

Status of Bankruptcy

April 2009



Issues with Trustee

Transfer of Properties

- ◆ Properties transferred to MTPOA not as represented (drill sites, storage facilities)
- ◆ Not free of encumbrances (Mound Creek and FC2)
- ◆ Amount of land transferred differs from what is recorded on Plat(Section 5 Reserve B) compensation sought.
- ◆ Balance of Reserves not yet transferred to MTPOA by Trustee

Issues with Woodforest and MTPOA/ Trustee

- ◆ Granting of 20' easement running from Northern MTPOA Sections to 439 acre nature preserve as originally granted in Bankruptcy.
- ◆ Return of Title to the 439 acre nature preserve to MTPOA per contractual agreement.
- ◆ Obtaining percentage(26% to 52%) of 55+ buildable acres.
- ◆ Percentage of interest in 173 acres located Southeast of current golf course.
- ◆ Transfer of title of approximately 50 acres connecting Section 4 to 439 nature preserve per agreement.

***Note Trustee has joined MTPOA in these issues which are now being handled separately in U.S. Federal Court. ***

Monies

- ◆ Disbursement from cash on hand (MTPOA share approximately 26% to 52%)
- ◆ Proceeds of sale of nine lots still held by Trustee (MTPOA percentage 26% to 52%)
- ◆ Repayment of \$100,000 expended by MTPOA to repair FC dam and other deficiencies' noted by the U.S. Corps of Engineers and TCEQ
- ◆ Repayment of expenses incurred for Title Policies on properties received from the Trustee.
- ◆ Reimbursement of all attorneys fees incurred by MTPOA in actions against the Trustee (\$102,613.40 monies come from settlement fund not assessments or operating budget)

Summary

Why proceed?

- ◆ \$750,000 cash
- ◆ 20' Easement
- ◆ 50 Acres
- ◆ Control of 439 acres that has potential for value due to wet lands
- ◆ Reimbursement of \$100,000 already expended.
- ◆ Reimbursement of legal fees and other expenses.
- ◆ Possibility of additional property as compensation