

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION

IN RE:

CARPENTER CONTRACTORS
OF AMERICA, INC., d/b/a R & D THIEL, and

CCA MIDWEST, INC.,

Debtors.

CASE NO. 10-42604-RBR
CHAPTER 11
(Jointly Administered)

**DISCLOSURE STATEMENT FOR DEBTORS IN POSSESSION CARPENTER
CONTRACTORS OF AMERICA, INC. AND CCA MIDWEST, INC.'S
AMENDED JOINT PLAN OF REORGANIZATION**

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- Exhibit A – Debtors’ Amended Joint Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code
- Exhibit B - Debtors’ Most Recent Financial Statements Issued Before Bankruptcy
- Exhibit C - Debtors’ Most Recent Post-Petition Operating Reports
- Exhibit D - [DE #334, #521, #625 & #712]; Order (1) Authorizing Debtors in Possession to Obtain Postpetition Financing; (2) Authorizing use of Cash Collateral; (3) Providing Adequate Protection; and (4) Granting Liens, Security Interests and Superpriority Claims
- Exhibit E - Debtors’ Projected Revenues and Expenses
- Exhibit F - Cash on hand on the Effective Date of the Plan
- Exhibit G - Executory Contracts and Unexpired Leases
- Exhibit H - Fifth Third Bank Equipment
- Exhibit I - Liquidation Analysis

**DISCLOSURE STATEMENT PURSUANT TO
SECTION 1125 OF THE BANKRUPTCY CODE**

I. INTRODUCTION

This is the joint amended disclosure statement (the “Disclosure Statement”) in the chapter 11 case of Carpenter Contractors of America, Inc. d/b/a R & D Thiel (“Carpenter Contractors”) and CCA Midwest, Inc. (“CCA Midwest”) (collectively the “Debtors”). This amended Disclosure Statement contains information about the Debtors and describes the amended Plan of Reorganization (the “Plan”) filed by the Debtors this June, 2012. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one. All defined terms contained in the Plan apply to the Disclosure Statement.*

THE DESCRIPTION OF THE PLAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SUMMARIZES ONLY CERTAIN PROVISIONS OF THE PLAN AND IS NOT, NOR IS IT INTENDED TO BE, A COMPLETE DESCRIPTION OF THE PLAN. THIS SUMMARY IS NOT INTENDED TO SUBSTITUTE FOR A READING OF THE PLAN OR THE REMAINDER OF THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY. THE PLAN IS A LEGALLY BINDING DOCUMENT AND CREDITORS MAY WISH TO CONSULT WITH THEIR OWN ATTORNEYS, IF ANY, TO UNDERSTAND THE PLAN MORE FULLY.

THE TERMS OF THE PLAN AND CONFIRMATION ORDER WILL GOVERN THE RIGHTS OF THE PARTIES, AND PARTIES WITH IMPAIRED CLAIMS ARE THEREFORE URGED TO READ THE PLAN OF REORGANIZATION IN ITS ENTIRETY.

The proposed distributions under the Plan are discussed at pages 17 - 20 of this Disclosure Statement.

A. Purpose of this Document

This Disclosure Statement describes:

- The Debtors and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the Plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan,
- Why the Debtors believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and

- o The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. *Time and Place of the Hearing to Confirm the Plan*

The hearing at which the Court will determine whether to confirm the Plan will take place on _____, at _____, at the U.S. Bankruptcy Court, 299 E. Broward Blvd., Fort Lauderdale, FL 33301.

2. *Deadline For Voting to Accept or Reject the Plan*

After carefully reviewing the Plan, this Disclosure Statement and its exhibits, each holder of a claim, which has been impaired under the Plan, may vote on acceptance or rejection by completing, dating and signing the ballot, which will be mailed to them after the Court approves this Disclosure Statement, and returning it to the Clerk of the Bankruptcy Court at the following address:

**CLERK OF THE COURT
U.S. Bankruptcy Court
299 E. Broward Blvd
1st Floor --- Fort Lauderdale, FL 33301**

In order to be counted, ballots must be received by the Bankruptcy Clerk no later than 5:00 p.m. Eastern Time on _____, 2012.

PLEASE VOTE EVERY BALLOT YOU RECEIVE. Completed ballots for holders of all Claims and Equity Securities should be returned and MUST BE RECEIVED BY THE DEADLINE SET FORTH IN THE ORDER SETTING CONFIRMATION HEARINGS AND OTHER DEADLINES. If you have Claims or Equity Securities Interests in more than one Class under the Plan, you will receive multiple ballots.

IF A BALLOT IS DAMAGED OR LOST, OR IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, CALL:

**Chad P. Pugatch
Rice Pugatch Robinson and Schiller, P.A.
954-462-8000**

3. *Deadline For Objecting to the Confirmation of the Plan*

Objections to the confirmation of the Plan must be filed with the Court and served upon Counsel for the Debtors in Possession, the United States Trustee, and any parties receiving notice by CM/ECF by _____.

4. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact:

Chad P. Pugatch
Rice Pugatch Robinson and Schiller, P.A.
Counsel to Debtors In Possession
954-462-8000

C. **Disclaimer**

The Court has approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted.

The information contained in this Disclosure Statement has been developed based upon review and analysis of Debtors' financial condition and the terms proposed by the Plan. The information contained in this Disclosure Statement has not been subject to audit by independent certified public accountants. The information contained in this Disclosure Statement is believed to be substantially accurate and may be relied upon in formulating a decision to accept or reject the Plan. The books and records of Debtors are not warranted or represented to be complete and historically accurate.

The Plan filed in connection with this Disclosure Statement is an integral part of the Disclosure Statement and each Creditor is urged to review the Plan prior to casting its vote.

All information herein is set forth as required pursuant to 11 U.S.C. §1125 and is not to be construed as a representation by the Debtors or to be used as an admission in any litigation.

II. **BACKGROUND**

A. **Description and History of the Debtors' Business**

Carpenter Contractors is an Illinois Corporation with its corporate headquarters located in Florida. Since 1955, Carpenter Contractors has been in the business of providing carpentry services to builders of new homes in Illinois and Florida. Since July 2010, CCA Midwest an affiliate of Carpenter Contractors has been in the business of providing carpentry services to builders of new homes exclusively in Illinois. In addition, Carpenter Contractors manufactures building components and distributes construction materials in the above locations as well as in North Carolina. Carpenter Contractors offers its products and services to major national builders including Pulte Homes, Dell Webb, D.R. Horton, MI Homes, Lennar Homes, Toll Brothers, Ryland Homes, Standard Pacific, K. Hovnanian, David Weekly Homes, and Taylor Morrison and other large local home builders in the above markets. Over its 57 year history, with the exception of the past several years, Carpenter Contractors has enjoyed a long history of growth and profitability.

Carpenter Contractors expanded into Florida in 1973 and into North Carolina in 2001. Carpenter Contractors is distinguishable from its competitors in that it provides three product offerings

consisting of full service carpentry labor, material supply and housing component manufacturing. By providing all three products, unlike its competitors, and its commitment to production efficiency, cost control and safety, Carpenter Contractors has earned a prominent reputation in the construction industry. A glimpse into Carpenter Contractors financials shows a history of steady growth with a substantial increase during the housing boom which is followed by a sharp decrease from mid 2006 through the present. However, Carpenter Contractors has shown some revenue growth recently through increased market share.

Carpenter Contractors operates in three locations; the Belvidere, Illinois facility is located on forty-five acres of land. The Belvidere facility is strategically located to allow distribution to several markets in and around Illinois, including Wisconsin, Indiana and Iowa. This facility contains an indoor lumber yard and manufactures wall panels, roof and floor trusses, and pre-fabricated floor systems. This facility is conveniently located to be serviced by rail and is fully equipped with state of the art computer automated manufacturing equipment. The Belvidere facility allows Carpenter Contractors to deliver materials and components directly to jobsites to be erected by field carpenters, enabling the Carpenter Contractors' competitive advantage of providing all three contracting services.

Carpenter Contractors' next facility is located in Winter Haven, Florida. The facility is located on fifty-four acres of land. At this facility, Carpenter Contractors manufactures and distributes roof and floor trusses, wall panel components and engineered wood products to customers. This plant location also supports Carpenter Contractors' field carpenters.

Finally, Carpenter Contractors operates a facility in Fayetteville, North Carolina on ten acres of land. This location strategically services the areas of Charlotte, Raleigh-Durham, Winston-Salem, and Wilmington as well as Myrtle Beach and Columbia, South Carolina. Carpenter Contractors' newest facility manufactures roof and floor trusses and distributes engineered wood products.

CCA Midwest conducts business exclusively in Illinois and provides its customers with non-union carpentry services. CCA Midwest does not have a manufacturing component like that of Carpenter Contractors.

Carpenter Contractors operates in three primary segments of the construction business, the carpentry or labor division; the component manufacturing; and the material supply business. Carpenter Contractors is uniquely situated in that it is the only manufacturer of housing components that employs carpenters to erect the finish product in the field. This enables Carpenter Contractors to craft, refine and deliver a quality final product.

Through the delivery of high quality service and products to national builders, Carpenter Contractors has built a reputation for effectiveness and efficiency which has resulted in long standing and sustainable business relationships with the nation's top home builders and a continuous influx of new business.

B. Events Leading to Chapter 11 Filing

Carpenter Contractors enjoyed over fifty years of profitability and growth until the most significant downturn in the residential housing market since the Great Depression. Never in Carpenter Contractors' 55 years of operations has national new construction declined so abruptly, forcing several of its customers to be in or on the verge of Bankruptcy. The Debtors did manage to survive the initial

impact of the housing market; however, stressed banking relationships with the Debtors' primary secured lender, First American lead the Debtors into filing when First American began exercising its asserted rights under a \$9 million line of credit on a revolving loan, by directly collecting the Debtors' account receivables. Unable to find alternative financing the Debtors were left with virtually no option but to file chapter 11 in an attempt to renegotiate the revolving line of credit with First American, and to reorganize its debts and structure its operations.

C. Significant Events During the Bankruptcy Case

On October 25, 2010 (the "Petition Date"), Carpenter Contractors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. On October 26, 2010, CCA Midwest filed a voluntary petition under Chapter 11 of the Bankruptcy Code, case no.: 10-42630-JKO. On October 27, 2010, the Court entered an order providing for joint administration of the Debtors' chapter 11 cases pursuant to Bankruptcy Rule 1015 and Local Rule 1015-1 [DE #24]. The Debtors hired Rice Pugatch Robinson and Schiller, P.A. as counsel to the Debtors in Possession as set forth in the Application to Employ Chad P. Pugatch and Rice Pugatch Robinson and Schiller, P.A. as Counsel for the Chapter 11 Debtors [DE 15].

Shortly after the filing of the petition, Carpenter Contractors filed the only adversary complaint to date in this case against the State of Illinois Worker's Compensation Commission for injunctive relief [DE #1, case no: 10-03692-RBR]. The Court entered a temporary restraining order, and the parties shortly thereafter entered a compromise resolving the adversary complaint. [DE #4]. On January 13, 2011, the case was ordered closed. [DE #19].

During the course of the Chapter 11 case, Carpenter Contractors has focused its efforts on three primary issues: (1) remedying its relationship with First American; (2) renegotiating terms of a collective bargaining agreement with one of its unions and negotiating disposition of union withdrawal liability with three other union pension funds; and (3) determining a proper plan of action regarding the ownership of a corporate aircraft by a wholly owned subsidiary and related loan guaranty to Wells Fargo Bank, N.A. Majority of the issues were resolved outside the courtroom and without judicial determination.

The Debtors have negotiated, modified, and resolved all the issues with First American and plans for First American to provide financing going forward.¹ On April 6, 2011, the Court entered an order (as amended from time to time, the "DIP Order," attached hereto as Exhibit D) approving the Debtors' and First American's agreement pursuant to which First American provided the Debtors' with post-petition debtor-in-possession financing and permitted the Debtors to use First American's cash collateral.¹ Specifically, the DIP Order authorized the Debtors to borrow (i) \$2,500,000 in the form of a term note, which is subject to a floating interest rate of 30-day LIBOR plus 4.0% (with an interest rate floor of 6.0%) (the "DIP Term Note"), and (ii) the lesser of (a) \$5,120,000 or (b) the sum of 80% of all eligible accounts receivable and 35% of all eligible inventory (with a cap on inventory advances is \$2,000,000) (the "DIP Line of Credit" and, together with the DIP Term Note, the "DIP Facility").

¹ See Order (1) Authorizing Debtors In Possession to Obtain Postpetition Financing; (2) Authorizing Use of Case Collateral; (3) Providing Adequate Protections; and (4) Granting Liens, Security Interests and Superpriority Claims [DE #334]. The Court subsequently granted agreed upon extensions of the DIP Order's maturity date, authorizing the continued use of case collateral and extension of debtor-in-possession financing.

Pursuant to an Order modifying the DIP Order entered on November 2, 2011 (DE #521), the Debtors are repaying the DIP Term Note in 36 monthly installments commencing on November 1, 2011 and payments are current.

The DIP Order also required the Debtors to continue its prepetition obligations to make payments related to two outstanding letters of credit (the "Bond Letters of Credit") which secure the Debtors obligations with respect to Industrial Revenue Bonds issued in connection with the Debtors' facilities in Belvidere, Illinois and Hoke County, North Carolina, and all of those payments are also current. The Debtors' obligations to First American in connection with the Bond Letters of Credit and related agreements are the "Secured Bond L/C Facility." First American holds a contingent secured claim for amounts owed under the terms of the Secured Bond L/C Facility.

The Debtors at the time of the petition were self-insured for worker's compensation and to ensure stability, the Debtors requested and the Court grant relief to pay prepetition claims of worker's compensation for the State of Florida and Illinois. See [DE #67]. Such payments were made pursuant to state requirements.

The Debtors on November 9, 2010, filed a motion for authorization to pay critical vendors and the Court granted such relief. See [DE #59 & #88]. Pursuant to such order all critical vendors have been paid including SY's Supplies; White Cap Construction; Parksite; Weyerhaeuser; Bluelinx; Preferred Materials, Inc.; Imperial Credit; Cemex; Sun Coast; and American Express. The Debtors on November 23, 2011 filed a second motion for authorization to pay critical vendors and to pay additional amounts to approved critical vendors Cemex and American Express which the Court granted. See [DE #127 & 167]. Pursuant to the order the Debtors paid the additional critical vendors of MJS Nursery; J. Brush Bobcat; Allied Crane; Beyel Bros. Crane & Riggin; Harvest Crane Rental, Inc.; Frazee Bobcat Service, Inc.; AAA Steel Fabricators, Inc.; Adonel Concrete Palm Beach, Inc.; Bless and Construction Glass Block Warehouse, Inc.; L Jones & Son Concrete Pump; Modern Concrete, Inc.; Stuart Paint & Supply, Inc.; Advantage Pest Related Services and paid the additional amounts to Cemex and American Express.

Carpenter Contractors has renegotiated several terms and entered into a new collective bargaining agreement with Chicago Regional Council of Carpenters, Affiliated Local Union 792 of the United Brotherhood of Carpenters and Joiners of America "Manufacturing Plant Carpenters". [See DE #359]. Recently, Carpenter Contractors renewed the collective bargaining agreement with Chicago Regional Council of Carpenters, Affiliated Local Union 792 of the United Brotherhood of Carpenters and Joiners of America which was set to expire. [DE #494]. Further, Carpenter Contractors has negotiated and entered into a modified collective bargaining agreement with General Chauffeurs, Helpers and Salesdrives Teamsters Local Union No. 3. [DE #456]. Among other benefits, Carpenter Contractors was able to negotiate substantial savings on labor cost under the new collective bargaining agreement. Another significant event is that the Debtors have entered into an Insurance Finance Premium Agreement with Imperial Credit Corporation. [DE #405].

The Debtors filed the first Plan of Reorganization and Disclosure Statement on August 31, 2011. [DE 454 & 455]. Since the filing of the first Plan and Disclosure Statement, the Debtors have been vigorously working with some of its most significant creditors to file this amended Plan and Disclosure Statement, including, negotiating and settling claim objections with the three union pension fund; 1) Will County Carpenters Local 174 Pension Fund ("Will Fund"); 2) Chicago Regional Council of Carpenters Pension Fund ("Chicago Fund"); and 3) Board of Trustees of the Carpenters Pension

Fund of Illinois (“Geneva Fund”) (collectively the “Pension Fund Claimants”) whose aggregate claims amount to over \$18.4 million. See [DE #745]. The Debtors net benefit from this settlement is the Debtors saving over \$16 million in withdrawal liability. The settlement also allows Carpenter Contractors to maintain pension funds for its employees going forward.

The Debtors have used this chapter 11 to stabilize and keep all three facilities operational without any delay in revenue or new business growth.

D. Projected Recovery of Avoidable Transfers

The Debtors do not at this time intend to pursue preference, fraudulent transfer, or other avoidance actions as such actions appear to be of inconsequential value to the estate and a recovery, if any, will not outweigh the costs. However, the Debtors have not yet completed their investigation with regard to prepetition transactions. If you received a payment or other transfer within 90 days of the bankruptcy, or other transfer avoidable under the Code, the Debtors may seek to avoid such transfer.

E. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtors reserve the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

F. Current and Historical Financial Conditions

The Debtors’ most recent financial statements issued before bankruptcy, each of which was filed with the Court, are set forth in Exhibit B.

The most recent post-petition operating report filed since the commencement of the Debtors’ bankruptcy case are set forth in Exhibit C, and all monthly operating reports are available through the Court’s PACER system or alternatively will be provided to any party in interest upon written request to counsel for the Debtors.

G. Insiders of the Debtor – Carpenter Contractors

Donald L. Thiel – Chairman, President, Director. Donald L. Thiel’s percentage of ownership is sixty-one percent.

Kenneth B. Thiel – Director. Kenneth B. Thiel’s percentage of ownership is 4.8 percent.

Terrance Smith – Secretary, Treasurer, Vice-President, Director.

Judith Thiel – Director.

Maria Cornelius – Vice President.

Bill Fritsch – Vice President, Director.

Insiders of the Debtor – CCA Midwest

Donald L. Thiel – Director.

Kenneth B. Thiel – President, Director

Judith Thiel – Director.

Mike Sobacki – Director.

Nicole Hughes – Secretary.

Management of the Debtor – Carpenter Contractors -Before and During the Bankruptcy

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of Carpenter Contractors (collectively the “Managers”) were:

Donald L. Thiel	-	Chairman, President, Director
Kenneth B. Thiel	-	Director
Terrance Smith	-	Corporate Secretary, Treasurer, Vice President, Director
Judith Thiel	-	Director
Maria Cornelius	-	Vice President
Bill Fritsch	-	Vice President, Director

The Managers of Carpenter Contractors during the Debtor’s chapter 11 case have been:

Donald L. Thiel	-	Chairman, President, Director
Kenneth B. Thiel	-	Director
Terrance Smith	-	Corporate Secretary, Treasurer, Vice President, Director
Judith Thiel	-	Director
Maria Cornelius	-	Vice President
Bill Fritsch	-	Vice President, Director

After the Effective Date of the order confirming the Plan, the directors, officers, and voting trustees of Carpenter Contractors, any affiliate of Carpenter Contractors participating in a joint Plan with Carpenter Contractors, or successor of Carpenter Contractors under the Plan (collectively the “Post Confirmation Managers”), will be:

Donald L. Thiel	-	Chairman, President, Director
Kenneth B. Thiel	-	Director
Terrance Smith	-	Corporate Secretary, Treasurer, Vice President, Director
Judith Thiel	-	Director
Maria Cornelius	-	Vice President
Bill Fritsch	-	Vice President, Director

Management of the Debtor – CCA Midwest - Before and During the Bankruptcy

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of CCA Midwest (collectively the “Managers”) were:

Donald L. Thiel	-	Director
Kenneth B. Thiel	-	President, Director
Judith Thiel	-	Director
Mike Sobacki	-	Director
Nicole Hughes	-	Secretary

The Managers of CCA Midwest during the Debtor’s chapter 11 case have been:

Donald L. Thiel	-	Director
Kenneth B. Thiel	-	President, Director
Judith Thiel	-	Director
Mike Sobacki	-	Director
Nicole Hughes	-	Secretary

After the effective date of the order confirming the Plan, the directors, officers, and voting trustees of CCA Midwest, any affiliate of CCA Midwest participating in a joint Plan with CCA Midwest, or successor of CCA Midwest under the Plan (collectively the “Post Confirmation Managers”), will be:

Donald L. Thiel	-	Director
Kenneth B. Thiel	-	President, Director
Judith Thiel	-	Director
Mike Sobacki	-	Director
Nicole Hughes	-	Secretary

H. Defined Benefit Pension Plan

As of the Petition Date, the Debtors are either the contributing sponsor or member of the contributing sponsor’s controlled group with respect to the Carpenter Contractors of America, Inc. Employees Pension Plan and Trust (“Pension Plan”), which is governed by provisions of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1301-1461 (“ERISA”), and the Internal Revenue Code. This section provides additional information with respect to the Pension Plan. The rights under the Pension Plan will not be Impaired or affected by the Chapter 11 case. The Pension Plan is covered by the termination insurance program provided under Title IV of ERISA.

The Pension Benefit Guaranty Corporation (“PBGC”) is the United States government agency that administers this termination insurance program, which covers most private defined-benefit pension plans. The PBGC’s principal purpose is to guarantee the payment of certain pension benefits to participants upon termination of a pension plan. When a “single-employer plan” within the meaning of 29 U.S.C. § 1301(a)(15) (a “Single-Employer Plan”) terminates with insufficient assets to pay benefits, PBGC generally becomes statutory trustee of the plan and pays benefits to the plan’s participants up to statutory limits.

The Pension Plan, sponsored by Carpenter Contractors, is a Single-Employer Plan. As of January 1, 2009, the Pension Plan provided pension benefits to approximately 25 employees and 95

retirees and deferred vested plan participants. PBGC estimates that the Pension Plan was underfunded by \$1,385,607.00 on a PBGC termination liability basis as of February 28, 2011.

On March 17, 2011, the PBGC filed separate Proofs of Claim against each of the Debtors based on:

- the estimated amount of the Pension Plan's unfunded benefit liabilities if the Pension Plan were to terminate ("**Unfunded Liability Claim**");
- the estimated amount of unpaid minimum funding contributions that may be owed to the Pension Plan (the "**Funding Claims**");
- the estimated amount of insurance premiums, including termination premiums under 29 U.S.C. § 1306(a)(7) ("**DRA Premiums**"), interest and penalties that may be owed to PBGC if the Pension Plan were to terminate or be terminated; and
- the shortfall and waiver amortization charges that may be owed to the Pension Plan.

Pursuant to the Plan, the Debtors or Reorganized Debtors, as applicable, shall continue the Pension Plan. The Pension Plan shall be continued in accordance with its terms, and the Debtors or the Reorganized Debtors, as applicable, shall satisfy the minimum funding standards pursuant to 26 U.S.C. §§ 412 and 430 and 29 U.S.C. §§ 1082 and 1083, be liable for the payment of PBGC premiums in accordance with Title IV of ERISA, 29 U.S.C. §§ 1306 and 1307, subject to any and all applicable rights and defenses of the Debtors, and administer the Pension Plan in accordance with the provisions of ERISA and the Internal Revenue Code. Notwithstanding any provision of the Plan or the Confirmation Order to the contrary, the Pension Plan shall be continued and administered in accordance with ERISA and the Internal Revenue Code.

The Debtors have, pursuant to the Internal Revenue Code, either timely made all minimum funding contributions or have not been required to make minimum funding contributions to the Pension Plan so that there will be no pre-Confirmation Funding Claims payable under the Plan. Also, because the Unfunded Liability Claims and DRA Premiums only arise upon termination of the Pension Plan, such Claims will not arise and shall not be entitled to any distribution under the Plan.

III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. What is the Purpose of the Plan of Reorganization?

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Joint Plan, Shared Distribution.

This Plan is filed as a joint plan for Carpenter Contractors and CCA Midwest. For all intent and purposes of treatment of claims Carpenter Contractors and CCA Midwest shall be considered as providing the same treatment, to the extent a claimant is a creditor of both entities, except distribution under the Plan shall be provided jointly. This means General Unsecured Creditors of each entity, as provided below, will share in the same distribution from a single source of funds as specifically described forth below.

C. Treatment of Superpriority Claims and DIP Facility, Administrative Expense Claims, U.S. Trustee Fees, and Priority Tax Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

1. First American's Superpriority Claim and the DIP Facility.

The DIP Order grants First American a superpriority claim for, among other things, amounts advanced under the DIP Facility and First American's reasonable costs, fees, charges and expenses (the "DIP Facility Claims"). The DIP Facility Claims have priority over all administrative expenses of the kind specified in 11 U.S.C. §§ 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546(c), or 726, subject only to the United States Trustee's fees, *ad valorem* taxes, and certain of the Debtors' professional fees.

As noted above, First American also holds a contingent secured claim for amounts owed under or with respect to the terms of the Secured Bond L/C Facility, including the Debtors' obligations to First American arising in connection with the Bond Letters of Credit and related agreements.

First American's DIP Facility Claims and secured claim related to the Secured Bond L/C Facility are secured by substantially all of the Debtors' personal property assets, including but not limited to the Debtors' inventory, accounts receivables, equipment and general intangibles. In addition, pursuant to a Mortgage and Security Agreement dated July 11, 2008, which First American recorded on July 14, 2008 with the Boone County, Illinois Recorder as Document No. 2008R06222, First American's claims are secured by a mortgage lien on the Debtors' real property commonly described as 2340 Newburg Road, Belvidere, Illinois (the "Belvidere Property"). First American also holds a first-priority lien on real property commonly described as 190 Gillis Hill Road, Hoke County, Fayetteville, North Carolina (the "Fayetteville Property"), pursuant to a Future Advance Deed of Trust, Security Agreement and Fixture Filing dated July 11, 2008, which First American recorded on July 11, 2008 with the Hoke County, North Carolina Register of Deeds as Instrument No. 05037. First American further holds a first-priority security interest in all rents and leases derived from the Belvidere Property and the Fayetteville Property pursuant to two Assignments of Rents and Leases dated July 11, 2008. Collectively, the real and personal property securing First American's liens is referred to as the "First American Collateral." First American is fully secured because value of the First American Collateral exceeds the combined amount of First American's claims against the Debtors.

The DIP Order authorized First American to provide the Debtors with "exit financing" in the form of a line of credit and term note, to emerge successfully from bankruptcy. First American is authorized to provide the Debtors with (a) a one-year Five Million, One Hundred Twenty Thousand Dollar (\$5,120,000) monitored asset based line of credit renewable annually for three years ("**Exit Financing Line of Credit**"), and (b) a Two Million, Five Hundred Thousand Dollar (\$2,500,000) term note, repayable in thirty-six (36) monthly installments, less the installment payments that the Debtors have already made to First American pursuant to the DIP Order ("**Exit Financing Term Note**" and, together with the Exit Financing Line of Credit, the "**Exit Facility**"). Amounts advanced under the Exit Facility will be subject to a floating interest rate of 30-day LIBOR plus 4.0% (with an interest rate floor of 6.0%). Advances under the Exit Financing Line of Credit will be limited to the lesser of (i) \$5,120,000 or (ii) 80% of all eligible accounts receivables and 35% of all eligible inventory (with a cap on inventory advances of \$2,000,000). The Exit Facility is subject to the Debtors satisfying the conditions of the Exit Facility financing documents, which will be attached as an exhibit to the Plan. In the event that the terms of the Plan and the Exit Facility financing documents conflict, the terms of the Exit Facility financing documents shall control.

Subject to the terms of the DIP Facility and Exit Facility, including the Debtors satisfying the

closing conditions stated in the Exit Facility loan documents, on the Plan's Effective Date, the DIP Facility Claims shall convert into the Exit Facility. In the event the DIP Facility Claims convert into the Exit Facility, the Debtors shall pay to First American a loan conversion fee of \$25,000 on the Plan's Effective Date.

The Debtors shall also continue to satisfy all of its obligations and make all payments under the terms of the bond documents and the Secured Bond L/C Facility, including satisfying all of its obligations related to the Bond Letters of Credit and related agreements.

To secure the Exit Facility and Secured Bond L/C Facility, First American shall retain all of its liens on the First American Collateral, with the same force, effect and priority that such liens had on the date prior to the Effective Date.

2. *Administrative Expenses*

Administrative expenses are costs or expenses of administering the Debtors' Chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtors in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. Pursuant to § 503(b)(9) and Court orders, the Debtors have paid the administrative expense claim of Ryder Truck Rental, Inc. [DE #196]; claim of ITW Building Components Group, Inc. [DE #264] and claim of Bluelinx Corporation [DE #497]. Further, the Code requires that all administrative expenses be paid on the Effective Date, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtors' administrative expenses and their proposed treatment under the Plan:

<u>Type</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course of Business After the Petition Date	Paid in full on the Effective Date, according to terms of obligation if later, or according to separate written agreement
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	Paid in full on the Effective Date of the Plan, according to terms of obligation if later, or according to separate written agreement
Professional Fees, as approved by the Court.	Paid in full on the Effective Date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	Paid in full on the Effective Date of the Plan
Other administrative expenses	Paid in full on the Effective Date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	Paid in full on the Effective Date of the Plan

Don L. Thiel and Judith Thiel	Don and Judith Thiel have agreed with the Debtors to separate treatment as more fully described below.
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Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the Effective Date (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtors.

The Debtors have entered into an agreement with Don and Judith Thiel with regard to their administrative claims as follows:

- (a) The post petition loan in the amount of one million dollars (\$1,000,000.00) will be converted into an unsecured revolving line of credit as of the Effective Date and funds will be repaid and drawn down as per the Debtors' needs, provided that repayment of this line of credit shall be limited as provided in the Exit Facility financing documents and, if a default occurs under the terms of the Exit Facility or Secured Bond L/C Facility, the Debtors shall make no payments to Don or Judith Thiel until the Debtors satisfy all amounts owed to First American. The outstanding balance will bear interest as 5% per annum.
- (b) The three million and fifty thousand dollars (\$3,050,000.00) draw down on the letters of credit secured by the real estate owned by Don and Judith Thiel will be repaid as follows:
 - a. To the extent the funds drawn down by the states of Florida and Illinois are reimbursed to the Debtors they will be repaid to Don and Judith Thiel at that time; or
 - b. To the extent the funds are not subject to reimbursement the Debtors will enter an agreed schedule of repayment as and when that determination is made;
 - c. Notwithstanding the foregoing, the Debtors obligations to Don or Judith Thiel arising in connection with the \$3,050,00 drawn down on these letters of credit shall be limited as provided in the Exit Facility financing documents, the Debtors shall make no prepayments of amounts owed to Don or Judith Thiel unless on terms permitted by the Exit Facility's terms, and, if a default occurs under the terms of the Exit Facility or Secured Bond L/C Facility, the Debtors shall make no payments to Don or Judith Thiel until the Debtors satisfy all amounts owed to First American.

3. United States Trustee Fees

Notwithstanding any other provisions of the Plan to the contrary, the Debtors shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), within ten (10) days of the entry of the order confirming the Plan, for pre-confirmation periods and simultaneously file all the monthly operating reports for the relevant periods, indicating the cash disbursements for the relevant period. The Debtors, as Reorganized Debtors, shall further pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), based upon all post-confirmation disbursements made by the Reorganized Debtors, until the earlier of the closing of this case by the

issuance of a Final Decree by the Bankruptcy Court, or upon the entry of an Order by the Bankruptcy Court dismissing this case or converting this case to another chapter under the United States Bankruptcy Code, and the Reorganized Debtors shall provide to the United States Trustee upon the payment of each post-confirmation.

4. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by §507(a)(8) of the Code. Unless the holder of such a §507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The Debtors do not believe it has any prepetition tax liability. The Debtors note the filing of two tax priority claims: Internal Revenue Services, Claim No. 24, and Broward County Records, Tax & Treasury Division, Claim No. 65. The Debtors object to such claims as priority because both claims have been paid in full either prepetition or postpetition. To the extent the Debtors have not paid such claims the Debtors reserve the right to treat as follows: the claims shall receive deferred cash payments equivalent to the present value of their claims, as of the Effective Date. The claims will be paid in full in 14 quarterly installments commencing on the Effective Date, together with interest as the United States Prime Rate as listed in the Eastern print edition of the Wall Street Journal on the Effective Date plus one percent (1%).

D. **Classes of Claims and Equity Interests**

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtors' bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

The following lists all classes containing Debtors' secured prepetition claims and their proposed treatment under the Plan:

Class 2.1 – Secured Claim of First American Bank – impaired –
First American shall retain its liens on the First American Collateral to secure its Allowed Secured Claim arising under the Secured Bond L/C Facility. The Debtors shall continue to make all payments under the bond documents and the Secured Bond L/C Facility, including satisfying all of its obligations related to the Bond Letters of Credit and related agreements.

The collateral securing First American's secured claim is the First American Collateral. First American is fully secured as the value of the First American Collateral exceeds First American's claims.

Class 2.2 – Secured Claim of Fifth Third Bank. – impaired –

The Allowed Secured Claims in Class 2.2 pursuant to this Court's order [DE #592], Fifth Third Bank will be paid its secured claim of \$35,000.00 in full in twenty-four (24) equal monthly installments, amortized at 8% interest. The first payment is due on the Effective Date of the Debtors' Plan of Reorganization and each payment thereafter is due on or before the first day of each consecutive month until the amount is paid in full, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility. At the time of final payment, the Debtors' Plan, Fifth Third's secured interest shall be deemed extinguished.

The collateral securing the claim of Fifth Third Bank consisting of equipment, Shop Dust Collection System, valued by this Plan at \$35,000.00 after deducting the amount of post petition payments.

Class 2.2a - Other Loans of Fifth Third Bank – unimpaired

The Allowed Secured Claim in Class 2.2a shall retain their liens securing their claims in the collateral and continued to be paid in accordance with terms of the agreement, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility.

The collateral securing the claim of Fifth Third Bank consists of equipment both now in existence and hereafter created. The equipment is fully described on Schedule A attached hereto as Exhibit H.

Class 2.3 – Secured Claim of Imperial Credit Corporation – unimpaired

The Allowed Secured Claims in Class 2.3 shall retain their liens securing their claims in the collateral and will be paid in accordance with the terms of the agreement, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility. Imperial Credit Corporation is secured by insurance premiums.

Class 2.4 – Secured Claim of Broward County Tax Collector – unimpaired –

The Debtors object to the claim as being paid in full either prepetition or postpetition, and if such claim has not been paid in full the Debtors reserve the right to pay deferred cash payments equivalent to the present value of their collateral, as of the Effective Date and in 14 quarterly installments commencing on the Effective Date, together with interest at the United States Prime Rate as listed in the Eastern print edition of the Wall Street Journal on the Effective Date plus one percent (1%), provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility.

The collateral securing the claims of Broward County Tax Collector is commercial real property located at 941 SW 12 Ave, Pompano Beach, FL 33069.

Class 2.5 – Secured Claim of Gelco Corp. d/b/a GE Fleet Services – unimpaired –

The Allowed Secured Claims in Class 2.5 shall retain their liens securing their claims in the collateral and will be paid in accordance with the terms of the agreement, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility.

The collateral securing the claims Gelco Corp. d/b/a GE Fleet Services pertains to forty-six motor vehicle leases. Carpenter Contractors leases twenty-eight vehicles and CCA Midwest leases sixteen.

Class 2.6 – Secured Claim of GE Commercial Finance Business Property Corporation – unimpaired – The Allowed Secured Claims in Class 2.6 shall retain their liens securing their claims in the collateral and will be paid in accordance with the terms of the agreement, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility.

GE Commercial Finance Business Property Corporation holds a first mortgage on property generally described as 3900 Avenue G., Winter Haven, Florida. The Debtors and creditor value the property at \$3,800,000.00 and creditor claims a balance of \$1,168,977.80.

Class 2.7 – Secured Claim of General Electric Capital Corporation – unimpaired – The Debtors are treating the Secured Claim of General Electric Capital Corporation as secured interest and intend to file an Adversary Proceeding under Fed. R. Bankr. P. 7001 for declaratory relief to determine that the Master Lease Agreement (“Master Agreement”) is a security agreement. To the extent the Master Agreement is determined to be a security interest, the Debtors at such time will elect to determine the amount of General Electric Capital Corporation’s secured interest pursuant to section 506 of the Bankruptcy Code. Any remaining unsecured portion shall be treated as a General Unsecured Claim.

The Allowed Secured Claim in Class 2.7 will then be paid in full and deemed satisfied by application of the post-petition payments of the Debtors. Any remaining portion shall be will be paid in full in equal quarterly installments commencing on the Effective Date, and fully amortized over a 15 quarter period with interest at the United States Prime Rate as listed in the Eastern print edition of the Wall Street Journal on the Effective Date plus one percent (1%), provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility.

The collateral securing the claim of General Electric Capital Corporation consists of equipment valued by this Plan at \$57,208.62 for schedule 3696591002 and \$44,607.36 for schedule 3696591009 after deducting the amount of post petition payments.

2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), (7), (9) and (10) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the Effective Date equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment. There are no priority unsecured claims.

3. *Unsecured and Asserted Administrative Claim of Wells Fargo Bank, N.A.*

Class 3.1(c), described below will consist of the unsecured and asserted Administrative Claim of Wells Fargo Bank, N.A. These claims arise from the Debtor’s guaranty of the obligations of DJT, LLC, a non-debtor, in respect of a certain purchase money lien for an aircraft. The Claim of Wells Fargo Bank, N.A. is not a Secured Claim against the Debtor, it is subject of pending objections and is of a potentially substantial amount. An Objection to this Claim is pending. In addition, the Claim of Wells Fargo Bank, N.A. also includes an asserted Administrative Claim to which the Debtor has also objected. The finally allowed Class 3.1(c) Claim of Wells Fargo Bank, N.A. will be treated in the same manner as Class 3.1(a) and (b), described below.

4. *Classes of General Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code. For all intent of purposes the General Unsecured Creditors of Carpenter Contractors and CCA Midwest shall share equally in one distribution from a single source of funds, as specifically further described below.

The following chart identifies the Plan's proposed treatment of Class[es] 3.1 to 3.6, which contain general unsecured claims against the Debtors:

Class 3.1(a) - General Unsecured Creditors of Carpenter Contractors	Impaired	Allowed Claims of Creditors in Classes 3.1(a), (b) & (c) shall participate pro rata by Class in the distribution of quarterly payments in the amount of \$50,000 for year 1 of the Plan, quarterly payments in the amount of \$50,000 for year 2 of the Plan, quarterly payments in the amount of \$75,000 for year 3 of the Plan, and quarterly payments in the amount \$125,000 for each of years 4, 5 and 6 of the Plan, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility. Such payments shall be distributed pro rata among Classes 3.1(a), (b) & (c). Each holder of an Allowed Claim within Class 3.1(a) shall receive its Pro Rata Share of the Class 3.1(a) payment. Payment shall start on the Effective Date.
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Class 3.1(b) – General Unsecured Creditors of CCA Midwest	Impaired	Allowed Claims of Creditors in Classes 3.1(a), (b) & (c) shall participate pro rata by Class in the distribution of quarterly payments in the amount of \$50,000 for year 1 of the Plan, quarterly payments in the amount of \$50,000 for year 2 of the Plan, quarterly payments in the amount of \$75,000 for year 3 of the Plan, and quarterly payments in the amount of \$125,000 for each of years 4, 5 and 6 of the Plan, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility. Such payments shall be distributed pro rata among Classes 3.1(a), (b) & (c). Each holder of an Allowed Claim within Class 3.1(b) shall receive its Pro Rata Share of the Class 3.1(b) payment. Payment shall start on the Effective Date.
Class 3.1(c)-Wells Fargo Bank, N.A.	Impaired	Allowed Claims of Creditors in Classes 3.1(a), (b) & (c) shall participate pro rata by Class in the distribution of quarterly payments in the amount of \$50,000 for year 1 of the Plan, quarterly payments in the amount of \$50,000 for year 2 of the Plan, quarterly payments in the amount of \$75,000 for year 3 of the Plan, and quarterly payments in the amount of \$125,000 for each of years 4, 5 and 6 of the Plan, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility. Such payments shall be distributed pro rata among Classes 3.1(a), (b) & (c). Each holder of an Allowed Claim within Class 3.1(b) shall receive its Pro Rata Share of the Class 3.1(b) payment. Payment shall start on the Effective Date.

<p>Class 3.2 – Pension Funds Claimants</p>	<p>Impaired</p>	<p>The Allowed Claim of the Geneva Fund shall be paid through six annual payments commencing on or about the Effective Date and the Geneva Fund shall receive fourteen (14%) percent of the amount of the Allowed Claim, i.e. \$348,748.50.</p> <p>The Allowed Claims of the Chicago Fund and the Will Fund shall be paid through twenty four quarterly payments commencing on or about the Effective Date, with the aggregate amounts of such payments totaling \$1.5 million on account of both the Will Fund and the Chicago Fund. The Will Fund and the Chicago fund shall be responsible for the allocation of the \$1.5 million in payments made collectively on account of the Chicago Fund and the Will Fund, but absent written direction from both the Chicago Fund and the Will Fund to the contrary, the Debtors shall pay amounts due to the Chicago Fund and the Will Fund under any confirmed plan on a pro rata basis calculated from the amounts of their respective claims.</p>
<p>Class 3.3 – Claimants pursuant to an assumed executory contract or unexpired lease.</p>	<p>Unimpaired</p>	<p>Class 3.3 Claimants shall receive payment of any unpaid cure amount pursuant to the terms of the Court’s order authorizing assumption of the lease or executor contract, and shall otherwise receive treatment under applicable law and as provided under such lease or contract as modified or amended by Court order, or subsequent agreement of the parties, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility.</p>

Class 3.4 Administrative Convenience Class	Impaired	Class 3.4 consisting of the Allowed Claims of General Unsecured Creditors whose claims do not exceed \$15,000.00, or who timely elect to have their claims reduced to \$15,000.00. Claimants shall receive within 10 days after the Effective Date a cash payment equal to the same percentage to be received by Claimants in Classes 3.1(a) – (c), <u>provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility.</u> Payments shall be considered as the full and final satisfaction of any obligation owed by the Debtors.
Class 3.5 Unsecured Claims of Don L. Thiel	Impaired	Class 3.5 consists of the Allowed Unsecured Claims of Don L. Thiel, which will be voluntarily subordinated to payment of allowed claims in Classes 3.1; 3.2; 3.3; 3.4; and 3.6, and may be paid only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility.
Class 3.6 FSIGA Workers' Compensation Claims	Unimpaired	Class 3.6 consists of the Allowed Unsecured Claims of FSIGA Workers' Compensation Claims of which shall be paid in accordance with the agreement and upon final payment FSIGA shall return the bond funds, provided that the Debtors may make such payments only if there has been no default under the terms of the Exit Facility or Secured Bond L/C Facility.

5. *Class of Equity Interest Holders*

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtors. In a corporation, entities holding preferred or common stock are equity interest holders. Class 4 Equity Interest Holders are unimpaired and will retain their ownership interests in the Debtors.

E. **Means of Implementing the Plan**

1. *Source of Payments and Implementation of the Plan*

Payments and distributions under the Plan will be funded by the Debtors' current and ongoing business operations. A copy of the Debtors' projected revenues and expenses are attached hereto as Exhibit E.

In addition to the revenues generated by the business operations of the Debtors, the Debtors will have the additional financial flexibility to implement the Plan due to the agreed upon deferral of Don L. Thiel's unsecured claims as set forth in Class 3.5 which will result in additional cash availability and permit the Debtors to implement the treatment set forth in the Plan.

First American is authorized to provide the Debtors with the Exit Facility in the form of (a) a one-year Five Million, One Hundred Twenty Thousand Dollars \$5,120,000 monitored asset based line of credit renewable annually for three years ("Exit Financing Line of Credit"), and (b) a Two Million, Five Hundred Thousand Dollars \$2,500,000 term note, repayable in thirty-six (36) monthly installments, less the installment payments that the Debtors have already made to First American pursuant to the DIP Order ("Exit Financing Term Note" and, together with the Exit Financing Line of Credit, the "Exit Facility"). Amounts advanced under the Exit Facility will be subject to a floating interest rate of 30-day LIBOR plus 4.0% (with an interest rate floor of 6.0%). Advances under the Exit Financing Line of Credit will be limited to the lesser of (i) \$5,120,000 or (ii) 80% of all eligible accounts receivables and 35% of all eligible inventory (with a cap on inventory advances of \$2,000,000). The Exit Facility is subject to the Debtors satisfying the conditions of the Exit Facility financing documents, which will be attached as an exhibit to the Plan. In the event that the terms of the Plan and the Exit Facility financing documents conflict, the terms of the Exit Facility financing documents shall control.

Similarly, Don and Judith Thiel have agreed to provide the Debtors with exit financing in the form of a \$1,000,000 revolving line of credit, which shall bear the interest rate of 5% percent ("Thiel Exit Financing Revolving Line of Credit"), repayable when the Debtors have available cash flow. The Thiel Exit Financing Revolving Line of Credit shall be limited by the terms of the Exit Facility financing documents, and, if a default occurs under the terms of the Exit Facility or Secured Bond L/C Facility, the Debtors shall make no payments to Don or Judith Thiel until the Debtors satisfy all amounts owed to First American.

2. *Post-confirmation Management*

The Post-Confirmation Managers of the Debtor – Carpenter Contractors - shall be as follows:

Donald L. Thiel	-	Chairman, President
Kenneth B. Thiel	-	Director
Terrance Smith	-	Corporate Secretary, Treasurer, Vice President, Director, and
Judith Thiel	-	Director
Maria Cornelius	-	Vice President
Bill Fritsch	-	Vice President, Director

The Post-Confirmation Managers of the Debtor – CCA Midwest - shall be as follows:

Donald L. Thiel	-	Director
Kenneth B. Thiel	-	President, Director
Judith Thiel	-	Director
Mike Sobacki	-	Director
Nicole Hughes	-	Secretary

F. Risk Factors

The proposed Plan has the following risks:

The Distributions under the Plan are directly related to the Debtors' sales revenue and profitability.

G. Executory Contracts and Unexpired Leases

The Plan, in Exhibit G, lists executory contracts and unexpired leases that the Debtors will assume under the Plan. Assumption means that the Debtors have elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Exhibit G will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract under the Plan is Fourteen (14) Days following Confirmation, or such other time set by Court order. Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

H. Tax Consequences of Plan

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.

THE FOLLOWING DISCUSSION IS A SUMMARY OF CERTAIN MATERIAL FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO HOLDERS OF CLAIMS AGAINST THE DEBTORS, BUT IS NOT A COMPLETE DISCUSSION OF ALL SUCH CONSEQUENCES. CERTAIN OF THE CONSEQUENCES DESCRIBED BELOW ARE SUBJECT TO SUBSTANTIAL UNCERTAINTY DUE TO THE UNSETTLED STATE OF THE TAX LAW GOVERNING BANKRUPTCY REORGANIZATIONS. NO RULINGS HAVE BEEN OR WILL BE REQUESTED FROM THE INTERNAL REVENUE SERVICE (THE "IRS") WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN. FURTHER, THE TAX CONSEQUENCES OF THE PLAN TO THE HOLDERS OF CLAIMS AGAINST THE DEBTORS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH

HOLDER. IN ADDITION, THERE MAY BE STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF THE PLAN APPLICABLE TO PARTICULAR HOLDERS OF CLAIMS OR INTERESTS, NONE OF WHICH ARE DISCUSSED BELOW. THEREFORE, THE FOLLOWING SUMMARY IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM, AND YOU ARE URGED TO CONSULT WITH YOUR OWN TAX ADVISORS CONCERNING THE INDIVIDUAL TAX CONSEQUENCES OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING STATE, LOCAL AND FOREIGN TAX CONSEQUENCES.

A portion of the consideration received pursuant to the Plan in payment of a Claim may be allocated to unpaid interest, and the remainder of the consideration will be allocated to the principal amount of the Claim. The tax consequences of the consideration allocable to the portion of a Claim related to interest differ from the tax consequences of the consideration allocable to the portion of a Claim related to principal.

Holders of claims will recognize ordinary income to the extent that any consideration received pursuant to the Plan is allocable to interest, and such income has not already been included in such Creditor's taxable income. The determination as to what portion of the consideration received will be allocated to interest is unclear, and may be affected by, among other things, rules in the Internal Revenue Code (the "Tax Code") relating to original issue discount and accrued market discount. Holders of claims should consult their own tax advisors as to the amount of any consideration received under the Plan that will be allocated to interest. If amounts allocable to interest are less than amounts previously included in the Creditor's taxable income, the difference will result in a loss. Any amount not allocable to interest will be allocated to the principal amount of the Claim paid pursuant to the Plan, and will be treated as discussed herein.

Creditors receiving Cash generally will recognize gain or loss on the exchange equal to the difference between its basis in the Claim and the amount of Cash received that is not allocable to interest. The character of any recognized gain or loss will depend upon the status of the Creditor, the nature of the Claim in its hands and the holding period of such Claim. If a Creditor has treated a Claim as wholly or partially worthless and been allowed a bad debt deduction, the Creditor will include the amount of Cash received in income to the extent such Cash exceeds the Creditor's remaining tax basis in the Claim. Creditors may be entitled to installment sales treatment or other deferral with respect to the distribution they receive subsequent to the Effective Date. Creditors may already have claimed partial bad debt deductions with respect to their claims. The IRS may take the position that holders of Allowed claims cannot claim an otherwise allowable further loss in the year in which their Claim is allowed because they could receive further distributions. Thus, a Creditor could be prevented from recognizing a loss until the time when its Claim has been liquidated and distributions have been completed. If a Creditor is permitted to recognize a loss in the year of the Effective Date by treating the transaction as a "closed transaction" at such time, it may recognize income on any subsequent distribution.

In making distributions pursuant to the Plan, Debtors will comply with applicable withholding and reporting requirements imposed by federal, state or local taxing authorities.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the Plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. **Who May Vote or Object**

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes 2.1, 2.2, 3.1(a) & (b), 3.2, 3.3 and 3.6 are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that classes 1, 2.2a, 2.3, 2.4, 2.5, 2.6, 2.7, 3.4 and 3.5 are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. *What Is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtors have scheduled the claim on the Debtors' schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was March 17, 2011.

2. *What Is an Impaired Claim or Impaired Equity Interest?*

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. *Who is **Not** Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;

- holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests” (as discussed above), unless they have been “allowed” for voting purposes.
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses.

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.

4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by cram down on non-accepting classes, as discussed later in Section [B.2.].

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. *Treatment of Nonaccepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a cram down plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not

discriminate unfairly, and is fair and equitable toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a “cramdown” confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

C. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a Chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit I.

A liquidation analysis presumes that the case proceeds under Chapter 7 of the Bankruptcy Code in order to liquidate the assets of the Debtors for distribution to Creditors in accordance with the priorities established by 11 U.S.C. §507 of the Bankruptcy Code. Any liquidation by a Chapter 7 Trustee would result in additional Administrative Expense to the estate and delay in the payment of any dividend to Creditors. As demonstrated in the Projected Liquidation Analysis, presuming an orderly liquidation of the Debtor’s assets over a shortened period of time by a Chapter 7 Trustee, most Classes of Creditors, and specifically unsecured creditors, would receive substantially less than they would under the Plan upon liquidation due to the priority of liens in the Debtors’ property. The value to unsecured creditors under the proposed plan of reorganization is derived from the going concern revenues and operations of the Debtors as well as the restructured treatment of secured, administrative, and insider claims including the subordination of Don L. Thiel’s prepetition claim in the amount of \$8,565,000 which restructuring and added value would not exist in connection with a chapter 7 liquidation.

D. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors, unless such liquidation or reorganization is proposed in the Plan.

1. Ability to Initially Fund Plan

The Plan Proponent believes that the Debtors will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan and the sources of that cash are attached to this disclosure statement as Exhibit F.

In addition to the revenues generated by the business operations of the Debtors, the Debtors will have the additional financial flexibility to implement the Plan due to the agreed upon deferral of Don L. Thiel’s unsecured claims as set forth in Class 3.6 which will result in additional cash availability and permit the Debtors to implement the treatment set forth in the Plan.

First American is authorized to provide the Debtors with the Exit Facility in the form of (a) a one-year Five Million, One Hundred Twenty Thousand Dollars \$5,120,000 monitored asset based line of credit renewable annually for three years (“Exit Financing Line of Credit”), and (b) a Two Million,

Five Hundred Thousand Dollars \$2,500,000 term note, repayable in thirty-six (36) monthly installments, less the installment payments that the Debtors have already made to First American pursuant to the DIP Order (“Exit Financing Term Note” and, together with the Exit Financing Line of Credit, the “Exit Facility”). Amounts advanced under the Exit Facility will be subject to a floating interest rate of 30-day LIBOR plus 4.0% (with an interest rate floor of 6.0%). Advances under the Exit Financing Line of Credit will be limited to the lesser of (i) \$5,120,000 or (ii) 80% of all eligible accounts receivables and 35% of all eligible inventory (with a cap on inventory advances of \$2,000,000). The Exit Facility is subject to the Debtors satisfying the conditions of the Exit Facility financing documents, which will be attached as an exhibit to the Plan. In the event that the terms of the Plan and the Exit Facility financing documents conflict, the terms of the Exit Facility financing documents shall control.

Similarly, Don and Judith Thiel have agreed to provide the Debtors with exit financing in the form of a \$1,000,000 revolving line of credit, which shall bear the interest rate of 5% percent (“Thierl Exit Financing Revolving Line of Credit”), repayable when the Debtors have available cash flow. The Thiel Exit Financing Revolving Line of Credit shall be limited by the terms of the Exit Facility financing documents, and, if a default occurs under the terms of the Exit Facility or Secured Bond L/C Facility, the Debtors shall make no payments to Don or Judith Thiel until the Debtors satisfy all amounts owed to First American.

2. *Ability to Make Future Plan Payments And Operate Without Further Reorganization*

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent has provided projected financial information. Those projections are listed in Exhibit E.

The Plan Proponent’s financial projections show that the Debtors will have an adequate annual cash flow to pay operating expenses, exit obligations and post-confirmation taxes. See attached financial projections for detailed analysis. The final Plan payment is expected to be paid on July 1, 2017.

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTORS

Discharge.

12.01 After all distributions have been made pursuant to this Plan, the Reorganized Debtors, through undersigned counsel, shall file a report and cause a final decree to be issued in the Chapter 11 Case by the Bankruptcy Court and request the Bankruptcy Court grant a discharge to the Debtors/Reorganized Debtors pursuant to Bankruptcy Code § 1141(d)(5)(A).

12.02 Upon the Bankruptcy Court’s granting of a discharge to the Debtors pursuant to Bankruptcy Code § 1141(d)(5)(A), the Debtors shall be discharged from all Claims and debts that arose before the Effective Date of this Plan and from any liability of any kind whether or not: (a) a

Proof of Claim is filed or deemed filed under § 501 of the Bankruptcy Code; (b) such Claim is Allowed under § 502 of the Bankruptcy Code; or (c) the holder of such Claim has accepted the Plan. Obligations, claims, rights and remedies arising under the Plan shall not be discharged.

12.03 Upon the Bankruptcy Court's granting of a discharge to the Debtors pursuant to Bankruptcy Code § 1141(d)(5)(A), as to every discharged debt and Claim, the Creditor that held such debt or Claim shall be permanently barred from asserting against the Debtors/Reorganized Debtors, or against the Debtors' assets or properties, any further or other Claim based upon any document, instrument or act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date. Except as otherwise specifically provided herein, nothing in this Plan shall be deemed to waive, limit or restrict in any way the discharge granted upon the Bankruptcy Court's granting of a discharge to the Debtors pursuant to Bankruptcy Code § 1141(d)(5)(A).

12.04 At such time the Debtors are granted a discharge pursuant to Bankruptcy Code § 1141(d)(5)(A), and except as otherwise provided in the Plan, all persons who have held, hold or may hold Claims, or who have held, hold, or may hold Interests, shall be enjoined from taking any of the following actions against the Debtors, the Estate, the assets or property of the Debtors (other than action brought to enforce any rights or obligations under the Plan or appeals, if any, from the Confirmation Order) (i) commencing, conducting, continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against the Debtors, the Debtors' estate or the assets or property of the Debtors or any direct or indirect successor in interest to the Debtors, or any assets or properties of any such transferee or successor; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means whether directly or indirectly any judgment, award, decree or order against the Debtors or the Estate, or the assets or properties of the Debtors or the Estate or any direct or indirect successor in interest to any of the Debtors, or any assets or properties of any such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors or the Debtors' estate or the assets or properties of the Debtors or the Debtors' estate or any direct or indirect successor in interest to the Debtors, or any assets or properties of any such transferee or successor other than as contemplated by the Plan; (iv) asserting any set off, right of subrogation or recoupment of any kind, directly or indirectly against any obligation due the Debtors of the Debtors' estate or the assets or property of the Debtors, or any direct or indirect transferee of any assets or property of, or successor in interest to, the Debtors; and (v) proceeding in any manner in any place whatsoever that does not conform or comply with the provisions of the Plan.

12.05 Until such time as the Debtors receive a discharge or is denied a discharge under Bankruptcy Code § 1141(d)(5)(A), the automatic stay shall remain in effect to the extent provided under Bankruptcy Code § 362(c)(2), except as otherwise provided in the Plan.

12.06 Exculpation. Except as otherwise provided in this Plan, Debtors in Possession, their officers, directors, employees, representatives, advisors, attorneys, financial advisors, or agents, or any of such parties' successors and assigns ("Released Parties"), shall not have or incur, and are hereby released from, any claim, obligation, cause of action or liability to one another or to any Holder of a Claim or an Interest, or any other party in interest, or any of their respective officers, directors, members, employees, representatives, advisors, attorneys, financial advisors, agents, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the pursuit of Confirmation

of this Plan, the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan, except for their willful misconduct or gross negligence, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under this Plan; provided that the foregoing release does not apply to any claims, liens or security interests, indebtedness, loans, or financial accommodations of First American. In consideration of the above, and as a material condition to the confirmation of the Plan, the Released Parties agree to waive distribution from the estate on the Effective Date, except as provided for herein. The claims of the Released Parties shall remain the liability of the Reorganized Debtors, nothing in this Plan releases or discharges the Released Parties claims against the Reorganized Debtors, and the Released Parties are expressly authorized to seek or otherwise agree to payment from the Reorganized Debtors. This waiver is necessary to confirm the Plan meeting the financial requirements of § 1129. Moreover, such parties have contributed funds and services to the estate which are necessary to obtain confirmation and to permit the continued operations of the Debtors and Reorganized Debtors and preserving the assets and facilitate treatment being provided under the Plan. As noted above such claims are being subordinate, if paid at all. Further, such parties are necessary to the operation of the Reorganized Debtors and its ability to make payments. Such waiver will avoid any indemnity requirements by the Debtors.

12.09 Nothing in the Chapter 11 cases, the Confirmation Order, the Plan, the Bankruptcy Code (including section 1141 thereof) or any other document filed in the Chapter 11 cases shall in any way be construed to discharge, release, limit, or relieve the Debtors, the Reorganized Debtors, or any other party, in any capacity, from any liability or responsibility with respect to the Pension Plan or any other defined benefit plan under any law, governmental policy, or regulatory provision. PBGC and the Pension Plan shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, Bankruptcy Code, or any other document filed in the Chapter 11 cases. This release provision is an integral part of the Plan and is essential to its implementation.

B. Modification of Plan

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

C. Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

VII. GENERAL PROVISIONS

A. Notices. Whenever the Plan requires notice to be given, such notice shall be given to the following parties at their respective addresses unless a prior notice of change of address has been served indicating a new address:

Debtors
Chad P. Pugatch
Rice Pugatch Robinson and Schiller, P.A.
101 NE 3 Ave, Suite 1800
Fort Lauderdale, FL 33301
Facsimile: (954) 462-4300
Email: cpugatch@rprsllaw.com

B. Dates. The provisions of Bankruptcy Rule 9006 shall govern the calculation of any dates or deadlines referenced in the Plan.

C. Further Action. Nothing contained in the Plan shall prevent Debtors from taking such actions as may be necessary to consummate the Plan, even though such actions may not specifically be provided for within the Plan.

D. Attachments. All attachments to the Plan are incorporated herein by reference and are intended to be an integral part of this document as though fully set forth in the Plan. All exhibits to the Plan shall be filed with the Bankruptcy Court no later than five (5) days before the Confirmation Date.

E. Plan Amendments. Before the Confirmation Date, the Plan Proponent may modify, amend or withdraw the Plan, without approval of the Bankruptcy Court. After the Confirmation Date, the Proponent or any disbursing agent may, subject to Bankruptcy Court approval and so long as it does not materially or adversely affect the rights set forth in the Plan of creditors and other parties in interest, amend or modify the Plan to remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order, in such manner that may be necessary to carry out the purposes and intent of the Plan.

F. Binding Effect. Upon occurrence of the Effective Date, the Plan shall be binding on, and inure to the benefit of the Debtors, the estate, the Claim holders and Interest holders, and their respective successors and assigns, regardless of whether those parties voted to accept the Plan.

G. Governing Law. Except to the extent that the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without giving effect to any conflicts of law principles.

H. Voting Securities. All of the Debtors' securities are voting securities.

VIII. ALTERNATIVES TO CONFIRMATION

If this Case were converted to Chapter 7 liquidation a bankruptcy trustee would be appointed to take possession and title of Debtors' Property. While the Chapter 7 trustee can obtain permission to

operate a business for a short period of time while the business is being liquidated, continued operation of Debtors' Property during a reasonable marketing period would be unlikely. The appointment of a Chapter 7 trustee would further burden the estate and its creditors with additional administrative expenses above and beyond those administrative claims that have already been incurred. As stated herein, a sale of the Debtors' property in a Chapter 7 liquidation would bring less than provided for in the Plan if any distribution to creditors beyond Administrative and Secured Claims. See attached Liquidation Analysis.

IX. RESERVATION OF RIGHTS UNDER BANKRUPTCY CODE 11 U.S.C. § 1129(B)

The Debtors expressly reserve its right, pursuant to Bankruptcy Code § 1129(b), to request the Court confirm the Plan (under what is commonly referred to as the "Cram Down" provisions of the Bankruptcy Code) if all of the applicable requirements of Bankruptcy Code § 1129(a) have been met, other than Bankruptcy Code § 1129(a)(8). Section 1129(b) of the Bankruptcy Code provides that this Plan may be confirmed by the Bankruptcy Court despite not being accepted by every impaired Class of Creditors if: (i) as least one impaired Class of Creditors has voted to accept the Plan; and (ii) the Bankruptcy Court finds that the Plan does not discriminate unfairly and is fair and equitable to the rejecting Classes.

X. RECOMMENDATION

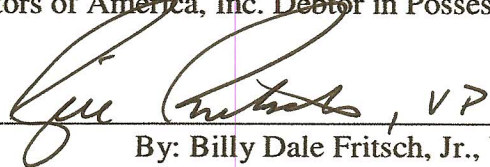
The Debtors believe that the Plan is in the best interest of all Creditors and provides a recovery, where there otherwise might be greater difficulty and a lower recovery. Therefore, the Debtors recommend Claimants and Interest Holders vote to accept the Plan.

XI. DISCLAIMERS

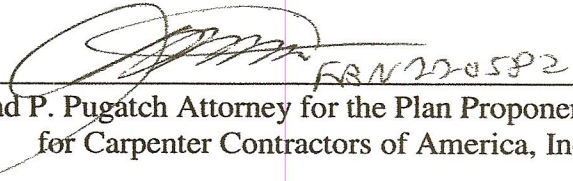
THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, AND UNLESS ANOTHER TIME IS SPECIFIED HEREIN, NEITHER THE DELIVERY OF THIS DISCLOSURE STATEMENT NOR AN EXCHANGE OF RIGHTS MADE IN CONNECTION HEREWITH, SHALL UNDER ANY CIRCUMSTANCE, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF. ANY BENEFITS OFFERED TO THE HOLDERS OF CLAIMS OR INTERESTS, IN ACCORDANCE WITH THE PLAN, WHICH MAY CONSTITUTE SECURITIES, HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"), OR BY ANY RELEVANT GOVERNMENT AUTHORITY OF ANY STATE OF THE UNITED STATES. NEITHER THE COMMISSION, NOR ANY SUCH STATE AUTHORITY, HAS PASSED UPON THE ACCURACY OF THIS DISCLOSURE STATEMENT OR THE MERITS OF THE PLAN. NO REPRESENTATIONS CONCERNING DEBTORS, THE VALUE OF ITS PROPERTY, OR THE VALUE OF ANY BENEFITS OFFERED TO HOLDERS OF CLAIMS OR INTERESTS IN CONNECTION WITH THE PLAN, ARE AUTHORIZED, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCES WHICH ARE CONTRARY TO THE INFORMATION CONTAINED IN

THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED ON BY YOU IN ARRIVING AT ITS DECISION. ANY SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO UNDERSIGNED COUNSEL. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECTED TO A CERTIFIED AUDIT. WHILE DEBTORS' REAL ESTATE HAS BEEN APPRAISED, OPINIONS OF VALUE MAY DIFFER AND CIRCUMSTANCES MAY CHANGE. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE APPROVAL OF THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN, OR A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

Carpenter Contractors of America, Inc. Debtor in Possession

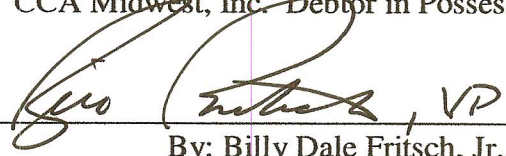


By: Billy Dale Fritsch, Jr., V.P.

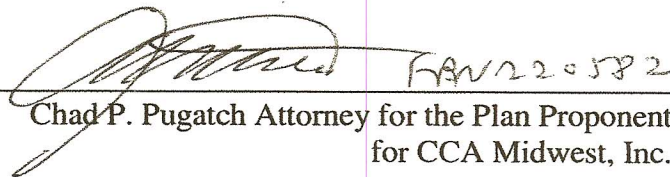
 FAN 22-0582

Chad P. Pugatch Attorney for the Plan Proponent
for Carpenter Contractors of America, Inc.

CCA Midwest, Inc. Debtor in Possession



By: Billy Dale Fritsch, Jr., V.P.

 FAN 22-0582

Chad P. Pugatch Attorney for the Plan Proponent
for CCA Midwest, Inc.