

Holdings III, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 94 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

ttt. Class 95 - Chuck & Joe LLC.

Class 95 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Chuck & Joe, LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Chuck & Joe, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 95 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

uuu. Class 96 - CJK, LLC.

Class 96 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in CJK, LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in CJK, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 96 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

vvv. Class 97 - JGG 1, Inc.

Class 97 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in JGG 1, Inc.. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in JGG 1, Inc. shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 97 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

www. Class 98 - Marlin 839 Associates, Inc.

Class 98 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Marlin 839 Associates Inc. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Marlin 839 Associates Inc. shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 98 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

xxx. Class 99 - Ocean Waters Investments, LLC

Class 99 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Ocean Waters Investments, LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in 222 Seminole,

LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 99 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

yyy. Class 100 - Ocean Waters, LLC.

Class 100 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Ocean Waters LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Ocean Waters, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 100 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

zzz. Class 101 - B&G Ormond Beach Land Trust.

Class 101 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Ormond Beach Land Trust. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Ormond Beach Land Trust shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 101 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

aaaa. Class 102 - Southern Hospitality Resorts & Residences, LLC

Class 102 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Southern Hospitality Resorts & Residences, LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Southern Hospitality Resorts & Residences, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 102 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

C. Means of Implementation.

1. Business Operations and Cash flow.

The Plan contemplates that the Reorganized Debtors will continue to maintain a centralized corporate administrative office which shall manage and operate a total of twenty-four (24) hotels and seven (7) other entities which own income producing property. In addition, Wachovia will continue to make available the existing credit line up to the aggregate amount of \$3 million ("Exit Financing"). The Debtors anticipate use of a consolidated cash management system. The Debtors believe cash flow from the continued operation of the hotels and the Exit Financing will be sufficient to meet all required Plan payments.

2. Substantive Consolidation.

In light of the Debtors' unique corporate structure and conduct of their business affairs, the Debtors recognized early on that an important issue in these Chapter 11 Cases would be whether the Debtors' assets and liabilities should be substantively consolidated. The Plan proposes, and its terms embody, the substantive consolidation of the Debtors for purposes of distributions under the Plan and for reorganization. Substantive consolidation is an equitable remedy that the Bankruptcy Court may order. In general, substantive consolidation can greatly affect creditor recovery because it pools the assets and liabilities of entities with different debt-to-assets ratios. Therefore, affected parties often enter into protracted and expensive litigation related to substantive consolidation. Based on the facts of these Chapter 11 cases, and applicable case law on the subject, the Debtors believe they would prevail in any litigation over the issue of substantive consolidation. The Debtors intend to file a legal memorandum in support of substantive consolidation prior to Confirmation.

3. Funds Generated During Chapter 11.

Funds generated from operations until the Effective Date will be used for Plan Payments.

4. Management and Control of Reorganized Debtors.

a. Directors. The operations of the Reorganized Debtors shall be overseen by its Board of Directors, which shall be selected by the Committee and the Secured Lenders that have opted into the Class 24 General Unsecured Claims. The Board of Directors shall have the power to

request and obtain all financial data and operational information regarding the Reorganized Debtors at any time. The Board of Directors shall have all corporate authority vested in boards of directors under the applicable laws of the State of Delaware including the power to appoint and terminate officers and to liquidate the Reorganized Debtors and to wind up its affairs, with all such powers to be exercised by a majority vote.

The Board of Directors has not yet been determined, but will be announced prior to the Confirmation Hearing. It is anticipated that one or more of the current officers or directors of the Debtors will serve in a similar capacity Post-Petition. However, both Messrs. Bray and Gillespie will be involved in the transition phase after Confirmation, and will assist in the prosecution of the 2004 Hurricane Litigation and Causes of Action, if necessary, as set forth in Article I of the Plan.

The initial Directors shall continue to serve until either (i) Reorganized Debtors ceases to do business, or (ii) a Director resigns or is replaced by the shareholders in accordance with applicable law. The Directors shall be entitled to receive reasonable compensation.

b. Officers. The Officers have not yet been determined, but will be announced prior to the Confirmation Hearing. No officer of Reorganized Debtors shall have the authority to sell substantially all of the assets of Reorganized Debtors or to liquidate Reorganized Debtors unless a majority of the Directors of Reorganized Debtors approves such actions. Should a majority of the Directors of Reorganized Debtors instruct the officers of Reorganized Debtors to take such actions, the officers of Reorganized Debtors shall follow such instructions to the best of their abilities.

The President shall have authority to conduct the operations of Reorganized Debtors and shall delegate such authority to other officers as the Board of Directors may direct. The President, Chief Financial Officer, and General Counsel and Vice President of Reorganized Debtors shall have the powers, duties, and responsibilities typically held by such officers in companies similar to Reorganized Debtors and, in addition, shall be responsible for promptly providing any Director with all information regarding Reorganized Debtors which such Director may request. The officers of Reorganized Debtors shall be entitled to reasonable compensation as determined by respective management contracts, and, if no contract exists, as fixed by the Board of Directors. The management of all Reorganized Debtors shall be identical.

D. Stock in Reorganized Debtors.

After Confirmation but prior to the Effective Date, Reorganized Debtors shall be formed consistent with the terms set forth herein. The exact corporate form for the Reorganized Debtors has not been determined, but will be announced at or prior to the Confirmation Hearing.

The Debtors have not filed, and do not intend to file, a registration statement under the Securities Act or any other federal or state securities laws with respect to any of the Plan Securities that they may be deemed to be offering by virtue of the Debtors' solicitation of acceptances of the Plan pursuant to this Disclosure Statement. The Debtors are relying on Section 1145(a) of the Bankruptcy Code ("Section 1145(a)") to exempt from registration under the Securities Act and any applicable state securities laws the offer of any Plan Securities that may be deemed to be made pursuant to the Plan to creditors or

other parties in exchange for their Claims against or Interests in the Company. Generally, Section 1145(a)(1) exempts the offer and sale of securities pursuant to a Plan of reorganization from such registration requirements if the following conditions are satisfied: (i) the securities are issued by a debtor (or its affiliate or successor) under a plan of reorganization; (ii) the recipients of the securities hold a claim against, an interest in, or a claim for an administrative expense against, the debtor; and (iii) the securities are issued entirely in exchange for the recipient's claim against or interest in the debtor, or are issued "principally" in such exchange and "partly for cash or property". The Debtors believe that the Plan Securities issued to the B&G Liquidating Trust pursuant to the Plan will satisfy the requirements of Section 1145(a).

In the alternative, the Debtors would rely on the private placement exemption provided by Section 4(2) of the Securities Act. Recipients of Plan Securities issued in reliance upon the exemption provided under Section 4(2) of the Securities Act should be advised that because the Debtors are not registering any of the Plan Securities under the federal securities laws that such Plan Securities may not be offered, sold, pledged or otherwise transferred except in compliance with the registration requirements of the Securities Act and other applicable securities laws, pursuant to an exemption therefrom or in a transaction not subject thereto.

The Plan Securities issued to the B&G Liquidating Trust may be resold by the holders thereof without restriction, except for any such holder that is deemed to be an "underwriter" with respect to the Plan Securities as defined in Section 1145(b)(1) of the Bankruptcy Code. Generally, Section



1145(b)(1) defines an “underwriter” as any person who (i) purchases a claim against, or an interest in, a debtor with a view towards distribution of any security to be received in exchange for such claim or interest, (ii) offers to sell securities issued pursuant to a bankruptcy plan for the holders of such securities, (iii) offers to buy securities issued pursuant to a bankruptcy plan from persons receiving such securities, if the offer to buy is made with a view towards distribution of such securities, or (iv) is an issuer within the meaning of Section 2(11) of the Securities Act. Section 2(11) of the Securities Act provides that the term “issuer” includes all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. Under Rule 405 of Regulation C under the Securities Act, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a person, whether through the ownership of voting securities, by contract or otherwise. Accordingly, an officer or director of a reorganized debtor (or its affiliate or successor) under a plan of reorganization may be deemed to “control” such debtor (and therefore be an underwriter for purposes of Section 1145), particularly if such management position is coupled with the ownership of a significant percentage of a debtor’s (or its affiliate’s or successor’s) voting securities. Any entity that is an “underwriter” but not an “issuer” with respect to an issue of securities is, however, entitled to engage in exempt “ordinary trading transactions” within the meaning of Section 1145(b).

Holders of such securities who are deemed to be “underwriters” within the meaning of Section 1145(b)(1) of the Bankruptcy Code or who may otherwise be deemed to be “underwriters” of, or to exercise “control” over, the Company within the meaning of Rule 405 of Regulation C under the

Securities Act should, assuming all other conditions of Rule 144A are met, be entitled to avail themselves of the safe harbor resale provisions thereof. Rule 144A, promulgated under the Securities Act, provides a non-exclusive safe harbor exemption from the registration requirements of the Securities Act for resales to certain “qualified institutional buyers” of securities which are “restricted securities” within the meaning of the Securities Act irrespective of whether the seller of such securities purchased its securities with a view towards reselling such securities under the provisions of Rule 144A. Under Rule 144A, a “qualified institutional buyer” is defined to include, among other Entities (e.g., “dealers” registered as such pursuant to Section 15 of the Exchange Act and “banks” as defined in Section 3(a)(2) of the Securities Act), any entity which purchases securities for its own account or for the account of another qualified institutional buyer and which (in the aggregate) owns and invests on a discretionary basis at least \$100 million in the securities of unaffiliated issuers. Subject to certain qualifications, Rule 144A does not exempt the offer or sale of securities then listed on a national securities exchange (registered as such under Section 6 of the Exchange Act) or quoted in a U.S. automated interdealer quotation system (e.g. NASDAQ).

To the extent that Rule 144A is unavailable, holders may, under certain circumstances, be able to sell their securities pursuant to the more limited safe harbor resale provisions of Rule 144 under the Securities Act. Generally, Rule 144 provides that if certain conditions are met (e.g., one-year holding period with respect to “restricted Securities”, volume limitations, manner of sale, availability of current information about the issuer, etc.), (a) any person who resells “restricted securities” and (b) any “affiliate” of the issuer of the securities sought to be resold will not be deemed to be an “underwriter” as defined in

Section 2(11) of the Securities Act. Under paragraph (k) of Rule 144, the aforementioned conditions to resale will no longer apply to restricted securities sold for the account of a holder who is not an affiliate of the Company at the time of such resale and who has not been such during the three-month period next preceding such resale, so long as a period of at least two years has elapsed since the later of (i) the Effective Date and (ii) the date on which such holder acquired his or its securities from an affiliate of the Company. The Securities and Exchange Commission has taken the position in no-action letters that the holding period requirement set forth in Rule 144(d) is not applicable to holders of securities issues pursuant to Section 1145 of the Bankruptcy Code.

**THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING, AND DO NOT HEREBY PROVIDE ANY OPINION OR ADVICE WITH RESPECT TO, THE SECURITIES LAW AND BANKRUPTCY LAW MATTERS DESCRIBED ABOVE. IN LIGHT OF THE COMPLEX AND SUBJECTIVE INTERPRETIVE NATURE OF WHETHER A PARTICULAR RECIPIENT OF PLAN SECURITIES MAY BE DEEMED TO BE AN "UNDERWRITER" WITHIN THE MEANING OF SECTION 1145(B)(1) OF THE BANKRUPTCY CODE UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS AND, CONSEQUENTLY, THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND EQUIVALENT STATE SECURITIES AND "BLUE SKY" LAWS, THE DEBTORS ENCOURAGE EACH HOLDER OF A CLAIM OR INTEREST POTENTIALLY ENTITLED TO RECEIVE PLAN SECURITIES UNDER THE PLAN TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISOR(S) WITH RESPECT TO SUCH (AND ANY RELATED) MATTERS.**

E. Other Provisions.

1. Leases and Executory Contracts.

The Plan provides that the Debtors shall have through and including the hearing on Confirmation within which to assume or reject any unexpired lease or executory contract; and, further, that in the event any such unexpired lease or executory contract is not rejected by such date, then such unexpired lease or executory contract shall be deemed rejected. It is the position of the Debtors that the executory contracts listed in the respective Schedules of Executory Contracts filed pursuant to Rule 1007, are the only executory contracts to which any of the Debtors was a party on the Petition Date. The Plan also provides for the Court to retain jurisdiction as to certain matters as stated in the Plan, including, without limitation, prosecution of all Causes of Action and objection to Claims.

2. Procedures For Resolving Disputed Claims

a. Prosecution of Objections to Claims

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, and except as otherwise provided in the Plan, the Debtors shall have the exclusive right to make and file objections to all Claims. All Claims objections filed post-Confirmation related to Class 24 Claims will be administered and maintained by the B&G Liquidating Trust. All objections commenced prior to Confirmation Date shall be finished by Reorganized Debtors.

Pursuant to the Plan, unless another time is set by order of the Bankruptcy Court, all objections to Claims and Equity Interests shall be Filed with the Court and served upon the Holders of

each of the Claims and Equity Interests to which objections are made within 90 days after the Confirmation Date.

Except as may be specifically set forth in the Plan, nothing in the Plan, the Disclosure Statement, the Confirmation Order or any order in aid of Confirmation, shall constitute, or be deemed to constitute, a waiver or release of any claim, cause of action, right of setoff, or other legal or equitable defense that, any Debtor had immediately prior to the commencement of the Chapter 11 Cases, against or with respect to any Claim or Equity Interest. Except as set forth in the Plan, upon Confirmation, the Debtors and the B&G Liquidating Trust/Creditor Agent shall have, retain, reserve and be entitled to assert all such claims, Causes of Action, rights of setoff and other legal or equitable defenses that any Debtor had immediately prior to the commencement of the Chapter 11 Cases as if the Chapter 11 Cases had not been commenced.

b. Estimation of Claims

Pursuant to the Plan, the Debtors may, at any time, request that the Bankruptcy Court estimate any contingent, disputed or unliquidated Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, disputed or unliquidated Claim, that estimated amount will constitute either the Allowed

Amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim.

c. Cumulative Remedies

In accordance with the Plan, all of the aforementioned Claims objections, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. Until such time as an Administrative Claim, Claim or Equity Interest becomes an Allowed Claim, such Claim shall be treated as a Disputed Administrative Claim, Disputed Claim or Disputed Equity Interest for purposes related to allocations, Distributions, and voting under the Plan.

d. Payments and Distributions on Disputed Claims

As and when authorized by a Final Order, Disputed Claims that become Allowed Claims shall be paid from the Reorganized Debtors' Cash and Assets, such that the Holder of such Allowed Claim receives all payments and Distributions to which such Holder is entitled under the Plan in order to bring payments to the affected Claimants current with the other participants in the particular Class in question. Except as otherwise provided in the Plan, no partial payments and no partial Distributions will be made with respect to a Disputed Claim until the resolution of such disputes by settlement or Final Order. Unless otherwise agreed by the Reorganized Debtors or as otherwise specifically provided in the Plan, a

Creditor who holds both an Allowed Claim and a Disputed Claim will not receive a Distribution until such dispute is resolved by settlement or Final Order.

e. Allowance of Claims and Interests

(i). Disallowance of Claims

According to the Plan, all Claims held by Entities against whom any Debtor has obtained a Final Order establishing liability for a cause of action under Sections 542, 543, 522(f), 522(h), 544, 545, 547, 548, 549, or 550 of the Bankruptcy Code shall be deemed disallowed pursuant to Section 502(d) of the Bankruptcy Code, and Holders of such Claims may not vote to accept or reject the Plan, both consequences to be in effect until such time as such causes of action against that Entity have been settled or resolved by a Final Order and all sums due the related Debtor by that Entity are turned over to such Debtor.

(ii). Allowance of Claims

Except as expressly provided in the Plan, no Claim or Equity Interest shall be deemed Allowed by virtue of the Plan, Confirmation, or any Order of the Bankruptcy Court in the Chapter 11 Cases, unless and until such Claim or Equity Interest is deemed Allowed under the Bankruptcy Code or the Bankruptcy Court enters a Final Order in the Chapter 11 Cases allowing such Claim or Equity Interest.

f. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Equity Interests or any Class of Claims or Equity Interests are Impaired under the Plan, the Bankruptcy Court, after notice and a hearing, shall determine such controversy before the Confirmation Date. If such controversy is not resolved prior to the Effective Date, the Debtors' interpretation of the Plan shall govern.

3. Effect of Confirmation

a. Cancellation of Equity

On the Effective Date, all of the Debtors' outstanding Preferred and Common Stock, and Membership Interests will be extinguished. The equity in the Reorganized Debtors will be distributed as set forth in the Plan.

b. Authority to Effectuate the Plan

Upon the entry of the Confirmation Order by the Bankruptcy Court, the Plan provides all matters provided under the Plan will be deemed to be authorized and approved without further approval from the Bankruptcy Court. The Confirmation Order will act as an order modifying the Debtors' by-laws such that the provisions of this Plan can be effectuated. The Reorganized Debtors and the Creditor Agent shall be authorized, without further application to or order of the Bankruptcy Court, to take whatever action is necessary to achieve Consummation and carry out the Plan.



c. Post-Confirmation Status Report

Pursuant to the Plan, within 120 days of the entry of the Confirmation Order, the Debtors will file status reports with the Court explaining what progress has been made toward consummation of the confirmed Plan. The status report will be served on the United States Trustee, the Creditor Agent, and those parties who have requested special notice post-confirmation. The Bankruptcy Court may schedule subsequent status conferences in its discretion.

d. Escrows

Pursuant to the Plan, all escrows previously established in the Chapter 11 Cases and still in existence on the Effective Date will continue to be administered, and the escrowed funds shall be released, according to their terms and any orders of the Bankruptcy Court previously entered or this Plan. Escrowed funds that are released to the Reorganized Debtors after the Effective Date will be used to achieve Consummation and carry out the Plan.

4. Means for Implementation of Class 24 – Creation of Creditors Trust

a. Creation of the Creditors Trust. A Creditors Trust shall be created for benefit of Class 24 Creditors under the Plan. The B&G Liquidating Trust shall be governed by the terms of a Creditors Trust Agreement. It is the Debtors' position that the B&G Liquidating Trust should be exempt from registration as an investment company under §7 of the Investment Company Act, as an entity engaged in transactions that are merely incidental to their dissolution. As set forth herein and in the Plan, the Debtors, the Committee and the Secured Lenders will jointly determine the Creditor Agent for the B&G

Liquidating Trust and will also develop the documents governing the trust and any distributions therefrom. Additionally, it is clear that the B&G Liquidating Trust: (i) is to exist solely to prosecute and liquidate trust assets and distribute the proceeds; (ii) will not hold itself out as an investment company, but rather as a trust in the process of liquidation; (iii) will not conduct an active trade or business, and will limit any investments to temporary investments (i.e., short-term government securities) pending the distribution of liquidation proceeds; (iv) will be under the continuing jurisdiction of the Bankruptcy Court; and (v) will terminate at some appointed future date, not to exceed seven years from the Effective Date of the Plan, unless extended by the Bankruptcy Court. The terms and conditions of the B&G Liquidating Trust shall be substantially as identified in the Creditors Trust Agreement which will be provided prior to the Confirmation Hearing. Except as otherwise provided in the Plan, effective as of the Effective Date, all Causes of Action shall be transferred to the B&G Liquidating Trust to be asserted and prosecuted by the Creditor Agent. From and after Effective Date, the Creditor Agent and no other person shall be authorized to litigate any Causes of Action. The Creditor Agent shall also be vested with all right, powers and benefits afforded a “trustee” under Sections 704 and 1106 of the Bankruptcy Code.

b. Creditor Agent. Prior to the Confirmation Hearing, the Debtors, the Committee and the Secured Lenders shall jointly select an individual who shall serve as the Creditor Agent of the B&G Liquidating Trust for a period of time commencing on the Effective Date. The Creditor Agent shall be deemed an agent of the Class 24 Creditors who may be entitled to receive distributions from the

Creditors Trust under the Plan. The Creditor Agent shall perform the duties and have the rights and obligations proscribed in the Creditors Trust Agreement.

The Debtors shall be authorized and directed to execute, deliver, receive and exchange on behalf of the Estates any and all documents necessary to effectuate the transfer of the trust assets to the B&G Liquidating Trust on the Effective Date.

c. Compensation for Creditor Agent. The Creditor Agent shall be paid on a per hour basis plus actual out-of-pocket expenses, to be paid monthly from the trust assets, pursuant to the B&G Liquidating Trust Agreement.

d. Removal of Creditor Agent. The Creditor Agent may be removed for good cause by the Beneficiary Committee, subject to Bankruptcy Court Approval, pursuant to the Creditor Trust Agreement.

e. Preservation, Prosecution and Defense of Causes of Action.

On behalf of the B&G Liquidating Trust, the Creditor Agent shall have the right to pursue any and all Causes of Action of the Debtors that will be transferred to the B&G Liquidating Trust, including all pending adversary proceedings, whether or not such causes of action have been commenced as of the Effective Date, and shall be substituted as the real party in interest in any such actions commenced by or against the Debtors, the Debtors' Estates or the Committee. The Creditor Agent shall prosecute or defend, as appropriate, such actions through final judgment, any appeals deemed necessary and appropriate by the Creditor Agent and collection; provided, however, that the Creditor Agent shall be

authorized at any point in any litigation (a) to enter into such settlements as the Creditor Agent deems to be in the best interest of creditors, subject to Bankruptcy Court approval after notice and a hearing in accordance with Bankruptcy Rule 9019; or (b) to abandon, dismiss and/or decide not to prosecute any such litigation if the Creditor Agent deems such action to be in the best interest of creditors without Bankruptcy Court or other approval. The Creditor Agent shall be subject to the direction of the Beneficiary Committee.

f. Retention of Professionals. The Creditor Agent and Beneficiary Committee may retain professionals on such terms as the Creditor Agent deems reasonable, subject to the terms of the Creditor Trust Agreement, without Bankruptcy Court approval, except that payments to the professionals for post-confirmation services and expenses shall be made in accordance with the Creditor Trust Agreement.

g. Payment of Costs/Expenses.

(i). All costs and expenses and obligations incurred by the Creditor Agent in administering the Creditors Trust and/or Plan or in any manner connected, incidental or related thereto shall be a charge against the B&G Liquidating Trust, including but not limited to, payments to the Creditor Agent and any attorneys, accountants, brokers or other professionals employed by the Creditor Agent (the Creditor Agent and Professionals, together "Creditors Trust Professionals"). The Creditor Agent and the Creditor Agent and/or Beneficiary Committee Professionals shall submit copies of the complete invoices (with time records) to one another each month. Upon being satisfied as to the correctness and

reasonableness of any and all such costs, expenses and obligations, the Creditor Agent shall approve and direct the payment to the B&G Liquidating Trust Professionals within thirty days of receipt of the invoice.

(ii). Any professionals retained by the Committee or the Debtors pursuant to 11 U.S.C. § 327 and 1103 need not submit applications to the Court for fees and expenses incurred during the period between the Confirmation Date and Effective Date pursuant to 11 U.S.C. § 330, and such shall be paid either by the Debtors or Reorganized Debtors.

5. Dissolution of Creditors' Committee and Creation of Beneficiary Committee

a. Dissolution of Creditors' Committee. As of the Effective Date, or as soon as practical thereafter, the duties of the Committee and any professionals retained by the Committee in this case shall terminate except as to: (i) applications under Section 330 and 503 of the Bankruptcy Code and the Committee's objections to such application; and (ii) enforcement of the provisions of the Plan until the Plan is substantially consummated. On the Effective Date, the Creditor Agent shall be substituted in place of the Committee in any legal proceedings in which the Committee is a named party and shall have all rights and duties of the Committee in such proceeding. No further action between the Creditor Agent and Committee shall be necessary to effectuate such transfer.

b. Creation of Beneficiary Committee. As of the Effective Date, a Beneficiary Committee shall be created, which shall consist of one member of the Committee and one representative of each Secured Lender that has a Class 24 Claim. Any member of the Beneficiary Committee who transfers its Allowed Claim or is paid in full is not eligible to serve on the Beneficiary Committee, and no

transferee of a Beneficiary Committee member shall be eligible to serve on the Beneficiary Committee. Any Beneficiary Member may withdraw from the Beneficiary Committee by sending written notice of withdrawal to the other members of the Beneficiary Committee and Creditors Agent Service List. Any member who withdraws will not be replaced.

The Beneficiary Committee shall have overall direction and control of the liquidation and prosecution of the Causes of Action. The Beneficiary Committee shall direct, oversee and control all of the activities of the Creditor Agent. The Beneficiary Committee shall have the powers and duties provided in the Plan and Creditors Trust Agreement and shall not be governed by the United States Trustee's office.

## **VI. CONFIRMATION**

### **A. Confirmation Hearing.**

Section 1128 of the Code requires the Court, after notice, to hold a Confirmation Hearing on the Plan at which time any party in interest may be heard in support of or in opposition to Confirmation. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement to be made at the Confirmation Hearing. Any objection to Confirmation must be made in writing and filed with the Clerk, and delivered to the following persons, at least seven (7) days prior to Confirmation Hearing:

Counsel for the Debtors:

R. Scott Shuker, Esquire  
Latham, Shuker, Eden & Beaudine, LLP  
390 N. Orange Avenue, Suite 600  
Orlando, Florida 32801

Debtors:

Bray & Gillespie Management, LLC,  
Attn: Joseph G. Gillespie  
600 North Atlantic Ave.  
Daytona Beach, FL 32118; and

Ocean Waters Management  
Bruce DelValle, Deputy General Counsel  
Erin Thompson, Associate General Counsel  
501 North Atlantic Avenue  
Daytona Beach, FL 32118

Official Committee of Unsecured Creditors:

Peter N. Hill, Esq.  
Wolff Hill McFarlin & Herron P.A.  
1851 West Colonial Drive  
Orlando, Florida 32804

United States Trustee:

135 West Central Blvd.  
Suite 620  
Orlando, Florida 32801

B. Financial Information Relevant to Confirmation.

Attached as Exhibits to the original of the Disclosure Statement filed with the Court<sup>1</sup>, and incorporated herein, are the following:

(i) Exhibit "C" is a copy of Debtors' financial projections for the first five years of Plan Payments. The projections indicate that the Reorganized Debtors' operational cash flow will be sufficient to service the required Plan Payments at a debt level as described herein using an anticipated Effective Date of June 30, 2009. The projections and other financial information has been provided by and prepared by the Debtors' management. The projections may not be relied upon as a guaranty or other assurance of the actual results that will occur. These projections are based upon a variety of estimates and assumptions which may not be realized. The projections are based on assumptions existing as of December 2008 and have not materially changed; and

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<sup>1</sup> Exhibits C and D were not finalized as of the date of filing the Disclosure Statement and Plan of Reorganization. Once the Exhibits are completed, Debtors will separately file each Exhibit and such shall be deemed incorporated into the Disclosure Statement.



(ii) Exhibit "D" is a copy of Debtors' Chapter 7 liquidation analysis ("Liquidation Analysis") establishing that Creditors of Debtors will fair materially poorer in the event the Debtors are forced into Chapter 7 as compared to the Plan.

C. Confirmation Standards.

For a plan of reorganization to be confirmed, the Code requires, among other things, that a plan be proposed in good faith and comply with the applicable provisions of Chapter 11 of the Code. Section 1129 of the Code also imposes requirements that at least one class of Impaired Claims accept a plan, that confirmation of a plan is not likely to be followed by the need for further financial reorganization, that a plan be in the best interests of creditors, and that a plan be fair and equitable with respect to each class of Claims or Interests which is Impaired under the plan.

The Court shall confirm a plan only if it finds that all of the requirements enumerated in Section 1129 of the Code have been met. Debtors believe that the Plan satisfies all of the requirements for Confirmation.

1. Best Interests Test.

Before the Plan may be confirmed, the Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each holder of an Allowed Claim or Interest of such Class either (a) has accepted the Plan or (b) will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder

would receive or retain if Debtors were, on the Effective Date, liquidated under Chapter 7 of the Code. Debtors believe that satisfaction of this test is established by the Liquidation Analysis.

To determine what holders of Claims and Equity Interests would receive if Debtors were liquidated, the Court must determine how the assets and properties of Debtors would be liquidated and distributed in the context of a Chapter 7 liquidation case.

Debtors' costs of liquidation under Chapter 7 would include the fees payable to a trustee in bankruptcy and to any additional attorneys and other professionals engaged by such trustee and any unpaid expenses incurred by Debtors during the Chapter 11 Cases, including compensation of attorneys and accountants. The additional costs and expenses incurred by a trustee in a Chapter 7 liquidation could be substantial and would decrease the possibility that Unsecured Creditors and holders of Equity Interests would receive meaningful distributions. The foregoing types of Claims arising from Chapter 7 administration and such other Claims as may arise in Chapter 7 or result from the pending Chapter 11 Cases would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay the Claims of Unsecured Creditors. Liquidation in Chapter 7 might substantially delay the date at which Creditors would receive any Payment.

Debtors have carefully considered the probable effects of liquidation under Chapter 7 on the ultimate proceeds available for distribution to Creditors and holders of Equity Interests, including the following:

- a. the possible costs and expenses of the Chapter 7 trustee or trustees;

b. the possible adverse effect on recoveries by Creditors under Chapter 7 due to reduced sale prices for Debtors' assets caused by the forced Chapter 7 liquidation; and

c. the possible substantial increase in Claims which would rank prior to or on a parity with those of Unsecured Creditors.

2. Financial Feasibility.

The Code requires, as a condition to Confirmation, that Confirmation of a plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of Debtors unless the liquidation is proposed in the Plan. As reflected in Exhibit "C", Debtors believe that core operations will generate sufficient cash flow to make all Plan Payments as noted herein. Based upon the financial projections, Debtors assert that the Plan is feasible and Confirmation is not likely to be followed by further financial reorganization.

3. Acceptance by Impaired Classes.

The Code requires as a condition to Confirmation that each Class of Claims or Interests that is Impaired under the Plan accept such plan, with the exception described in the following section. A Class of Claims has accepted the Plan if the Plan has been accepted by Creditors that hold at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class who vote to accept or to reject the Plan.

A Class of Interests has accepted the Plan if the Plan has been accepted by holders of Interests that hold at least two-thirds (2/3) in amount of the Allowed Interests of such Class that vote

to accept or reject the Plan. Holders of Claims or Interests who fail to vote are not counted as either accepting or rejecting the Plan.

A Class that is not Impaired under a Plan is deemed to have accepted such Plan; solicitation of acceptances with respect to such Class is not required. A Class is Impaired unless (i) the legal, equitable and contractual rights to which the Claim or Interest entitles the holder of such Claim or Interest are not modified; (ii) with respect to Secured Claims, the effect of any default is cured and the original terms of the obligation are reinstated; or (iii) the Plan provides that on the Effective Date the holder of the Claim or Interest receives on account of such claim or interest, Cash equal to the Allowed Amount of such Claim or, with respect to any Interest, any fixed liquidation preference to which the holder is entitled.

4. Confirmation Without Acceptance by all Impaired Classes; "Cramdown."

The Code contains provisions that enable the Court to confirm the Plan, even though the Plan has not been accepted by all Impaired Classes, provided that the Plan has been accepted by at least one Impaired Class of Claims. Section 1129(b)(1) of the Code states:

"Notwithstanding section 510(a) of this title, if all of the applicable requirements of subsection (a) of this section other than paragraph (8) are met with respect to a plan, the court, on request of the proponent of the plan, shall confirm the plan notwithstanding the requirements of such paragraph if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan."

This section makes clear that the Plan may be confirmed, notwithstanding the failure of an Impaired Class to accept the Plan, so long as the Plan does not discriminate unfairly, and it is fair and equitable with respect to each Class of Claims that is Impaired under, and has not accepted, the Plan.

**DEBTORS BELIEVE THAT, IF NECESSARY, THEY WILL BE ABLE TO MEET THE STATUTORY STANDARDS SET FORTH IN THE CODE WITH RESPECT TO THE NONCONSENSUAL CONFIRMATION OF THE PLAN AND WILL SEEK SUCH RELIEF.**

D. Consummation.

The Plan will be consummated and Payments made if the Plan is Confirmed pursuant to a Final Order of the Court, the Effective Date occurs, and the Reorganized Debtors and applicable parties reach agreement on any required documents. It will not be necessary for the Reorganized Debtors to await any required regulatory approvals from agencies or departments of the United States to consummate the Plan. The Plan will be implemented pursuant to its provisions and the Code.

**VII. RELEASES**

A. Messrs. Bray & Gillespie

Messrs. Bray and Gillespie are the principal shareholders, members, or partners, and the ultimate controlling persons, of each of the Debtors. Messrs. Bray and Gillespie have been involved with the acquisition and development of each of the Debtors' properties and business operations since their inception. As a consequence of their intricate involvement with the Debtors' business development and financial affairs, Messrs. Bray and Gillespie are obligated on numerous direct, limited, or conditional

guarantees of the Debtors' financial obligations, and as a result are liable under those contractual undertakings as accommodation parties for the Debtors or as direct obligators on account of credit obtained for the benefit of the Debtors on substantially all of the Debtors' business and operational indebtedness. Additionally, by reason of their status as officers, directors, managers, and control persons of the Debtors' business activities, Messrs. Bray and Gillespie have been joined in numerous litigations and claims arising from the Debtors' operations. Messrs. Bray and Gillespie estimate their potential exposure on contractual recourse liability for the Debtors' business obligations and other Debtor related non-contractual claims to exceed \$400,000,000.00. Conversely, Messrs. Bray and Gillespie have represented to the Debtors and to many of the secured lenders within the Chapter 11 cases, under terms of confidentiality, that recourse by creditors to their combined balance sheets would yield less than a 3% distribution to those creditors who seek recourse against Messrs. Bray and Gillespie.

Through the efforts of Messrs. Bray and Gillespie, the assets can be managed and achieve a cash flow that will provide a clear economic benefit to creditors. The Debtors believe that Messrs. Bray and Gillespie have and are continuing to contribute significant value to the Debtors' estates, and will continue to contribute value to the Reorganized Debtor based upon the following;

(a) Messrs. Bray and Gillespie have continued to manage the ongoing business operations of the Debtors since the Petition Date with no compensation and, will continue to assist in the transition with no compensation through May 31, 2009 and propose to manage and sell the

assets post-petition, pursuant to terms, which they believe will be attractive to the Secured Lenders and the Committee;

(b) As authorized by the Court's Order of November 19, 2008, Messrs. Bray and Gillespie have funded a Debtor in Possession loan to the Debtors on an unsecured basis under Section 364(b) of the Code, which is entitled to administrative expense treatment;

(c) Messrs. Bray and Gillespie have extensive factual knowledge of the circumstances of the hurricane damage claims being advanced by the Debtors, which constitute a significant asset potentially available to the Reorganized Debtors, and their continued participation, knowledge, and expertise in advancing those claims to maximum value is of critical importance to the success of the Plan and the Reorganized Debtors. To date, approximately \$11,000,000.00 and hundreds of hours have already been spent by them in managing the litigation, and over \$100,000,000.00 has been received. The insurance claims are important to the successful plan of reorganization;

(d) Messrs. Bray and Gillespie will contribute free and clear the land known as the Zaxby's Restaurant, which was purchased for approximately \$1,750,000.00;

(e) Messrs. Bray and Gillespie will contribute free and clear 100 condo hotel units from the Plaza Resort & Spa; and

(f) Messrs. Bray and Gillespie will contribute the Rodeway Land above liens.

On the Effective Date of the Plan, Messrs. Bray and Gillespie will make a contribution of capital to the Reorganized Debtors, in an amount to be negotiated and agreed between and among Messrs. Bray and Gillespie, the Secured Lenders, and the Committee (the “Bray and Gillespie Capital Contribution”), to be applied to fund the Arbor Co. capital expenditure and interest reserve as contemplated by the Plan. Neither Messrs. Bray nor Gillespie will acquire any equity interest in the Reorganized Debtors on account of the Bray and Gillespie Capital Contribution, and accordingly such contribution constitutes an extraordinary, substantial contribution of assets which is critical to the success of the Reorganized Debtors. In consideration of the substantial contributions made and to be made by Messrs. Bray and Gillespie, the Plan contemplates the provision to Messrs. Bray and Gillespie of broad third-party releases and injunctions of pursuit against Messrs. Bray and Gillespie of claims arising out of and deriving from the business operations and financial affairs of the Debtors. The third-party releases and injunctions will be omnibus in nature, excepting therefrom only liabilities of Messrs. Bray and Gillespie, or either of them, owing to holders of claims against the Debtors but arising from non-debtor transactions of a purely personal or family nature.

**B. Releases/Injunctions**

The Plan is premised upon the releases contained below. Debtors assert the releases are being given as consideration for the accommodations provided by the Released Parties under the Plan and are fair consideration for, as the case may be, funds contributed, generous loan terms, or valuable services. The Debtors do not believe that any Claims or Causes of Action against Released Parties have any merit.



The Debtors further believe that unless the settlement is binding on all parties through confirmation of the Plan, protracted and costly litigation would ensue, distributions to Creditors would be substantially delayed and the Debtors would not be restructured and reorganized.

From and after the Confirmation Date, the Releases described Article VIII.E.1 in the Plan and Article VII herein shall become effective, and all Holders of Claims and Interests, including the Creditor Agent and the B&G Liquidating Trust and all holders of interests therein, shall be enjoined from commencing or continuing any Released Claims against any Released Parties.

**1. Rule 3016(c) Declaration.** In accordance with the requirements of Rule 3016(c), the provisions of this Article VII operate to specifically release Messrs. Bray and Gillespie (“Released Parties”) from all liabilities associated with their business interests in the Debtors and in these cases. By reason of their contribution of work, expertise, and knowledge of the Debtors’ affairs, and the Bray and Gillespie Capital Contribution as the new value for the Reorganized Debtors, the contributions of Messrs. Bray and Gillespie are critical to the successful reorganization of the Debtors. The Debtors believe that without the protection of such injunctions, the Plan would have less likelihood of success.

Within this Section, *bold print and italics* are used to identify the exact nature of releases and to identify the parties subject to the release.

**2. General Releases by Holders of Claims or Interests.** *On the Effective Date, in consideration for the obligations of the Debtors, its managers, members, directors and officers, and Reorganized Debtors under the Plan, and the cash, stock, warrants and other contracts,*

*instruments, releases, written agreements or other documents to be entered into or delivered in connection with the Plan, and all consideration distributed under the Plan, **all Holders of Claims and Interests** will be deemed to forever release, waive, discontinue and discharge all existing and future claims, obligations, proceedings, suits, judgments, damages, demands, debts, rights, Causes of Action, objections to the Claims of the Released Parties, and liabilities (other than the right to enforce Reorganized Debtors' or Released Parties' obligations under the Plan and the contracts, instruments, releases, written agreements or other documents to be entered into or delivered in connection with the Plan) that are based in whole or in part on any act, failure to act, omission, transaction or other occurrence taking place on or prior to the Effective Date, including without limitation any claim such Holder had, had, or may have against the Released Parties, and including but not limited to all claims arising from the business activities, loans to, or contracts with, or the operations and activities of the Debtors, excepting therefrom only the personal obligation of or personal liability of Messrs. Bray and Gillespie to the Holder of a Claim against the Debtors, or any of them, arising solely for personal or family purposes, including mortgage liabilities on personal residences, personal loans (but not loans for which the proceeds were applied to or contributed to operations of the Debtors), and other personal and consumer obligations (the "Bray and Gillespie Excepted Liabilities").*

**3. General Releases by Holders of Claims or Interests.** *On the Effective Date, and in consideration of the contributions of Messrs. Bray and Gillespie, and conditioned upon*

*Messrs. Bray and Gillespie funding the Bray and Gillespie Capital Contribution, the support by Messrs. Bray and Gillespie for approval of the Plan, and the cooperation of Messrs. Bray and Gillespie in the transition of the business of the Reorganized Debtors for a period of six months following the Effective Date, **the Debtors and Reorganized Debtors shall be deemed to have released, waived, and discharged Messrs. Bray and Gillespie from any and all claims, obligations, suits, judgements, damages, rights, causes of action, and liabilities whatsoever, including without limitations any claim or cause of action pursuant to Section 542 through 554 of the Bankruptcy Code, inclusive, whether known or unknown, foreseen or unforeseen, existing or hereafter arising in law, equity, or otherwise, and based in whole or in part upon any act or omission, transaction, even, or other occurrence taking place on or prior to the Effective Date.***

**4. Injunction Related to Releases.**

*a. Except as expressly provided in the Plan or to otherwise enforce the terms of the Plan, as of the Confirmation Date, **all Persons that have held, currently hold or may hold a Claim or other debt or liability that is discharged or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan, to the fullest extent permitted by applicable law, are permanently enjoined from taking any of the following actions on account of any such discharged Claims, debts or liabilities or terminated Interests or rights: (i) commencing or continuing in any manner any action or proceeding against the Debtors, Reorganized Debtors, or their respective property, other than to enforce any right pursuant to the Plan to a distribution;***

(ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Debtors or Reorganized Debtors, other than as permitted pursuant to (i) above; (iii) creating, perfecting, or enforcing any lien or encumbrance against the Debtors, Reorganized Debtors or their respective property; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or Reorganized Debtors; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

b. *Except as expressly provided in the Plan or to otherwise enforce the terms of the Plan or the obligation of the Released Parties' under the Plan, as of the Confirmation Date, all Persons that have held, currently hold or may hold a Claim or other debt or liability that are released, waived or discharged pursuant to the Plan, including pursuant to Article VII hereof, to the fullest extent permitted by applicable law, are permanently enjoined from taking any actions against any released Person or entity or its property on account of such released claims, demands, rights, causes of action or liabilities including, without limitation: (i) commencing or continuing in any manner any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any lien or encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to any released entity; and (v) commencing or*

*continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.*

5. Police Power.

Nothing in this Article VII shall be deemed to effect, impair, or restrict any federal or state governmental unit from pursuing its police or regulatory enforcement action against any person or entity, other than to recover monetary claims against the Debtors for any act, omission, or event occurring prior to Confirmation Date to the extent such monetary claims are discharged pursuant to Section 1141 of the Code.

6. Revocation and Withdrawal of this Plan. The Debtors reserve the right to withdraw this Plan at any time before entry of the Confirmation Order. If (i) the Debtors revoke and withdraw this Plan, (ii) the Confirmation Order is not entered, (iii) the Effective Date does not occur, (iv) this Plan is not substantially consummated, or (v) the Confirmation Order is reversed or revoked, then this Plan shall be deemed null and void.

7. Modification of Plan. The Debtors may seek to amend or modify this Plan in accordance with § 1127(b) of the Bankruptcy Code, or remedy and defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

On or before substantial consummation of the Plan, the Debtors, may issue, execute, deliver or file with the Bankruptcy Court or record any agreements and other documents, and take

any action as may be necessary or appropriate to effectuate, consummate and further evidence the terms and conditions of the Plan.

### **VIII. ALTERNATIVE TO THE PLAN.**

If the Plan is not confirmed and consummated, Debtors believe that the most likely alternative is a sale of the Debtors or a liquidation of the Debtors under Chapter 7 or 11 of the Code. In a liquidation or sale, Debtors believe the deficiency claims from the secured lenders could be as much as \$150,000,000.00, and, as such, the pool of Allowed Unsecured (Class 24) Claims would be increased and the dividend to such group greatly diminished. Debtors believe that liquidation of all real and personal property in a Chapter 7 scenario would dramatically reduce the total amount available to Creditors. In a case under Chapter 7 of the Code, a trustee would be elected or appointed to liquidate the assets of Debtors for distribution to Creditors in accordance with the priorities established by the Code. Debtors' analysis of the probable recovery to Creditors and holders of equity Interest is set forth in the Liquidation Analysis.

**IX. CONCLUSION.**

Debtors recommend that holders of Claims and Interests vote to accept the Plan.

**DATED** this 9<sup>th</sup> day of January, 2009, in Orlando, Florida.

/s/ R. Scott Shuker

R. Scott Shuker, Esq.

Florida Bar No. 984469

Mariane L. Dorris, Esq.

Florida Bar No. 0173665

**BRAY & GILLESPIE MANAGEMENT, LLC, et al.**

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Attorneys for BRAY & GILLESPIE  
MANAGEMENT, LLC, et al.

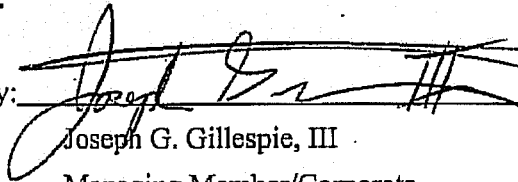
**IX. CONCLUSION.**

Debtors recommend that holders of Claims and Interests vote to accept the Plan.

DATED this 9<sup>th</sup> day of January, 2009, in Orlando, Florida.

BRAY & GILLESPIE MANAGEMENT, LLC, et  
al.

By:



Joseph G. Gillespie, III  
Managing Member/Corporate  
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Facsimile: (407) 481-5801

Attorneys for BRAY & GILLESPIE  
MANAGEMENT, LLC, et al.



**EXHIBIT "A"**

**Bray & Gillespie Management, LLC**

**Case No. 3:08-bk-05473-JAF**

(LIST OF AFFILIATES AND RELATED COMPANIES)

1. Bray & Gillespie Management LLC  
CASE NO. 3:08-bk-05473-JAF
2. 222 Seminole, LLC  
CASE NO. 3:08-bk-05474-JAF
3. 3515 S. Atlantic Ave., LLC  
CASE NO. 3:08-bk-05475-JAF
4. 600 North Investments, Inc.  
CASE NO. 3:08-bk-05476-JAF
5. Bray & Gillespie Acquisitions, LLC  
CASE NO. 3:08-bk-05477-JAF
6. Bray & Gillespie Delaware I, Inc.  
CASE NO. 3:08-bk-05478-JAF
7. Bray & Gillespie Delaware I, LP  
CASE NO. 3:08-bk-05479-JAF
8. Bray & Gillespie Delaware III, Inc.  
CASE NO. 3:08-bk-05480-JAF
9. Bray & Gillespie Delaware III, LP  
CASE NO. 3:08-bk-05481-JAF
10. Bray & Gillespie Holdings, LLC  
CASE NO. 3:08-bk-05482-JAF
11. Bray & Gillespie, Inc.  
CASE NO. 3:08-bk-05483-JAF
12. Bray & Gillespie IV, LLC  
CASE NO. 3:08-bk-05484-JAF
13. Bray & Gillespie IX, LLC  
CASE NO. 3:08-bk-05485-JAF
14. Bray & Gillespie IX, LLP  
CASE NO. 3:08-bk-05486-JAF
15. Bray & Gillespie L, LLC  
CASE NO. 3:08-bk-05487-JAF
16. Bray & Gillespie La Playa, LLC  
CASE NO.3:08-bk-05488-JAF

17. Bray & Gillespie La Playa Investments ,LLC  
CASE NO. 3:08-bk-05489-JAF
18. Bray & Gillespie LLC III  
CASE NO.3:08-bk-05490-JAF
19. Bray & Gillespie LLC LI  
CASE NO.3:08-bk-05491-JAF
20. Bray & Gillespie LLC LII  
CASE NO.3:08-bk-05492-JAF
21. Bray & Gillespie LLC LIV  
CASE NO.3:08-bk-05493-JAF
22. Bray & Gillespie LLC LIX  
CASE NO.3:08-bk-05494-JAF
23. Bray & Gillespie LLC, LVII  
CASE NO.3:08-bk-05495-JAF
24. Bray & Gillespie LLC V  
CASE NO.3:08-bk-05496-JAF
25. Bray & Gillespie LLC VI  
CASE NO.3:08-bk-05497-JAF
26. Bray & Gillespie LLC XIV  
CASE NO.3:08-bk-05498-JAF
27. Bray & Gillespie LLC XLI  
CASE NO.3:08-bk-05499-JAF
28. Bray & Gillespie LLC XLII  
CASE NO.3:08-bk-05500-JAF
29. Bray & Gillespie LLC XLIII  
CASE NO.3:08-bk-05501-JAF
30. Bray & Gillespie LLC XLIV  
CASE NO.3:08-bk-05502-JAF
31. Bray & Gillespie LLC XLIX  
CASE NO.3:08-bk-05503-JAF
32. Bray & Gillespie LLC XLV  
CASE NO.3:08-bk-05504-JAF
33. Bray & Gillespie LLC XLVII  
CASE NO.3:08-bk-05505-JAF
34. Bray & Gillespie LLC XV  
CASE NO.3:08-bk-05506-JAF
35. Bray & Gillespie LLC XVII  
CASE NO.3:08-bk-05507-JAF

36. Bray & Gillespie LLC XXXIII  
CASE NO.3:08-bk-05508-JAF
37. Bray & Gillespie XXXV, LLC  
CASE NO.3:08-bk-05509-JAF
38. Bray & Gillespie LLC LVIII  
CASE NO.3:08-bk-05510-JAF
39. Bray & Gillespie LVI LLC  
CASE NO.3:08-bk-05511-JAF
40. Bray & Gillespie LX LLC  
CASE NO.3:08-bk-05512-JAF
41. Bray & Gillespie Plaza, LLC  
CASE NO.3:08-bk-05513-JAF
42. Bray & Gillespie Property Investments, LLC  
CASE NO.3:08-bk-05514-JAF
43. Bray & Gillespie VII LLC  
CASE NO.3:08-bk-05515-JAF
44. Bray & Gillespie VIII LLC  
CASE NO.3:08-bk-05516-JAF
45. Bray & Gillespie X LLC  
CASE NO.3:08-bk-05517-JAF
46. Bray & Gillespie XIV LLP  
CASE NO.3:08-bk-05518-JAF
47. Bray & Gillespie XIX LLC  
CASE NO.3:08-bk-05519-JAF
48. Bray & Gillespie XLVI LLC  
CASE NO.3:08-bk-05520-JAF
49. Bray & Gillespie XLVIII Holdings LLC  
CASE NO.3:08-bk-05521-JAF
50. Bray & Gillespie XV LLP  
CASE NO.3:08-bk-05522-JAF
51. Bray & Gillespie XVI LLC  
CASE NO.3:08-bk-05523-JAF
52. Bray & Gillespie XVIII LLC  
CASE NO.3:08-bk-05524-JAF
53. Bray & Gillespie XX LLC  
CASE NO.3:08-bk-05525-JAF
54. Bray & Gillespie XXI LLC  
CASE NO.3:08-bk-05526-JAF

55. Bray & Gillespie XXII LLC  
CASE NO.3:08-bk-05527-JAF
56. Bray & Gillespie XXIV LLC  
CASE NO.3:08-bk-05528-JAF
57. Bray & Gillespie XXIX LLC  
CASE NO.3:08-bk-05529-JAF
58. Bray & Gillespie XXV LLC  
CASE NO.3:08-bk-05530-JAF
59. Bray & Gillespie XXVI LLC  
CASE NO.3:08-bk-05531-JAF
60. Bray & Gillespie XXVII LLC  
CASE NO.3:08-bk-05532-JAF
61. Bray & Gillespie XXVIII LLC  
CASE NO.3:08-bk-05533-JAF
62. Bray & Gillespie XXX LLC  
CASE NO.3:08-bk-05534-JAF
63. Bray & Gillespie XXXI LLC  
CASE NO.3:08-bk-05535-JAF
64. Bray & Gillespie LLC XXXII  
CASE NO.3:08-bk-05536-JAF
65. Bray & Gillespie XXXIV LLC  
CASE NO.3:08-bk-05537-JAF
66. Bray & Gillespie XXXIX LLC  
CASE NO.3:08-bk-05538-JAF
67. Bray & Gillespie XXXVI LLC  
CASE NO.3:08-bk-05539-JAF
68. Bray & Gillespie LLC XXXVII  
CASE NO.3:08-bk-05540-JAF
69. Bray & Gillespie XXXVIII LLC  
CASE NO.3:08-bk-05541-JAF
70. CAB 1, Inc.  
CASE NO.3:08-bk-05542-JAF
71. Chuck & Joe Holdings III LLC  
CASE NO.3:08-bk-05543-JAF
72. Chuck & Joe LLC  
CASE NO.3:08-bk-05544-JAF
73. CJK, LLC  
CASE NO.3:08-bk-05545-JAF

74. JGG 1, Inc.  
CASE NO.3:08-bk-05546-JAF
75. Marlin 839 Associates, Inc.  
CASE NO.3:08-bk-05547-JAF
76. Ocean Waters Investments LLC  
CASE NO.3:08-bk-05548-JAF
77. Ocean Waters LLC  
CASE NO.3:08-bk-05549-JAF
78. B&G Ormond Beach Land Trust  
CASE NO.3:08-bk-05550-JAF
79. Southern Hospitality Resorts and Residences LLC  
CASE NO.3:08-bk-05551-JAF

EXHIBIT "B"

**B&H LIQUIDATING TRUST**  
(own 100% interest in Holding Co.)

**Holding Co.**

(owns 100% interest in Management Co.,  
Arbor Co., Land Co. LNR Co. & Hotel Co.)

**Management Co.**

(manages Arbor Co., Land Co., LNR Co. & Hotel Co.)  
Substantively Consolidated with B&G Management LLC

Holding Co. will be Substantively Consolidated with CAB I, Inc., JGG 1, Inc., Chuck & Joe Holdings III, LLC, Bray & Gillespie, LLC III, Bray & Gillespie XV, LLP, Bray & Gillespie XIV, LLP, Bray & Gillespie La Playa Investments, LLC, Bray & Gillespie IV LLC, Bray & Gillespie Property Investments, LLC, Bray & Gillespie Holdings, LLC, Bray & Gillespie Acquisitions, LLC, Bray & Gillespie Delaware I, Inc., Bray & Gillespie Delaware III, Inc., Ocean Waters, LLC, Bray & Gillespie IX, LLP, and Marlin 839 Assoc., Inc.

**Arbor Co.**

Substantively Consolidated with:  
Bray & Gillespie Plaza, LLC  
Bray & Gillespie LLC XV  
Bray & Gillespie LLC XIV  
Bray & Gillespie La Playa LLC  
Bray & Gillespie LLC V  
Bray & Gillespie LLC VI  
Southern Hospitality Resorts & Residents LLC

**LNR Co.**

Substantively Consolidated with Bray & Gillespie XXIV, LLC

**Land Co.**

Substantively Consolidated with:  
Bray & Gillespie LLC XXXVII  
Bray & Gillespie LLC XLI  
Bray & Gillespie LLC LI  
Bray & Gillespie XXVIII, LLC  
Bray & Gillespie XXX, LLC  
222 Seminole, LLC  
Bray & Gillespie XXVII, LLC  
Bray & Gillespie LLC LIV  
Bray & Gillespie LLC XLIV  
Bray & Gillespie LLC XLVII  
Bray & Gillespie XXIX, LLC  
Bray & Gillespie Delaware I, LP  
Bray & Gillespie LLC LVI  
Bray & Gillespie Delaware III, LP  
Bray & Gillespie LLC LIX  
Bray & Gillespie X, LLC  
Bray & Gillespie XVI, LLC  
Bray & Gillespie VII, LLC  
Bray & Gillespie IX, LLC  
Bray & Gillespie LLC XLII  
Bray & Gillespie LLC XLIII  
Bray & Gillespie LLC XLV  
Bray & Gillespie XX, LLC  
Bray & Gillespie XXXIV, LLC  
Bray & Gillespie XXXI, LLC  
3515 S. Atlantic Avenue, LLC  
Bray & Gillespie LX, LLC  
Bray & Gillespie LVI, LLC  
Bray & Gillespie XLVI, LLC  
Bray & Gillespie XIX, LLC  
Bray & Gillespie L, LLC  
Bray & Gillespie XXXVIII, LLC  
Bray & Gillespie XXXIX, LLC  
Bray & Gillespie Inc.  
CJK, LLC

**Hotel Co.**

Substantively Consolidated with:  
Bray & Gillespie LLC LII  
Bray & Gillespie LLC XXXIII  
Bray & Gillespie LLC XXXII  
Bray & Gillespie LLC XLIX  
Bray & Gillespie LLC XLVII  
Bray & Gillespie XXVI, LLC  
Bray & Gillespie XXV, LLC  
Bray & Gillespie XXXV, LLC  
Bray & Gillespie XXII, LLC  
FLSD Trust Assoc. II, LLC  
Bray & Gillespie LLC LVIII  
B&G Ormand Beach land Trust  
Bray & Gillespie LLC LVII  
Bray & Gillespie LLC LIX  
Bray & Gillespie VIII, LLC  
Bray & Gillespie XVIII, LLC  
Bray & Gillespie XXXVI, LLC  
Bray & Gillespie XXI, LLC