to recover assets or avoid transfers. Any specific reservation of rights contained elsewhere in the Global Notes shall not in any respect limit the scope or breadth of the general reservation of rights contained in this paragraph.

**3. Confidential Information.** There may be instances in the Statement and Schedules where the Debtor deemed it necessary and appropriate to redact from the public record information such as names, addresses or amounts. Typically, the Debtor has used this approach because of (a) an agreement between the Debtor and a third party, (b) concerns of confidentiality or (c) concerns for the privacy of an individual. The addresses of former employees, including directors and officers, have been removed from entries listed on certain of the Statement and Schedules, where applicable. The Debtor will mail any required notice or other documents to the address listed in its books and records for such parties. In addition, the Debtor may be a party to executory contracts with confidentiality provisions and, where applicable, such confidential information has not been included in the Statement and Schedules.

**4. Description of Cases and “As Of” Information Date.** On September 15, 2015 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is operating its businesses and managing its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

Except as otherwise noted herein or in the Statement and Schedules, the asset and liability information set forth in the Statement and Schedules (including the Debtor’s assets and liabilities) reflects such information as of the Petition Date, except as otherwise noted herein or in the Statement and Schedules.

**5. Currency.** Unless otherwise indicated, all amounts are reflected in U.S. Dollars.

**6. Summary of Significant Reporting Policies.** The following is a summary of significant reporting policies:

- a. Undetermined Amounts. The description of an amount as “unknown,” “TBD” or “undetermined” is not intended to reflect upon the materiality of such amount.
- b. Totals. All totals that are included in the Statement and Schedules represent totals of all known amounts. To the extent there are unknown or undetermined amounts, the actual total may be different than the listed total.
- c. Paid Claims. The Debtor was authorized (but not directed) to pay certain outstanding prepetition obligations to employees, insurance companies, and critical vendors pursuant to orders entered by the Bankruptcy Court on September 17, 2015. Accordingly, certain outstanding liabilities may have been reduced by postpetition payments made on account of prepetition liabilities. To the extent the Debtor paid any of the Claims listed in the Statement and Schedules pursuant to any orders entered by the Bankruptcy Court,

the Debtor reserves all of its rights to amend or supplement the Statement and Schedules or take other action as is necessary or appropriate to avoid over-payment of, or duplicate payments for, any such liabilities. Nothing herein shall be deemed to alter the rights of any party in interest to contest a payment made pursuant to an order of the Bankruptcy Court where such order preserves the right to contest.

- d. Liens. Property and equipment listed in the Statement and Schedules are presented without consideration of any liens that may attach (or may have attached) to such property and equipment.

**7. Excluded Assets and Liabilities.** The Debtor has excluded certain categories of assets, tax accruals, and liabilities from the Statement and Schedules, including, without limitation, goodwill, accrued salaries, certain employee benefit accruals, accrued accounts payable, customer deposits, and deferred gains. The Debtor also has excluded rejection damage claims of counterparties to executory contracts and unexpired leases that may arise out of future contract or lease rejections. In addition, certain immaterial assets and liabilities may have been excluded.

**8. Intercompany Claims.** Intercompany payables and receivables among the Debtor and its non-debtor affiliates are reported at book value in Schedule B16 and Schedule F, as applicable. Intercompany transfers between the Debtor and non-debtor affiliates are set forth on Statement 3c. Intercompany balances are reflected as of the Petition Date throughout the Statement and Schedules. The listing of any amounts with respect to such receivables and payables is not and shall not be construed as an admission of the characterization of such balances as debt, equity or otherwise. Furthermore, the listing of these amounts is not necessarily indicative of the ultimate recovery, if any, on any intercompany asset account or the impairment or Claim status of any intercompany liability account. Intercompany payables and receivables also may be subject to set off, recoupment, and netting not reflected in the Statement and Schedules. The Debtor reserves all rights to later change the characterization, classification, categorization or designation of intercompany accounts reported in the Statement and Schedules.

**9. Estimates.** To prepare and file the Statement and Schedules in accordance with the deadline established in this chapter 11 case, the Debtor's management, consultants, and advisors were required to make certain estimates and assumptions that affected the reported amounts of these assets and liabilities. The Debtor reserves all rights to amend the reported amounts of assets and liabilities to reflect changes in those estimates or assumptions.

**10. Net Book Value of Assets.** It would be prohibitively expensive, unduly burdensome, and an inefficient use of estate assets for the Debtor to obtain current market valuations for its assets. Thus, unless otherwise indicated, the Statement and Schedules reflect approximate net book values as of the Petition Date. Because the book values of certain assets may differ materially from their fair market values, the Debtor listed certain assets with undetermined values. In addition, certain assets may not appear in the Statement and Schedules because the Debtor has depreciated the entire book value of such assets or otherwise expensed such assets in their entirety. Nothing in the Statement and Schedules shall be, or shall be deemed to be, an admission that the Debtor was solvent or insolvent as of the Petition Date.

**11. Reporting of Liabilities.** The Debtor has sought to allocate liabilities between the prepetition and postpetition periods based upon the information and research conducted in connection with the preparation of the Statement and Schedules. As additional information becomes available and further research is conducted, the allocation of liabilities between the prepetition and postpetition periods may change. Accordingly, the Debtor reserves all of its rights to amend, supplement or otherwise modify the Statement and Schedules as is necessary or appropriate, including, without limitation, to reflect any change in the allocation of liabilities between the prepetition and postpetition periods.

The liabilities listed on the Schedules do not reflect any analysis of Claims that may arise under section 503(b)(9) of the Bankruptcy Code. Accordingly, the Debtor reserves all of its rights to dispute or challenge (a) the validity of any Claims asserted under section 503(b)(9) of the Bankruptcy Code or (b) the characterization of the structure of any such transaction or any document or instrument related to any creditor's Claim.

**12. Classification of Claims.** Listing (a) a Claim in Schedule D as "secured," (b) a Claim in Schedule E as "priority," (c) a Claim in Schedule F as "unsecured" or (d) a contract or lease in Schedule G as "executory" or "unexpired" is not: (y) an admission by the Debtor with respect to any legal rights associated with such Claim, contract or lease; or (z) a waiver of the Debtor's rights (i) to recharacterize or reclassify such Claim, contract or lease or (ii) to exercise any right of setoff or other defense that may exist with respect to such Claim, contract or lease.

**13. Description of Claims.** Schedules D, E and F permit the Debtor to designate a Claim as "disputed," "contingent" and/or "unliquidated." Any failure to designate a Claim on a given Schedule as "disputed," "contingent" or "unliquidated" does not constitute an admission by the Debtor that such amount is not "disputed," "contingent" or "unliquidated," or that such Claim is not subject to objection. The Debtor reserves all of its rights to dispute and assert rights of setoff or any other defense to any Claim listed in the Schedules. Additionally, the Debtor expressly reserves all of its rights to subsequently designate any Claim as "disputed," "contingent" or "unliquidated." The Debtor's listing of a Claim in the Schedules does not constitute an admission of liability by the Debtor.

**14. Setoffs.** The Debtor periodically incurs certain setoffs in the ordinary course of business. Setoffs in the ordinary course can result from various items including, but not limited to, intercompany transactions, negotiations, and/or disputes between Debtor and its customers, costs incurred by the Debtor, and other disputes between the Debtor and its suppliers. These setoffs are consistent with the ordinary course of business in the Debtor's industry and are not tracked separately. Therefore, although such setoffs and other similar rights may have been accounted for when scheduling certain amounts, these ordinary course setoffs are not independently accounted for and, as such, are not itemized in the response to Question 13 in the Statement.

**15. Recharacterization.** Notwithstanding the Debtor's reasonable efforts to properly characterize, classify, categorize or designate certain Claims, assets, executory contracts, unexpired leases, and other items reported in the Statement and Schedules, the Debtor may nevertheless seek to recharacterize, reclassify, recategorize, redesignate, add or delete items. Accordingly, as additional information becomes available and as otherwise necessary and appropriate, the Debtor reserves all of its rights to recharacterize, reclassify, recategorize,

redesignate, add or delete items reported in the Statement and Schedules at a later time as is necessary or appropriate as additional information becomes available, including, without limitation, whether contracts or leases listed herein were deemed executory or unexpired as of the Petition Date and remain executory and unexpired postpetition.

**16. Definition of Insiders.** The parties identified as “insiders” have been included for informational purposes only. The Debtor does not take any position with respect to: (a) such person’s influence over the control of the Debtor; (b) the management responsibilities or functions of such individual; (c) the decision making or corporate authority of such individual; or (d) whether such individual could successfully argue that he or she is not an “insider” under applicable law, including, without limitation, the federal securities laws or with respect to any theories of liability or for any other purpose. Further, the inclusion of a party as an “insider” is not an acknowledgment or concession that such party is an “insider” for purposes of section 101(31) of the Bankruptcy Code.

**17. Intellectual Property Rights.** The Debtor’s inadvertent exclusion of any intellectual property from the Statement and Schedules is not an admission that the Debtor has abandoned, terminated or assigned such intellectual property or that such intellectual property has expired by its own terms or was transferred pursuant to a sale, acquisition or other transaction. Conversely, the Debtor’s inclusion of any intellectual property in the Statement and Schedules is not an admission that the Debtor has not abandoned, terminated or assigned such intellectual property or that such intellectual property has not expired by its own terms or was not transferred pursuant to a sale, acquisition or other transaction.

**18. Executory Contracts.** Although the Debtor made all reasonable efforts to identify the correct legal entities that are party to each of the Debtor’s executory contracts, in certain instances, the Debtor may have incorrectly identified parties to its executory contracts. The Debtor reserves all of its rights with respect to the named parties associated with its executory contracts, including, without limitation, the right to amend Schedule G.

**19. Causes of Action.** Despite its reasonable efforts to identify all known assets, the Debtor may not have identified all of its causes of action and similar items (collectively, the “Causes of Action”), or potential Causes of Action, against third parties as assets in the Statement and Schedules. This may include, without limitation, Causes of Action arising under chapter 5 of the Bankruptcy Code or other applicable non-bankruptcy law to recover assets or avoid transfers. The Debtor reserves the right to amend its Statement and Schedules to add, delete or otherwise modify any information relating to its Causes of Action.

The Debtor further reserves all of its rights with respect to all of its Causes of Action, including, without limitation, all rights relating to any: (a) controversy; (b) right of setoff or recoupment; (c) cross-claim; (d) counterclaim; (e) claim arising from a contract; (f) claim for the breach of any duty imposed by law or in equity; and (g) demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, power, privilege, license and franchise of any kind or character whatsoever. The Debtor’s reservation of rights with respect to the Causes of Action remains applicable, regardless of whether such Causes of Action are known, unknown, fixed or contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or

derivatively, whether arising before, on or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other applicable theory of law. Neither the Global Notes nor the Statement and Schedules constitute a waiver of any Claim or Cause of Action or, in any way, prejudice or impair the assertion of any Claim or Cause of Action.

**Specific Disclosures with Respect to the Debtor's Schedules**

**Schedule A.** Real property is reported at the value ascribed by the Asset Purchase Agreement by and among Limetree Bay Holdings, LLC, the Debtor, and Hess Oil Virgin Islands Corp. dated September 4, 2015 and attached as an exhibit to the *Debtor's Motion for Entry of Orders (A)(I) Establishing Bidding Procedures Relating to the Sale of the Debtor's Assets, Including Approving Break-Up Fee and Expense Reimbursement, (II) Establishing Procedures Relating to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, Including Notice of Proposed Cure Amounts, (III) Approving Form and Manner of Notice Relating Thereto, and (IV) Scheduling a Hearing to Consider the Proposed Sale; (B)(I) Approving the Sale of the Debtor's Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, and (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) Granting Related Relief* (Docket No. 15). The Debtor may have identified certain assets as real property when such assets are in fact personal property, or the Debtor may have identified certain assets as personal property when such assets are in fact real property. Debtor-owned buildings and land improvements are identified in Schedule A irrespective of whether the land to which the building or land improvement is attached is Debtor-owned property. The Debtor reserves all of its rights to re-categorize and/or re-characterize any such property to the extent it determines that it was improperly listed.

**Schedule B2.** Additional information regarding the Debtor's bank accounts is provided in the *Debtor's Motion For Interim and Final Orders (I) Authorizing Maintenance of Existing Bank Accounts and Cash Management System; (II) Authorizing Continued Use of Existing Business Forms and Records; and (III) Waiving the Requirements of 11 U.S.C. § 345(b)* (Docket No. 12). Following the Petition Date, the Debtor transitioned one of its existing bank accounts to hold and maintain deposits for the Debtor's utilities in accordance with the *Interim Order (I) Prohibiting Utility Companies From Altering, Refusing, or Discontinuing Service on Account of Prepetition Invoices; (II) Approving Deposits as Adequate Assurance of Payment; and (III) Establishing Procedures for Resolving Requests by Utility Companies for Additional Assurance of Payment* (Docket No. 46).

**Schedule B9.** Additional information regarding the insurance policies identified in Schedule B9 is available in the *Debtor's Motion for Entry of Interim and Final Orders Authorizing, but not Directing, the Debtor to Continue Prepetition Insurance Coverage and Pay Prepetition Obligations Relating Thereto* (Docket No. 10).

**Schedules B25 and B29.** With respect to the property listed on Schedules B25 and B29, the Debtor has attempted to list all assets reflected in the Debtor's fixed asset register. However, many of the assets listed therein may no longer be on the Debtor's property and/or in working condition.

**Schedule D.** Except as otherwise established pursuant to a stipulation or order entered by the Bankruptcy Court, the Debtor reserves its rights to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset identified in the Schedule D of the Debtor. Moreover, the Debtor reserves all of its rights to dispute or challenge the secured nature of any such Claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor's Claim. The descriptions provided in Schedule D are solely intended to be a summary, and not an admission, of liability.

Reference to the First Priority Mortgage and related documents is necessary for a complete description of the collateral and the nature, extent, and priority of liens. Nothing in the Global Notes or the Statement and Schedules shall be deemed a modification or interpretation of the terms of such agreements. Except as specifically stated in Schedule D, real property lessors, utility companies and other parties that may hold security deposits have not been listed in Schedule D. In addition, the Debtor has not included in Schedule D parties that may believe their Claims are secured through setoff rights or inchoate statutory lien rights. The Debtor reserves all of its rights to amend Schedule D to the extent that it determines that any Claims associated with such agreements should be reported in Schedule D. Nothing in the Global Notes or the Statement and Schedules shall be construed as an admission by the Debtor of the legal rights of any claimant or a waiver of the Debtor's rights to re-characterize or reclassify any such Claim or contract.

**Schedule E.** The identification of any Claim in Schedule E does not constitute an admission by the Debtor that such Claim is entitled to priority treatment under section 507 of the Bankruptcy Code. The Debtor reserves all of its rights to dispute the amount and the priority status of any Claim on any basis at any time. Additionally, the Debtor filed the *Debtor's Motion for an Order Authorizing, But Not Directing, the Debtor to Pay Certain Prepetition Taxes and Fees* (Docket No. 14) and expects that the Bankruptcy Court will enter an order granting the motion on or about October 8, 2015. To the extent such order is entered and claims have been paid or may be paid under further Bankruptcy Court orders, they may not be scheduled on Schedule E.

In addition, Schedule E reflects a total balance of \$14,310,722.15 owed to the Government of the Virgin Islands for real property taxes in accordance with the Fourth Amendment Agreement between the Government of the Virgin Islands, the Debtor, Hess Oil Virgin Islands Corp., and PDVSA V.I., Inc.

**Schedule F.** The Debtor has used commercially reasonable efforts to report all general unsecured Claims against the Debtor in Schedule F based upon the Debtor's existing books and records as of the Petition Date. The Claims of individual creditors for, among other things, products, goods or services are listed as either the lower of the amounts invoiced by such creditor or the amounts entered on the Debtor's books and records and may not reflect credits or allowances due from such creditors to the Debtor. The Debtor reserves all of its rights with respect to any such credits and allowances including the right to assert objections and/or setoffs with respect to the Claims identified in Schedule F. Schedule F does not include certain deferred charges, deferred liabilities, accruals or general reserves. Such amounts are, however, reflected on the Debtor's books and records as required in accordance with GAAP. Such accruals are

general estimates of liabilities and do not represent specific Claims as of the Petition Date. In addition, certain Claims listed in Schedule F may be entitled to priority under section 503(b)(9) of the Bankruptcy Code.

The Claims identified in Schedule F arose or were incurred on various dates. In certain instances, the date on which a Claim arose is an open issue of fact. Although reasonable efforts have been made to identify the date each Claim was incurred or arose, determining the date upon which each Claim in Schedule F was incurred or arose would be unduly burdensome and cost prohibitive. In addition, claims listed in Schedule F have been aggregated by creditor and may include several dates of incurrence for the aggregate balance listed. As such, Schedule F may not include the date that each Claim arose or was incurred for every Claim listed thereon.

The Bankruptcy Court has entered orders authorizing the Debtor to pay, in its discretion, certain outstanding Claims, even though those Claims were incurred, or arose prior to, the Petition Date. Schedule F may reflect the Debtor's payment of certain Claims pursuant to these orders, and, to the extent an unsecured Claim has been paid, or may be paid, it is possible such Claim is not included in Schedule F. The Debtor may pay additional Claims listed in Schedule F during this chapter 11 case pursuant to these and other orders of the Bankruptcy Court. The Debtor reserves all of its rights to update Schedule F to reflect such payments.

Schedule F contains information regarding pending and threatened or potential litigation involving the Debtor. The dollar amount of potential Claims associated with any such litigation is listed as "undetermined" and marked as contingent, unliquidated, and disputed in the Statement and Schedules. The identification of such Claims in the Statement and Schedules shall not constitute an admission by the Debtor as to the validity thereof.

Schedule F reflects the prepetition amounts owing to counterparties to executory contracts and unexpired leases. Such prepetition amounts, however, may be paid in connection with the assumption, or assumption and assignment, of an executory contract or unexpired lease. Additionally, Schedule F does not include potential rejection damage Claims, if any, of the counterparties to executory contracts and unexpired leases that may be rejected.

**Schedule G.** Although the Debtor's existing books, records and financial systems have been relied upon to identify and schedule executory contracts and unexpired leases, and diligent efforts have been made to ensure the accuracy of the Debtor's Schedule G, inadvertent errors, omissions or over-inclusions may have occurred. Certain information, such as the contact information of the counterparty, may not be included where such information could not be obtained through the use of reasonable efforts. The identification of a contract, agreement or lease in Schedule G does not constitute an admission that such contract, agreement or lease is an executory contract or unexpired lease or that such contract, agreement or lease was effective as of the Petition Date or is valid or enforceable. The Debtor reserves all of its rights with respect to the contracts, agreements, and leases identified in Schedule G, including, without limitation, the Debtor's rights to dispute the validity, status or enforceability of any contracts, agreements or leases and to amend or supplement Schedule G as necessary.

Certain of the contracts, agreements and leases identified in Schedule G may contain renewal options, guarantees of payment, indemnifications, options to purchase, rights of first

refusal and other miscellaneous rights. Such rights, powers, duties, and obligations are not set forth separately in Schedule G.

Certain of the contracts, agreements and leases identified in Schedule G may consist of several parts, including, without limitation, purchase orders, amendments, restatements, waivers, letters and other documents that may not be identified in Schedule G or that may be listed as a single entry. The Debtor expressly reserves its rights to challenge whether such related materials constitute an executory contract or unexpired lease, a single contract, agreement or lease, or multiple, severable or separate contracts, agreements or leases.

The contracts, agreements, and leases identified in Schedule G may have expired or may have been modified, amended or supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letters, memoranda, and other documents, instruments and agreements that may not be listed therein despite the Debtor's use of reasonable efforts to identify such documents.

Unless otherwise specified in Schedule G, each executory contract or unexpired lease identified therein shall include all exhibits, schedules, riders, modifications, declarations, amendments, supplements, attachments, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such executory contract or unexpired lease, without respect to whether such agreement, instrument or other document is listed therein. In some cases, the same supplier or provider appears multiple times in Schedule G. This multiple listing is intended to reflect distinct agreements between the Debtor and such supplier or provider.

The Debtor may have entered into various other types of agreements in the ordinary course of its business, such as subordination, nondisturbance, and attornment agreements, supplemental agreements, settlement agreements, amendments/letter agreements, title agreements, indemnity agreements and confidentiality agreements. Such documents may not be set forth in Schedule G. Certain of the executory agreements may not have been memorialized and could be subject to dispute. Any executory agreements that have not been reduced to writing, if any, are not included on Schedule G. Certain confidentiality agreements may not be listed on Schedule G. The Debtor reserves its right with respect to such agreements.

Omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or unexpired lease. The Debtor's rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission.

The Debtor reserves all of its rights, claims, and Causes of Action with respect to the contracts in Schedule G, including the right to dispute or challenge the characterization of the structure of any transaction or any document or instrument related to a creditor's Claim. In addition, the Debtor reserves all of its rights to dispute the effectiveness of any contract, agreement or lease identified in Schedule G or to amend Schedule G at any time to remove any such contract, agreement or lease.

**Specific Disclosures with Respect to the Debtor's Statements**

**Statement 3b.** The Debtor's responses to Statement 3b include any disbursement or other transfer made by the Debtor except for those made to (a) insiders, (b) non-insider employees, (c) bankruptcy professionals (which payments appear in response to Statement 9) and (d) payments made from the Debtor's local petty cash accounts which disbursements are de minimis and are not tracked in a manner that would allow for reporting in a manner that would not be costly and time-consuming.

The amounts listed in Statement 3b reflect the Debtor's disbursements netted against any check level detail. Thus, to the extent a disbursement was made to pay for multiple invoices, only one entry has been listed in response to Statement 3b. All disbursements identified in response to Statement 3b were made through the Debtor's cash management system.

**Statement 4a.** Information provided in Statement 4a includes only those legal disputes and administrative proceedings that are formally recognized by an administrative, judicial or other adjudicative forum. In the Debtor's attempt to provide full disclosure, to the extent a legal dispute or administrative proceeding is not formally recognized by an administrative, judicial or other adjudicative forum due to certain procedural conditions that counterparties have yet to satisfy, the Debtor has identified such matters in Schedule F for the applicable Debtor. Additionally, any information contained in Statement 4a shall not be a binding representation of the Debtor's liabilities with respect to any of the suits and proceedings identified therein.

**Statement 17.** The Debtor has made commercially reasonable efforts to identify all applicable environmental information as required by Statement 17. These efforts included incorporating the Debtor's detailed environmental records as far back as 1998, with the majority of such records dating back to 2009, analyzing land permits as far back as the Debtor's records permitted, analyzing environmental assessment reports and asset retirement obligation reports, and incorporating the historical knowledge of the Debtor's former employees into the Statement and Schedules to the extent possible.

Where requested categories of information were not reasonably available for an identified location or proceeding, the Debtor has provided as much information as is reasonably available. Such responses do not include proceedings related to non-environmental laws, such as occupational safety and health laws or transportation laws. The Debtor also makes routine reports and submissions concerning discharges resulting from normal operations consistent with regulatory requirements, such as discharge monitoring reports, toxic release inventory submissions and submissions concerning air emissions. The Debtor's responses to Statement 17 are limited to those reports and submissions that identify uncontrolled releases and hazardous materials and do not purport to identify all routine reports and submissions. The Debtor believes these efforts not only satisfy the requirements of Statement 17, but also satisfy the Debtor's objective of identifying all potential environmental liabilities so that any potential liability is brought to a resolution through this chapter 11 case. To the extent a potential environmental liability has been identified through these efforts, the liability is listed on the applicable Debtor's Schedule F. Due to data limitations and the latent nature of potential environmental liabilities, the Debtor acknowledges the possibility that responsive environmental information may be discovered subsequent to the filing of the Statement and Schedules. As previously stated, the

Debtor reserves all rights to amend or supplement the Statement and Schedules should the circumstances require.

**Statement 23.** Unless otherwise indicated in response to Statement 23, the Debtor has included a comprehensive response to Statement 23 in Statement 3c.

# United States Bankruptcy Court

District Of Virgin Islands, Bankruptcy Division

In re HOVENSA L.L.C.,  
Debtor

Case No. 15-10003 (MFW)

Chapter 11

## SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors also must complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property		6	\$ 184,000,000.00		
B - Personal Property		70	\$ 54,733,110.34		
C - Property Claimed as Exempt					
D - Creditors Holding Secured Claims		1		\$ 40,000,000.00	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)		6		\$ 14,399,163.13	
F - Creditors Holding Unsecured Nonpriority Claims		303		\$ 1,930,923,740.94	
G - Executory Contracts and Unexpired Leases		23			
H - Codebtors		1			
I - Current Income of Individual Debtor(s)	No				\$ N/A
J - Current Expenditures of Individual Debtors(s)	No				\$ N/A
<b>TOTAL</b>		410	\$ 238,733,110.34	\$ 1,985,322,904.07	