

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION**

**IN RE:**

**CHAPTER 11**

**3 G PROPERTIES, LLC,**

**CASE NO. 10-04763-8-JRL**

**Debtor.**

**DEBTOR'S SECOND MODIFICATION TO PLAN OF REORGANIZATION**

NOW COMES 3 G Properties, LLC, Debtor-in-Possession in the above-referenced case ("Debtor"), and modifies its Plan of Reorganization filed on December 13, 2010, pursuant to 11 U.S.C. Section 1127(a), prior to confirmation as follows:

1. The modifications set out herein reflect those announced in open court on May 24, 2011, and also include additional modifications made in this Second Modification. **A conformed Plan treatment for Class 4 Capital Bank, Class 5 Southern Community, and Class 6 Southern Community, reflecting all modifications (Modification filed on May 23, 2011, announced modifications made in open court on May 24, 2011, and modifications made in this Second Modification) are set out at Paragraphs 3(F), 4(E), and 5(G) herein.** The Capital Bank Class 4 conformed treatment starts at the top of page 3; Southern Community Bank Class 5 conformed treatment starts at the bottom of page 5; and Southern Community Class 6 conformed treatment starts at the top of page 9 herein. **In addition, such conformed Plan treatments for Class 4 Capital Bank, Class 5 Southern Community, and Class 6 Southern Community are also set out on Exhibit A attached hereto.**

2. **New modifications set out in this Second Modification include (a) a \$65,000 cash contribution by the Debtor's member(s), to be paid into escrow prior to, and as a condition of, the Effective Date (See paragraphs 6 and 7, page 10 herein, regarding new Paragraph 1.27(A) "Member Contribution Escrow", and new Paragraph 1.20 definition of "Effective Date".** The Member Contribution Escrow is to be applied toward Class 6 Southern Community interest payment in the second year (see modified Paragraph 6.3(d)).

3. Paragraph 6.1, relating to the Class 4 secured claim of Capital Bank, is modified by:

A. Deleting subparagraph (c) (i) in its entirety and substituting in its place the following:

“(i) accrue interest, unpaid at the fixed, simple interest rate of 5% per annum, **or such other interest rate as determined by the Court as necessary to support Plan confirmation**, for a two year period from the Effective Date (the “Capital Bank Accrued Interest”)(*boldfaced portion is intended to reflect new modified addition, as announced in open court on May 24, 2011*)”;

B. Deleting subparagraph (c) (ii) in its entirety and substituting in its place the following:

“(ii) Upon closing of the Protherics Purchase Agreement as defined in Paragraph 1.32, the net sale proceeds, calculated to include payment of applicable broker commission, Quarterly Fee payable to the Court for the quarter in which the Protherics closing occurs, and other normal closing costs as a cost of sale, shall be applied (a) first an amount sufficient to prepay to Capital Bank one year’s interest only payment at the fixed simple rate of 5% per annum, **or such other interest rate as determined by the Court as necessary to support Plan confirmation**, for the time period from the Protherics closing date forward for a twelve month period (the “Extension Period”), and (b) then the balance of net sale proceeds shall be paid to Capital Bank for application to the Capital Bank Aggregate Balance; *(boldfaced portion is intended to reflect new modified addition, as announced in open court on May 24, 2011)*”;

C. Deleting subparagraph (c) (iii) in its entirety and substituting in its place the following:

“(iii) At the end of the Capital Bank Accrued Interest period or at the end of the Extension Period, whichever is applicable, Debtor shall dispose of the collateral subject to the Capital Bank Retained Security Interest **by one of the** following methods, with the selection of such method in the discretion of the Debtor: **(a) payoff the Capital Bank Aggregate Balance in full by refinance, third party equity investment, or combination of the two;** (b) sell the real property subject to the Capital Bank Retained Security Interest at public auction with Capital Bank retaining the right to credit bid at such auction; provided, however, if Capital Bank is the high bidder at such auction, it shall be required to affirmatively pay the auctioneer fees and costs, the applicable Quarterly Fee amount to the Court for the quarter in which the auction occurred, and applicable ad valorem taxes and other normal closing costs; or (c) transfer to Capital Bank all or part **of the remaining** subject real property **sufficient to satisfy the outstanding balance of the Capital Bank Aggregate Balance pursuant to a credit in an amount equal to the transferred real property’s Market Value as determined by the Court, less such discount amount determined as appropriate or necessary by the Court at the time of such proposed transfer (the “Surrender Credit”)**; *(boldfaced portion is intended to reflect either new modified addition, as announced in open court on May 24, 2011, or new modified language added by this Second Modification)*”;

D. Delete newly renumbered subparagraph (v), as renumbered by the Modification filed on May 23, 2011, in its entirety;

E. Renumber the new subparagraph “(vi)”, as renumbered by the Modification filed on May 23, 2011, to “(v)”;

**F. The Paragraph 6.1 treatment of the Class 4 secured claim of Capital Bank in its conformed entirety**, reflecting the treatment set out in the Plan of Reorganization filed on December 13, 2010, as modified by that Modification dated May 23, 2011, as modified by announced modifications on May 24, 2011 in open court and as modified by this Second Modification, **is as follows:**

“6.1 **Class 4 (Capital Bank):** The Class 4 secured claim of Capital Bank will be treated as follows:

(a) Capital Bank shall retain its deed of trust security interest as described in Paragraph 4.4, subject to the provisions of this Paragraph 6.1 (the “Capital Bank Retained Security Interest”);

(b) The outstanding balance of the Capital Bank, shall be calculated on a non-default basis, as of the Effective Date (the “Capital Bank Aggregate Balance”);

(c) The Capital Bank Aggregate Balance shall:

(i) accrue interest, unpaid at the fixed, simple interest rate of 5% per annum, or such other interest rate as determined by the Court as necessary to support Plan confirmation, for a two year period from the Effective Date (the “Capital Bank Accrued Interest”);

(ii) Upon closing of the Protherics Purchase Agreement as defined in Paragraph 1.32, the net sale proceeds, calculated to include payment of applicable broker commission, Quarterly Fee payable to the Court for the quarter in which the Protherics closing occurs, and other normal closing costs as a cost of sale, shall be applied (a) first an amount sufficient to prepay to Capital Bank one years’ interest only payment at the fixed simple rate of 5% per annum, or such other interest rate as determined by the Court as necessary to support Plan confirmation, for the time period from the Protherics closing date forward for a twelve month period (the “Extension Period”), and (b) then the balance of net sale proceeds shall be paid to Capital Bank for application to the Capital Bank Aggregate Balance;

(iii) At the end of the Capital Bank Accrued Interest period or at the end of the Extension Period, whichever is applicable, Debtor shall dispose of the collateral subject to the Capital Bank Retained Security Interest by one of the following methods, with the selection of such method in the discretion of the Debtor: (a) payoff the Capital Bank Aggregate Balance in full by refinance, third party equity investment, or combination of the two; (b) sell the real property subject to the Capital Bank Retained Security Interest at public auction with Capital Bank retaining the right to credit bid at such auction; provided, however, if Capital Bank is the high bidder at such auction, it shall be required affirmatively to pay the auctioneer fees and costs, the applicable Quarterly Fee amount to the Court for the quarter in which the auction occurred, and applicable ad valorem taxes and other normal closing costs; or (c) transfer to Capital Bank all or part of the remaining subject real property sufficient to satisfy the outstanding balance of the Capital Bank Aggregate Balance pursuant to a credit in an amount equal to the transferred real property’s Market Value as determined by the Court at the time of such proposed transfer, less such discount amount as determined by the Court as appropriate or necessary (the “Surrender Credit”);

(iv) Debtor shall have the right to sell portions of the Triangle Park North Real Property, free and clear of liens, with any minimum “release” payment (a) mutually agreed to by Debtor and Capital Bank, or (b) as determined by the Court; and

(v) Debtor shall retain the sale of timber proceeds held in its DIP account, approximating \$110,725.00, free and clear of liens, for use in payment of (a) cost of administration claims, including attorney for Debtor fees, (b) Quarterly fee payments, (c) insurance payments, and (d) ad valorem taxes.”

(d) No pre-payment penalty shall apply to the repayment of the Capital Bank Class 4 secured claim;

(e) Notwithstanding any loan document or deed of trust term or provision to the contrary, the provisions of this Paragraph 6.1 shall govern, control, amend and supercede all provisions relating to the Capital Bank Class 4 secured claim, the Capital Bank Aggregate Balance, and the Capital Bank Retained Security Interest.”

4. Paragraph 6.2, relating to the Class 5 secured claim of Southern Community (“Southern Community- Residential Tract”), is modified:

A. By deleting subparagraph (c)(i) in its entirety, and in its place substituting the following:

“(i) Debtor shall transfer to Southern Community, or its assigns, on an “as is” basis, free and clear of all liens, except subject to all outstanding ad valorem taxes, the Granville County Residential Tract, as that term is defined in Paragraph 1.23 herein, in return for a stipulated credit against the Southern Community- Residential Tract Aggregate Balance in the amount of \$3,000,000.00, **or such other amount equal to the transferred real property’s Market Value as determined by the Court at the time of such proposed transfer, less such discount amount as determined by the Court as appropriate or necessary (the “Transfer Credit”);**” *(boldfaced portion is intended to reflect new modified addition, as announced in open court on May 24, 2011);*

B. By deleting subparagraph (c)(ii) in its entirety, and substituting in its place the following:

“(ii) Any remaining balance of the Southern Community- Residential Tract Aggregate Balance after application of the Transfer Credit, excluding, however, in the calculation of such excess remaining balance **any** post-petition interest, cost, or attorney fees **from the Petition Date to the Effective Date** (the “Excess Residential Remainder”) shall be treated as set out in (iii) below;” *(boldfaced language is intended to reflect new modified language added by this Second Modification);*

C. By deleting subparagraph (c)(iii) in its entirety, and substituting in its place the following:

“(iii) The Excess Residential Remainder shall be secured by the New Southern Community Assigned Deed of Trust as defined in Paragraph 1.28 herein, accrue interest unpaid at the fixed, simple interest rate of 4.0% per annum, **or at such other interest rate as determined by the Court as necessary to support Plan confirmation**, and be due and payable **three** years from Effective Date; **provided, however, that at the expiration of the two year period calculated from the Effective Date, the Excess Residential Remainder shall be paid interest only for a twelve month period at a 5% fixed, simple rate of interest, or at such other interest rate as determined by the Court as necessary to support Plan confirmation (the “Excess Residential Remainder Interest Only Period”)**” (*boldfaced portion is intended to reflect new modified addition, as announced in open court on May 24, 2011, or as added by this Second Amendment*);

D. By adding the following subparagraph (e):

“(e) **Notwithstanding any loan document or deed of trust term or provision to the contrary, the provisions of this Paragraph 6.2 shall govern, control, amend and supercede all provisions relating to the Southern Community Bank Class 5 secured claim, the Southern Community-Residential Tract Aggregate Balance, and the Excess Residential Remainder.**”(*boldfaced portion is intended to reflect new modified addition, as added by this Second Amendment*);

E. **The Paragraph 6.2 treatment of the Class 5 secured claim of Southern Community in its conformed entirety**, reflecting the treatment set out in the Plan of Reorganization filed on December 13, 2010, as modified by that Modification dated May 23, 2011, as modified by announced modifications on May 24, 2011 in open court, and as modified by this Second Modification, **is as follows:**

“6.2 **Class 5 (Claim of Southern Community- Residential Tract):** The Class 5 secured claim of Southern Community (“Southern Community- Residential Tract”) will be treated as follows:

(a) Southern Community shall retain its deed of trust interest on Debtor’s Real Property as described in Paragraph 4.5, subject to the provisions of this Paragraph 6.2 (the “Southern Community- Residential Tract Retained Security Interest”);

(b) The outstanding balance of the Southern Community- Residential Tract Class 5 Claim shall be calculated on a non-default basis, other than application of any default rate of interest, if applicable, as of the Effective Date and combined into a single aggregate amount (collectively, the “Southern Community- Residential Tract Aggregate Balance”);

(c) The Southern Community- Residential Tract Aggregate Balance shall be paid and

satisfied as follows:

(i) Debtor shall transfer to Southern Community, or its assigns, on an “as is” basis, free and clear of all liens, except subject to all outstanding ad valorem taxes, the Granville County Residential Tract, as that term is defined in Paragraph 1.23 herein, in return for a stipulated credit against the Southern Community- Residential Tract Aggregate Balance in the amount of \$3,000,000.00, or at such other amount equal to the transferred real property’s Market Value as determined by the Court at the time of such proposed transfer, less a ten percent discount, or less such other discount amount as determined by the Court as appropriate or necessary (the “Transfer Credit”);

(ii) Any remaining balance of the Southern Community- Residential Tract Aggregate Balance after application of the Transfer Credit, excluding, however, in the calculation of such excess remaining balance any post-petition interest, cost, or attorney fees from the Petition Date to the Effective Date (the “Excess Residential Remainder”) shall be treated as set out in (iii) below;

(iii) The Excess Residential Remainder shall be secured by the New Southern Community Assigned Deed of Trust as defined in Paragraph 1.28 herein, accrue interest unpaid at the fixed, simple interest rate of 4.0% per annum, or such other interest rate as determined by the Court as necessary to support Plan confirmation, and be due and payable three years from Effective Date; provided, however, that at the expiration of the two year period calculated from the Effective Date, the Excess Residential Remainder shall be paid interest only for a twelve month period at a 5% fixed, simple rate of interest, or at such other interest rate as determined by the Court as necessary to support Plan confirmation (the “Excess Residential Remainder Interest Only Period”);

(d) No pre-payment penalty shall apply to the repayment of the Southern Community- Residential Tract Class 5 Claim.

(e) Notwithstanding any loan document or deed of trust term or provision to the contrary, the provisions of this Paragraph 6.2 shall govern, control, amend and supercede all provisions relating to the Southern Community Bank Class 5 secured claim, the Southern Community-Residential Tract Aggregate Balance, and the Excess Residential Remainder.”

5. Paragraph 6.3, relating to the Class 6 secured claim of Southern Community (“Southern Community- Commercial Tract”), is modified by:

A. Deleting subparagraphs (a), (b), and (c) in their entirety and substituting in their place the following:

“(a) Southern Community shall retain its deed of trust interest in Debtor’s Granville County Commercial Tract as described in Paragraph 4.6, to the extent of, and subject to and limited by, the amount of \$2,500,000, **or such other amount that the Court determines constitutes the value of Southern Community’s collateral**, and subject to the provisions of this Paragraph 6.2 (the “Southern Community- Commercial Tract Retained Security Interest”);

(b) The outstanding balance of the Southern Community- Commercial Tract claim, shall be calculated, as of the Effective Date, excluding, however, in the calculation of such outstanding balance the inclusion of interest, costs or attorney fees **incurred between the Petition Date and the Effective Date** (the “Southern Community- Commercial Tract Aggregate Balance”);

(c) the difference between the **Southern Community- Commercial Tract Retained Security Interest** and the Southern Community- Commercial Tract Aggregate Balance, calculated as provided in (b) above, shall be referred to as the “Excess Commercial Remainder;” *(boldfaced portions of (a) - (c) is intended to reflect new modified addition, as announced in open court on May 24, 2011 or new modified language added by this Second Modification)*;

B. Deleting subparagraph (d) in its entirety and substituting in its place the following:

“(d) **if applicable because not paid, the Southern Community- Commercial Tract Aggregate Balance** shall (i) accrue interest unpaid at 5% fixed, simple rate of interest, **or at such other interest rate as determined by the Court as necessary to support Plan confirmation**, for a one year period from the Effective Date, (ii) **accrue interest at 5% fixed, simple rate of interest, or at such other interest rate as determined by the Court as necessary to support Plan confirmation, for the second year period from the Effective Date, with a \$65,000 portion of such second year interest amount being actually paid to Southern Community from the “Member Contributed Escrow” as defined in Paragraph 1.27(A) (with such payments being made in equal monthly installments of 1/12th of the Member Contributed Escrow beginning on the 13<sup>th</sup> monthly anniversary of the Effective Date), and the balance of such amount being accrued and added to the Southern Community- Commercial Tract Aggregate Balance, but not paid (the interest to be accrued under (i) and (ii) above are collectively referred to as the “Southern Community Accrued Interest”)**; and (iii) **at the expiration of the two year period calculated from the Effective Date, the Southern Community- Commercial Tract Aggregate Balance, which Balance shall have added to it the Southern Community Accrued Interest**, shall be paid interest only for a twelve month period at 5% fixed, simple rate of interest, **or at such other interest rate as determined by the Court as necessary to support Plan confirmation** (the “Southern Community Interest Only Period”); *(boldfaced portion is intended to reflect either new modified addition, as announced in open court on May 24, 2011, or new language added by this Second Modification)*;

C. Deleting subparagraph (e) (as renumbered from old “(f)” pursuant to the May 23, 2011 Modification) in its entirety, and substituting in its place the following:

“(e) the Excess Commercial Remainder shall be secured by the New Southern Community Deed of Trust as defined in Paragraph 1.28, accrue interest

unpaid at the fixed, simple interest rate of 4% per annum, **or at such other interest rate as determined by the Court as necessary to support Plan confirmation**, and be due and payable **three** years from the Effective Date; **provided, however, that at the expiration of the two year period calculated from the Effective Date, the Excess Commercial Remainder shall be paid interest only for a twelve month period at a 5% fixed, simple rate of interest, or at such other interest rate as determined by the Court as necessary to support Plan confirmation (the “Excess Commercial Remainder Interest Only Period”);**” (*boldfaced portion is intended to reflect new modified addition, either as reflected in the May 23, 2011 Modification, as announced in open court on May 24, 2011, or as added by this Second Amendment*);

D. Deleting subparagraph (f) (as renumbered from old “(g)” pursuant to the May 23, 2011 Modification) in its entirety, and substituting in its place the following:

“(f) the Southern Community Accrued Interest **and the Southern Community- Commercial Tract Aggregate Balance** shall be secured by the New Southern Community Deed of Trust as defined in Paragraph 1.28, **and the Southern Community- Commercial Tract Aggregate Balance, the Excess Commercial Remainder, and the Southern Community Accrued Interest** shall be due and payable **three** years from the Effective Date;” (*boldfaced portion is intended to reflect new modified addition, either as reflected in the May 23, 2011 Modification, or as announced in open court on May 24, 2011*);

E. Deleting subparagraph (g) (as renumbered from old “(h)” pursuant to the May 23, 2011 Modification) in its entirety, and substituting in its place the following:

(g) any sale of a portion of the Triangle Park Tract pursuant to Paragraph 6.1(c)(iv), shall be free and clear of the New Southern Community Assigned Deed of Trust, **unless and until all superior deeds of trust have been satisfied in full;** (*boldfaced portion intended to reflect new language added by this Second Modification*);

F. By adding the following subparagraph (j):

“(j) **Notwithstanding anything to the contrary contained herein, any and all net proceeds (calculated to include applicable broker commissions, Quarterly Fee payable to the Court for the quarter in which the sale occurs, and any other normal closing costs as a cost of sale) received from the sale of the Southern Community-Commercial Tract shall be paid to Southern Community Bank.** (*boldfaced portion intended to reflect new language added by this Second Modification*);

G. **The Paragraph 6.3 treatment of the Class 6 secured claim of Southern Community in its conformed entirety**, reflecting the treatment set out in the Plan of Reorganization filed on December 13, 2010, as modified by that Modification dated May



23, 2011, as modified by announced modifications on May 24, 2011 in open court, and as modified by this Second Modification, **is as follows:**

“6.3 **Class 6 (Southern Community- Commercial Tract):** The Class 6 secured claim secured claim of Southern Community (“Southern Community- Commercial Tract”) will be treated as follows:

(a) Southern Community shall retain its deed of trust interest in Debtor’s Granville County Commercial Tract as described in Paragraph 4.6, to the extent of, and subject to and limited by, the amount of \$2,500,000, or such other amount that the Court determines constitutes the value of Southern Community’s collateral, and subject to the provisions of this Paragraph 6.2 (the “Southern Community- Commercial Tract Retained Security Interest”);

(b) The outstanding balance of the Southern Community- Commercial Tract claim, shall be calculated, as of the Effective Date, excluding, however, in the calculation of such outstanding balance the inclusion of interest, costs or attorney fees incurred between the Petition Date and the Effective Date (the “Southern Community- Commercial Tract Aggregate Balance”);

(c) the difference between the Southern Community- Commercial Tract Retained Security Interest and the Southern Community- Commercial Tract Aggregate Balance, calculated as provided in (b) above, shall be referred to as the “Excess Commercial Remainder”;

(d) if applicable because not paid, the Southern Community- Commercial Tract Aggregate Balance shall (i) accrue interest unpaid at 5% fixed, simple rate of interest, or at such other interest rate as determined by the Court as necessary to support Plan confirmation, for a one year period from the Effective Date, (ii) accrue interest at 5% fixed, simple rate of interest, or at such other interest rate as determined by the Court as necessary to support Plan confirmation, for the second year period from the Effective Date, with a \$65,000 portion of such second year interest amount being actually paid to Southern Community from the “Member Contributed Escrow” as defined in Paragraph 1.27(A) (with such payments being made in equal monthly installments of 1/12th of the Member Contributed Escrow beginning on the 13<sup>th</sup> monthly anniversary of the Effective Date), and the balance of such amount being accrued and added to the Southern Community- Commercial Tract Aggregate Balance, but not paid (the interest to be accrued under (i) and (ii) above are collectively referred to as the “Southern Community Accrued Interest”); and (iii) at the expiration of the two year period calculated from the Effective Date, the Southern Community- Commercial Tract Aggregate Balance, which Balance shall have added to it the Southern Community Accrued Interest, shall be paid interest only for a twelve month period at 5% fixed, simple rate of interest, or at such other interest rate as determined by the Court as necessary to support Plan confirmation (the “Southern Community Interest Only Period”);

(e) the Excess Commercial Remainder shall be secured by the New Southern Community Deed of Trust as defined in Paragraph 1.28, accrue interest unpaid at the fixed, simple interest rate of 4% per annum, or at such other interest rate as determined by the Court as necessary to support Plan confirmation, and be due and payable three years from the Effective Date; provided, however, that at the expiration of the two year period calculated from the Effective Date, the Excess Commercial Remainder shall be paid interest only for a twelve month period at a 5% fixed, simple rate of interest, or at such other interest rate as determined by the Court as necessary

to support Plan confirmation (the “Excess Commercial Remainder Interest Only Period”);

(f) the Southern Community Accrued Interest and the Southern Community-Commercial Tract Aggregate Balance shall be secured by the New Southern Community Deed of Trust as defined in Paragraph 1.28, and the Southern Community- Commercial Tract Aggregate Balance, the Excess Commercial Remainder, and the Southern Community Accrued Interest shall be due and payable three years from the Effective Date;

(g) any sale of a portion of the Triangle Park Tract pursuant to Paragraph 6.1(c)(iv), shall be free and clear of the New Southern Community Assigned Deed of Trust, unless and until all superior deeds of trust have been satisfied in full;

(h) No pre-payment penalty shall apply to the repayment of the Southern Community Class 6 claim;

(i) Notwithstanding any loan document or deed of trust term or provision to the contrary, the provisions of this Paragraph 6.3 shall govern, control, amend and supercede all provisions relating to the Southern Community Class 6 secured claim, the Southern Community-Commercial Tract Retained Security Interest, and the Southern Community- Commercial Tract Aggregate Balance.

(j) Notwithstanding anything to the contrary contained herein, any and all net proceeds (calculated to include applicable broker commissions, Quarterly Fee payable to the Court for the quarter in which the sale occurs, and any other normal closing costs as a cost of sale) received from the sale of the Southern Community-Commercial Tract shall be paid to Southern Community Bank.”

6. A new Paragraph 1.27(A) is added as follows:

“1.27(A) “**Member Contribution Escrow**” shall mean the sum of \$65,000 to be contributed upon Plan confirmation by James D. Goldston, III and/or James M. Adams, Sr., comprising the Class 14 Member Interests, and paid into the Nicholls & Crampton, P.A. Administrative Trust Account within fifteen (15) days of the Confirmation Order becoming a Final Order. Such payment shall be made prior to, and as a condition precedent of, the Plan Effective Date, as defined in Paragraph 1.20. The \$65,000 amount shall be held in trust by counsel of record for the Debtor, to be applied toward the second year interest payment on the Class 6 Southern Community secured claim, as provided in Paragraph 6.3(d), if applicable.”

7. Paragraph 1.20, entitled “Effective Date” is modified by deleting that paragraph in its entirety and substituting in its place the following:

“1.20 “**Effective Date**” shall mean the latest date upon which (a) the date for appeal of Confirmation has expired, (b) there is no appeal pending to the Order of Confirmation, and (c) the \$65,000 Member Contribution Escrow amount has been paid into the Nicholls & Crampton, P.A. Administrative Trust Account as provided in Paragraph 1.27(A).”

8. Paragraph 6.4 relating to the Class 7 secured claim of Granville County (“Granville County”) is modified by:

A. Deleting paragraph (c) in its entirety and substituting in its place the following:

“(c) any sale of a portion of the Triangle Park Tract pursuant to Paragraph 6.1(c)(iv), shall be free and clear of the Granville County Retained Security Interest, unless and until all superior deeds of trust have been satisfied in full;”

B. A new subparagraph (f) is added as follows:

“(f) Provided that Granville County accepts the treatment provided herein and does not object to the confirmation of the Plan, as amended, the Debtor shall work together with and will permit Granville County and Kerr-Tar Non-Profit through James C. Wrenn, and the retained counsel Michael Ortiz, to utilize the funds currently held by James C. Wrenn, as Escrow Agent, pursuant to that certain Memorandum of Understanding dated June 10, 2010, to complete any and all remaining construction work to be done on the Triangle Park North property relating to the water and sewer project, as well as resolve any debts outstanding and pursue any viable claims (liquidating, without limitation, the payment of attorneys fees and costs to Michael Ortiz), and, if any funds remain after the water and sewer project is completed and if authorized to do so by the Kerr-Tar Non-Profit, to complete any and all remaining construction work to be done on the Triangle Park North property relating to the roadway project.”

Respectfully submitted this 27th day of May, 2011.

*s/Gregory B. Crampton*  
\_\_\_\_\_  
Gregory B. Crampton  
State Bar No. 991  
Kevin L. Sink  
State Bar #21041  
NICHOLLS & CRAMPTON, P.A.  
P. O. Box 18237  
Raleigh, NC 27619  
Telephone: 919-781-1311  
Attorneys for Debtor

**EXHIBIT A**

6.1 **Class 4 (Capital Bank):** The Class 4 secured claim of Capital Bank will be treated as follows:

(a) Capital Bank shall retain its deed of trust security interest as described in Paragraph 4.4, subject to the provisions of this Paragraph 6.1 (the “Capital Bank Retained Security Interest”);

(b) The outstanding balance of the Capital Bank, shall be calculated on a non-default basis, as of the Effective Date (the “Capital Bank Aggregate Balance”);

(c) The Capital Bank Aggregate Balance shall:

(i) accrue interest, unpaid at the fixed, simple interest rate of 5% per annum for a two year period from the Effective Date (the “Capital Bank Accrued Interest”);

(ii) upon closing of the Protherics Purchase Agreement as defined in Paragraph 1.32, the net sale proceeds shall be applied as follows: (a) to payment of the Capital Bank Accrued Interest in the amount that has accrued unpaid as of Closing Date (from Effective Date through Closing Date); (b) \$1,370,000 as a principal reduction payment; (c) \$200,000 to be escrowed in an interest bearing account to be used for the payment of the Capital Bank Accrued Interest, and (d) balance to be used by Debtor, in its reasonable discretion, to meet Plan implementation payments or costs, not limited to Class 4 Capital Bank or the Triangle Park North Real Property;

(iii) upon expiration of the Capital Bank Accrued Interest period, interest only payments on the Capital Bank Aggregate Balance shall be made monthly at the fixed, simple interest rate of 5% per annum for a twelve month period (the “Interest Only Period”);

(iv) upon expiration of the Interest Only Period, the outstanding Capital Bank Aggregate Balance shall be amortized for 25 years at 5% fixed, simple rate of interest per annum, subject to a two year call (the “Amortization Payments”);

(v) Debtor shall have the right to sell portions of the Triangle Park North Real Property, free and clear of liens, with any minimum “release” payment (a) mutually agreed to by Debtor and Capital Bank, or (b) as determined by the Court; and

(vi) Debtor shall have the right to transfer portions of the Triangle Park North Real Property to Capital Bank for a stipulated credit in an amount equal to its Market Value as determined by the Court, less a ten percent discount (the “Surrender Credit”). Any Surrender Credit shall first be applied to Debtor’s Interest Only Period payments, then to its full Amortization Payments, and then to reduction of principal.

(d) No pre-payment penalty shall apply to the repayment of the Capital Bank Class 4 secured claim;

(e) Notwithstanding any loan document or deed of trust term or provision to the contrary, the provisions of this Paragraph 6.1 shall govern, control, amend and supercede all provisions relating to the Capital Bank Class 4 secured claim, the Capital Bank Aggregate Balance, and the Capital Bank Retained Security Interest.

6.2 **Class 5 (Claim of Southern Community- Residential Tract):** The Class 5 secured claim of Southern Community (“Southern Community- Residential Tract”) will be treated as follows:

(a) Southern Community shall retain its deed of trust interest on Debtor’s Real Property as described in Paragraph 4.5, subject to the provisions of this Paragraph 6.2 (the “Southern Community- Residential Tract Retained Security Interest”);

(b) The outstanding balance of the Southern Community- Residential Tract Class 5 Claim shall be calculated on a non-default basis, other than application of any default rate of interest, if applicable, as of the Effective Date and combined into a single aggregate amount (collectively, the “Southern Community- Residential Tract Aggregate Balance”);

(c) The Southern Community- Residential Tract Aggregate Balance shall be paid and satisfied as follows:

(i) Debtor shall transfer to Southern Community, or its assigns, on an “as is” basis, free and clear of all liens, except subject to all outstanding ad valorem taxes, the Granville County Residential Tract, as that term is defined in Paragraph 1.23 herein, in return for a stipulated credit against the Southern Community- Residential Tract Aggregate Balance in the amount of \$3,000,000.00 (the “Transfer Credit”);

(ii) Any remaining balance of the Southern Community- Residential Tract Aggregate Balance after application of the Transfer Credit, excluding, however, in the calculation such excess remaining balance the inclusion of post-petition interest, costs or attorney fees (the “Excess Residential Remainder”) shall be treated as set out in (iii) below;

(iii) The Excess Residential Remainder shall be secured by the New Southern Community Assigned Deed of Trust as defined in Paragraph 1.28 herein, accrue interest unpaid at the fixed, simple interest rate of 4.0% per annum, and be due and payable five years from Effective Date;

(d) No pre-payment penalty shall apply to the repayment of the Southern Community- Residential Tract Class 5 Claim.

6.3 **Class 6 (Southern Community- Commercial Tract):** The Class 6 secured claim secured claim of Southern Community (“Southern Community- Commercial Tract”) will be treated as follows:

(a) Southern Community shall retain its deed of trust interest in Debtor’s Granville County Commercial Tract as described in Paragraph 4.6, to the extent of, and subject to and limited by, the amount of \$2,500,000, and subject to the provisions of this Paragraph 6.2 (the

“Southern Community- Commercial Tract Retained Security Interest”);

(b) The outstanding balance of the Southern Community- Commercial Tract claim, shall be calculated on a non-default basis, as of the Effective Date excluding, however, in the calculation such outstanding balance the inclusion of post-petition interest, costs or attorney fees (the “Southern Community- Commercial Tract Aggregate Balance”);

(c) the difference between the \$2,500,000 Southern Community- Commercial Tract Retained Security Interest and the Southern Community- Commercial Tract Aggregate Balance, calculated as provided in (b) above, shall be referred to as the “Excess Commercial Remainder”;

(d) the \$2,500,000 Southern Community- Commercial Tract Retained Security Interest amount shall (i) accrue interest (the “Southern Community Accrued Interest”) unpaid for a two year period from the Effective Date (the “Southern Community Accrued Interest Period”); (ii) at the expiration of the Southern Community Accrued Interest Period, the \$2,500,000 Southern Community- Commercial Tract amount shall be paid interest only for a twelve month period at 5% fixed, simple rate of interest (the “Southern Community Interest Only Period”);

(e) upon the expiration of the Southern Community Interest Only Period, the outstanding balance of the Southern Community- Commercial Tract Retained Security Interest shall be amortized for a 25 year period at 5% fixed, simple rate of interest, and subject to a 2 call;

(f) the Excess Commercial Remainder shall be secured by the New Southern Community Deed of Trust as defined in Paragraph 1.28, accrue interest unpaid at the fixed, simple interest rate of 4% per annum, and be due and payable five years from the Effective Date;

(g) the Southern Community Accrued Interest shall be secured by the New Southern Community Deed of Trust as defined in Paragraph 1.28, and be due and payable five years from the Effective Date;

(h) any sale of a portion of the Triangle Park Tract pursuant to Paragraph 6.1(c)(v), shall be free and clear of the New Southern Community Assigned Deed of Trust;

(i) No pre-payment penalty shall apply to the repayment of the Southern Community Class 6 claim;

(j) Notwithstanding any loan document or deed of trust term or provision to the contrary, the provisions of this Paragraph 6.3 shall govern, control, amend and supercede all provisions relating to the Southern Community Class 6 secured claim, the Southern Community- Commercial Tract Retained Security Interest, and the Southern Community- Commercial Tract Aggregate Balance.

**CERTIFICATE OF SERVICE**

It is hereby certified that the foregoing DEBTOR'S SECOND MODIFICATION TO PLAN OF REORGANIZATION was served this day by e-mail transmission as noted and by placing a copy thereof in a depository under the exclusive care and custody of the United States Postal Service in postage prepaid envelopes and properly addressed as follows:

VIA CM/ECF EMAIL SERVICE ONLY  
Brian Behr  
Office of the Bankruptcy Administrator  
United States Bankruptcy Court  
Eastern District of North Carolina  
P. O. Box 3758  
Wilson, NC 27895-3758

3 G Properties, LLC  
818 South White Street  
Wake Forest, NC 27587

VIA CM/ECF EMAIL SERVICE ONLY  
Paul A Fanning  
*Attorney for Capital Bank*  
WARD AND SMITH, P.A.  
P.O. Box 8088  
Greenville, NC 27835-8088

VIA CM/ECF EMAIL SERVICE ONLY  
Ashley S. Rusher  
*Attorney for Southern Community*  
Blanco Tackabery & Matamoros, P.A.  
Post Office Drawer 25008  
Winston-Salem, NC 27114-5008

VIA CM/ECF EMAIL SERVICE ONLY  
Douglas Q. Wickham  
*Attorney for Granville County*  
Hatch, Little & Bunn, LLP  
P.O. Box 527  
Raleigh, NC 27602

James C. Wrenn, Jr.  
*Attorney for Granville County and Kerr-Tar*  
Hopper Hicks and Wrenn, PLLC  
Post Office Box 247  
Oxford, NC 27565-0247

This the 27th day of May, 2011.

*s/Sheliah M. Denney*  
\_\_\_\_\_  
Sheliah M. Denney  
Paralegal