UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re:	**CHAPTER 11**
BRAY & GILLESPIE MANAGEMENT, LLC, et al.,	**CASE NO.: 3:08-bk-05473-JAF**
Debtors. _____/	**Jointly-Administered with cases no. 3:08-bk-05474 through 3:08-bk-05551**

JOINT AMENDED DISCLOSURE STATEMENT PURSUANT TO 11 U.S.C. §1125 FOR BRAY & GILLESPIE MANAGEMENT, LLC, ET AL.

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April 3, 2009

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I. INTRODUCTION AND SUMMARY

This Joint Amended Disclosure Statement ("Disclosure Statement") is filed pursuant to the requirements of §1125 of Title 11 of the United States Code (the "Code"). This Disclosure Statement is intended to provide adequate information to enable holders of claims in the above-captioned bankruptcy cases ("Bankruptcy Cases") to make informed judgments about the Joint Plan of Reorganization (the "Plan") submitted by Bray & Gillespie Management, LLC, d/b/a Ocean Waters Management (“B&G Management”), and seventy-eight (78) of its affiliated or related debtors and debtors-in-possession as set forth in Exhibit “A” (collectively, B&G Management and certain affiliates and related entities listed on Exhibit “A” hereafter referred to as “Debtors”). The Debtors are soliciting votes to accept the Plan. The overall purpose of the Plan is to provide for the restructuring of the Debtors’ liabilities in a manner designed to maximize recoveries to all stakeholders. The Debtors believe that the Plan provides the best means currently available for their emergence from Chapter 11 and the best recoveries possible for holders of claims and interests against the Debtors, and thus strongly recommend that you vote to accept the Plan.

THIS DISCLOSURE STATEMENT AND ITS RELATED DOCUMENTS ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT

TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT THE PLAN. THIS INTRODUCTION AND SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE REMAINING PORTIONS OF THIS DISCLOSURE STATEMENT, AND THIS DISCLOSURE STATEMENT IN TURN IS QUALIFIED, IN ITS ENTIRETY, BY THE PLAN. THE PLAN IS AN INTEGRAL PART OF THIS DISCLOSURE STATEMENT, AND ANY HOLDER OF ANY CLAIM OR INTEREST SHOULD READ AND CONSIDER THE PLAN CAREFULLY IN LIGHT OF THIS DISCLOSURE STATEMENT IN MAKING AN INFORMED JUDGMENT ABOUT THE PLAN. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN, THE PLAN CONTROLS. ALL CAPITALIZED TERMS USED IN THIS DISCLOSURE STATEMENT SHALL HAVE THE DEFINITIONS ASCRIBED TO THEM IN THE PLAN UNLESS OTHERWISE DEFINED HEREIN.

NO REPRESENTATION CONCERNING THE DEBTORS IS AUTHORIZED OTHER THAN AS SET FORTH HEREIN. ANY REPRESENTATIONS OR INDUCEMENTS MADE WHICH ARE OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON IN ARRIVING AT A DECISION ABOUT THE PLAN.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO AUDIT. FOR THAT REASON, AS WELL AS THE COMPLEXITY OF THE DEBTORS' BUSINESSES AND FINANCIAL AFFAIRS, AND THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES, AND PROJECTIONS WITH COMPLETE ACCURACY, THE DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT INACCURACY, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THIS DISCLOSURE STATEMENT INCLUDES FORWARD LOOKING STATEMENTS BASED LARGELY ON THE DEBTOR'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS AND ARE SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN.

THE PLAN PROVIDES FOR RELEASES OF, AND INJUNCTIVE RELIEF TO PROTECT, CERTAIN PERSONS WHO ARE EITHER (1) PROVIDING CONSIDERATION TO THE ESTATE AND REORGANIZED DEBTORS, (2) SUBSTANTIALLY COMPROMISING THEIR CLAIMS, OR (3) WILL BE CRITICAL LENDERS, CUSTOMERS, OR VENDORS OF REORGANIZED DEBTORS. THE PERSONS SO PROTECTED, AND THE SCOPE OF THE RELEASES AND INJUNCTION, ARE DEFINED IN ARTICLE VIII OF THE PLAN AND ARTICLE V HEREOF. IF THE PLAN IS CONFIRMED ALL PERSONS SPECIFIED IN THESE PROVISIONS OF THE PLAN WILL BE RELEASED FROM THE CLAIMS OF THE DEBTORS AND ANY CREDITOR AND PARTY IN INTEREST IN THESE CASES.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, CAUSES OF ACTION, AND OTHER ACTIONS, THE DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

B&G Management is a debtor under Chapter 11 of the Code in a bankruptcy case pending in the United States Bankruptcy Court for the Middle District of Florida, Jacksonville Division (the "Bankruptcy Court"). In addition to B&G Management, as of Petition Date there were 78 affiliates and related companies of B&G Management. A complete list of the Debtors is attached hereto as **Exhibits "A"** and is incorporated herein by reference. An organizational chart is available upon request.

As prescribed by the Code and the Rules, Claims asserted against, and equity Interests in, the Debtors are placed into "Classes". The Plan contemplates the substantive consolidation of the Chapter 11 Cases, as further detailed in the Plan. Accordingly, the Plan contains only two (2) Classes of Unsecured Claims (one Class for those that opt to have assets remain as part of the Reorganized Debtors and one for those that opt-out). Pursuant to the Confirmation Order, on the Confirmation Date: (i) all assets and all proceeds thereof, and all liabilities of the ten reorganized debtors (collectively, the "Reorganized Debtors") will be treated as though the assets and liabilities

were merged into the respective Reorganized Debtors (Arbor Co., Hotel Co. Land Co., Asset Co., Management Co., Holding Co., LNR Co., ING Co., Wells-one Co., and Wells-two Co.); (ii) all Allowed Claims and Claims among the Reorganized Debtors (Intercompany Claims) will receive no distribution under the Plan; (iii) any obligation of any Reorganized Debtor, and all guarantees thereof executed by one or more of the Reorganized Debtors, and any Claims in a case of a proponent hereof, filed or to be filed in connection with any such obligation and guarantee will be deemed one Claim against the respective Reorganized Debtor; (iv) each and every Claim filed in the individual Chapter 11 Case of any of the Reorganized Debtors will be deemed filed against the respective Reorganized Debtor; and (v) for purposes of determining the availability of the right of set-off under Section 553 of the Bankruptcy Code, the respective Reorganized Debtor shall be treated for purposes of the Plan as one entity so that, subject to the other provisions of Section 553 of the Bankruptcy Code, debts due to any of the respective Reorganized Debtors may be setoff against the debts of any of the Reorganized Debtors. The classification of Claims and the treatment of each Class is discussed in detail below. A chart identifying the anticipated Post Confirmation organizational structure is attached hereto as **Exhibit "B"** and is incorporated herein by reference.

To the extent the legal, contractual, or equitable rights with respect to any Claim or Interest asserted against the Debtors are altered, modified or changed by treatment proposed under the Plan, such Claim or Interest is considered "Impaired," and the holder of such Claim or Interest is entitled to vote in favor of or against the Plan. A Ballot for voting in favor of or against the Plan ("Ballot") will be mailed along with the order approving this Disclosure Statement.

THE VOTE OF EACH CREDITOR OR INTEREST HOLDER WITH AN IMPAIRED CLAIM OR INTEREST IS IMPORTANT. TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED AT THE ADDRESS AND BY THE DATE SET FORTH IN THE BALLOT.

VOTING DEADLINE

The last day to vote to accept or reject the Plan is _____, 2009. All votes must be received by the voting agent by 5:00 p.m. (EST) on that day.

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on receipt, the Ballots will be tabulated, and the results of the voting will be presented to the Court for its consideration. As described in greater detail in Section VI of this Disclosure Statement, the Code prescribes certain requirements for confirmation of a plan. The Court will schedule a hearing (the "Confirmation Hearing") to consider whether Debtors have complied with those requirements.

The Code permits a court to confirm a plan even if all Impaired Classes have not voted in favor of a plan. Confirmation of a plan over the objection of a Class is sometimes called "cramdown." As described in greater detail in Section VI of this Disclosure Statement, Debtors have expressly reserved the right to seek "cramdown" in the event all Impaired Classes do not vote in favor of the Plan.

II. DESCRIPTION OF DEBTORS' BUSINESSES

A. In General.

B&G Management and its seventy-eight (78) affiliated or related debtors and debtors-in-possession are a vertically integrated real estate company specializing in hotels and resort properties. The Debtors are headquartered in Daytona Beach, Volusia County, Florida. They have been and are currently one of the largest private employers in Volusia County. B&G Management has the core qualifications of a full service real estate company, including the expertise in the turnaround, operations and management of hotels and resorts, the design and renovation of hotels and resorts, and the development of entitlements, permitting and capital structuring. B&G Management operates a total of twenty-three (23) hotels located in Volusia County which are either affiliates or related companies. Additionally, B&G Management manages seven (7) other entities (related or affiliated) which own income producing property. Finally, certain affiliated or related parties own thirty-two (32) other non-income producing parcels of real property located throughout Volusia County.

Pursuant to various Management Agreements, B&G Management has the sole and exclusive right and obligation to manage and operate the numerous hotel properties. As such, B&G Management has the authority and responsibility: (i) to determine operating policy, standards of operation, quality of service, the maintenance and physical appearance of the hotels and any other matters affecting operations and management; (ii) to supervise and direct all phases of advertising, sales and business promotion of the hotels; and (iii) to carry out all programs contemplated by the applicable budgets. In addition, B&G Management is responsible for the hiring, discharging,

promotion and supervision of the staff of the various hotels. B&G Management employs approximately 567 people to service all of the entities and manage the cash management system.

The Debtors' ownership is ultimately maintained by the founders, Charles A. Bray ("Mr. Bray") and Joseph G. Gillespie ("Mr. Gillespie"). Mr. Bray is the Chairman, Chief Executive Officer, Chief Operating Officer of B&G Management and Mr. Gillespie is the authorized designee for purposes of the Chapter 11 bankruptcy proceedings and the President of Ocean Waters Investments, LLC (the real estate company and its related companies). Individually and together, Messrs. Bray and Gillespie began acquiring their own investment portfolio in the early 1990s, making their first significant direct real estate investment in 1996. Since that time the principals have been able to parlay an initial capital investment of approximately $1 million dollars into a full service real estate company. In addition, Mr. Bray and Mr. Gillespie have assembled one of the largest parcels of oceanfront land in Florida, consisting of 24 hotels, 2,464 guestrooms, 47,019 square footage of office space, 31,922 square footage of retail space, approximately 82 acres of oceanfront land, and 16 acres of land located across the street from the ocean. During the height of the real estate boom, these assets were valued by certain capital sources in excess of $1 billion.

B. Personal History of Mr. Bray and Mr. Gillespie.

Mr. Bray and Mr. Gillespie have both held life-long careers in the real estate industry. Both specialized as private debt and equity consultants to the hospitality and real estate industry. Mr. Bray began his career operating income-producing real estate, specializing in the turnaround management of hotel and resorts. Since 1975, Mr. Bray has been involved in the hospitality industry in various capacities. He earned a Bachelors Degree in Business from the University of Maryland,

and a Masters Degree in Hotel and Food Management from the School for Hospitality of Florida International University. He is currently a member of the Board of Directors of the Volusia County Tourism Development Council.

Mr. Gillespie has substantial experience in all phases of hospitality related assets throughout the United States and the Caribbean, including sourcing, acquisition, liquidation, financing, debt restructuring, and operations. He specializes in portfolio acquisitions through direct property purchase or debt instrument acquisition, and focuses on structuring creative debt and equity solutions. In addition to investment banking activities, Mr. Gillespie provides supervision of the asset management and financial reporting of managed and owned properties. He earned a Bachelor of Science in Economics and Management from the University of South Carolina, and a Masters in Business Administration from Georgia State University.

Throughout the history of the Debtors, Mr. Bray has specialized in field operation of hotels and resorts, while Mr. Gillespie has focused on sourcing properties for acquisitions, development, and the sale of renovated properties. He has handled citywide relations for entitlements, and zoning/permitting in the Ormond Beach, Daytona Beach, and the Daytona Beach Shores market. Mr. Gillespie has also developed strong contacts with government officials and is know as an expert in entitlements in these three coastal cities.

C. History of the Company.

Over the past ten years, the Debtors have assembled a portfolio of direct oceanfront property, which arguably contains one of the largest oceanfront as-of-right developments in the United States. Collectively, the portfolio provides the opportunity to develop more than 18 million

plus square feet of gross building area directly on more than 1.65 miles of oceanfront land and .37 miles of land across the street from the ocean. The portfolio currently includes 23 operating hotels, and a total of 61properties, which sit on approximately two miles of direct oceanfront property.

In 1998, the Debtors purchased The Plaza Resort & Spa, which at the time was losing over $1,000,000 per year. In order to facilitate the turnaround of the resort, Mr. Bray, in his capacity as general manager, moved into the property and during the first year of operations the Debtors were able to convert the resort's losses to a $2,000,000.00 net operating income. Management also analyzed and participated in the conceptual development and renovation of the property. Over the next six years, the management systems and profits of the resort improved , and Debtors completed a $50,000,000.00 renovation of the historical resort. The Plaza Resort & Spa has achieved a net operating income of $4,000,000.00 plus and is considered by many to be one of the top resorts in Volusia County.

Between 1999 and 2002, the Debtors purchased six more troubled properties, increasing its overall portfolio to nine hotels. All of the hotels were renovated, and the operations and cash flows were turned around by offering quality properties in markets that traditionally had offered substandard facilities and services. By 2004, the Debtors purchased an additional four more properties for land assemblage as part of an overall development plan. Between 2005 and 2007, the Debtors expanded the portfolio, purchasing numerous hotels, motels, resorts, retail and office space, and vacant land. The purpose of the expansion was with an eye towards the ultimate collective sale of the Debtors or to enter into a joint venture with a partner.

D. Significant Developments and Events Leading to Chapter 11 Filing.

In 2004, the hurricane season was particularly tumultuous in the Daytona Beach area. Hurricane Charley was a very fast-moving, compact storm, which made landfall near Port Charlotte, Florida, on August 13, swept across the state and hit Daytona Beach from the inland before reentering the Atlantic Ocean. Hurricane Frances was a very large storm in size, which made landfall at Hutchinson, Island South, Florida (near Port. St. Lucie, Florida) in the early hours of September 5, and caused a significant amount of collateral damage. Portions of Daytona Beach were without electricity or phone service for ten days following Frances due to downed lines or shorted transformers. Just three weeks later, Hurricane Jeanne formed in the Atlantic Ocean and made landfall only six miles from the same spot Frances hit, at Hutchinson Island South, Florida, on September 26.

Due to the tumultuous hurricane season in 2004, numerous hotel properties were no longer capable operating due to the hotels's inability to recover from the physical and economic damages sustained as a result of Hurricanes Charley, Frances, and Jeanne in 2004. Consequently, some hotels have been demolished and the real properties are vacant, with no buildings or other improvements. As a result, the Debtors have spent over $10 million litigating with the insurance providers over their failure to provide coverage for all of the physical damage to the hotels, as well business interruption damages.

In addition to the tumultuous weather conditions, over the last fifteen (15) months, both the United States and Florida real estate market conditions have suffered losses and decreased

capital markets unseen in this country since the late 1920's. Not surprisingly, Debtors' business has been drastically impacted as cash flow and revenue rates have steadily dropped. As a consequence, Debtors defaulted on several loan obligations, and at least three of the secured lenders filed foreclosure actions.

Consequently, on September 12, 2008, ("Petition Date") B&G Management, and seventy-eight (78) of its affiliated or related companies, filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Middle District of Florida, styled *In re Bray & Gillespie Management, LLC et al*, Case No. 3:08-bk-05473-JAF (jointly administered).

E. Insurance Litigation.

All of the Debtors' properties suffered significant damage and each was forced to close for some period of time due to those damages; however, several properties were damaged beyond repair or became unsalvageable as a result of the inaction of various insurance providers or inadequate repair work. Lexington Insurance Company ("Lexington") required the Debtors to use Belfor USA Group Inc. ("Belfor"), a remediation and disaster recovery contractor, for repair of several of the properties. The Debtors have asserted that Belfor failed to properly dry, seal, or renovate the properties, and due to Belfor's substandard work and Lexington's failure to timely fund the project renovations, some of the Debtors' top hotels and cash flow producers were destroyed, including the Treasure Island Resort (242 rooms), Beachcomber Resort (184 rooms), and The Days Inn Ormond Beach (128 rooms). Engineering consultants and business interruption consultants estimated the damage to be over $200,000,000.00

As a result, the Debtors instituted litigation against Lexington, Belfor and Hartford Fire Insurance Company ("Hartford") for breach of contract. The following insurance litigation is still pending: (i) the case styled *Bray & Gillespie Management LLC et al. v. Lexington Insurance Company et al.*, pending in the United States District Court for the Middle District of Florida, Orlando Division, case no. 6:07-cv-222-Orl-19KRS ("Lexington Litigation"); and (ii) the case styled *Bray & Gillespie IX, LLC v. The Hartford Fire Insurance Company, et al.*, pending in the United States District Court for the Middle District of Florida, Orlando Division, case no. 6:07-cv-326-Orl-32KRS ("Hartford Litigation") (collectively, the "2004 Hurricane Insurance Litigation"). The Lexington Litigation involves a dispute over the failure and refusal of Lexington, as the primary all-risks insurer, to pay for the hurricane-damaged hotels.

The Lexington Litigation primarily concerns the damages caused by Hurricane Frances. Notwithstanding the foregoing, consequential damages are sought in this case for the various breaches of contract by Lexington as it relates to Hurricanes Charlie and Jeanne. The remaining policy limits for this action are $25 million dollars. Interest is due at the rate of nine percent (9%) per annum on the compensatory damages award, which may be in excess on $9 million, if policy limits are obtained. Interest on the consequential damages award is difficult to calculate and will likely be based on a determination of when the excess carrier should have paid the claims the claims in full. Additionally, attorney's fees and costs are being sought pursuant to Florida Statute §627.428. The amount of attorneys' fees and costs are expected to be in excess of $4 million, exclusive of appellate fees and costs if this case proceeds fully to trial and verdict.

The Lexington Litigation is currently set for a two (2) week jury trial in federal court in Orlando, Florida, before Judge Mary S. Scriven, beginning November 2, 2009. Fact discovery ends on February 27, 2009. Expert witnesses are to be disclosed on February 13, 2009 (Plaintiffs) and on February 27, 2009 (Defendant). Expert reports are due March 16, 2009 (Plaintiffs) and on March 30, 2009 (Defendant). Expert witness discovery ends May 15, 2009. Mediation must take place on or before May 29, 2009. Dispositive motions, *Daubert* motions, and *Markman* motion must be filed not later than June 12, 2009.

The Hartford Litigation involves a dispute over the failure and refusal of Hartford, as the primary all-risks insurer and Westchester Surplus Lines Insurance Company ("Westchester") as the surplus lines excess/"umbrella" insurer, to pay for the hurricane-damaged Surfside Resort and Suites owned by Bray & Gillespie IX LLC ("B&G IX"), a Florida limited liability company ("Surfiside Resort"). The Surfside Resort is located at 251 S. Atlantic Avenue, Ormond Beach, Florida. In 2004, Hurricanes Charley, Frances and Jeanne struck Florida's east coast and deluged the Central Florida region, including Ormond Beach. As a result of the hurricanes, Surfside Resort suffered extensive damage to both its interior and exterior, including the loss of its roof, landscaping, and parts of the seawall. On or about August 16, 2004, the City of Ormond Beach condemned the Surfside Resort. The litigation involves breach of contract actions against both Hartford (Count I) and Westchester (Count II), and requests declaratory relief regarding the number of occurrences (Count III).

The policy limits for the Hartford primary policy are $10 million, and the policy limits for Westchester's excess coverage are $25 million. Bad faith claims have been reserved and will be asserted against Hartford after policy limits liability is fixed. Interest is due at the rate of nine percent (9%) per annum on the compensatory damages award, which may be in excess of $10 million, if policy limits obtained. Additionally, attorneys' fees are being sought pursuant to Florida Statute §627.428. The amount of attorneys' fees and costs are expected to be in excess of $4 million, exclusive of appellate fees and costs if this case proceeds fully to trial and verdict.

The Hartford Litigation is set for a two (2) week jury trial in federal court in Orlando, Florida, before Magistrate Judge David A. Baker beginning August 10, 2009. All discovery, fact and expert, is closed in this case. Dispositive motions, *Daubert* Motions, and *Markman* motions must be filed not later than January 21, 2009.

F. Events Subsequent to Chapter 11 Filing.

As of Petition Date, the Debtors owned and operated twenty-three (23) hotels and seven (7) other income producing properties in Volusia County. Since the Petition Date, the Debtors have been continuing to operate their businesses and manage their properties as debtors-in-possession under Sections 1101(a) and 1108 of the Code. On October 6, 2008, the United States Trustee formed the Official Committee of Unsecured Creditors (the "Committee"), and, thereafter, the Committee hired Wolff, Hill, McFarlin & Herron, P.A. as counsel.

Pursuant to various provisions of the Code, the Debtors have sought and obtained numerous orders from the Bankruptcy Court intended to facilitate the operations of Debtors. Those

orders authorized Debtors to, among other things: (i) use cash collateral subject to Liens; (ii) continue their cash management programs, bank accounts, and investment practices; and (iii) pay certain prepetition Claims, including Claims of employees for wages, salaries and employee benefits, sales and use taxes, and special customer-related Claims in order to permit Debtors to conduct their ongoing business substantially as they did prior to the Petition Date.

III. KEY FINANCIAL HIGHLIGHTS OF DEBTORS' BUSINESSES

A. Corporate Synergy.

The Debtors are poised to take full advantage of the strategic, financial, operational and marketing synergies derived by virtue of the portfolio's size, concentration, and homogeneity. These synergies will be most valuable in the developmental aspect of the business plan and include: (i) purchasing discounts for both products and services; (ii) operating economies of scale; (iii) cross marketing and selling between properties; (iv) capturing a higher percentage of each guest's non-lodging expenditures, such as food, beverage and entertainment; and (v) investing in information technologies to streamline the marketing and operations of all hotels, lowering costs, increasing revenue, and enhancing profitability.

B. Development Plan.

In addition to reinvesting in its existing hotels, the Debtors also initiated a comprehensive development plan. This plan involves a flexible, market-driven strategy to provide oceanfront space in a range of products by redeveloping select hotels to timeshare and by the development of new fractional, hotel-condo, mixed use, and residential projects. The Debtors have

the possibility to develop 18 million square feet of income producing and developable property in the Daytona Beach area. Its development plan allows a potential to spearhead a regional renaissance like those that have occurred in other coastal areas, such as Sarasota, Delray Beach, Fort Lauderdale, and Miami Beach. The Debtors assets include hotels, timeshares, and raw land. The Debtors' operating hotel portfolio, once stabilized, is expected to generate significant annualized net cash flow.

Due in part to Daytona Beach's reputation as "The World's Most Famous Beach," and recent efforts to position itself as a more upscale beach resort destination, demand for improved hospitality, residential and shared ownership products has increased significantly. Beachside infrastructure and investment, including multiple bridges connecting the barrier island beachfront to the mainland, and expanded beachside convention center, a rejuvenated Speedway Complex, and a redeveloped waterfront boardwalk area, have contributed to a substantially improved investment and development environment. In addition, the Orlando to Jacksonville corridor has undergone substantial growth in the past ten years, and has the potential for much greater expansion. The Daytona Beach area lies directly in the path of progress for both of these cities. Orlando is one of the world's most popular vacation destinations, enjoying significant and growing foreign visitation and investment. As Orlando continues to grow, the Daytona Beach area's opportunity to enhance its position as "Orlando's Beach" is inevitable, creating a natural growth trajectory for occupancy and average daily rate for Daytona Beach area hotels, as well as an increase in demand for the full range of oceanfront property development.

IV. THE DEBTORS' STRATEGIC PLAN

A. Hospitality.

The Debtors' initial business plan centered on investing in underperforming assets in a market with good future demand and high barriers to entry. In 1997, the Debtors first invested in the Daytona Beach market. Since that time, their hotels have been the beneficiary of more than $100 million in capital expenditure, and will continue to improve financially as marketing and operations are further integrated and the United States and international economies rebound. While it is beyond the scope of this section to discuss in detail the Debtors' hospitality strategies and the inherent benefits and advantages in purchasing, sales, marketing, operations, etc., which are derived from the dominant position the Debtors enjoy, substantial economic benefits are now being realized. Detailed business strategies, as well as financial projection for the Debtors' hospitality business, are available upon request.

B. Timeshare/Vacation Ownership.

The Debtors are extremely well positioned to successfully enter the timeshare business. Lending support to this conclusion are the following facts: (i) the largest concentration of the $10 billion in annual sales in the United States timeshare market is in Orlando, Florida; (ii) beachfront timeshare in the United States has a strong proven track record; (iii) the Daytona Beach are has a history of successful timeshare development, with more than 40 such projects in the last 25 years; (iv) the Daytona Beach market is estimated to have the potential for immediate sales of more than $250 million per annum; and (v) the Debtors numerous hotels will provide a clear and

distinct competitive advantage with regard to both costs and market penetration. After the economy rebounds, the Debtors will be able to produce high quality, well-designed, oceanfront space. The precise nature of the timeshare products to be developed will most likely be driven by the market. Units can range in size from standard transient hotel rooms to full-sized residential condominiums, and can be offered with a full range of ownership options and available services. It is anticipated that the majority of the developments will be mixed-use in nature to meet the market's demand for a variety of services and amenities.

V. THE PLAN

THE FOLLOWING SUMMARY IS INTENDED ONLY TO PROVIDE AN OVERVIEW OF DEBTORS' PLAN. ANY PARTY IN INTEREST CONSIDERING A VOTE ON THE PLAN SHOULD CAREFULLY READ THE PLAN IN ITS ENTIRETY BEFORE MAKING A DETERMINATION TO VOTE IN FAVOR OF OR AGAINST THE PLAN. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN.

A. Overview.

On the Effective Date, all of the prepetition equity in the Debtors shall be canceled and new equity distributed as set forth herein. The B&G Liquidating Trust shall own 100% of Holding Co.. Holding Co., in turn, shall own, directly or indirectly, the equity interests in all other Reorganized Debtors. All Allowed Unsecured Claims shall be classified in one of two unsecured classes. Only the Class 25 claims shall be beneficiaries of the B&G Liquidating Trust; however, Allowed Class 26 claims will also receive distributions from entities ultimately owned by the B&G Liquidating Trust and Holding Co.. In summary, the Plan contemplates emergence of the

Reorganized Debtors, listed in **Exhibit "B"** and the continuation of the operation of the twenty-three (23) hotels located in Volusia County and the seven (7) other entities (related or affiliated) which own income producing property. The Reorganized Debtors will consist of ten reorganized entities (exact type of entity to be determined). The Reorganized Debtors will consist of: (i) Holding Co.; (ii) Management Co.; (iii) Arbor Co.; (iv) Land Co.; (v) Hotel Co.; (vi) LNR Co; (vii) Asset Co., (viii) ING Co.; (ix) Wells-one Co.; and (x) Wells-two Co..

Arbor Co. will consist of the Six-Pack hotels; Hotel Co. will consist of the eleven (11) other hotels currently operated by various Debtors. Land Co. will consist of thirty-eight (38) other parcels of real property of which seven (7) currently produce some rental income but are not hotels. LNR Co. will consist of one (1) hotel. ING Co. will consist of one (1) operating hotel. Wells-one Co. will consist of one (1) operating hotel. Wells-two Co will consist of one (1) operating hotel. Asset Co. will own all Debtors real property not otherwised encumbered by mortgage liens including the 100 condominiums located at the Plaza and properties known as Rodeway Inn, NalleyHouse, and Zaxby's Lot. Asset Co. will also own the pending causes of action known as the Lexington Litigation and Hartford Litigation. Management Co. will provide reservation and management services to all operating Reorganized Debtors. Holding Co. will own, directly or indirectly, all of the common equity ownership interest in the other nine (9) Reorganized Debtors. The Debtors which currently own the aforementioned respective assets will be substantively consolidated to the appropriate Reorganized Debtor, as identified on **Exhibit "B"**.

The above number of hotels or properties assume lenders do not elect, as set forth *supra*, to have collateral returned. To the extent lenders make such election, the number of hotels or properties will decrease.

All Claims against the Reorganized Debtors shall be classified and treated pursuant to the terms of the Plan. All Claims by any Debtor against any other Debtor shall be waived.

As noted more fully below, the Plan contains 104 Classes of Claims and Interests. There are twenty-three (23) Classes of Secured Claims, two Classes of Unsecured Claims, one Class of Unsecured Priority Claims, and seventy-nine (79) Classes of Interests.

Overall, the Plan provides that Holders of Allowed Administrative Claims will be paid in full on the Effective Date. Holders of Allowed Priority Claims will be paid by the respective Reorganized Debtor over time, with interest, over a period of six years.

As to Wachovia Bank ("Wachovia") Allowed Secured Claim in respect of the Debtor-in-Possession Loan, it will be paid according to the terms set forth in the Court's order allowing the DIP Loan. The Holders of the Allowed Class 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 Claims will be paid either monthly interest or monthly interest and receive a New PIK Note, as set forth in the respective schedules set forth *supra*, and maturity dates as set forth *supra*. Holders of Allowed Claims in Class 25 will receive as a group a Pro Rata Share (based on their percentage of the Allowed Class 25 Claims) of one hundred percent (100%) of the interests in the B&G Liquidating Trust. Holders of Allowed Claims in Class 26 will receive pro rata distribution from the liquidation of certain assets owned by Asset Co..

On the Effective Date, Holders of Allowed Unsecured Class 25 Claims shall receive, in full satisfaction of their Allowed Unsecured Claims an interest in the B&G Liquidating Trust. The B&G Liquidating Trust shall be vested with the ownership of Holding Co.. Holding Co., in turn, shall own 100% of Asset Co. Asset Co. Shall own (i) condo units owned by 600 North Investments, LLC; (ii) certain unencumbered real property; and (iii) the causes of action known as the Hartford Litigation and Lexington Litigation. Because of the large number of potential deficiency claims which will ultimately become Class 25 or 26 Claims and the uncertainty of the resolution of numerous objections to claims, it is impossible at this time to predict with accuracy the ultimate amount of Allowed Unsecured Claims. Holders of Allowed Class 26 Claims will receive pro rata distribution from the liquidation of certain assets, as set forth *supra*, ofAsset Co.

Classes 27 through 102 of Interests will be canceled upon the Effective Date; however, Messrs. Bray & Gillespie may be provided tax benefits (NOL) without impact to profit distribution and entity governance, and Messrs. Bray and Gillespie shall provide the Debtors and secured lenders opinions or other evidence satisfactory to them as to such tax benefits. Accordingly, all Classes are Impaired under the Plan.

B. Classification and Treatment of Claims.

1. Administrative and Priority Claims.

a. Administrative Expense Claims.

Holders of all Allowed Administrative Expense Claims of the Debtors shall be paid in full on the Effective Date or in accordance with existing credit or repayment terms. The Debtors' cash-on-hand as of the Effective Date shall be first used to pay Allowed Administrative Expense Claims, and, to the extent such funds are insufficient, then the Exit Financing provided by the Exit Lender will be used to fund these expenses.

b. Priority Tax Claims.

Except to the extent that the Holder and the Reorganized Debtors have agreed or may agree to a different treatment, each Holder of an Allowed Priority Tax Claim shall receive from the Reorganized Debtors, in full satisfaction of such Claim, payments equal to the Allowed Amount of such Claim. Allowed Priority Tax Claims will be paid based on a six (6) year amortization and maturity with interest at the Confirmation Rate; the payments will be made quarterly. Payments will commence on the later of the Effective Date, or on such date as a respective Priority Claim becomes Allowed. Debtors estimate that the filed amount of Priority Tax Claims will not exceed $1,000,000.00.

c. Class 1 - Priority Wage, Vacation, and Benefit Claims.

Class 1 Claims consist of all Priority Claims, which are defined as those Claims entitled to priority pursuant to 11 U.S.C. §507(a)(3) and (4), and exclusive of Priority Tax Claims under 11 U.S.C. §507(a)(8). Class 1 Priority Claims in this Case include unsecured

Claims for wages, salaries or commissions, as described in §507(a)(3)as well as for benefits delineated in §507(a)(4). The Debtors believe that no such Allowed Claims exist. To the extent any Class 1 Allowed Priority Claim is unpaid as of the Effective Date, then such portion of the Allowed Amount of any such Claim shall be paid in full on either the Effective Date or the date on which such Priority Claim becomes allowed.

2. Secured Claims.

a. Class 2 - Arbor Realty Participation LLC-Arbor Co.

Class 2 consists of the Allowed Secured Claim of Arbor Realty Participation LLC ("Arbor"). The Claim is secured by first priority Liens on the following Debtors' real property: (i) Bray & Gillespie Plaza, LLC, d/b/a The Plaza Resort & Spa, located at 600 N. Atlantic Avenue, Daytona Beach, Florida; (ii) Bray & Gillespie LLC XV, d/b/a Mayan Inn, located at 103 S. Ocean Avenue, Daytona Beach, Florida; (iii) Bray & Gillespie LLC XIV, d/b/a Conch House, located at 700 N. Atlantic Avenue, Daytona Beach, Florida; (iv) Bray & Gillespie La Playa LLC, d/b/a La Playa Resort and Suites; (v) Bray & Gillespie LLC V, d/b/a The Plaza Ocean Club; (vi) Bray & Gillespie LLC VI, d/b/a Acapulco Hotel and Resort, located at 2505 S. Atlantic Avenue, Daytona Beach, Florida; and (vii) the Condominium Rents (as defined in the Arbor Cash Collateral Order) (collectively, the "Arbor Co. Property").

On the Effective Date, Arbor Co. (through an infusion, in whole or in part, from Messrs Bray and Gillespie) will fund a $5,000,000.00 reserve (the "Reserve"). From the Reserve, Arbor may purchase a rate cap provided such does not diminish the Reserve below

$3,750,000. Arbor, on account of its Allowed Secured Claim shall retain its Lien against Arbor Co. Property and convert its prepetition loans to new loans secured by the same collateral in the aggregate principal amount of $85,000,000.00. In full satisfaction of the Allowed Secured Claim, Arbor will receive monthly payments of interest only at the Confirmation Rate. The new notes will have a sixty (60) month maturity and balloon; however, Arbor will agree to consider terms for two, successive one-year extensions on commercially reasonable terms acceptable to Arbor.

Arbor shall have an Allowed Class 25 Claim in the amount of $10,000,000 and shall be entitled to designate one of the five (5) members on the Beneficiary Committee. No further bankruptcy or insolvency proceeding for Arbor Co. will be authorized without the specific consent of the designated Arbor committee member

Arbor Co. and Arbor will, if necessary, execute new loan documents; however, Arbor Co. will use a cash management system similar to the system used prepetition. Additionally, no proceeds of Arbor Co. collateral may be used for the benefit of any non-Arbor Co. asset or purpose except as provided herein or in the loan documents. Excess cash will replenish the Reserve; however, if the Reserve exceeds $4,500,000 as of any June 30 (during the plan term) or $4,000,000 as of any December 30, such excess will be swept from Arbor Co. to Holding Co. to be used for the benefit of all Reorganized Debtors. Such sweeps, if allowed, are date specific and may not occur at any other time.

As additional adequate protection to Arbor, Arbor shall be granted a

second lien (behind the Exit Financing and Mezzanine Loan), on the 100 condos in an amount equal to $3,000,000. Moreover, if the condos ultimately sell in excess of lien debt, such excess will be split 50% to Asset Co. and 50% to Arbor up to a cap of an additional $2,000,000 to Arbor.

b. Class 3 - Vendor Capital Group-Arbor Co.

Class 3 consists of the Allowed Secured Claim of Vendor Capital Group ("Vendor Capital"). The Claim is secured by a Lien on all office equipment located at 501 N. Atlantic Avenue, Daytona Beach, Florida, and a Lien on all furniture located at 600 N. Atlantic Avenue, Daytona Beach, Florida (collectively, the "VCG Collateral"). In full satisfaction of its Allowed Secured Claim, Vendor Capital shall retain its Lien against the VCG Collateral and receive monthly payments over five (years) with interest at the Confirmation Rate. Payments will commence on the First Business Day of the First Calendar month after the Effective Date and continue each month thereafter.

c. Class 4 - Wachovia Bank-Hotel Co.

Class 4 consists of the Allowed Secured Claim of Wachovia. The Claim is secured by a first priority Lien on the following Debtors' real property: (i) Bray & Gillespie LLC LII, d/b/a La Breeze Inn and Suites, located at 505 S. Atlantic Avenue, Ormond Beach, Florida; (ii) Bray & Gillespie LLC XXXIII, d/b/a The Islander Resort, f/k/a The Sea Garden Inn, located at 3161 S. Atlantic Avenue, Daytona Beach, Florida; (iii) Bray & Gillespie LLC XXXII, d/b/a Royal Beach Motel, located at 1601 S. Atlantic Avenue, Daytona Beach, Florida; (iv) Bray & Gillespie

LLC XLIX, d/b/a Aqua Terrace, located at 599 S. Atlantic Avenue, Ormond Beach, Florida; (v) Bray & Gillespie LLC XLVII, d/b/a the Best Western Mainsail Inn, located 281 S. Atlantic Avenue, Ormond Beach, Florida; (vi) Bray & Gillespie XXVI, LLC, d/b/a Driftwood Resort, located at 657 S. Atlantic Avenue, Ormond Beach, Florida; and (vii) Bray & Gillespie XXV, LLC, d/b/a Makai Beach Lodge, located at 707 S. Atlantic Avenue, Ormond Beach, Florida (collectively, the "Wachovia Hotel Property").

In full satisfaction of its Allowed Secured Claim, Wachovia shall retain its Lien against the Wachovia Hotel Property and convert its prepetition loans to new loans secured by the same collateral based on the following options:

(i) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with the holder receiving interest only payments monthly and with a five year maturity. Interest will be at the Confirmation Rate. The deficiency claim will be in the Class 25 General Unsecured Claims; or

(ii) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with interest and payments as set forth in (i) above, with a five year maturity, and a New Secured PIK Note in an amount equal to the balance of the Allowed Claim, upon which interest will accrue and be added to principal and mature in five years. In option (ii), the lender will not have an Allowed Class 25 Unsecured Claim.

Wachovia must choose option (i) or (ii) per property. Accordingly, Wachovia may ultimately have some loans under option (i) and some under option (ii). The Hotel Co. Notes issued pursuant to subparagraph (i) and (ii) will require monthly principal payments based on a thirty (30) year amortization once the Reorganized Debtors' consolidated debt coverage ratio equals or exceeds 1.50 to 1 for a twelve (12) month period.

If the Holder of the Allowed Class 4 Claim does not wish to have its collateral as part of the Reorganized Debtors, the Holder may elect (which such election shall be made at the time of voting on the Plan) to have its collateral transferred to itself or an assignee. If such election is made, the collateral will be transferred, as the indubitable equivalent, in full satisfaction of the Allowed Secured Claim. The transfer will occur on or before the Effective Date through a sale, free and clear of all claims and liens (except prior liens or real estate taxes), to an entity designated by the lender. The sale will be, pursuant to Bankruptcy Code §1146, free of all recording and similar taxes. At the election of the lender, Management Co. will manage the property, based on contract terms mutually acceptable to the parties. If this "opt out" option is elected, the Holder will have an Allowed Class 26 Claim in an amount equal to the difference between the Claim amount as of Petition Date and the value of the collateral as determined by the 2008 tax assessment.

d. Class 5 - RAIT CRE CDO I, Ltd.-Hotel Co..

Class 5 consists of the Allowed Secured Claim of RAIT CRE CDO I, Ltd. ("RAIT"). The Claim is secured by Liens on the following Debtors' real property: (i) Bray & Gillespie XXV, LLC, d/b/a the Saxony Inn, located at 35 S. Ocean Avenue, Daytona Beach,

Florida; and (ii) Bray & Gillespie XXII, LLC, d/b/a the Sunny Shore Resort, located at 2037 S. Atlantic Avenue, Daytona Beach, Florida (collectively, the "RAIT Hotel Property").

In full satisfaction of its Allowed Secured Claim, RAIT shall retain its Lien against the RAIT Hotel Property and convert its prepetition loans to new loans secured by the same collateral based on the following options:

(i) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with the holder receiving interest only payments monthly and with a five year maturity. Interest will be the Confirmation Rate. The deficiency claim will be in the Class 25 General Unsecured Claims; or

(ii) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with interest and payments as set forth in (i) above, with a five year maturity, and a New Secured PIK Note in an amount equal to the balance of the Allowed Claim, upon which interest will accrue and be added to principal and mature in five years. In option (ii), the lender will not have an Allowed Class 25 Unsecured Claim.

RAIT must choose option (i) or (ii) per property. Accordingly, RAIT may ultimately have some loans under option (i) and some under option (ii). The Hotel Co. Notes issued pursuant to subparagraph (i) and (ii) will require monthly principal payments based on a

thirty (30) year amortization once the Reorganized Debtors' consolidated debt coverage ratio equals or exceeds 1.50 to 1 for a twelve (12) month period.

If the Holder of the Allowed Class 5 Claim does not wish to have its collateral as part of the Reorganized Debtors, the Holder may elect (which such election shall be made at the time of voting on the Plan) to have its collateral transferred to itself or an assignee. If such election is made, the collateral will be transferred, as the indubitable equivalent, in full satisfaction of the Allowed Secured Claim. The transfer will occur on or before the Effective Date through a sale, free and clear of all claims and liens (except prior liens or real estate taxes), to an entity designated by the lender. The sale will be, pursuant to Bankruptcy Code §1146, free of all recording and similar taxes. At the election of the lender, Management Co. will manage the property, based on contract terms mutually acceptable to the parties. If this "opt out" option is elected, the holder will have an Allowed Class 26 Claim in an amount equal to the difference between the Claim amount as of Petition Date and the value of the collateral as determined by the 2008 tax assessment.

e. Class 6 - Marshall Investment Corporation-Hotel Co.

Class 6 consists of the Allowed Secured Claim of Marshall Investment Corporation ("Marshall"). The Claim is secured by a Lien on the real property owned by Bray & Gillespie VIII, LLC, d/b/a the Bermuda House, located at 2560 N. Atlantic Avenue, Daytona Beach, Florida ("Marshall Hotel Property"). In full satisfaction of its Allowed Secured Claim, Marshall

shall retain its Lien against the Marshall Hotel Property and convert its prepetition loans to new loans secured by the same collateral based on the following options:

(i) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with the holder receiving interest only payments monthly and with a five year maturity. Interest will be the Confirmation Rate. The deficiency claim will be in the Class 25 General Unsecured Claims; or

(ii) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with interest and payments as set forth in (i) above, with a five year maturity, and a New Secured PIK Note in an amount equal to the balance of the Allowed Claim, upon which interest will accrue and be added to principal and mature in five years. In option (ii), the lender will not have an Allowed Class 25 Unsecured Claim.

Marshall must choose option (i) or (ii). The Hotel Co. Notes issued pursuant to subparagraph (i) and (ii) will require monthly principal payments based on a thirty (30) year amortization once the Reorganized Debtors' consolidated debt coverage ratio equals or exceeds 1.50 to 1 for a twelve (12) month period.

If the Holder of the Allowed Class 6 Claim does not wish to have its collateral as part of the Reorganized Debtors, the Holder may elect (which such election shall be made at the time of voting on the Plan) to have its collateral transferred to itself or an assignee. If

such election is made, the collateral will be transferred, as the indubitable equivalent, in full satisfaction of the Allowed Secured Claim. The transfer will occur on or before the Effective Date through a sale, free and clear of all claims and liens (except prior liens or real estate taxes), to an entity designated by the lender. The sale will be, pursuant to Bankruptcy Code §1146, free of all recording and similar taxes. At the election of the lender, Management Co. will manage the property, based on contract terms mutually acceptable to the parties. If this "opt out" option is elected, the holder will have an Allowed Class 26 Claim in an amount equal to the difference between the Claim amount as of Petition Date and the value of the collateral as determined by the 2008 tax assessment.

f. Class 7 - BankFirst-Hotel Co.

Class 7 consists of the Allowed Secured Claims of Bank First. The Claim is secured by a Lien on the real property owned by Bray & Gillespie XXI, LLC, d/b/a the Sea Side Inn, located at 500 N. Atlantic Avenue, Daytona Beach, Florida (the "Bank First Hotel Property"). In full satisfaction of its Allowed Secured Claim, Bank First shall retain its Lien against the Bank First Hotel Property and convert its prepetition loans to new loans secured by the same collateral based on the following options:

(i) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with the holder receiving interest only payments monthly and with a five year maturity. Interest will

be the Confirmation Rate. The deficiency claim will be in the Class 25 General Unsecured Claims; or

(ii) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with interest and payments as set forth in (i) above, with a five year maturity, and a New Secured PIK Note in an amount equal to the balance of the Allowed Claim, upon which interest will accrue and be added to principal and mature in five years. In option (ii), the lender will not have an Allowed Class 25 Unsecured Claim.

Bank First must choose option (i) or (ii). The Hotel Co. Notes issued pursuant to subparagraph (i) and (ii) will require monthly principal payments based on a thirty (30) year amortization once the Reorganized Debtors' consolidated debt coverage ratio equals or exceeds 1.50 to 1 for a twelve (12) month period.

If the Holder of the Allowed Class 7 Claim does not wish to have its collateral as part of the Reorganized Debtors, the Holder may elect (which such election shall be made at the time of voting on the Plan) to have its collateral transferred to itself or an assignee. If such election is made, the collateral will be transferred, as the indubitable equivalent, in full satisfaction of the Allowed Secured Claim. The transfer will occur on or before the Effective Date through a sale, free and clear of all claims and liens (except prior liens or real estate taxes), to an entity designated by the lender. The sale will be, pursuant to Bankruptcy Code §1146, free of all recording and similar taxes. At the election of the lender, Management Co. will manage the

property, based on contract terms mutually acceptable to the parties. If this "opt out" option is elected, the holder will have an Allowed Class 26 Claim in an amount equal to the difference between the Claim amount as of Petition Date and the value of the collateral as determined by the 2008 tax assessment.

g. Class 8 - Wells Fargo Bank - Wells-one Co.

Class 8 consists of the Allowed Secured Claim of Wells Fargo Bank, N.A. ("Wells Fargo"). The Class 8 Claim is secured by a Lien on the following Debtor: Bray and Gillespie, LLC, LVIII, d/b/a the Quality Inn & Suites, located at 295 S. Atlantic Avenue, Ormond Beach, Florida ("Quality Inn"). In full satisfaction of the Class 8 Allowed Secured Claim, Wells Fargo shall retain its Lien against the Quality Inn Property and convert its prepetition loan to a new loan secured by the same collateral. The borrower on the new loan will be Bray and Gillespie, LLC, LVIII. The loan will have the following options:

(i) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with the holder receiving interest only payments monthly and with a five year maturity. Interest will be the Confirmation Rate. The deficiency claim will be in the Class 25 General Unsecured Claims; or

(ii) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with

interest and payments as set forth in (i) above, with a five year maturity, and a New Secured PIK Note in an amount equal to the balance of the Allowed Claim, upon which interest will accrue and be added to principal and mature in five years. In option (ii), the lender will not have an Allowed Class 25 Unsecured Claim.

Wells Fargo must choose option (i) or (ii) per property. Accordingly, Wells Fargo may ultimately have some loans under option (i) and some under option (ii). The Wells-one Co. issued pursuant to subparagraph (i) and (ii) will require monthly principal payments based on a thirty (30) year amortization once the Reorganized Debtors' consolidated debt coverage ratio equals or exceeds 1.50 to 1 for a twelve (12) month period.

If the Holder of the Allowed Class 8 Claim does not wish to have its collateral as part of the Reorganized Debtors, the Holder may elect (which such election shall be made at the time of voting on the Plan) to have its collateral transferred to itself or an assignee. If such election is made, the collateral will be transferred, as the indubitable equivalent, in full satisfaction of the Allowed Secured Claim. The transfer will occur on or before the Effective Date through a sale, free and clear of all claims and liens (except prior liens or real estate taxes), to an entity designated by the lender. The sale will be, pursuant to Bankruptcy Code §1146, free of all recording and similar taxes. At the election of the lender, Management Co. will manage the property, based on contract terms mutually acceptable to the parties. If this "opt out" option is elected, the holder will have an Allowed Class 26 Claim in an amount equal to the difference

between the Claim amount as of Petition Date and the value of the collateral as determined by the 2008 tax assessment.

To the extend the Holder elects to allow the property to remain with a Reorganized Debtor, Wells-one Co. shall consist of the same legal entity as existed pre-petition but the ownership will be held by Holding Co.. The cash flow from the single purpose entity shall not be comingled or used for any other entity or reorganized debtor. The Reorganized Debtor and lender may execute new loan documents with mutually agreed terms as to reserves and covenants. However, the only asset of the Wells-one Co. shall be the Quality Inn.

h. Class 9 - Wells Fargo Bank - Wells-two Co.

Class 9 consists of the Allowed Secured Claim of Wells Fargo Bank, N.A. ("Wells Fargo"). The Class 9 Claim is secured by a Lien on the following Debtor: Bray and Gillespie, LLC, LVII, d/b/a the Comfort Inn, Located at 507 S. Atlanic avenue, Ormond Beach Florida ("Comfort Inn"). In full satisfaction of the Class 9 Allowed Secured Claim, Wells Fargo shall retain its Lien against the Comfort Inn and convert its prepetition loan to a new loan. The borrower on the new loan shall be Bray and Gillespie, LLC LVII. The new loan shall have the following options:

(i) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with the holder receiving interest only payments monthly and with a five year maturity. Interest will

be the Confirmation Rate. The deficiency claim will be in the Class 25 General Unsecured Claims; or

(ii) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with interest and payments as set forth in (i) above, with a five year maturity, and a New Secured PIK Note in an amount equal to the balance of the Allowed Claim, upon which interest will accrue and be added to principal and mature in five years. In option (ii), the lender will not have an Allowed Class 25 Unsecured Claim.

Wells Fargo must choose option (i) or (ii) per property. Accordingly, Wells Fargo may ultimately have some loans under option (i) and some under option (ii). The Wells-one Co. issued pursuant to subparagraph (i) and (ii) will require monthly principal payments based on a thirty (30) year amortization once the Reorganized Debtors' consolidated debt coverage ratio equals or exceeds 1.50 to 1 for a twelve (12) month period.

If the Holder of the Allowed Class 9 Claim does not wish to have its collateral as part of the Reorganized Debtors, the Holder may elect (which such election shall be made at the time of voting on the Plan) to have its collateral transferred to itself or an assignee. If such election is made, the collateral will be transferred, as the indubitable equivalent, in full satisfaction of the Allowed Secured Claim. The transfer will occur on or before the Effective Date through a sale, free and clear of all claims and liens (except prior liens or real estate taxes), to an entity designated by the lender. The sale will be, pursuant to Bankruptcy Code §1146, free of all

recording and similar taxes. At the election of the lender, Management Co. will manage the property, based on contract terms mutually acceptable to the parties. If this "opt out" option is elected, the holder will have an Allowed Class 26 Claim in an amount equal to the difference between the Claim amount as of Petition Date and the value of the collateral as determined by the 2008 tax assessment.

To the extend the Holder elects to allow the property to remain with a Reorganized Debtor, Wells-two Co. shall consist of the same legal entity as existed pre-petition but the ownership will be held by Holding Co.. The cash flow from the single purpose entity shall not be comingled or used for any other entity or reorganized debtor. The Reorganized Debtor and lender may execute new loan documents with mutually agreed terms as to reserves and covenants. However, the only asset of the Wells-two Co. shall be the Comfort Inn.

h. Class 10 - Federal Trust Bank-Hotel Co.

Class 10 consists of the Allowed Secured Claims of Federal Trust Bank ("Federal Trust"). The Claim is secured by a Lien on the real property owned by Bray & Gillespie XVIII, LLC, d/b/a the Super 8 Oceanfront, located at 133 S. Ocean Avenue, Daytona Beach, Florida (the "Federal Trust Hotel Property"). In full satisfaction of its Allowed Secured Claim, Federal Trust shall retain its Lien against the Federal Trust Hotel Property and convert its prepetition loans to new loans secured by the same collateral based on the following options:

(i) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with the holder receiving interest only payments monthly and with a five year maturity. Interest will be the Confirmation Rate. The deficiency claim will be in the Class 24 General Unsecured Claims; or

(ii) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with interest and payments as set forth in (i) above, with a five year maturity, and a New Secured PIK Note in an amount equal to the balance of the Allowed Claim, upon which interest will accrue and be added to principal and mature in five years. In option (ii), the lender will not have an Allowed Class 25 Unsecured Claim.

Federal Trust must choose option (i) or (ii). The Hotel Co. Notes issued pursuant to subparagraph (i) and (ii) will require monthly principal payments based on a thirty (30) year amortization once the Reorganized Debtors' consolidated debt coverage ratio equals or exceeds 1.50 to 1 for a twelve (12) month period.

If the Holder of the Allowed Class 10 Claim does not wish to have its collateral as part of the Reorganized Debtors, the Holder may elect (which such election shall be made at the time of voting on the Plan) to have its collateral transferred to itself or an assignee. If such election is made, the collateral will be transferred, as the indubitable equivalent, in full satisfaction of the Allowed Secured Claim. The transfer will occur on or before the Effective Date

through a sale, free and clear of all claims and liens (except prior liens or real estate taxes), to an entity designated by the lender. The sale will be, pursuant to Bankruptcy Code §1146, free of all recording and similar taxes. At the election of the lender, Management Co. will manage the property, based on contract terms mutually acceptable to the parties. If this "opt out" option is elected, the holder will have an Allowed Class 26 Claim in an amount equal to the difference between the Claim amount as of Petition Date and the value of the collateral as determined by the 2008 tax assessment.

The "personal loan" as to Byron's Grille and with Messrs. Bray and Gillespie as obligors shall be satisfied by assignment to Federal Trust of the claims held by Bray and Gillespie individually against certain debtors in respect of this contribution. Upon such assignment, Messrs. Bray and Gillespie shall have no obligation under this loan, and Federal Trust shall have an Allowed Class 25 Claim in respect of this assignment.

i. Class 11 - ING Clarion-ING Co.

Class 11 consists of the Allowed Secured Claims of ING Clarion, as special servicer for Wells Fargo Bank, N.A., as Trustee for Registered Holders of Goldman Sachs Securities Corporation II, Commercial Mortgage Pass-Through Certificates, Series 2006-GG6 ("ING Clarion"). The Claim is secured by a Lien on the real property owned by Bray & Gillespie XXXVI, LLC, ("BG 36") d/b/a the Boardwalk Inn and Suites, located at 301 S. Atlantic Avenue, Daytona Beach, Florida (the "ING Clarion Hotel Property"). In full satisfaction of its Allowed Secured

Claim, ING Clarion shall retain its Lien against the ING Clarion Hotel Property and convert its prepetition loans to new loan. The borrower will be Bray and Gillespie XXXVI, LLC. The new loan will have the following options:

(i) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with the holder receiving interest only payments monthly and with a five year maturity. Interest will be the Confirmation Rate. The deficiency claim will be in the Class 25 General Unsecured Claims; or

(ii) a new secured note in an amount equal to the fair market value of the collateral as of Confirmation (either by agreement or judicial determination) with interest and payments as set forth in (i) above, with a five year maturity, and a New Secured PIK Note in an amount equal to the balance of the Allowed Claim, upon which interest will accrue and be added to principal and mature in five years. In option (ii), the lender will not have an Allowed Class 25 Unsecured Claim.

ING Clarion must choose option (i) or (ii). The ING Co. Notes issued pursuant to subparagraph (i) and (ii) will require monthly principal payments based on a thirty (30) year amortization once the Reorganized Debtors' consolidated debt coverage ratio equals or exceeds 1.50 to 1 for a twelve (12) month period.

If the Holder of the Allowed Class 11 Claim does not wish to have its collateral as part of the Reorganized Debtors, the Holder may elect (which such election shall be