

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)

In re: *
207 REDWOOD LLC * Case No: 10-27968-NVA
Debtor * (Chapter 11)
* * * * *

207 REDWOOD LLC’S PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

207 Redwood LLC, the debtor and debtor-in-possession in the above-captioned case (the “Debtor”), proposes the following Plan of Reorganization pursuant to § 1121(a) of the Bankruptcy Code.

ARTICLE I
DEFINITIONS AND TERMS OF CONSTRUCTION

For purposes of this Plan (as hereinafter defined), the following terms shall have the respective meanings set forth below:

A. DEFINITIONS

1.1. Administrative Bar Date shall mean thirty (30) days after the Effective Date.

1.2. Administrative Expense Claim shall mean any Claim arising or accruing on or after the Petition Date that is entitled to Priority Status pursuant to §§ 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, all expenses of administration.

1.3. Affiliate shall mean the following entities: 207 Redwood Developer LLC, 207 Redwood Management LLC, 207 Redwood Operator LLC, and 207 Redwood Tax Credit LLC.

1.4. Allowed or Allowed Claim shall mean as against the Debtor: (a) the amount of a Claim or an Administrative Expense Claim that has been allowed in accordance with §§ 502, 503 or 506 of the Bankruptcy Code; or (b) the amount of a Claim, proof of which has been timely filed with the Clerk of the Bankruptcy Court or that is listed in the Schedules as

undisputed, non-contingent and liquidated, and as to which Claim or Administrative Expense Claim (i) no objection to the allowance thereof has been interposed within any period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, this Plan or orders of the Bankruptcy Court, or (ii) an objection has been interposed, which objection has been determined by a Final Order, to the extent such objection is determined in favor of the claimant, or (iii) with respect to fees and expenses of Professional Persons, the amount of such fees and expenses allowed by the Bankruptcy Court by a Final Order.

1.5. BB&T shall mean Branch Banking and Trust Company, a North Carolina financial institution.

1.6. BB&T Guaranty shall mean that certain Continuing Guaranty of Payment and Completion, dated December 21, 2007, given by the Debtor in favor of BB&T.

1.7. BB&T IDOT shall mean (i) the Indemnity Deed of Trust and Security Agreement, dated December 21, 2007 granted by 207 Redwood LLC for the benefit of BB&T and (ii) Assignment of Leases and Rents, dated December 21, 2007 granted by 207 Redwood LLC for the benefit of BB&T.

1.8. BB&T Note shall mean that certain Promissory Note dated December 21, 2007 from 207 Redwood Management LLC to BB&T in the original principal amount of Sixteen Million, Three-Hundred Thousand and No/100 Dollars (\$16,300,000.00) and which was due to mature on January 1, 2013.

1.9. BB&T Note Holder shall mean the entity RL BB Financial, LLC, which has purchased the BB&T Note, the BB&T Guaranty, the BB&T IDOT, all of the loan documents relating thereto, and all of the rights of BB&T thereunder.

1.10. BB&T Security Agreement shall mean the Security Agreement, dated December 21, 2007 among Debtor and its Affiliates in favor of BB&T.

1.11. Bankruptcy Code shall mean the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.*

1.12. Bankruptcy Court shall mean the United States Bankruptcy Court for the District of Maryland or any other court having jurisdiction over the Debtor's Chapter 11 Case or any proceeding arising under this Chapter 11 Case.

1.13. Bankruptcy Rules shall mean the Federal Rules of Bankruptcy Procedure.

1.14. Bar Date shall mean the deadline established by the Bankruptcy Court or the Bankruptcy Rules for filing proof of claims in this Chapter 11 Case. (December 14, 2010 for non-governmental entities and February 2, 2011 for governmental entities and is the date before which any Claims must have been filed, failing which such Claims are void and disallowed for purposes of voting or distribution.)

1.15. Business Day shall mean any day of the calendar week, except Saturday, Sunday, a "legal holiday" as defined in Bankruptcy Rule 9006(a), or any day on which commercial banks are authorized or required by law to close in Baltimore, Maryland.

1.16. Cash shall mean cash or commercially recognizable and readily marketable cash equivalents.

1.17. Cash Distributions shall mean the manner of Cash payable to Classes of Claims or Interests entitled to payment of Cash under the terms of the Plan.

1.18. Chapter 11 shall mean Chapter 11 of the Bankruptcy Code.

1.19. Chapter 11 Case shall mean the Chapter 11 case commenced on August 6, 2010 and captioned *In re 207 Redwood LLC*, Case No.: 10-27968-NVA.

1.20. Claim shall mean:

- (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or
- (b) a right to an equitable remedy for breach of a performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.21. Class shall mean a group of Allowed Claims or Interests that are substantially similar to each other, as classified under the Plan.

1.22. Class A Creditor shall mean holders of Class A LLC Interests in the Debtor.

1.23. Confirmation Date shall mean the date of entry of the Confirmation Order.

1.24. Confirmation Order shall mean the order of the Bankruptcy Court confirming the Plan under § 1129 of the Bankruptcy Code.

1.25. Creditor shall mean any entity that holds a Claim against the Debtor or property of the Debtor's estates.

1.26. Debtor shall mean 207 Redwood LLC, a Maryland limited liability company, the debtor and debtor-in-possession herein and the entity formerly known as RWN 207 East Redwood Owner, LLC.

1.27. Disputed Claim shall mean, on any date, any Claim for which an Allowed Claim has not yet been determined, and with respect to which an objection has been interposed on or prior to such date as may be fixed by the Bankruptcy Court or this Plan for filing objections to Claims.

1.28. Disputed Claim Reserves shall mean the cash to be set aside by the Debtor in a separate interest-bearing account, in an amount sufficient to pay all Disputed Claims in accordance with the provisions of the Plan, if such Disputed Claims become Allowed and to be maintained as set forth more fully in Article V herein.

1.29. Distribution shall mean cash, property, interests in property or other value distributed to Holders of Allowed Claims, or their designated agents under the Plan.

1.30. Distribution Record Date shall mean five (5) Business Days prior to the Confirmation Date.

1.31. Effective Date shall mean the date that is five (5) business days following the Confirmation Date.

1.32. Estate shall mean the estate created in the Debtor's Chapter 11 Case containing all property and other interests of the Debtor pursuant to § 541 of the Bankruptcy Code.

1.33. Executory Contracts shall mean any contract and unexpired lease to which the Debtor is a party and which is executory within the meaning of § 365 of the Bankruptcy Code.

1.34. Final Order shall mean an order of the Bankruptcy Court entered by the Clerk of the Bankruptcy Court on the docket in the Chapter 11 Case that has not been reversed, modified, amended or stayed and that the time to appeal, or seek *certiorari* has expired, and no appeal, or request to seek *certiorari* is pending.

1.35. Interests shall mean the rights of the members as owners of the Debtor.

1.36. Koam shall mean Koam Construction Inc.

1.37. Mechanic's Lien shall mean those Secured Claims as perfected through a mechanic's lien.

1.38. New Investors shall mean the group of investors funding the Plan.

1.39. Plan shall mean this Plan of Reorganization in its present form or as it hereafter may be modified, amended or supplemented in accordance with the provisions of the Bankruptcy Code and this Plan.

1.40. Petition Date shall mean August 6, 2010, the date on which the Debtor commenced this Chapter 11 Case.

1.41. Priority Status shall mean the priority in distribution which is afforded to certain Claims pursuant to § 507(a) of the Bankruptcy Code.

1.42. Priority Claim shall mean a Claim entitled to priority of payment under the Bankruptcy Code Sections 507(a)(2) through 507(a)(7).

1.43. Professional shall mean any professional firm or professional person, including attorneys, accountants and other professionals, retained in the Chapter 11 Case or to be

compensated for services rendered prior to the Effective Date, pursuant to §§ 327, 328, 329, 330, 331, 503(b) and 1103 of the Bankruptcy Code and order of the Bankruptcy Court.

1.44. Pro Rata Share shall mean the proportion that the amount of an Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims in such Class or Classes.

1.45. Property shall mean the land, improvements and contents located at 207 East Redwood Street, Baltimore, Maryland

1.46. Reorganized Debtor shall mean the Debtor, after the Effective Date.

1.47. Secured Claim shall mean that portion of a Claim which is secured under § 506 of the Bankruptcy Code by a Security Interest in property of the Debtor or its Affiliate.

1.48. Tax Claim shall mean a Claim entitled to priority of payment under Bankruptcy Code Section 507(a)(8).

1.49. Unsecured Claim shall mean a Claim incurred prior to the Petition Date (or deemed by law to have occurred prior to the Petition Date) which is not entitled to Priority Status

1.50. U.S. Trustee shall mean the Baltimore Office of the United States Trustee.

B. TERMS OF CONSTRUCTION

A term in this Plan not otherwise defined herein but used in the Bankruptcy Code shall have the definition assigned to such term in the Bankruptcy Code. Unless otherwise indicated, the singular shall include the plural.

ARTICLE II

DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

2.1. Class 1 - Class 1 shall consist of holders of Administrative Expense Claims.

2.2. Class 2 - Class 2 shall consist of holders of Priority Claims and Priority Tax Claims.

2.3. Class 3 - Class 3 shall consist of the holder of the BB&T Claim.

2.4. Class 4 - Class 4 shall consist of Class A Creditors.

2.5. Class 5 - Class 5 shall consist of the holder of the Koam Claim against the Debtor.

2.6. Class 6 - Class 6 shall consist of holders of other Mechanic's Lien Claims, except for the Koam Claim.

2.7. Class 7 - Class 7 shall consist of holders of Allowed Unsecured Claims, other than the holders whose claim is classified in Classes 4, 5 and 6.

2.8. Class 8 - Class 8 shall consist of the holders of Interests in the Debtor.

ARTICLE III
TREATMENT OF CLAIMS AND INTERESTS

3.1. Class 1: Administrative Expense Creditors.

Class 1 is unimpaired under this Plan and are conclusively deemed to have accepted the Plan pursuant to § 1126(f) of the Bankruptcy Code. Therefore, the holders of Allowed Class 1 Claims are not entitled to vote to accept or reject the Plan.

Except to the extent that a holder of an Allowed Class 1 Claim agrees to a different treatment (and except to the extent provided in this Plan), within thirty (30) days after the Effective Date, or as soon thereafter as is practicable, each holder of an Allowed Class 1 Claim shall be paid the amount of such Allowed Claim. All fees payable pursuant to 28 U.S.C. § 1930(a)(6) shall be paid by the Debtor on the later of the Effective Date or the date by which such fees are due.

Any Person that fails to file a request for payment of an Administrative Expense Claim on or before the Administrative Bar Date as required herein, or other applicable order of the Bankruptcy Court, shall be forever barred from asserting such Claim against the Debtor, the Estate or its property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Expense Claim.

3.2. Class 2: Priority Creditors.

Class 2 is unimpaired under this Plan. Except to the extent that a holder of an Allowed Priority Claim agrees to a different treatment (and except to the extent provided in this Plan), within twenty (20) days after the Effective Date, or as soon thereafter as is practicable, each holder of an Allowed Class 2 Claim shall be paid the full amount of such Allowed Claim by the Debtor.

3.3. Class 3: BB&T Claim.

In full and complete satisfaction, discharge and release of the Class 3 Claim against the Debtor and all guarantors, Debtor shall pay BB&T, its successors or assigns, the Allowed Amount of its Secured Claim. The monthly payments will be at an interest rate of 3.75% based on a 30-year amortization schedule with a balloon payment of the remaining balance on the seven-year anniversary of the Effective Date. Such monthly payments will begin on the first day of the first full month following the Effective Date. The Reorganized Debtor will execute a replacement note embodying the terms set forth herein and the holder of the Class 3 Claim shall retain its prepetition lien on the Property that secures the payments provided under the Plan.

3.4. Class 4: Class A Creditors.

Class 4 is impaired under this Plan and is entitled to vote to accept or reject the Plan. Because the holder of a Class 4 Claim is unsecured, such unsecured claim will be treated under Class 7.

3.5. Class 5: Koam Claim.

Class 5 is impaired under this Plan and is entitled to vote to accept or reject the Plan. Because the holder of a Class 5 Claim is unsecured, such unsecured claim will be treated under Class 7.

3.6. Class 6: Mechanic's Lien Claims Other Than Class 5.

Class 6 is impaired under this Plan and is entitled to vote to accept or reject the Plan. Because the holder of a Class 6 Claim is unsecured, such unsecured claim will be treated under Class 7.

3.7. Class 7: Allowed Unsecured Claims.

Class 7 is impaired under this Plan and is entitled to vote to accept or reject the Plan. Any Allowed General Unsecured Claim against the Debtor remaining unpaid on the Effective Date shall be paid their Pro Rata Share of \$100,000.00 by the New Investors 180 days after the Effective Date.

3.8. Class 8: Interest.

Class 8 is impaired under this Plan. The holders of Interests in the Debtor shall not receive or retain anything on account of their Interests and their Interests shall be cancelled as of the Effective Date. The New Investors shall acquire the equity interests of the Reorganized Debtor in consideration for funding the Plan.

ARTICLE IV
EXECUTION AND IMPLEMENTATION OF PLAN

4.1. The Administrative Expense Claims of all Professional Persons shall be paid by Reorganized Debtor on the later of (a) the Effective Date, (b) promptly upon approval of the Bankruptcy Court of requested fees, or (c) as otherwise agreed by the administrative creditors.

4.2. The Allowed Priority Claims shall be paid by Reorganized Debtor on the Effective Date or as otherwise agreed by the administrative creditors.

4.3. The Allowed Priority Tax Claims shall be paid by Reorganized Debtor within six (6) months of the Effective Date or as otherwise agreed by the administrative creditors.

4.4. Claims held by Debtor's creditors will be paid from (a) income from operations generated by Reorganized Debtor and/or (b) additional capital provided by the New

Investors. Moreover, funds needed to finish renovation of the Property and to operate the Property shall be paid by the New Investors.

ARTICLE V
PROVISIONS GOVERNING DISTRIBUTIONS

5.1. Allocation of Distributions. Distributions to any holder of an Allowed Claim shall be allocated first to the principal portion of any such Allowed Claim, and, only after the principal portion of any such Allowed Claim is satisfied in full, to any portion of such Allowed Claim comprising interest or other charges (but solely to the extent that such interest or other charges are an allowable portion of such Allowed Claim). All payments shall be made in accordance with the priorities established by the Bankruptcy Code.

5.2. Delivery of Distributions and Undeliverable Distributions. Distributions to Holders of Allowed Claims shall be made at the address of each such Holder as set forth on the Schedules filed with the Bankruptcy Court unless superseded by the address as set forth on the Proofs of Claim filed by such Holders or other writing notifying the Debtor of a change of address. If any Holder's distribution is returned as undeliverable, no further distributions to such Holder shall be made unless and until the Debtor is notified of such Holder's then current address, at which time all missed distributions shall be made to such Holder, without interest from the date of the first attempted distribution. All Claims for undeliverable distributions shall be made on or before sixty (60) days after the date such undeliverable distribution was initially made. After such date, all unclaimed property shall, in the discretion of the Debtor, be used to satisfy the costs of administering and fully consummating the Plan, to the extent such costs would otherwise be paid from available cash, or become available cash for distribution in accordance with the Plan, and the holder of any such Claim shall not be entitled to any other or further distribution under the Plan on account of such Claim.

5.3. Time Bar for Check Payments. The Debtor shall stop payment on any distribution check that is not cleared through the account upon which such check is drawn within ninety (90) days of the date of distribution. Distribution checks shall be mailed to the addresses

given in proofs of claim filed herein, or, as to those Claimants who did not file a proof of claim, to the addresses listed in the Debtor's Schedules, unless the Debtor receives other instructions in writing from such Claimant(s). All funds which are not distributed as a result of stopped checks shall become property of the Debtor. It shall be the obligation of each Claimant to provide written notice to the Debtor of any change of the Claimant's address.

5.4. Setoffs. Debtor may, in accordance with § 553 of the Bankruptcy Code and applicable non-bankruptcy law, setoff against any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and causes of action of any nature that the Debtor may hold against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor of any such claims, rights and causes of action that the Debtor may possess against such holder. The Debtor shall have the exclusive right and authority to settle claims and recognize setoff rights.

5.5. Cure Non-Compliance. If any party in interest holding any Allowed Claim fails to receive a payment as provided under the Plan, or if any party in interest questions the Debtor's compliance with the Plan in any way, such party shall give the Debtor written notice thereof, and the Debtor may cure such non-compliance within sixty (60) days of such notice.

5.6. No Distribution Pending Allowance. Notwithstanding any other provision of this Plan, no payments shall be distributed under this Plan on account of any Disputed Claim unless and until such Claim becomes an Allowed Claim.

5.7. Determination of Claims. The Debtor reserves the right to seek the estimation of any contingent Claim.

5.8. Resolution of Disputed Claims or Interests. Parties with standing may file objections to Claims within thirty (30) days of the Confirmation Date. If any Claim is the subject of an objection filed with the Court, or is based on a judgment which remains subject to

appeal or to which an appeal is pending, any payments to be made to the holder on account of such Claim shall be withheld and reserved until such time as the objection is resolved by settlement or a final and unappealable order of the Court is entered. Instead, the amount that would have been distributed on the disputed Claim if it were an Allowed Claim in the face amount of the Claim (the "Reserved Distribution") shall be withheld by the Debtor and deposited into a separate interest-bearing account until a Final Order of the Bankruptcy Court has resolved the disputed Claim. After the Final Order has resolved the disputed Claim, the holder of such disputed Claim shall be paid all or part of the Reserved Distribution based on the percentage by which the allowed amount bears to the face value of the disputed Claim, plus the interest accrued on such sums in the reserve account. With respect to distributions to the holders of disputed Claims subsequent to the Final Order resolving the disputed Claim, the holder of the disputed Claim shall participate therein based on the allowed amount of the disputed Claim in the manner provided in this Plan.

5.9. Estimation. The Debtor may, at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to § 502(c) of the Bankruptcy Code regardless of whether the Debtor has previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during litigation concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim which estimated amount may constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claims, the Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. On and after the Confirmation Date, Claims which have been estimated subsequently may be compromised, settled, withdrawn or otherwise resolved subject to approval by the Bankruptcy Court as provided in the Plan.

5.10. Reserve Accounts for Disputed Claims or Interests. On and after the Effective Date, the Debtor shall hold in the Disputed Claims Reserve, funds in an aggregate amount sufficient to pay to each Holder of a Disputed Claim the amount that such Holder would have been entitled to receive under the Plan if such Claim had been an Allowed Claim on the Effective Date. Funds withheld and reserved for payments to Holders of Disputed Claims shall be held and deposited by the Debtor in one or more segregated interest-bearing reserve accounts, as determined by the Debtor, to be used to satisfy such Claims if and when such Disputed Claims become Allowed Claims.

5.11. Investment of Disputed Claims Reserve. The Debtor shall be permitted, from time to time, in its sole discretion, to invest all or a portion of the funds in the Disputed Claims Reserve in interest-bearing savings accounts, United States Treasury Bills, interest-bearing certificates of deposit, tax exempt securities or investments permitted by § 345 of the Bankruptcy Code or otherwise authorized by the Bankruptcy Court, using prudent efforts to enhance the rates of interest earned on such funds without inordinate credit risk or interest rate risk. All interest earned on such funds shall be held in the Disputed Claims Reserve and, after satisfaction of any expenses incurred in connection with the maintenance of the Disputed Claims Reserve, including taxes payable on such interest income, if any, shall be transferred out of the Disputed Claims Reserve and, in the discretion of the Debtor, be used to satisfy the costs of administering and fully consummating the Plan or become available cash for distribution in accordance with the Plan.

5.12. Release of Funds from Disputed Claims Reserve. If at any time or from time to time after the Effective Date, there shall be funds in the Disputed Claims Reserve in an amount in excess of the Debtor's maximum remaining payment obligations to the then existing Holders of Disputed Claims under the Plan, such excess funds shall become available to the Debtor generally and shall, in the discretion of the Debtor be used to satisfy the costs of administering and fully consummating the Plan or become available cash for distribution in accordance with the Plan.

ARTICLE VI
TREATMENT OF EXECUTORY CONTRACTS

6.1 Assumption and Rejection of Executory Contracts. As of the Effective Date and pursuant to the Confirmation Order, the Debtor shall assume all executory contracts and unexpired leases that otherwise have not been assumed or rejected.

6.2 Approval of Assumption Executory Contracts. Entry of the Confirmation Order shall constitute the court's approval pursuant to § 365 of the Bankruptcy Code, of the assumption of such executory contract assumed pursuant to Section 6.1 of this Plan.

6.3 Bar Date for Filing Proof of Claims Relating to Rejection of Executory Contracts and Unexpired Leases. Claims arising out of the rejection of an Executory Contract or unexpired lease pursuant to Section 6.1 of the Plan must be filed with the Bankruptcy Court no later than thirty (30) days after the Confirmation Date. Any Claims not filed within such applicable time period will be forever barred from assertion against the Debtor and/or the Estate.

ARTICLE VII
EFFECT OF CONFIRMATION

7.1. Vesting of Assets. On the Effective Date, all property of Debtor's bankruptcy estate not otherwise specifically treated under this Plan shall become Reorganized Debtor's property.

7.2. Binding Effect. Except as otherwise provided in § 1141 of the Bankruptcy Code, on and after the Confirmation Date, the provisions of this Plan shall bind any holder of a Claim against, or Interests in, the Debtor and their respective successors and assigns, whether or not the holder of the Claim has timely filed a proof of its claim, the Claim or Interest of such holder is impaired under this Plan and whether or not such holder has accepted the Plan.

7.3. Avoidance. Except as otherwise expressly provided in the Plan or in the Confirmation Order, upon entry of the Confirmation Order, the following are avoided under this Plan: any liens arising out of or in connection with judgment liens, or any other liens against the Debtor, the Debtor's property or property of the Debtor's estate, including liens in favor of any Claimants not contemplated by this Plan. Lien creditors holding such avoided Claims shall

execute, and otherwise cooperate to affect, any releases reasonably required by the Debtor to obtain releases of such Claims.

7.4. Injunction Against Interference With The Plan. Upon entry of the Confirmation Order, all Holders of a Claim along with their respective present or former assignees, employees, agents, officers, directors or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

7.5. Injunction Against Certain Actions. As of the Confirmation Date, all holders of a Claim are permanently enjoined, from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) to enforce the Claim, or any guarantees of the Claim, against the Debtor or an Affiliate, or any of their property or any direct or indirect successor in interest to the Debtor or any property of any such successor; (b) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order relating to the Claim, or any guarantees of the Claim, against the Debtor or an Affiliate or any of their property or any direct or indirect successor in interest to the Debtor or any property of any such successor; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind relating to the Claim or any guarantees of the Claim, against the Debtor or an Affiliate or any of their property or any direct or indirect successor in interest to the Debtor or any property of any such successor; and (d) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan to the fullest extent permitted by applicable law.

7.6. Rights of Action. On and after the Confirmation Date, the Debtor shall have the exclusive right and standing to enforce for the benefit of the Debtor and its creditors, any and all present or future rights, claims or causes of action against any person and rights of the Debtor that arose before or after the Petition Date, including, but not limited to, rights,

claims, causes of action, avoiding powers, suits and proceedings arising under §§ 510, 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code. On and after the Confirmation Date, all persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtor for which the Debtor retains sole and exclusive authority to pursue in accordance with this Section.

7.7. Discharge. Confirmation of the Plan shall discharge all debts of and claims against the Debtor and its assets other than for obligations expressly provided by this Plan or the Confirmation Order. The discharge of the Debtor shall be effective as to each claim or interest regardless of whether a proof of claim therefore was filed, whether the claim is an Allowed Claim, or whether the holder thereof votes to accept or reject the Plan. On the Effective Date, as to every discharged claim or interest, any holder of such claim or interest shall be precluded from asserting against the Debtor or its assets, any other or further claim or interest based upon any document, instrument, act, omission, transaction or other activity of any kind or nature which occurred before the Effective Date. The order confirming the Plan shall provide that the commencement or continuation of any action, employment of process or act to collect, offset, enforce or recover the claims discharged are enjoined. Pursuant to § 524(e) of the Bankruptcy Code, the discharge of the Debtor does not affect the liability of any third party on a debt of the Debtor.

7.8. Exculpation. Neither the Debtor, any Affiliate or any of their respective directors, officers, employees, members, attorneys, attorneys of the members, consultants, advisors and agents (acting in such capacity) shall have or incur any liability to any entity for any act taken or omitted to be taken in connection with and subsequent to the commencement of the Chapter 11 Case, the formulation, preparation, dissemination, implementation, confirmation or approval of this Plan, any other plan of reorganization or any compromises or settlements contained herein, any disclosure statement related thereto or any contract, instrument, release or other agreement or document provided for or contemplated in connection with the transactions

set forth in the Plan or in connection with any other proposed plan; provided, however, that the foregoing provisions shall not affect the liability that otherwise would result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct. Each of the foregoing parties in all respects shall have been and shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities during the Chapter 11 Case and under this Plan.

7.9. Corporate Action. On the Effective Date, all matters provided in the Plan that would otherwise require approval of the equity holders, directors, managers and/or members of the Debtor will be deemed to have occurred and will be in effect from and after the Effective Date pursuant to applicable general business organizations law of the State of Maryland, without any requirement of further action by the officers, directors, managers, and/or members of the Debtor.

7.10. Exemption from Certain Transfer Taxes. To the extent that the issuance of an asset under the Plan falls within the exception of Bankruptcy Code § 1146(a), no stamp or similar tax is payable upon a transfer of such transfer. Pursuant to § 1146(a) of the Bankruptcy Code, any issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under a plan of reorganization, which is ultimately confirmed, is not taxable under any law imposing a stamp or similar tax. Moreover, any transfer of assets from the Debtor to any other entity (including the contemplated transfer of real property pursuant to the Plan) in accordance with, in contemplation of, or in connection with the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local government officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment pursuant to § 1146(a) of the Bankruptcy Code.

ARTICLE VIII
RETENTION OF JURISDICTION

8.1. Jurisdiction of the Bankruptcy Court. The Bankruptcy Court shall retain exclusive jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Case and this Plan pursuant to, and for the purposes of §§ 105(a) and 1142 of the Bankruptcy Code and for, among other things the following purposes until such time as the Debtor's obligations under the Plan are fully discharged:

a. Classify, allow or disallow Claims and direct distributions of funds under the Plan and to hear and determine any controversies pertaining thereto;

b. Hear and determine any and all applications, adversary proceedings and other matters arising out of or related to this Plan;

c. Enter and implement such orders as may be appropriate in the event the Confirmation Order is, for any reason, stayed, reversed, revoked or vacated, and/or if the Effective Date never occurs;

d. Liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated Claim;

e. Adjudicate all Claims to any lien on any of the Debtor's assets or any proceeds thereof;

f. Hear and determine matters concerning state, local and federal taxes pursuant to Bankruptcy Code Sections 346, 505, 525 and 1146;

g. Enforce and interpret the Plan and to hear and determine any dispute or any other matter arising out of or related to this Plan;

h. Enforce and interpret the discharge of Claims and interests effected by this Plan and to enter and implement such orders as may be appropriate with regard thereto;

i. Enter an order concluding and terminating the Chapter 11 case;
and

j. Such other purposes as the Court deems necessary and reasonable to carry out the intent and purposes of this Plan.

k. None of the foregoing shall prevent the Debtor, or other party with standing, from moving to close the Debtor's case in accordance with the provisions of the Bankruptcy Code.

ARTICLE IX
ACCEPTANCE OR REJECTION OF THIS PLAN

9.1. Voting of Claims. Each holder of an Allowed Claim or Interest in an impaired Class of Claims or Interests shall be entitled to vote to accept or reject this Plan.

9.2. Acceptance by a Class. Consistent with § 1126(c) of the Bankruptcy Code and except as provided for in § 1126(e) of the Bankruptcy Code, a Class of Claims shall have accepted this Plan if it is accepted by at least two-thirds in dollar amount and more than one-half in number of the holders of Allowed Claims of such Class that have timely and properly voted on this Plan.

9.3. Cram Down. The Debtor may utilize the provisions of § 1129(b) of the Bankruptcy Code to satisfy the requirements for confirmation of this Plan over the rejection, if any, of any Class entitled to vote to accept or reject this Plan.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1. Professional Fees and Expenses. All fees for services rendered and expenses incurred after the Confirmation Date by professionals engaged by the Debtor shall be paid by the Debtor in the ordinary course of business without the necessity of filing fee applications or seeking approval of the court.

10.2. Waiver of Certain Fees. All holders of Allowed Unsecured or Allowed Priority Claims, waive all penalties, default interest and/or late fees that may have accrued on their Claims. Nothing in this Plan shall impair or affect the holders of Allowed Secured Claims to collect penalties, default interest and/or late fees.

10.3. U.S. Trustee Fees. The Debtor is current, and shall remain current, in paying all fees owed to the United States Trustee until the Case is closed.

10.4. Payment of Statutory Fees. All fees payable to Chapter 123 of Title 28, United States Code, as determined by the Bankruptcy Court on the Confirmation Date, shall be paid by the Debtor.

10.5. Modification of Plan. The Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify this Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Debtor may, upon order of the Bankruptcy Court, amend or modify this Plan, in accordance with § 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan. A holder of an Allowed Claim or Interest that is deemed to have accepted this Plan shall be deemed to have accepted this Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim or Interest of such holder.

10.6. Withdrawal or Revocation. The Debtor may withdraw or revoke this Plan at any time prior to the Confirmation Date. If the Debtor revokes, or withdraws, this Plan prior to the Confirmation Date, or, if the Confirmation Date does not occur, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any other person in any further proceedings involving the Debtor.

10.7. Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

10.8. Notice to Debtor. Any notices, or requests of, the Debtor by parties in interest under or in connection with this Plan shall be in writing and served either by (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery, or (iii) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by James A. Vidmar, Esquire, Logan, Yumkas, Vidmar & Sweeney, LLC, 2530 Riva Road, Suite 400, Annapolis, Maryland 21401.

10.9. Severability. In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision of this Plan is invalid, void or unenforceable, the Bankruptcy Court, with the consent of the Debtor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

10.10. Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the United States of America and, when applicable, the State of Maryland, without giving effect to the principles of conflicts of law thereof.

10.11. Headings. Headings are used in this Plan for convenience and reference only, and shall not constitute a part of this Plan for any other purpose.

207 REDWOOD LLC

Dated: November 5, 2010

By: /s/ Siu Cheung
Siu Cheung, Managing Member of SLC
Solutions LLC, Managing Member to
207 Redwood Management LLC as
Manager to 207 Redwood LLC

Counsel:

/s/ James A. Vidmar
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Lisa Yonka Stevens, 27728
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lstevens@loganyumaks.com

Attorneys for Debtor

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 5th day of November 2010, notice of the filing of 207 Redwood LLC's Plan of Reorganization under Chapter 11 of the Bankruptcy Code was sent electronically to those parties listed on the docket as being entitled to such electronic notices.

/s/ James A. Vidmar
James A. Vidmar