UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Fenton Sub Parcel A, LLC — Case No. BKY 12-42768
Debtor. — Chapter 11 Case

In re:

Bowles Sub Parcel A, LLC — Case No. BKY 12-42765
Debtors. — Chapter 11 Case

DEBTORS' SECOND AMENDED DISCLOSURE STATEMENT IN SUPPORT OF JOINT PLAN OF REORGANIZATION DATED SEPTEMBER 28, 2012

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 5:00 P.M. CENTRAL TIME ON ______________, 2012 UNLESS EXTENDED BY ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF MINNESOTA

THIS SECOND AMENDED DISCLOSURE STATEMENT DATED SEPTEMBER 28, 2012, THE DEBTORS' JOINT PLAN OF REORGANIZATION DATED JULY 31, 2012, THE ACCOMPANYING BALLOT, AND THE RELATED MATERIALS ARE BEING FURNISHED BY THE DEBTORS, PURSUANT TO SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE, IN CONNECTION WITH THE SOLICITATION BY THE DEBTORS OF VOTES TO ACCEPT THE PLAN AS DESCRIBED IN THIS DISCLOSURE STATEMENT.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO MATERIAL CONDITIONS PRECEDENT, SOME OF WHICH MAY NOT BE SATISFIED. SEE SECTIONS 9.1 AND 9.2 OF THE PLAN. THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED OR WAIVED.

HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF EQUITY INTERESTS IN, THE DEBTORS ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF INTERESTS IN, THE DEBTORS (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE

PLAN OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS DESCRIBED.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF ANY SECURITIES THAT MAY BE DEEMED TO HAVE BEEN ISSUED PURSUANT TO THE PLAN OR OF THIS DISCLOSURE STATEMENT, OR HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL SECURITIES AND IS NOT A SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE WHERE SUCH OFFER OR SALE IS NOT PERMITTED.

TO THE EXTENT ANY TREATMENT UNDER THE PLAN IS DEEMED TO CONSTITUTE THE ISSUANCE OF A SECURITY, NONE OF SUCH SECURITIES WILL HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS, AND SUCH SECURITIES WILL BE ISSUED IN RELIANCE UPON EXEMPTIONS FROM THE SECURITIES ACT AND EQUIVALENT STATE LAWS OR SECTION 1145 OF THE BANKRUPTCY CODE.

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR IN ANY EXHIBIT EXCEPT AS EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT OR IN ANY EXHIBIT. THIS DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED BY THE DEBTORS FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTORS' KNOWLEDGE, INFORMATION AND BELIEF.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION IS CORRECT AT ANY TIME SUBSEQUENT TO THIS DATE AND THE DEBTORS UNDERTAKE NO DUTY TO UPDATE THE INFORMATION.

THIS DISCLOSURE STATEMENT AND THE RELATED DOCUMENTS ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ACCEPTING OR REJECTING THE PLAN. NO REPRESENTATIONS ARE AUTHORIZED BY THE BANKRUPTCY COURT CONCERNING THE DEBTORS, THEIR BUSINESS OPERATIONS, THE VALUE OF THEIR ASSETS OR THE VALUES OF ANY INTERESTS DESCRIBED TO BE ISSUED OR BENEFITS OFFERED PURSUANT TO THE PLAN, EXCEPT AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER DISCLOSURE STATEMENT OR OTHER DOCUMENT APPROVED FOR DISTRIBUTION BY THE BANKRUPTCY COURT. HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT RELY UPON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE

ACCEPTANCE OF THE PLAN OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND INTERESTS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN AND CERTAIN OF THE PLAN DOCUMENTS. IF THERE IS ANY INCONSISTENCY BETWEEN THE PLAN OR THE APPLICABLE PLAN DOCUMENTS AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN OR THE APPLICABLE PLAN DOCUMENTS ARE CONTROLLING. THE SUMMARIES OF THE PLAN AND THE PLAN DOCUMENTS IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE PLAN AND THE APPLICABLE PLAN DOCUMENTS, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN THE PLAN AND OTHER PLAN DOCUMENTS. ALL HOLDERS OF CLAIMS AND HOLDERS OF INTERESTS ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND THE PLAN DOCUMENTS, AND TO READ CAREFULLY THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL EXHIBITS.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSES OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, AND NOTHING STATED IN THIS DISCLOSURE STATEMENT SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PERSON, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PERSON, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE DEBTORS OR HOLDERS OF CLAIMS OR INTERESTS.

THIS DISCLOSURE STATEMENT CONTAINS STATEMENTS THAT ARE FORWARD-LOOKING. FORWARD-LOOKING STATEMENTS ARE STATEMENTS OF EXPECTATIONS, BELIEFS, PLAN, OBJECTIVES, ASSUMPTIONS, PROJECTIONS, AND FUTURE EVENTS OF PERFORMANCE. AMONG OTHER THINGS, THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS WITH RESPECT TO ANTICIPATED FUTURE PERFORMANCE OF THE DEBTORS, DETERMINATION OF CLAIMS, AND DISTRIBUTIONS ON CLAIMS. THESE STATEMENTS, ESTIMATES, AND PROJECTIONS MAY OR MAY NOT PROVE TO BE CORRECT. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE REFLECTED IN THESE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS ARE SUBJECT TO INHERENT UNCERTAINTIES AND TO A WIDE VARIETY OF SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE RISKS, INCLUDING, AMONG OTHERS, THOSE DESCRIBED IN THIS DISCLOSURE STATEMENT. THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENT. NEW FACTORS EMERGE FROM TIME TO TIME AND IT IS NOT POSSIBLE TO PREDICT ALL SUCH FACTORS, NOR CAN THE IMPACT OF ANY SUCH FACTORS BE ASSESSED.

HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS WITH RESPECT TO ANY SUCH

MATTERS CONCERNING THIS DISCLOSURE STATEMENT, THE SOLICITATION OF VOTES TO ACCEPT THE PLAN, THE PLAN AND THE TRANSACTIONS DESCRIBED.

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I. INTRODUCTION

The Debtors' Joint Plan of Reorganization, which is proposed by Fenton Sub Parcel A, LLC and Bowles Sub Parcel A, LLC, sets forth, among other things, the proposed treatment of claims and interests in accordance with the Bankruptcy Code.

This Disclosure Statement is intended to explain the Plan and provide adequate information to allow an informed judgment regarding the Plan. A copy of the Plan is included with this Disclosure Statement. If the Plan and this Disclosure Statement are not consistent, the terms of the Plan control.

A. Summary of the Plan

The Plan anticipates that all property of the estate will be vested in the Reorganized Debtors. The Debtors will continue to operate the Pool A Properties, may market the Pool A Properties for sale either individually or in one or more groups, and may seek alternative financing. The secured claim of the Lender will be paid in full over time with the income generated by the operation of the Pool A Properties, by the proceeds of the sale(s) of one or more of the Pool A Properties, with the proceeds of new financing, or with a combination of these options. The Lender will retain its liens to secure such payments. Steven B. Hoyt's loan to the properties will be treated as an unsecured claim. Unsecured creditors will receive up to 100% of their claims, with interest, from distributions from excess cash generated by post-petition operations and from the sale(s) or refinancing and operations after the Lender is paid in full. The actual amount to be paid depends on the results of operations and sales or refinancing. The most likely recovery from operations is estimated to be 100%; the ultimate sales prices are unknown, but could result in a lesser payment to unsecured creditors.

B. Voting Procedures

Ballots to be used for voting to accept or reject the Plan are enclosed with all copies of this Disclosure Statement mailed to all classes entitled to vote.

Please fill out, sign and mail the enclosed ballot to the following address:

Clerk of Bankruptcy Court
301 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

The deadline for delivery of ballots is ____________, 2012.

DEBTORS URGE CREDITORS AND INTEREST HOLDERS TO VOTE IN FAVOR OF THE PLAN. DEBTORS BELIEVE THAT THE PLAN OFFERS THE BEST POSSIBLE RECOVERY FOR CREDITORS. QUESTIONS CONCERNING THE PLAN SHOULD BE ADDRESSED IN WRITING OR BY TELEPHONE TO DEBTORS' COUNSEL.

C. Brief Explanation of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Upon the filing of a petition for reorganization under Chapter 11, Section 362 of the Bankruptcy Code generally provides for an automatic stay of all attempts to collect claims or enforce liens that arose prior to the commencement of the bankruptcy case or that otherwise interfere with a debtor's property or business.

The principal objective of a Chapter 11 reorganization is the confirmation of a plan of reorganization or liquidation. The plan sets forth the means for satisfying the claims of creditors and interests of stockholders of the debtor. The plan and a disclosure statement that contains information necessary to allow creditors and shareholders to evaluate the plan are sent to creditors and shareholders whose claims or interests are impaired, who then vote to accept or reject the plan.

A class of claims is entitled to vote to accept or reject a plan if that class is "impaired" by the plan. A class of claims is impaired unless the plan cures any defaults that may exist with respect to the claims and leaves unaltered the legal, equitable, and contractual rights to which the claim entitles the holder of the claim.

A plan may be confirmed under Section 1129(a) of the Bankruptcy Code if each class of claims or interests is not impaired by the plan or if each such class has voted to accept the plan. Votes will be counted only with respect to claims: (1) that are listed on the Debtors' Schedules other than as disputed, contingent or unliquidated; or (2) for which a proof of claim was filed on or before the bar date set by the Court for the filing of proofs of claim. However, any vote by a holder of a claim will not be counted if such claim has been disallowed or is the subject of an unresolved objection, absent an order from the Court allowing such a claim for voting purposes. A class of claims has accepted a plan if creditors that hold at least two-thirds in amount and more than one-half in number of the allowed voting claims in the class have voted to accept the plan.

If an impaired class votes to reject the plan, the proponent of the plan can attempt to "cram down" the plan by confirming it under Section 1129(b) of the Bankruptcy Code. A plan proponent may cram down a plan upon a rejecting class only if another impaired class has voted to accept the plan, and the plan does not discriminate unfairly and is fair and equitable with respect to each impaired class that has not voted to accept the plan.

Voting on the plan by each holder of a claim in an impaired class is important. After carefully reviewing the Plan and Disclosure Statement, each holder of such a claim should vote on the enclosed ballot either to accept or reject the Plan. Any ballot that does not appropriately indicate acceptance or rejection of the Plan will not be counted. A ballot that is not received by the deadline will not be counted. If a ballot is lost, damaged, or missing, a replacement ballot may be obtained by sending a written request to the Debtors' attorney.

Section 1129(a) of the Bankruptcy Code establishes the conditions for the confirmation of a plan. These conditions are too numerous to be fully explained here. Parties are encouraged to seek independent legal counsel to answer any questions concerning the Chapter 11 process. Among the conditions for plan confirmation is that either each holder of a claim or interest must

accept the plan, or the plan must provide at least as much value as would be received upon liquidation under Chapter 7 of the Bankruptcy Code.

If the Plan is confirmed by the Court, its terms are binding on the Debtors, all creditors, stockholders and other parties in interest, regardless of whether they have accepted the Plan.

II. DESCRIPTION OF THE DEBTORS' BUSINESS AND OPERATIONS

A. Nature and History of the Debtors' Business

The Debtors are Delaware limited liability companies formed in April 2004. Current ownership of the Debtors dates to March 31, 2007 when the Debtor entities and their real estate properties were purchased by investors including Steven B. Hoyt, the Chief Manager. The Debtors jointly own the Pool A Properties, which consist of six (6) parcels of real property located in Dakota County, Minnesota. Specifically, as tenants in common, Fenton Sub Parcel A, LLC has an undivided 74.5394% interest and Bowles Sub Parcel A, LLC has an undivided 25.4606% interest in the Pool A Properties. The Pool A Properties consist of office or warehouse space, and do not include any residential space. The Debtors rent space in the six (6) buildings to a variety of business tenants. The Pool A Properties have a combined total of approximately 26 tenants.

The Debtors' source of revenue is rent received from tenants. The Pool A Properties currently have an average occupancy rate of approximately 75% and the Debtors receive an average of approximately $115,000 per month in revenue.

Hoyt Properties, Inc. acts as the Debtors' agent in managing the Pool A Properties. Hoyt Properties, Inc. enters into contracts with vendors for the provision of services—such as sprinkler systems and window cleaning—to the Pool A Properties. All of the vendors or other creditors who supply goods or services to the Pool A Properties bill Hoyt Properties, Inc., which then pays the bills out of a checking account held by Hoyt Properties, Inc. for the benefit of the Debtors. Since November 2011, the Debtors have used the services of third party leasing agents to assist with finding and securing tenants.

B. Prepetition Debt Structure

1. First Mortgage Debt

Nomura Credit and Capital, Inc. provided financing for the Debtors in the form of the First Mortgage Debt in the original amount of $10,632,000. The First Mortgage Debt is secured by a first priority mortgage on all of the Pool A Properties. The First Mortgage Debt is also secured by the Assignment of Leases. In addition, pursuant to the Loan Documents, the Debtors are required to deposit predetermined amounts into (a) reserve accounts, intended to be disbursed, upon request, to the Debtors for tenant improvements, leasing commissions and capital expenditures (b) a reserve account intended to be utilized for interest reserves and (c) an impound account, intended to be utilized for payments of real estate taxes due each May 15 and October 15. The escrow and reserve accounts are held by either the servicer or the special servicer of the First Mortgage Debt. The Lender's interests in the Mortgage, Assignment of

Leases, and other assets of the Debtors appear to have been properly perfected. On or around August 20, 2004, the Note was endorsed and the Mortgage and Assignment of Leases were assigned to the Lender.

The Debtors were current with all payment obligations to Lender on the First Mortgage Debt, including reserves and impounds, through and including the month of March 2012. No further payments have been made. As of the Petition Date, the principal balance of the Note, which matures on May 11, 2014, was $8,639,599.78.

Between January 20, 2012 and May 4, 2012, Lender "swept" cash reserves from various escrow and impound accounts in the amount of $879,553.44 and applied the funds against Lender Expenses, Interest, Principal, and Late Fees. (See "*Decision to File under Chapter 11*" below). Lender did not make the disbursement from the real estate tax impound accounts to the County for the payments due May 15, 2012.

2. The Hoyt Loan Indebtedness

Following the change in ownership structure (as described below), the Debtors have periodically required additional funds for various needs such as capital expenditures, tenant improvements, and leasing commissions. Mr. Hoyt, as an individual with indirect ownership of a portion of the Debtors, has loaned such needed funds to the Debtors in a total amount of $642,022.00, which is treated as unsecured under the Plan of Reorganization.

C. Ownership Structure

Both Debtors are ultimately controlled by StoneArch II/WCSE Minneapolis Industrial LLC, which is the 100% member of Bowles Subsidiary, LLC and of Fenton Subsidiary, LLC. Bowles Subsidiary, LLC is then the 100% member of Bowles Sub Parcel A, LLC, and Fenton Subsidiary, LLC is the 100% member of Fenton Sub Parcel A, LLC. This ownership structure is illustrated on the chart attached as Exhibit B. Although they are two separate legal entities, the Debtors have consistently been treated as one enterprise.

The current ownership structure was put in place in 2007, when StoneArch II/WCSE Minneapolis Industrial LLC, through subsidiary entities, acquired the Debtors along with other entities, which in turn owned 27 industrial multi-tenant properties comprising 1,175,000 square feet located in the Twin Cities. The properties are organized into four separate pools: A, B, C, and D. The Debtors own the Pool A Properties.

The 2007 purchase was structured utilizing: (i) the assumption of pre-existing mortgage debt; (ii) preferred equity provided by WCHYP II Lender LLC and Wrightwood Capital Strategic Equity Fund I LP, which together owned the preferred membership units in WCSE Minneapolis Industrial Investor LLC; and (iii) equity provided by a group of individual investors who are members of StoneArch II, LLC.

Following the purchase in March 2007, a substantial number of properties in Pools A, B, C & D were put under contract to sell. It was anticipated that the Lender's debt on all Pools would be paid in full from proceeds of the sale and proceeds assumed to be provided by

Associated Bank. On December 11, 2007, the closing date set for the sale of the properties and Associated Bank loan closing, the bank did not respond or appear at the closing. Subsequently, the bank withdrew its commitment due to unstated internal lending issues. The Chief Manager of the Debtors, Steven B. Hoyt, then undertook to refinance the preferred equity initially provided by the Wrightwood Capital entities. This was accomplished on March 31, 2008 with Commerce Bank and two (2) bank participants. From that time, the Debtors – and the Pools B, C and D entities – have been operating the properties looking forward to the date upon which the loans could be paid off without pre-payment penalties.

D. Decision to File under Chapter 11

The Debtors' bankruptcy filings on May 8, 2012 were necessitated by (1) the threatened foreclosure on the Pool A Properties and (2) the sweeping of Debtors' escrow and impound accounts. These actions by the Lender were taken in the context of, and during, negotiations related to the proposed Plan of Reorganization for the Pool D properties, and following the personal bankruptcy filing by Mr. Hoyt.

1. On June 30, 2011 the Pool D entities (Fenton Sub Parcel D, LLC and Bowles Sub Parcel D, LLC) filed Chapter 11 bankruptcy petitions. The Pool D portfolio contains six (6) properties. That filing was precipitated by a large, unexpected vacancy, and State District Court litigation involving a purchase agreement to sell one of the Pool D properties. During the pendency of the Pool D bankruptcy case, the Pool D Debtors and CW Capital engaged in extensive litigation. The Pool D entities filed their Joint Plan of Reorganization and Disclosure Statement on January 6, 2012. The Second Amended and Third Amended Plans were filed on or about July 16, 2012. Following a contested confirmation hearing, the Third Amended Plan was confirmed by the Court on July 17, 2012.

The Pool D lender is the same lender as in this case. The Joint Plan of Reorganization in this case substantively conforms to the Court's Findings confirmed by the Court on July 17, 2012.

2. Mr. Hoyt's personal bankruptcy filing was caused by a loan default with an unrelated lender, for a loan made in connection with the initial purchase of the Pool A, B, C & D properties. Mr. Hoyt borrowed the money personally to refinance the Wrightwood preferred equity on March 31, 2008. The loan was for a two (2) year term with Commerce Bank and two (2) participants (the "banks"). During that time, the underlying first mortgage debt (with CW Capital) and the Commerce Bank loan were maintained on a current basis in all respects. However, the banks and their regulators did not wish to extend the loan at maturity and engaged Mr. Hoyt in negotiations which lasted until May 29, 2011, when negotiations failed. Mr. Hoyt filed personal bankruptcy to (a) protect the equity in the Pool A, B, C & D properties and (b) prevent the banks from foreclosing on other non-real estate collateral held by the banks as security.

Over six months later, CW Capital invoked the personal bankruptcy filing by Mr. Hoyt as an Event of Default under the Pool A loan, and swept the cash reserves and impounds referenced above. At the time of the sweeps, the Pool A loan was not in monetary default.

Mr. Hoyt filed his Plan and Disclosure Statement on January 6, 2012 and a Modified Plan of Reorganization on May 14, 2012 which was withdrawn on July 2, 2012. He intends to file an amended Plan and Disclosure Statement prior to Confirmation of the instant Plan.

3. Unpaid Real Estate Taxes

The sweep of the Debtors' reserves included escrows ("impounds") intended to pay installments of real estate taxes when due. CW Capital, however, did not use the funds for that purpose, instead applying the funds as referenced above. The real estate taxes due in May of 2012 have not been paid and the Debtors have incurred penalties and interest on the delinquent real estate taxes.

E. The Debtors' Assets

Substantially all of the Debtors' assets consist of its equity in the six (6) properties. These properties have been appraised and valued by various appraisers, a consultant, the tax assessors, brokers and the Debtors during the past two (2) years. These valuations have been performed for different reasons. Appraisers have been retained by their lender clients (CW Capital and Commerce Bank) to appraise the properties pursuant to engagement letters and instructions Debtors' are not privy to. A consultant for Debtors, Mr. Herb Tousley, has performed "Argus" analysis of the properties utilizing data obtained from Shenehon Company and the Debtors. County tax assessors value individual properties for the purpose of estimated market value, which is used to compute property tax. Brokers have valued the properties for the purpose of exposing the properties to potential buyers. The Debtors continuously value the properties, based upon current leasing and market variables, to gauge their progress.

For purposes of the Debtors' Plan of Reorganization, Debtors have estimated the values of the properties as follows:

Property	Value
Professional Plaza I	$2,560,932
Professional Plaza II	$2,473,628
Professional Plaza III	$1,833,395
Sibley Industrial I	$2,124,410
Sibley Industrial II	$1,164,060
Sibley Industrial III	$1,164,060
Total	$11,320,485

III. EVENTS DURING CHAPTER 11 CASES

A. Cash Collateral

On June 13, 2012 the Court signed an Order Authorizing Use Of Cash Collateral On A Final Basis, through August 31, 2012. Cash Collateral authority has been extended by an agreed order through November 30, 2012.

B. Claims and Claims Objections

On August 17, 2012, after the Debtor's Disclosure Statement and Plan had been filed, Lender, through its servicing agent, filed proofs of claim in the above cases in which Lender alleged, under penalty of perjury, that the following amounts were due and owing as of the Petition Date:

Principal	$ 8,639,599.78
Prepayment premium	$ 994,146.84
Interest at the rate of 5.040% from April 11, 2012 through May 7, 2012	$ 31,448.14
Default interest at the rate of 5.000% from May 31, 2011 through May 7, 2012	$ 428,297.97
Late charge	$ 2,471.88
Lender expenses	$ 45,499.65
Processing fee	$ 300.00
Total	$10,141,764.26

The Debtor disagrees with the Lender's claimed right to a prepayment premium. The Lender's own documents provide that the prepayment premium is only payable upon tender or payment of the entire balance prior to the Lockout Expiration Date, a term defined as being three months prior to the Maturity Date of May 11, 2014. The Secured Lender disagrees with the Debtors' interpretation of the Loan Documents.

The Debtor also disagrees with the Lender's claim for default interest beginning May 31, 2011, the date Steven Hoyt filed his individual bankruptcy petition. All payments under the Note at the non-default rate were current through April 11, 2012. Moreover, the Lender deducted the payments made after May 31, 2011 through April 11, 2012 from accounts under its control and never charged or deducted any default interest. The Debtor agrees that pre-petition default interest is appropriate from April 11, 2012 through May 7, 2012.

The Debtor has requested additional backup information regarding elements of the Lender's pre-petition claim and is awaiting that information from the Lender.

The Debtors may object to any scheduled or filed claims that are incorrect, but will compare filed claims to those scheduled and attempt to resolve any discrepancies before commencing the objection process. The deadline for objections to claims will be set by an order issued at the time of confirmation of the Plan.

The Lender has also included in its Proofs of Claim amounts for post-petition interest, default interest, late charges and other expenses. The Debtor reserves all rights to object to pre-petition and post-petition amounts included in the Proofs of Claims at the appropriate time.

C. Avoidance Actions and other Litigation

Under section 547 of the Bankruptcy Code, certain transfers made by the Debtors to creditors within 90 days (or, in some cases, one year) of the Filing Date may be recovered as

preferential payments. Section 548 of the Bankruptcy Code gives the Debtors power to avoid fraudulent transfers. Such claims, and all Avoidance Claims, are preserved by the Debtors under the Plan. The Causes of Action include, but are not limited to, those items identified on Exhibit B to the Plan. No person may rely on the absence of a specific reference in the Plan, the Disclosure Statement, or Exhibit B to the Plan to any Cause of Action as any indication that the Debtors will not pursue any and all available Causes of Action. The Debtors expressly reserve all Causes of Action for later adjudication and, therefore, no preclusion doctrine shall apply to a Cause of Action upon, after, or as a consequence of the Confirmation Order. All recoveries on any Causes of Action, including Avoidance Claims, shall be retained by Debtors for use in making payments under this Plan or for general working capital purposes, at Debtors' option.

IV. SUMMARY OF THE PLAN

The below summary is provided for the convenience of holders of Claims and Interests. If any inconsistency exists between the Plan and this Disclosure Statement, the terms of the Plan are controlling. The summary of the Plan in this Disclosure Statement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the full text of the Plan, including the definitions of terms contained in the Plan. All holders of Claims and Interests are encouraged to review the full text of the Plan, and to read carefully this entire Disclosure Statement, including all exhibits hereto.

A. Overview

The purpose of the Plan is to restructure the Debtors' debt obligations so that the Debtors are able to weather what they anticipate is a temporary downturn in the commercial real estate market and so that Debtors may create value by future leasing thereby increasing the occupancy rate and cash flow. The Debtors believe that creditors and interest holders will realize a more favorable distribution of value than would occur under any liquidation.

B. Overview of Classification and Treatment of Claims and Interests

Following the requirements of the Bankruptcy Code, all Claims and Interests are placed in categories. Most are placed into separate classes, others are unclassified. These categories are described in detail in the Plan and later in this paragraph.

The Plan proposes certain different "treatment" for all the claims or interests in the unclassified categories and the classes. Following is a chart of the estimated amounts in each unclassified category and class along with the proposed treatment for each.

Class No.	Description of the Class	Estimated Amount	Proposed Treatment
N/A	Administrative Expenses	$20,000	Payment in full on the Effective Date, as due, or as otherwise agreed
N/A	Statutory Fees and Court Costs	N/A	Payment in full on the Effective Date or as due
1-A	Secured Claim – Lender	$8,855,815	Retention of lien and payment over time
1-B through 1-G	Secured Claims - Dakota County	$229,738.86	Retention of lien and payment over time
2	Unsecured Claims	$814,340.33	Pro-rata share of Excess Cash Fund
3	Equity Interests	N/A	Retention of membership interests

The holders of Claims or Interests that are classified and are "impaired" are entitled to vote on the Plan. The classes that are entitled to vote under the Plan are:

1-A Secured Claim – Lender
1-B Secured Claim – Dakota County
1-C Secured Claim – Dakota County
1-D Secured Claim – Dakota County
1-E Secured Claim – Dakota County
1-F Secured Claim – Dakota County
1-G Secured Claim – Dakota County

2 General Unsecured Claims

C. Detailed Description of Classes and Treatment

Following is a description of the classes and the treatment. This section is taken from the Plan. In case of inconsistency, the Plan controls. This section may have some additional information about the classes.

1. Allowed Administrative Expense Claims

Claims specified in Code § 507(a)(2), except as otherwise provided in this Article, including fees of professionals, will be paid in full in cash on the Effective Date, or later as approved by the Court, or as agreed among the parties.

Debtors estimate that allowed administrative expense claims will not exceed $20,000.

2. Statutory Fees and Court Costs

Court costs and fees payable by Debtors under 28 U.S.C. § 1930 will be paid in full in cash on the Effective Date. After confirmation, the Debtors will continue to pay quarterly fees to the Office of the United States Trustee and to file quarterly reports with the Office of the United States Trustee until this case is closed by the Court, dismissed or converted. This requirement is subject to any amendments to 28 U.S.C. § 1930(a)(6) that Congress makes retroactively applicable to confirmed Chapter 11 cases.

3. Class 1-A Secured Lender

This class consists of the allowed secured claim of the Secured Lender which the Debtors estimate to be $8,855,816 adjusted by allowed interest and lender expenses, if any, less reserves applied by lender to principal. The basis of the Secured Lender's claim is a term loan with an outstanding balance which the Debtors estimate to be $8,639,599.78 as of the Filing Date, and such post-petition interest, fees, costs, and charges as allowed under the Bankruptcy Code which the Debtors estimate to be $178,529. The holder of the Class 1-A claim will receive the following treatment:

a. Payment of principal and interest

Debtors shall pay to the Secured Lender the full amount of its allowed secured claim. Interest shall accrue at the rate of 3.50% or such other rate as determined by the Court.

Beginning the first month after the Effective Date, the Debtors shall make a payment on the 11th day of each month equal to the Class 1-A claim amount times 3.50% divided by twelve (12). If and to the extent cash (from operations and after full payment of the Class 1-B through 1-G claims) is not available to pay such interest in any given month, such interest shall accrue at the rate specified above, and shall be paid from operations and from the Excess Cash Fund in subsequent months.

Beginning on the first anniversary of the Effective Date, the Debtors shall make monthly payments in an amount based upon an amortization schedule of thirty (30) years. The principal balance so amortized shall include any accrued and unpaid interest, at the rate specified above, from the Effective Date. In the event partial prepayments of principal are made, the monthly installment of interest and principal shall be recomputed based upon the rate specified above, the outstanding principal balance remaining after the prepayment, and an amortization schedule of thirty (30) years.

The maturity date shall be May 11, 2014, at which time the entire outstanding principal balance, with all accrued but unpaid interest, shall be due and payable. The term may be extended at the Debtors' option for up to two (2) additional one-year periods upon 30 days' notice prior to the maturity date. If the Debtors elect to exercise either option to extend, they shall pay to the Secured Lender a fee of 0.25 (one quarter of one) percent of the then-outstanding

principal, with such payment due and payable when the option is exercised. The exercise of one or more of the options to extend shall not extend the term of any prepayment fee or yield maintenance fee (if any) and any pre-payment by the Debtors during any extension period shall not be subject to any pre-payment fee or yield maintenance fee. Full payment of the Class 1-A claim shall be made no later than May 11, 2016.

b. Treatment of liens

To secure payment and performance of the Debtors' obligations hereunder, the Secured Lender shall retain its liens and security interests in the Lender's Collateral.

c. Sale of properties

At any time, the Debtors may obtain the release of all of the Secured Lender's liens as to a particular parcel upon the sale of such parcel and payment of the proceeds to the Class 1 Creditors as specified in the Plan.

Upon receipt by the Debtors of an offer from a third party to purchase one or more Pool A Property parcels that Debtors wish to accept, the Debtors shall notify the Secured Lender of such offer, and thereafter, for the ten business days following the transmittal of notice from the Debtors to the Secured Lender of such an offer, the Secured Lender shall have the right to make a counter-offer to purchase the same parcel(s) by credit bidding some or all of its allowed claim pursuant to 11 U.S.C. § 363(k). Bids are subject to a 1% overbid requirement. Both the third party and the Secured Lender shall be given opportunities to increase their offers, and at the conclusion of any bidding, the Debtors shall accept the better and higher offer. In the event the Secured Lender does not exercise its rights under 11 U.S.C. § 363(k) or the third party's offer is the prevailing offer, the Secured Lender shall execute and deliver any documents or instruments requested by the Debtors to discharge and release its liens with respect to such parcel(s) that are the subject of the sale. The Secured Lender's lien shall attach to the proceeds of such sale, subject to the application of such proceeds: first to reasonable sales commissions and other sales and closing costs; second to any accrued but unpaid interest; third to outstanding principal; fourth to any unpaid administrative expense claims; and fifth to the Excess Cash Fund. Additionally, the Debtors may obtain the release of the Mortgage as to all of the Pool A Properties by refinancing them, but only if the Secured Lender is being paid in full the amount due under this Plan as a result of any such refinancing transaction. In any event, upon payment in full of the full amount of the allowed secured claim plus accrued interest (or the placement of such amount into escrow), all liens shall be released.

d. Prepayment

The outstanding principal and interest balance may be paid, at any time, in whole or in part, without prepayment premium, or defeasance cost or required yield maintenance fee.

e. Modification of loan documents

All of the documents entered into between the Debtors and the Secured Lender ("Loan Documents") are modified to the extent necessary to effectuate this Plan. These modifications

include, without limitation:

i. The Borrowers shall not be in default under any of the Loan Documents by reason of any existing default or any event, condition or material adverse effect which occurred or was in existence as of the Effective Date including but not limited to those based on nonpayment of the loan, the insolvency of the Debtors or any affiliates, the existence of "other obligations," or the existence of other "Security Agreements."

ii. Events of default under any of the Loan Documents shall be limited to: (i) failure of the Debtors to make a payment or take other actions as provided under the Plan; (ii) the Debtors' failure to provide insurance as required by Section 1.4 of the Mortgage or failure to perform any covenant, agreement obligation, term or condition set forth in Sections 1.16 or 1.30 of the Mortgage; (iii) the Debtors' failure to perform any covenant, agreement obligation, term or condition set forth in Sections 1.2, 1.5, 1.9(a), (b) or (d), 1.10, 1.14, 1.17, 1.19, 1.23, 1.33, or 1.34 of the Mortgage; (iv) the Debtors sell, convey, dispose, alienate, hypothecate, lease, assign, pledge, mortgage, grant a security interest in or otherwise transfer or further encumbrance of the Lender Collateral, the Debtors or its owners, or any portion thereof or any interest therein, in violation of Section 1.13 of the Mortgage, except as allowed under this Plan; (v) the Lender Collateral or any part thereof shall be taken on execution or other process of law in any action against the Debtors; (vi) the Debtors abandon all or a portion of the Lender Collateral; (vii) the holder of any lien or security interest in the Lender Property (without implying consent of Lender to the existence or creation of any such lien or security interest), whether superior or subordinate to the Mortgage, declares a default and such default is not cured within any applicable grace or cure period set forth in the applicable document or such holder institutes foreclosure or other proceedings for the enforcement of its remedies thereunder; (viii) Debtors shall fail to deliver to Secured Lender within 90 days of the end of each calendar year annual financial statements of the Debtors reviewed by a reputable accounting firm; and (ix) the Lender Collateral, or any part thereof, is subjected to actual or threatened waste or to removal, demolition or material alteration so that the value of the Lender Collateral is materially diminished thereby and Lender determines (in its subjective determination) that it is not adequately protected from any loss, damage or risk associated therewith.

iii. Upon an event of any default (other than under subsection (iii) or (viii) above), the Secured Lender may, upon ten (10) days written notice to the Debtors, accelerate the unpaid balance of the claim payable under the Plan and exercise its remedies under the Loan Documents without further notice unless such default is cured before the expiration of the notice period. Upon an event of any default under subsection (iii) or (viii) above, and, to the extent such failure or default is susceptible of being cured, the continuance of such failure or default for 30 days after written notice thereof from Secured Lender to Debtors; provided, however, that if such default is susceptible to cure but such cure cannot be accomplished with reasonable diligence within said period of time, and if Debtors commence to cure such default promptly after receipt of notice thereof from Secured Lender, and thereafter prosecutes the curing of such default with reasonable diligence, such period of time shall be extended for such period time as may be necessary

to cure such default with reasonable diligence, but not to exceed an additional 60 days, the Secured Lender may accelerate the unpaid balance of the claim payable under the Plan and exercise its remedies under the Loan Documents without further notice unless such default is cured before the expiration of the cure period.

iv. Except in the event of a default, the Secured Lender shall not be allowed to charge the Debtors any additional fees or expenses above its secured claim in the amount set forth above.

v. Debtors will not be required to be subject to any cash management agreement or lockbox agreement. Debtor will enter into a control agreement to the extent reasonably necessary to effectuate the Secured Lender's perfection of its Security Agreement in Debtors' cash. Debtors will be required only to accrue and hold in a separate account or accounts such reserves as are necessary in their reasonable judgment for the periodic payment of real estate taxes and insurance. No other reserves shall be required.

vi. In the event Debtors seek to enter into new leases, to the extent the Loan Documents require the consent of the Secured Lender, Debtors shall submit them to the Secured Lender for approval. Such approval shall not be unreasonably withheld. Failure of the Secured Lender to approve or deny approval within seven days shall be deemed to be approval.

vii. Addresses required for notices under the Loan Agreements shall be those currently used by the Debtors and the Secured Lender.

viii. All disputes shall be submitted to the Bankruptcy Court to the extent it retains jurisdiction at the time of such dispute.

Except as otherwise modified by the Plan, or as reflected in additional exhibits to the Plan filed with the Court, the remaining terms of the original underlying Loan Documents shall remain in effect. To the extent the terms of the Plan are inconsistent with the Loan Documents, the terms of the Plan shall control. Capitalized terms used in this section (e) not otherwise defined in the Plan are defined in the relevant Loan Documents.

D. Class 1 B-G Claims

These claims consist of the allowed secured claims of Dakota County, Minnesota for unpaid real estate taxes on the Pool A properties in the approximate amount of $229,738.86 plus accrued interest and penalties. The holder of these claims will receive the following treatment:

a. Payment of principal and interest

Debtors shall pay to the Dakota County Treasurer the full amount of its allowed secured claims. Interest and penalties shall accrue at the statutory rates. Full payment shall be made no later than May 11, 2016.

b. Treatment of liens

To secure payment and performance of the Debtors' obligations hereunder, Dakota County shall retain its liens on the properties.

c. Sale of properties

At any time, the Debtors may obtain the satisfaction of the Class 1 B-G claims and the release of the tax liens upon payment in full of the full amount of the allowed secured claims plus accrued interest and penalty.

E. Class 2 - Unsecured Claims

This class consists of all allowed unsecured claims against the Debtors that are not entitled to priority and are not classified elsewhere in this Plan. Debtors estimate that allowed claims in this class total approximately $814,340.33. Holders of allowed claims shall receive up to 100% of their allowed claims, together with 3.50% interest, by receiving their pro rata share of the funds distributed from the Excess Cash Fund after the Class 1-A through Class 1-G claims and the administrative expense claims are paid in full.

F. Class 3 - Equity Interests

This class consists of equity interests in the debtors. The holders of these equity interests will retain their interests in the re-organized debtors.

G. Executory Contracts and Unexpired Leases

The Plan includes a list of executory contracts and leases that will be assumed on the Confirmation Date with proposed cure amounts. Unless an objection is filed prior to entry of the Confirmation Order, then such amount shown on Exhibit A to the Plan as "cure" is conclusively determined to be the amount required to cure any monetary or non-monetary default under any assumed executory contract or lease. All executory contracts and leases previously assumed by the Debtors by prior Court order are assumed in the Plan. If an executory contract and/or lease is not shown on Exhibit A to the Plan, and has not been previously dealt with by prior Court order, such contract or lease will be deemed rejected effective on the Confirmation Date. All parties to any executory contracts and leases rejected pursuant to this provision **must file a proof of claim within 30 days** of the Confirmation Order or such other period set forth in the Confirmation Order if such Order sets a deadline for filing a proof of claim, or be forever barred from receiving any distribution under this Plan. Debtors reserve the right to alter, amend or add to the list of executory contracts and unexpired leases at any time prior to the Confirmation Date.

H. Claims Belonging to the Estate

On the Effective Date, Debtors shall be vested with, shall retain and may, at their option, contest any claim or interest belonging to the estate, including all Causes of Action, to the extent not expressly released under this Plan or by any Final Order of the Bankruptcy Court. No person may

rely on the absence of a specific reference in the Plan, the Disclosure Statement as any indication that the Debtors will not pursue any and all available Causes of Action. The Debtors expressly reserve all Causes of Action for later adjudication and, therefore, no preclusion doctrine shall apply to a Cause of Action upon, after, or as a consequence of the Confirmation Order. All recoveries on any Causes of Action, including Avoidance Claims, shall be retained by Debtors for use in making payments under this Plan or for general working capital purposes, at Debtors' option.

I. Distributions and Claims Administration

(i) Method and Timeliness of Distributions Distributions under this Plan will be made by check and mailed to the holder of the claim at the address listed on its proof of claim as of the date the order confirming the Plan is entered by the Court. This date is the "Record Date." Payment under the Plan will be mailed to the address of the holder of the claim as of the Record Date. If the holder of the claim after the Record Date wishes to have future distributions sent to a different address, it must notify the Debtors in writing of a different address. If no proof of claim has been filed by a particular creditor by the date of the hearing on confirmation, distribution will be mailed to the address listed on the Schedules as of the Record Date. Holders of claims may contact Debtors with changes of address or questions at:

Fenton Sub Parcel A, LLC
Bowles Sub Parcel A, LLC
275 Market St. Ste 439
Minneapolis, MN 55405

(ii) Timing of Distributions From the Excess Cash Fund to Holders of Class 2 Claims

Distributions to the holders of Class 2 claims shall be made from the Excess Cash Fund to the extent (i) the Class 1-A through 1-G claims and the administrative expense claims are paid in full. Full distribution of the Excess Cash Fund shall be made no later than May 11, 2016.

(iii) Claim Objections and Administration

Unless a claim is specifically allowed under the Plan, or has been otherwise allowed by the Court, the Debtors reserve the right to make any objections to claims and motions or requests for the payment of claims of any kind. Unless extended by the Bankruptcy Court, any objections to claims other than administrative expense claims will be filed within thirty (30) days after the Effective Date. A claim to which an objection has been made is a "Contested Claim."

No payments or distributions will be made with respect to a Contested Claim until all objections to the Contested Claim have been settled or withdrawn or determined by the Court. The Debtors may request estimation or limitation of any Contested Claim to the extent authorized by the Bankruptcy Code, and the estimate may become the allowed amount of the claim or the maximum limit on the claim.

If a Debtor has a claim, including an Avoidance Claim, or right to setoff against the holder of a claim against the estate, no payment or distribution will be made on the holder's claim until the Debtor's claim or the Avoidance Claim has been settled or withdrawn or has been determined by

the Court. Failure to set off or hold payment of a distribution will not waive or otherwise compromise a Debtor's ability or right to make the claim or setoff later.

If a distribution is returned to the Debtors unclaimed, with no indication of the payee's forwarding address, Debtors will hold the distribution for six months from the date of return. If not claimed by the payee by the end of that period, the distribution will become property of the Debtors. Distribution checks will be null and void if not negotiated within 180 days after the date of issuance. The Plan sets deadlines and procedures for requesting re-issuance of a distribution check.

If proof of a claim is required under Bankruptcy Rule 3003 and is not timely filed according to the provisions of the Bankruptcy Code or applicable Court order, the holder of the claim will not be treated as a creditor for purposes of distribution under the Plan and will receive no distribution under the Plan on account of the claim.

J. Effect of Confirmation

1. Discharge The confirmation of the Plan will discharge each of the Debtors of all claims against them except to the extent that the Claims are preserved by the Plan. The Debtors seek to have the full benefit of Section 1141 of the Bankruptcy Code. The language of the Plan is as follows:

> Except as otherwise provided in this Plan, confirmation of this Plan discharges, waives and releases the Debtors from any debt that arose before the Confirmation Date and any debt of a kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, regardless of whether or not proof of the claim based on such debt was filed or deemed filed under Section 501 of the Bankruptcy Code, such Claim is allowed under Section 502 of the Bankruptcy Code, or the holder of such claim has accepted the Plan. The payments of, distributions on account of, or treatments of claims in this Plan are deemed to satisfy in full all claims. Except as provided in Article V, all property of Debtors and the estate vests in the Reorganized Debtors on the Effective Date. All property of Debtors and the estate is dealt with by this Plan; therefore, on the Effective Date, all property of the Debtors and the estate vests in the Debtors and such property is free and clear of all liens, encumbrances, claims and interests of creditors and equity security holders, except to the extent the Plan explicitly provides that such liens, encumbrances, claims or interests are retained.

2. Discharge Injunction The Plan also gives to the Debtors an injunction to enforce the discharge. The Debtors seek the full protections of Section 524 of the Bankruptcy Code. The language of the Plan is as follows:

> Except as provided in this Plan, as of the Effective Date and subject to its occurrence, all persons that have held, currently hold or may have asserted a claim, a Cause of Action or other debt, liability, interest or other right of a holder of an equity interest that is discharged, released or terminated pursuant to the Plan, are hereby permanently enjoined from commencing or continuing against the Debtors, in any manner or in any place, any action or other proceeding, enforcing, collecting or recovering in any manner any judgment, award, decree or order, creating, perfecting or

enforcing any lien or encumbrance, asserting a set-off, right or subrogation or recoupment of any kind against any debt, liability or obligation. Nothing contained in this Paragraph is intended to release, discharge or enjoin any claims against any party other than the Debtors.

3. Exoneration The Plan will provide exoneration of the Debtors and others working on the Plan process, other than for willful misconduct and permit them to reasonably rely on the opinions of experts and professionals. The language of the Plan is as follows:

> Each and every entity voting to accept this Plan on account of its Allowed Claim or Interest shall be deemed to forever release and waive all claims, demands, debts, rights, causes of action and liabilities in connection with or related to any of the Debtors, the Chapter 11 Cases or this Plan, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, that are based in whole or in part on any act, omission or other occurrence taking place on or prior to the Effective Date, against the Released Parties to the fullest extent permitted under applicable law. Notwithstanding anything in this Plan or in the releases set forth above to the contrary, nothing herein shall be construed to release, and the Debtors do not hereby release, any rights of the Debtors: (a) to enforce this Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder; (b) to litigate claims objections, including without limitation to make any claim, or demand or allege and prosecute any cause of action against any Holder of any claim that has not been allowed by the terms of this Plan or Order of the Bankruptcy Court; and (c) to litigate claims and causes of action not specifically released herein, including claims and Causes of Action contained in any adversary complaint filed during the pendency of the Chapter 11 Cases that have not been withdrawn or dismissed prior to the Confirmation Date.

K. Means of Execution

1. Vesting of Property in the Debtors

On the Effective Date, all of the property of the estate shall vest in the Reorganized Debtors.

2. Ongoing Operations

The Reorganized Debtors shall continue in business on and after the Effective Date. Cash flow generated from the Reorganized Debtors' ongoing operations shall be used for general working capital purposes and to make distributions under the Plan.

3. Sale of Properties or Refinancing

The Reorganized Debtors may, at their discretion, sell some or all of the parcels comprising the Pool A Properties or refinance the Class 1 claim. Proceeds from such a sale or refinancing shall be applied as specific in Section 3.2.1(d). In the event of refinancing, payments to the new secured lender will have priority over payments to Holders of Class 2 claims.

4. Management of the Reorganized Debtors

On the Effective Date, the Chief Manager of Fenton Sub Parcel A, LLC and Bowles Sub Parcel A, LLC shall continue to be Steven B. Hoyt. Mr. Hoyt shall receive as compensation Five Thousand Dollars ($5,000.00) per month for serving in these positions.

5. Corporate Action

On the Effective Date, the matters under this Plan involving or requiring action of the Debtors, including, but not limited to, execution of all documentation incident to this Plan, will be deemed to have been authorized by the confirmation order and to have occurred and be in effect from and after the Effective Date without any further action by the Bankruptcy Court or the governors, managers, or members of the Debtors.

V. PROOFS OF CLAIM AND ADMINISTRATIVE CLAIMS

The deadline for non-governmental entities to file proofs of claim in these cases is September 10, 2012. The deadline for governmental entities is November 5, 2012. The procedures of distribution on claims and for objections to claims is set out in Article V(F) above. Local Bankruptcy Rules govern the method of filing administrative expense claims and the Court's order approving the Plan will set a bar date for filing such claims.

VI. TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain federal income tax consequences of the Plan to the Debtors, and to holders of general unsecured claims and interests. This summary does not address the federal income tax consequences to holders of allowed administrative expense claims, priority claims, or secured claims. This summary does not address foreign, state or local income tax consequences, or any estate or gift tax consequences of the Plan, nor does it address the federal income tax consequences of the Plan to special classes of taxpayers. Accordingly, this summary should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular holder of a claim or interest.

THE TAX CONSEQUENCES TO HOLDERS OF CLAIMS OR INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH SUCH HOLDER. THIS SUMMARY DOES NOT CONSTITUTE TAX ADVICE OR A TAX OPINION CONCERNING THE MATTERS DESCRIBED. THERE CAN BE NO ASSURANCE THAT THE INTERNAL REVENUE SERVICE WILL NOT CHALLENGE ANY OR ALL OF THE TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN OR OTHER TAX CONSEQUENCES OF THE PLAN.

A. Federal Income Tax Consequences to the Debtors

The Debtors anticipate that confirmation of the Plan will have no federal income tax consequences for the Debtors or the reorganized Debtors.

Each of the Debtors, for tax purposes only, is disregarded as an entity separate from its owner since neither Debtor has made an election to be taxed as an association under Treasury Regulation Section 301.7701-3. This is also the situation for Fenton Subsidiary, LLC and Bowles Subsidiary, LLC the parent entities of the Debtors. Consequently, any tax consequences of the Plan will initially occur in the first regarded entity in the ownership structure. This will be Stone Arch II/WCSE Minneapolis Industrial LLC, the parent of both Fenton Subsidiary, LLC and Bowles Subsidiary, LLC. Stone Arch II/WCSE Minneapolis Industrial LLC is treated as a partnership for federal income tax purposes.

Section 61(a)(12) of the IRS Code provides generally that income from the discharge of indebtedness is includable as an item of gross income. In general, some event must occur to determine whether a debt has been discharged or cancelled. For example, an event can include a creditor accepting an amount less than full payment as a total satisfaction of a debt, a creditor may determine based on facts and circumstances that it is unlikely that an obligation will be repaid, or a debtor may acquire its own debt. Due to the factual nature of whether an event causing a discharge of indebtedness has occurred, the timing of the recognition of income from the discharge of indebtedness can be a subject of dispute with the Internal Revenue Service.

Not all instances of a cancellation of indebtedness will result in taxable income to the debtor. For example, IRS Code Section 108(e)(2) provides that no income is realized from the discharge of debt to the extent that payment of the liability would have given rise to a deduction. IRS Code Section 108(e)(2) would be applicable where a cash basis taxpayer who had not previously accrued and deducted interest on a debt had the unpaid interest cancelled by the creditor. Under those circumstances, there would be no discharge of indebtedness income presuming the interest was otherwise deductible by the taxpayer.

IRS Code Section 108(a)(1) provides several exceptions to the application of IRS Code Section 61(a)(12). For example, IRS Code Section 108(a)(1)(A) provides an exception to IRS Code Section 61(a)(12) by excluding from gross income the discharge of indebtedness income of a taxpayer if the discharge occurs in a title 11 case. IRS Code Section 108(d)(6) provides that in applying the exceptions under IRS Code Section 108(a)(1) to a partnership, these exceptions are applied at the partner level and not the partnership level. As noted above, Stone Arch II/WCSE Minneapolis Industrial LLC will be the entity to which IRS Code Section 108(d)(6) applies. Unless one of the exceptions described in IRS Code Section 108(a)(1) applies, income from any discharge of indebtedness arising from the confirmation of the Plan will be passed through to the members of Stone Arch II/WCSE Minneapolis Industrial LLC.

Gross income also includes any gain from the sale or exchange of property owned by the Debtors. For tax purposes, a foreclosure transaction (whether voluntary or involuntary where a deed in lieu of foreclosure is given) essentially represents a sale or exchange of property in satisfaction of a debt. The Treasury Regulations generally treat the transfer of property in satisfaction of a debt as two separate transactions. These two transactions are:

a. The debtor recognizes gain (or loss) equal to the difference between the fair market value of the property being transferred and the debtor's basis in the property; and

b. The debtor recognizes forgiveness of indebtedness income to the extent that the amount of the debt forgiven exceeds the fair market value of the property.

Thus, a debtor can incur either a gain or a loss on the transfer of the property based on the fair market value of the property transferred. Any gains or losses of the Debtors will flow through to the members of Stone Arch II/WCSE Minneapolis Industrial LLC. Any gains recognized may be offset against unused losses of the members, subject to applicable limitations under the IRS Code. If a sale were to occur immediately, it is anticipated that there would be a loss on the transaction.

The tax consequences to the members of Stone Arch II/WCSE Minneapolis Industrial LLC and the ultimate owners of interests in such members will differ and will depend on factors specific to such owners including, but not limited to (i) whether the owner can claim the benefit of the exceptions from the discharge of indebtedness income described in IRS Code Section 108(a)(1), (ii) whether the owner has unused passive losses or similar losses, (iii) whether the owner is a United States person or a foreign person for tax purposes, and (iv) whether the owner reports income on the accrual or cash basis method.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCES TO EACH OWNER. THEREFORE, IT IS IMPORTANT THAT EACH OWNER, DIRECTLY OR INDIRECTLY, IN STONE ARCH II/WCSE MINNEAPOLIS INDUSTRIAL LLC OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH OWNER AS A RESULT OF THE PLAN.

B. Federal Income Tax Consequences to Holders of General Unsecured Claims

In accordance with the Plan, holders of general unsecured claims will receive a distribution on such claims. Any holder of a general unsecured claim will realize a loss in an amount equal to such claim, minus any recovery, on an adjusted tax basis.

The tax consequences to holders of general unsecured claims will differ and will depend on factors specific to such holder, including but not limited to: (i) whether the claim, or a portion thereof, constitutes a claim for interest or principal, (ii) the origin of the claim, (iii) the type of consideration received in exchange for the claim, (iv) whether the holder is a United States person or a foreign person for tax purposes, (v) whether the holder reports income on the accrual or cash basis method, and (vi) whether the holder has taken a bad debt deduction or otherwise recognized a loss with respect to the claim.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCE TO EACH HOLDER OF A GENERAL UNSECURED CLAIM. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. THEREFORE, IT IS IMPORTANT THAT EACH HOLDER OF A GENERAL UNSECURED CLAIM OBTAIN HIS, HER OR ITS OWN PROFESSIONAL

TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH HOLDER OF A GENERAL UNSECURED CLAIM AS A RESULT OF THE PLAN.

C. Federal Income Tax Treatment of Interests.

In accordance with the Plan, holders of interests will retain such interests. As noted in the discussion concerning the Federal Income Tax Consequences to the Debtors, the Debtors are treated, for tax purposes only, as disregarded entities. This means that the equity interests in the Debtors will be disregarded for tax purposes. Consequently, the retention of such equity interests should not result in any federal income tax consequences to the holders of such interests.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCE TO EACH HOLDER OF AN INTEREST. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. THEREFORE, IT IS IMPORTANT THAT EACH HOLDER OF AN INTEREST OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVISE REGARDING THE TAX CONSEQUENCES TO SUCH HOLDER OF AN INTEREST AS A RESULT OF THE PLAN.

D. Withholding and Reporting.

Payments of interest, dividends, and certain other payments are generally subject to backup withholding at the rate of 28% unless the payee furnishes his, her or its correct taxpayer identification number to the payor. The Debtors may be required to withhold the applicable percentage of any payments made to a holder who does not provide its taxpayer identification number. Backup withholding is not an additional tax, but an advance payment that may be refunded to the extent it results in an overpayment of tax.

THE FOREGOING IS INTENDED TO BE ONLY A SUMMARY OF CERTAIN FEDERAL INCOME TAX CIRCUMSTANCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE AND LOCAL INCOME AN OTHER TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES MAY ALSO VARY BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, AND LOCAL INCOME AND OTHER TAX CONSEQUENCES UNDER THE PLAN.

VII. ALTERNATIVES TO THE PLAN

The overall recovery to unsecured creditors under the Plan is estimated at 100% of their claims through operations depending on the ultimate sale prices of the Sub Parcel A Properties.

One alternative to the Plan is liquidation under Chapter 7 of the Bankruptcy Code. If Debtors were to convert this case to Chapter 7, they would immediately cease operations. Under the Plan, administrative and priority claims will be paid. If the case is converted to Chapter 7, there would be no funds available for payment of such claims. In the event of conversion of the

case unsecured, non-priority creditors will recover nothing. Attached as Exhibit D is an analysis of expected recoveries to creditors under the Plan or under a hypothetical chapter 7 liquidation of the Debtors. That analysis demonstrates that, on balance, and considering the interests of all creditors, parties are better off under the Plan of Reorganization than under a conversion of the case to chapter 7.

VIII. ACCEPTANCE AND CONFIRMATION OF THE PLAN

A. General Confirmation Requirements

Bankruptcy Code section 1129(a) contains several requirements for confirmation of a plan. Among these requirements are that a plan be proposed in good faith, that certain information be disclosed regarding payments made or promised to be made to insiders, and that the plan comply with the applicable provisions of Chapter 11. The Debtors believe that it has complied with these requirements, including those requirements discussed below.

B. Best Interests Test

The "best interests of creditors" test requires that the Bankruptcy Court find either that all members of each impaired class have accepted the plan or that each holder of an allowed claim or interest of each impaired class of claims or interest will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date.

To calculate what holders of Claims would receive if the Debtors were hypothetically liquidated under Chapter 7 of the Bankruptcy Code, the Court must first determine the dollar amount that would be realized from the liquidation (the "Chapter 7 Liquidation Fund") of the Debtors. The Chapter 7 Liquidation Funds would consist of the net proceeds from the disposition of the Debtors' assets (after satisfaction of all valid liens) augmented by the cash held by the Debtors and recoveries on actions against third parties, if any. The Chapter 7 Liquidation Funds would then be reduced by the costs of the liquidation. The costs of the liquidation under Chapter 7 would include the fees and expenses of a trustee, as well as those of counsel and other professionals that might be retained by the trustee, selling expenses, and unpaid expenses incurred by the Debtors during their Chapter 11 cases (such as fees for attorneys, financial advisors and accountants) which would be allowed in Chapter 7 proceedings, interest expense on secured debt and claims incurred by the Debtors during the pendency of the case. These claims would be paid in full out of the Chapter 7 Liquidation Funds before the balance of the Chapter 7 Liquidation Funds, if any, would be made available to holders of unsecured Claims. In addition, other claims which would arise upon conversion to a Chapter 7 case would dilute the balance of the Chapter 7 Liquidation Funds available to holders of claims. Moreover, additional claims against the Debtors' estate might arise as the result of the establishment of a new bar date for the filing of claims in Chapter 7 cases. The present value of the distributions out of the Chapter 7 Liquidation Funds (after deduction the amounts described above) are then compared with the present value of the property offered to each of the classes of claims and holders of interests under the Plan to determine if the Plan is in the best interests of each holder of a claim.

The Debtors believe that the Plan as proposed is in the best interest of all creditors. If impaired creditors do not accept the Plan and the Debtors were forced to liquidate their remaining assets in Chapter 7, no funds would be available to pay general unsecured claims. The Lender holds properly perfected security interests in almost all of the Debtors' assets. Although the Debtors believe the Pool A Properties have a greater value as a going concern, the Lender is likely owed more than a forced liquidation of the Pool A Properties would yield.

Under the Plan, the Debtors project that holders of secured claims will receive either payment of the full amount of their claims or a negotiated payment. Holders of unsecured claims will likely receive some distribution on account of their claims. The Plan maximizes the value of the Debtors' Assets. In addition, it reduces the potential costs and delays associated with a Chapter 7 liquidation, such as: (a) the substantial time which would elapse before creditors would receive any distribution in respect of their claims due to a trustee's need to become familiar with the Chapter 11 case and the Debtors' books and records, and the trustee's duty to conduct independent investigations; (b) the additional unsecured claims that may be asserted against the Debtors; (c) the uncertainty of a trustee's ability to maintain tenants in Debtors' properties while liquidating Debtors' assets; (d) the lack of the trustee's knowledge, and the likely inability of the trustee to retain key personnel who can provide such knowledge regarding Debtors' properties; and (e) the trustee would not be able to time the sales of properties over several years to maximize their value. Accordingly, Debtors believe the Plan meets the best interests test.

C. Financial Feasibility Test

In addition to the requirements discussed above, the Bankruptcy Code requires that consummation of the Plan will not likely be followed by the liquidation or the need for further financial reorganization of the Debtors. The Debtors believe that the Debtors' post-confirmation efforts will increase rents, occupancies, and the value of the Pool A Properties. Future cash flow and the sale of these properties will generate a recovery for all creditors. The Plan provides sufficient proceeds to pay the secured claims in full, a high probability of paying the unsecured claims in full, and a good probability that excess proceeds will be retained by the equity holders. Accordingly, the Debtors believe that the Plan passes the feasibility test.

IX. CONCLUSION

The Plan offers the best alternative for payment to creditors. If the Debtors were merely liquidated in Chapter 7 cases, asset values would not be maximized, claims would increase, and unsecured creditors would be left with nothing. Accordingly, the Debtors request that each holder of a claim or equity interest accept the proposed Plan and complete and return the ballot.

Fenton Sub Parcel A, LLC

By:______________________
Steven B. Hoyt
Chief Manager

Bowles Sub Parcel A, LLC

By:______________________
Steven B. Hoyt
Chief Manager

ATTORNEYS FOR DEBTORS

Ralph Mitchell
Lapp Libra Thomson Stoebner and Pusch
120 South Sixth Street, #2500
Minneapolis, MN 55402
612-338-5815

EXHIBIT A

EXHIBIT A

Definitions

Capitalized terms used in this Disclosure Statement have the following meanings. The Bankruptcy Code also defines many terms; those definitions are incorporated by reference.

1.1. "Allowed" or "allowed" means with respect to any claim, (a) a claim that has been scheduled by the Debtors in their Schedules as other than disputed, contingent, or unliquidated and as to which the Debtors or any other party-in-interest have not filed an objection; (b) a claim that either is not a contested claim or has been allowed by a Final Order; (c) a claim that is determined by the Debtors to be allowed; (d) a claim that is allowed in a stipulation or settlement executed prior to or after the Effective Date; (e) a claim relating to a rejected executory contract or unexpired lease that is not a contested claim or has been allowed by a Final Order, only if a proof of claim has been timely filed; or (f) a claim as to which a proof of claim has been timely filed and as to which the Debtors or any party-in-interest have not filed an objection; and with respect to all claims, only after reduction for applicable setoff and similar rights of the Debtors.

1.2. "Assets" means all the right, title, and interest in and to property of whatever type or nature owned by the Debtors or subsequently acquired by the Debtors, including any property of the estate for purposes of Section 541 of the Bankruptcy Code, including Avoidance Claims and Causes of Action, as of the Confirmation Date.

1.3. "Avoidance Claim" means any claim of the Debtors or the bankruptcy estates pursuant to Sections 544, 545, 547, 548, 549, 550, or 551 of the Bankruptcy Code.

1.4. "Bankruptcy Code" or "Code" means Title 11 of the United States Code.

1.5. "Bankruptcy Rule" or "Rule" means a Federal Rule of Bankruptcy Procedure.

1.6. "Causes of Action" means any and all actions, proceedings, causes of action (including, without limitation, any causes of action of a debtor or debtor in possession under chapter 5 of the Bankruptcy Code such as the Avoidance Claims or turnover actions), liabilities, obligations, suits, reckonings, covenants, contracts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, rights to object to claims, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured or whether asserted or assertable directly or derivatively, in law, equity or otherwise, and all rights thereunder or attendant thereto.

1.7. "Chapter 11 Cases" means the bankruptcy cases of In re: Fenton Sub Parcel A, LLC, case number 12-42678, and In re: Bowles Sub Parcel A, LLC, case number 12-42765, both of which are pending in the Bankruptcy Court for the District of Minnesota.

1.8. "Confirmation Date" means the date on which the Confirmation Order is entered.

1.9. "Confirmation Order" means the order confirming this Plan.

1.10. "Contested Claim" means a claim to which an objection has been made.

1.11. "Court" means a United States Bankruptcy Judge for the District of Minnesota, or any other court having competent jurisdiction to issue an order in this case.

1.12. "Debtors" means Fenton Sub Parcel A, LLC and Bowles Sub Parcel A, LLC in any form contemplated under this Plan.

1.13. "Disclosure Statement" means the Joint Disclosure Statement of Fenton Sub Parcel A, LLC and Bowles Sub Parcel A, LLC, dated July 31, 2012, as amended or modified.

1.14. "Effective Date" means the first day on which the conditions precedent set forth in Section 9.2 are met or are waived by the Debtors pursuant to Section 9.3.

1.15. "Excess Cash Fund" means cash on hand attributed to the Reorganized Debtors' ongoing operations to the extent such proceeds exceed current and budgeted expenses, less a reserve of $200,000.00.

1.16. "Filing Date" means May 8, 2012.

1.17. "Final Order" means an order of the Court which has not been reversed, stayed, modified, or amended and the time to appeal from or to seek review or rehearing of such order has expired.

1.18. "First Mortgage Debt" means that certain financing for the Pool A Properties provided by Nomura Credit and Capital, Inc. in the original amount of $10,632,000.00.

1.19. "Lender Collateral" means (i) the collateral described in the prepetition lending documents of the Secured Lender, specifically (1) the Pool A Properties; (2) certain proceeds of the Pool A Properties; and (3) certain reserve accounts associated with the Pool A Properties; and (ii) the Excess Cash Fund.

1.20. "Mortgage" means that certain Amended and Restated Mortgage and Security Agreement dated April 12, 2004, and recorded in the Office of the Dakota County Recorder on June 7, 2004 as Document No. 2212868.

1.21. "Note" means that certain Amended and Restated Promissory Note dated April 12, 2004.

1.22. "Petition Date" means May 8, 2012.

1.23. "Professional Plaza I" means that certain real property, which is a part of the Pool A Properties, is situated in the State of Minnesota, County of Dakota, and is described as follows:

> Parcel 1: Lot 2, Block 1, Happe Properties Commercial Park, according to the recorded plat thereof filed January 8, 1980, Document No. 553826, Dakota County, Minnesota.

Parcel 2: All right, title and interest in and to that certain non-exclusive easement for drainage, utilities, ingress and egress created pursuant to that certain Declaration of Covenants dated September 9, 1985, filed for record on October 31, 1985, as Document No. 705607, Dakota County, Minnesota.

Commonly described as 1601 East Highway 13, Burnsville, Minnesota.

1.24. "Professional Plaza II " means that certain real property, which is a part of the Pool A Properties, is situated in the State of Minnesota, County of Dakota, and is described as follows:

Parcel 1:

The South 252 feet of Lot 1, Block 1, Happe Properties Commercial Park, according to the recorded plat thereof filed January 8, 1980, Doc. No. 553826, Dakota County, Minnesota.

All right, title and interest in and to that certain non-exclusive easement for drainage, utilities, ingress and egress created pursuant to that certain Declaration of Covenants dated September 9, 1985, filed for record on October 31, 1985, as Document No. 705606, Dakota County, Minnesota, over the southerly fifteen feet of Parcel 2.

Commonly described as 1501-1525 East Highway 13, Burnsville, Minnesota.

1.25. "Professional Plaza III" means that certain real property, which is a part of the Pool A Properties, is situated in the State of Minnesota, County of Dakota, and is described as follows:

Parcel 2

Lot 1, Block 1, except the south 252 feet, Happe Properties Commercial Park, according to the recorded plat thereof filed January 8, 1980, Document No. 553826, Dakota County, Minnesota.

All right, title and interest in and to that certain non-exclusive easement for drainage, utilities, ingress and egress created pursuant to that certain Declaration of Covenants dated September 9, 1985, filed for record on October 31, 1985, as Document No. 705606, Dakota County, Minnesota, over the northerly fifteen feet of Parcel 1.

Parcel 2: All right, title and interest in and to that certain non-exclusive easement for drainage, utilities, ingress and egress created pursuant to that certain Declaration of Covenants dated September 9, 1985, filed for record on October 31, 1985, as Document No. 705607, Dakota County, Minnesota.

Commonly described as 1500-1526 East 122nd Street, Burnsville, Minnesota.

1.26. "Pool A Properties" means the real property described on Schedule A of the Schedules.

1.27. "Plan" means this chapter 11 plan of reorganization as amended or modified.

1.28. "Released Parties" means the Debtors and their current and former governors and managers.

1.29. "Reorganized Debtors" means the Debtors on and after the Effective Date.

1.30. "Representative" means, with respect to an entity, such entity's successor, predecessor, officer, director, governor, manager, trustee, partner, employee, agent, attorney, advisor, investment banker, financial advisor, accountant or other professional.

1.31. "Schedules" means the schedules of Assets and liabilities of the Debtors on file with the Clerk of the United States Bankruptcy Court for the District of Minnesota, as from time to time amended in accordance with Bankruptcy Rule 1009.

1.32. "Secured Lender" means Wells Fargo Bank N.A., trustee for the registered holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2004-LN2, whose agent is the Special Servicer.

1.33. "Sibley Industrial I" means that certain real property, which is a part of the Pool A Properties, is situated in the State of Minnesota, County of Dakota, and is described as follows:

> Lot 2, Block 1, Eagan – 13 Industrial Park, Dakota County, Minnesota.
>
> Together with that portion of vacated State Highway No. 13 Service Drive, as dedicated on the plat of Eagan-13 Industrial Park, which lies Northeasterly of a line 13.00 feet Northeasterly of, measured at a right angle to and parallel with the Southwesterly line of Lot 2, Block 1 in said plat and lying Southwesterly of a line drawn perpendicular to the East line of said Lot 2 from a point on the Easterly line of said Lot 2 distant 35.80 feet Southerly from the Northeast corner of said Lot 2.
>
> Commonly described as 3107 Sibley Memorial Highway, Eagan, Minnesota.

1.34. "Sibley Industrial II" means that certain real property, which is part of the Pool A Properties, is situated in the State of Minnesota, County of Hennepin, and is described as follows:

> Lot 1, Block 1, Eagan – 13 Industrial Park, Dakota County, Minnesota.
>
> Commonly described as 3103 Sibley Memorial Highway, Eagan, Minnesota.

1.35. "Sibley Industrial III" means that certain real property, which is a part of the Pool A Properties, is situated in the State of Minnesota, County of Dakota, and is described as follows:

That part of Lot 2, Block 1, Cedar Industrial Park, lying Southerly of the following described line:

Commencing (for the purpose of reaching the point of beginning of the line being described) at the Easternmost corner of said Lot 2: thence North 47 degrees 02 minutes 53 seconds West along the Northeasterly line of said Lot 2 a distance of 182.05 feet; thence Northwesterly and Northerly along a tangent curve concave to the East, having a radius of 180.0 feet and a central angle of 48 degrees 30 minutes a distance of 152.37 feet to the point of beginning of the line being described; thence Westerly to the Northerly corner of Lot, Block 1, said Cedar Industrial Park, and there terminating.

Commonly described as 3771 Sibley Memorial Highway, Eagan, Minnesota.

1.36. "Special Servicer" means CWCapital Asset Management LLC, as Special Servicer for Wells Fargo Bank N.A, trustee for the registered holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2004-LN2.

EXHIBIT B

EXHIBIT B

Initial Corporate Structure

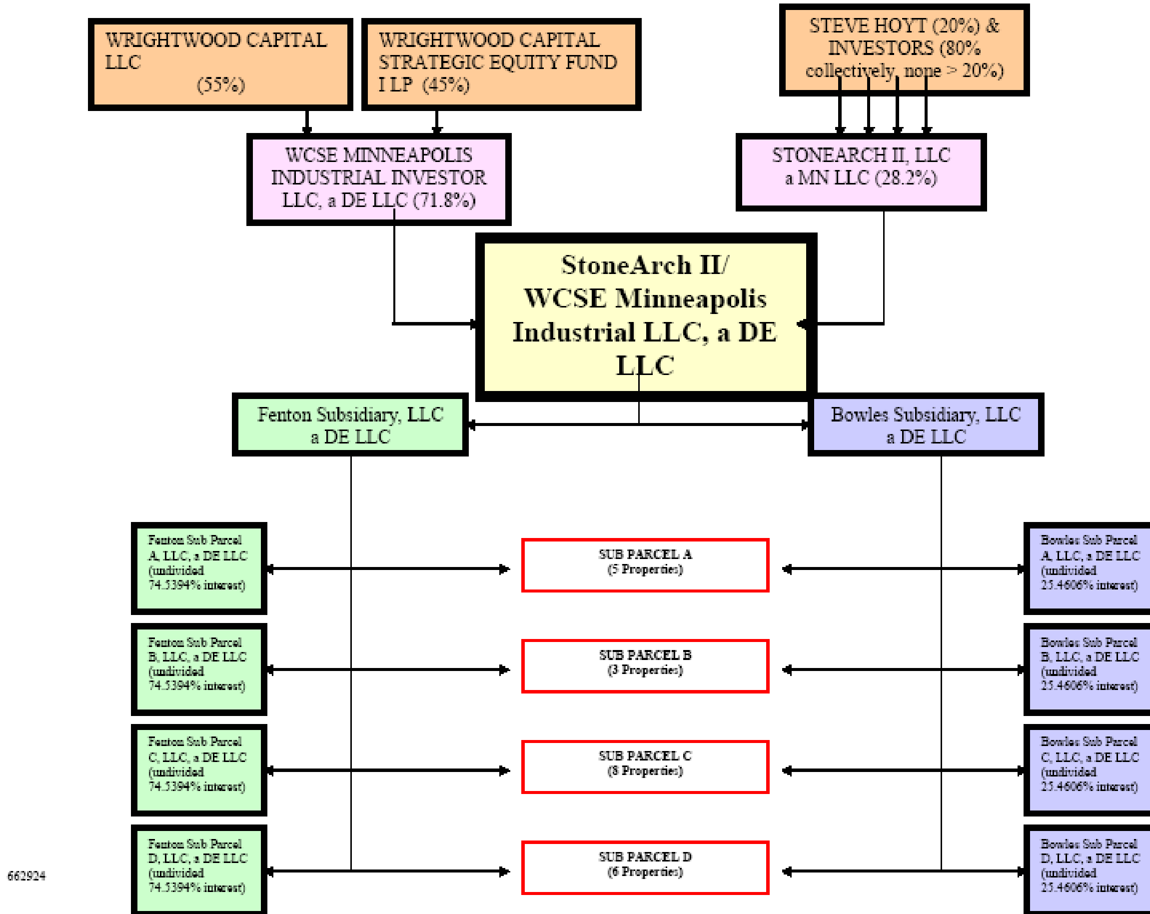

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EXHIBIT C

POOL A BUDGETS (Confirmation through 5/2016)	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
CONSOLIDATED POOL A (10/1/2012 - 12/31/2012)													
Net Income										$ (139,108)	$ 74,604	$ 74,479	$ 9,975
Capital Expenditures										$ (24,500)	$ -	$ (3,000)	$ (27,500)
Leasing Commissions										$ (1,831)	$ -	$ (777)	$ (2,608)
Cash Flow										$ (165,439)	$ 74,604	$ 70,702	$ (20,133)
Cash Balance									$ 325,000	$ 159,561	$ 149,165	$ 134,867	
Hoyt Fee										$ (5,000)	$ (5,000)	$ (5,000)	$ (15,000)
Less Application to Unpaid RE Taxes					$ 229,739					$ (80,000)	$ (80,000)	$ (69,739)	$ (229,739)
Payments to CW Capital										$ -	$ -	$ -	$ -
Excess Cash										$ 74,561	$ 64,165	$ 60,128	
******													
CONSOLIDATED POOL A 2013													
Net Income	$ 82,116	$ 76,613	$ 76,319	$ 85,375	$ (123,330)	$ 82,123	$ 100,619	$ 88,144	$ 104,956	$ (102,852)	$ 95,993	$ 97,537	$ 663,613
Capital Expenditures	$ -	$ -	$ (20,000)	$ -	$ -	$ (40,000)	$ (60,000)	$ -	$ -	$ -	$ -	$ -	$ (120,000)
Leasing Commissions	$ -	$ -	$ (10,000)	$ -	$ (472)	$ (23,521)	$ (21,000)	$ -	$ -	$ (1,062)	$ -	$ -	$ (56,055)
Cash Flow	$ 82,116	$ 76,613	$ 46,319	$ 85,375	$ (123,802)	$ 18,602	$ 19,619	$ 88,144	$ 104,956	$ (103,914)	$ 95,993	$ 97,537	$ 487,558
Cash Balance	$ 142,244	$ 213,857	$ 255,176	$ 285,551	$ 156,749	$ 170,351	$ 184,970	$ 268,114	$ 368,070	$ 234,156	$ 279,263	$ 325,914	
Hoyt Fee	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (60,000)
Less Application to Unpaid RE Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Payments to CW Capital	$ -	$ -	$ (50,000)	$ -	$ -	$ -	$ -	$ -	$ (25,000)	$ (45,886)	$ (45,886)	$ (45,886)	$ (212,658)
Excess Cash	$ 137,244	$ 208,857	$ 200,176	$ 280,551	$ 151,749	$ 165,351	$ 179,970	$ 263,114	$ 338,070	$ 183,270	$ 228,377	**$ 275,028**	
******													
CONSOLIDATED POOL A 2014													
Net Income	$ 114,686	$ 109,183	$ 109,833	$ 119,002	$ (89,703)	$ 120,777	$ 116,694	$ 104,219	$ 121,031	$ (86,777)	$ 112,068	$ 113,613	$ 964,626
Capital Expenditures	$ (50,010)	$ -	$ (50,000)	$ -	$ -	$ (50,000)	$ -	$ -	$ (50,000)	$ -	$ -	$ (50,000)	$ (250,010)
Leasing Commissions	$ (38,148)	$ -	$ (20,000)	$ -	$ -	$ (20,000)	$ -	$ -	$ (20,000)	$ -	$ -	$ (20,000)	$ (118,148)
Cash Flow	$ 26,528	$ 109,183	$ 39,833	$ 119,002	$ (89,703)	$ 50,777	$ 116,694	$ 104,219	$ 51,031	$ (86,777)	$ 112,068	$ 43,613	$ 596,468
Cash Balance	$ 301,556	$ 359,853	$ 348,800	$ 416,916	$ 276,327	$ 276,218	$ 342,026	$ 395,359	$ 395,504	$ 257,841	$ 319,023	$ 311,750	
Hoyt Fee	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (60,000)
Less Application to Unpaid RE Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Payments to CW Capital	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (550,632)
Ending Cash	$ 250,670	$ 308,967	$ 297,914	$ 366,030	**$ 225,441**	$ 225,332	$ 291,140	$ 344,473	$ 344,618	$ 206,955	$ 268,137	**$ 260,864**	
Plus Sales Proceeds @ 97%					**$ 10,980,870**								
Less Payment to CW Principal					**$ (8,911,166)**								
Excess Cash					**$ 2,295,145**								
******													

CONSOLIDATED POOL A 2015													
Net Income	$ 116,214	$ 110,711	$ 111,248	$ 120,417	$ (88,288)	$ 122,192	$ 118,498	$ 106,023	$ 122,835	$ (84,974)	$ 113,872	$ 115,276	$ 984,024
Capital Expenditures	$ -	$ -	$ (50,000)	$ -	$ -	$ (50,000)	$ -	$ -	$ (50,000)	$ -	$ -	$ (50,000)	$ (200,000)
Leasing Commissions	$ -	$ -	$ (20,000)	$ -	$ -	$ (20,000)	$ -	$ -	$ (20,000)	$ -	$ -	$ (20,000)	$ (80,000)
Cash Flow	$ 116,214	$ 110,711	$ 41,248	$ 120,417	$ (88,288)	$ 52,192	$ 118,498	$ 106,023	$ 52,835	$ (84,974)	$ 113,872	$ 45,276	$ 704,024
Cash Balance	$ 377,078	$ 436,903	$ 427,265	$ 496,796	$ 357,622	$ 358,928	$ 426,540	$ 481,677	$ 483,626	$ 347,766	$ 410,752	$ 405,142	
Hoyt Fee	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (60,000)
Less Application to Unpaid RE Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Payments to CW Capital	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)	$ (550,632)
Excess Cash	$ 326,192	$ 386,017	$ 376,379	$ 445,910	$ 306,736	$ 308,042	$ 375,654	$ 430,791	$ 432,740	$ 296,880	$ 359,866	**$ 354,256**	
Plus Sales Proceeds @ 97%					**$ 10,980,870**								
Less Payment to CW Principal					**$ (8,672,425)**								
Excess Cash					**$ 2,615,181**								

****

CONSOLIDATED POOL A 2016													
Net Income	$ 115,000	$ 115,000	$ 115,000	$ 115,000									
Capital Expenditures	$ -	$ -	$ (50,000)	$ -									$ (50,000)
Leasing Commissions	$ -	$ -	$ (20,000)	$ -									$ (20,000)
Cash Flow	$ 115,000	$ 115,000	$ 45,000	$ 115,000									
Cash Balance	$ 469,256	$ 533,370	$ 527,484	$ 591,598									
Hoyt Fee	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)									$ (20,000)
Less Application to Unpaid RE Taxes	$ -	$ -	$ -	$ -									$ -
Payments to CW Capital	$ (45,886)	$ (45,886)	$ (45,886)	$ (45,886)									$ (183,544)
Excess Cash	$ 418,370	$ 482,484	$ 476,598	**$ 540,712**									
Plus Sales Proceeds @ 97%				**$ 10,980,870**									
Less Payment to CW Principal				**$ (8,425,328)**									
Excess Cash				**$ 3,096,254**									

NOTES TO POOL A BUDGETS

2012 Confirmation > 12/31	Vacates	Renewals	New Deals	General
Pro Plaza I	Waste Management; Otten; Oris	None	None	
Pro Plaza II	None	Ellison	Viking expansion	None
Pro Plaza III	None	Eastco	None	None
Sibley I	None	None	None	None
Sibley II	All temporary tenants.	None	None	Demolition of existing.
Sibley III	Temporary tenant.	None	New tenant signed 9/1	None
2013				
Pro Plaza I	None	Boost	None	None
Pro Plaza II	None	None	None	None
Pro Plaza III	None	Amerimark; Pase	None	None
Sibley I	None	Water Heater pending	None	None
Sibley II	None	None	Entire Building	New build-out
Sibley III	None	None	None	None
2014				
Pro Plaza I	None	Plaza; Bruno; Franks; Central Bus.; Gravely	5,300 SF second floor	minor build out
Pro Plaza II	None	On Belay	6,022 SF	Typical build out
Pro Plaza III	None	None	2,360 SF (old MG Krause)	minor build out
Sibley I	None	None	None	None
Sibley II	None	None	None	None
Sibley III	None	None	None	None
2015				
Pro Plaza I	None	Midwest	None	None
Pro Plaza II	RHMM	None	None	None
Pro Plaza III	None	May	None	None
Sibley I	None	None	None	None
Sibley II	None	None	None	None
Sibley III	None	None	None	None

Starting 10/1/2012 Cash of $325,000
$229,739 Unpaid RE Taxes paid ASAP
CapEx & Lease Commissions per
Individual Property Budgets
$200,000 Reserve maintained +/-
CW Payments from Excess Cash Year 1
CW Principal amortized Year 2 >>
2014-2016 CapEx and Lease Commissions
budgeted quarterly; not property specific

EXHIBIT D

LIQUIDATION ANALYSIS

Combination Liquidation Analysis
Fenton Sub Parcel A, LLC
Bowles Sub Parcel A, LLC

SECURED CREDITOR		**Pool A**
Collateral		
Real Property	$	10,818,667
Reserve Accounts	$	-
Cash on Hand	$	325,000
Accounts Receivable	$	-
Total Collateral	$	11,143,667
Secured Debt	$	(10,818,667)
Secured Claims - Counties	$	(229,739)
Surplus	$	95,261
UNSECURED CREDITOR WATERFALL		
Surplus	$	95,261
Assets not subject to secured creditor's liens	$	-
Administrative Claims		
Chapter 11 Administrative Expenses	$	(20,000)
Chapter 7 Trustee Fees	$	(355,686)
Total Available for Unsecured Claims	$	(280,425)
Unsecured Claims	$	805,320
Percentage Recovery		-35%

Assumes 9/30/2012 Liquidation