

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Fenton Sub Parcel D, LLC,
Debtor.

Case No. BKY 11-44430
Chapter 11 Case

In re:

Bowles Sub Parcel D, LLC,
Debtor.

Case No. BKY 11-44434
Chapter 11 Case

**DEBTORS' THIRD AMENDED JOINT PLAN OF REORGANIZATION
DATED JULY 17, 2012**

Debtors Fenton Sub Parcel D, LLC and Bowles Sub Parcel D, LLC propose the following Plan of Reorganization under Chapter 11 of the Bankruptcy Code. Please refer to the Disclosure Statement for the Joint Chapter 11 Plan of Reorganization for a discussion of the history, business, properties and operations of the Debtors, a summary and analysis of this Plan, risk factors related to this Plan and certain other matters. Subject to certain restrictions and requirements set forth in 11 U.S.C. § 1127 and Fed. R. Bankr. P. 3019, the Debtors reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its substantial consummation.

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**ARTICLE I
 DEFINED TERMS**

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

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

Debtors or any party-in-interest have not filed an objection; and with respect to all claims, only after reduction for applicable setoff and similar rights of the Debtors.

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

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

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

1.5. “Bankruptcy Rule” or “Rule” means a Federal Rule of Bankruptcy Procedure.

1.6. “Bass Lake Business Center” means that certain real property, which is a part of the Pool D Properties, is situated in the State of Minnesota, County of Hennepin, and is described as follows:

Lot 1, Block 1, Science Industry Park, Hennepin County, Minnesota, filed as Official Plat 7709 in Volume 1896 beginning Page 571635, as R.T. doc. No. 1345224 and C.R. Doc. No. 4500263.

Part of which is registered property described as follows: That part of Lot 1, Block 1, Science Industry Park, lying West of the West line of the Northeast Quarter of the Southwest Quarter of Section 6, Township 118, Range 21.

(Certificate of Title No.1131061)

1.7. “Cahill Business Center” means that certain real property, which is a part of the Pool D Properties, is situated in the State of Minnesota, County of Hennepin, and is described as follows:

Lot 2, Block 1, Atwood Station Second Addition, Hennepin County, Minnesota.

Part of which is registered property described as follows: That part of Lot 2, Block 1, Atwood Station Second Addition, embraced within Lot 2, Block 1, Atwood Station Subdivision.

(Certificate of Title No.1131061)

1.8. “Cahill Purchase Agreement” means that certain purchase agreement between the Debtors on one hand and Tim Mulcahy on the other hand, dated August 8, 2007 regarding the Cahill Business Center.

1.9. “Causes of Action” means any and all actions, proceedings, causes of action (including, without limitation, any causes of action of a debtor or debtor in possession under chapter 5 of the Bankruptcy Code such as the Avoidance Claims or turnover actions), liabilities,

obligations, suits, reckonings, covenants, contracts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, rights to object to claims, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured or whether asserted or assertable directly or derivatively, in law, equity or otherwise, and all rights thereunder or attendant thereto.

1.10. “Chapter 11 Cases” means the bankruptcy cases of In re: Fenton Sub Parcel D, LLC, case number 11-44430, and In re: Bowles Sub Parcel D, LLC, case number 11-44434, both of which are pending in the Bankruptcy Court for the District of Minnesota.

1.11. “Confirmation Date” means the date on which the Confirmation Order is entered.

1.12. “Confirmation Order” means the order confirming this Plan.

1.13. “Contested Claim” means a claim to which an objection has been made.

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

1.15. “Debtors” means Fenton Sub Parcel D, LLC and Bowles Sub Parcel D, LLC in any form contemplated under this Plan.

1.16. “Disclosure Statement” means the Joint Disclosure Statement of Fenton Sub Parcel D, LLC and Bowles Sub Parcel D, LLC, dated May 7, 2012, as amended or modified.

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

1.18. “Excess Cash Fund” means (i) the proceeds of a sale of any parcel of the Pool D Properties pursuant to the Plan or the refinancing of the Class 1-A claim that are available after the application of such proceeds to (a) reasonable sales commissions and closing costs; (b) the Class 1-A claim; and (c) any unpaid administrative expense claims; and (ii) cash on hand attributed to the Reorganized Debtors’ ongoing operations to the extent such proceeds exceed current expenses.

1.19. “Filing Date” means June 29, 2011.

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

1.21. “First Mortgage Debt” means that certain financing for the Pool D Properties provided by Nomura Credit and Capital, Inc. in the original amount of \$11,604,000.

1.22. “Larc Industrial Park III” means that certain real property, which is a part of the Pool D Properties, is situated in the State of Minnesota, County of Dakota, and is described as follows:

Lots 6 and 7, except the Westerly 290 feet of said Lot 7, as measured along the North and South lines of said Lot 7, all in Block 1, Larc Industrial Park, according to the recorded plat thereof, Dakota County, Minnesota.

(Abstract)

1.23. “Larc Industrial Park VII” means that certain real property, which is a part of the Pool D Properties, is situated in the State of Minnesota, County of Dakota, and is described as follows:

The North 433 feet of Lot 2, Block 2, Larc Industrial Park, according to the recorded plat thereof, filed October 15, 1970, as Doc. No. 377285.

(Abstract)

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

1.25. “Mortgage” means that certain Amended and Restated Mortgage and Security Agreement dated April 9, 2004 but effective April 12, 2004.

1.26. “Note” means that certain Amended and Restated Promissory Note dated April 12, 2004.

1.27. “Penn Corporate” means that certain real property, which is part of the Pool D Properties, is situated in the State of Minnesota, County of Hennepin, and is described as follows:

Parcel 1:

Lot 1, Block 1, Warrington 1st Addition (plat filed March 10, 1975, in Book 205 of Plats, Page 16 as R.D. Doc. No. 4131476), Hennepin County, Minnesota.

Parcel 2:

All right, title, and interest in and to that certain non-exclusive easement for sewer, storm drains and public or private water mains and/or lines created pursuant to the Easement Agreement dated August 30, 1977, filed October 12, 1977, as Document No. 4323840.

(All Abstract)

- 1.28. “Petition Date” means June 29, 2011.
- 1.29. “Pool D Properties” means the real property described on Schedule A of the Schedules.
- 1.30. “Plan” means this chapter 11 plan of reorganization as amended or modified.
- 1.31. “Released Parties” means the Debtors and their current and former governors and managers.
- 1.32. “Reorganized Debtors” means the Debtors on and after the Effective Date.
- 1.33. “Representative” means, with respect to an entity, such entity’s successor, predecessor, officer, director, governor, manager, trustee, partner, employee, agent, attorney, advisor, investment banker, financial advisor, accountant or other professional.
- 1.34. “Schedules” means the schedules of Assets and liabilities of the Debtors on file with the Clerk of the United States Bankruptcy Court for the District of Minnesota, as from time to time amended in accordance with Bankruptcy Rule 1009.
- 1.35. “Secured Lender” means Wells Fargo Bank N.A., trustee for the registered holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2004-LN2, whose agent is the Special Servicer.
- 1.36. “Special Servicer” means CWCapital Asset Management LLC, as Special Servicer for Wells Fargo Bank N.A, trustee for the registered holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2004-LN2.
- 1.37. “University Center I & II” means that certain real property, which is a part of the Pool D Properties, is situated in the State of Minnesota, County of Anoka, and is described as follows:

Parcel 1:

Tract A:

Lots 4, 5 and 6, Block 3, UNIVERSITY INDUSTRIAL PARK (plat filed May 21, 1987, in Book 32 of Plats on page 11), Anoka County, Minnesota.

Tract B:

Non-exclusive easements appurtenant to Lot 4, Block 3, University Industrial Park, over the South 30 feet of the West 20 feet of Lot 3, Block 3, University Industrial Park, as set forth in Reciprocal Easement dated January 8, 1982, filed January 14, 1982, as Document No. 584513, Office of County Recorder, Anoka County, Minnesota.

Parcel 2:

Tract A:

Lots 7 and 8, Block 3, UNIVERSITY INDUSTRIAL PARK (plat filed May 21, 1987, in Book 32 of Plats on page 11), Anoka County, Minnesota.

Tract B:

Non-exclusive appurtenant easement over portions of Lots 4, 5 and 6, Block 3, UNIVERSITY INDUSTRIAL PARK, as set forth in Easement dated February 23, 1983, filed March 25, 1983, as Document No. 609870, Office of County Recorder, Anoka County, Minnesota.

(All Abstract)

ARTICLE II CLASSIFICATION OF CLAIMS AND INTERESTS

2.1 Unclassified Claims

The following table designates the classes of claims against and equity interests in the Debtors and specifies which of those classes are (i) impaired or unimpaired by the Plan and (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code. A claim or interest is classified in a particular class only to the extent that the claim or interest qualifies within the description of that class and is classified in other classes to the extent that any remainder of the claim qualifies within the description of such other classes.

<u>Class</u>	<u>Designation</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
N/A	Administrative Expenses	N/A	No
N/A	Statutory Fees and Court Costs	N/A	No
1-A	Secured Claim – Secured Lender	Yes	Yes
1-B	Secured Claim – Steven B. Hoyt	Yes	Yes
2-A	General Unsecured Claims	Yes	Yes
3-A	Equity Interests	No	No

ARTICLE III TREATMENT OF CLAIMS AND INTERESTS

3.1 Unclassified Claims

3.1.1 Allowed Administrative Expense Claims

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

The allowed administrative expense claim of Fredrikson & Byron, P.A. will accrue interest at 5.04% or such rate as the court shall determine to be applicable in the treatment of the claim in Class 1-A and will be paid from operations as described in Section 4.2 and on the cash flow projections attached as Exhibit C, from the sale of properties as described in Section 4.3, or other such treatment as is agreed by Fredrikson & Byron, P.A.

Debtors estimate that allowed administrative expense claims will not exceed \$427,000.

3.1.2 Statutory Fees and Court Costs

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

3.2 Secured Claims

3.2.1 Class 1-A – Secured Lender

This class consists of the allowed secured claim of the Secured Lender in an amount to be determined by the Court. The basis of the Secured Lender's claim is a term loan with an outstanding balance of \$10,341,107 as of the Filing Date, and such post-petition fees, costs, and charges as allowed under the Bankruptcy Code up to the value of the Secured Lender's collateral. The holder of the Class 1-A claim will receive the following treatment:

a. Payment of principal and interest

Debtors shall pay to the Secured Lender the full amount of its allowed secured claim. Interest shall accrue at the rate of 5.04%, or such lower rate as the Court determines satisfies 11 U.S.C. § 1129(b)(2)(A).

Within 30 days of each of consecutive calendar year quarter commencing with such quarter ending at least 30 days after the Effective Date and ending with such quarter ending prior to the date that is one year after the Effective Date, the Debtors shall deliver to Secured Lender a written calculation of excess cash (defined below) of the Debtors for such quarter and concurrently therewith shall deliver to Secured Lender an amount equal to any excess cash (each, a "quarterly payment" and collectively the "quarterly payments"). "Excess cash" means actual cumulative cash in excess of the cumulative cash projected in the projections attached as Exhibit C, provided that excess cash shall not include funds allocated on the cash flow projections attached as Exhibit C for capital expenditures (which are limited to tenant improvement amounts) and/or leasing commissions, even if those expenses are not actually incurred. On the date that is one year after the Effective Date, the Debtors shall pay to the Lender an amount (if greater than zero) equal to \$175,000 less the sum of the quarterly payments (the "year-end payment"). Until the year-end payment, the Debtors may only make expenditures that are for the purposes of preserving or improving the Lender Collateral or are otherwise substantially

consistent with the cash flow budget and the Plan. In addition, Debtors are not permitted to make payments to holders of claims and interests except as provided for in the Plan. Accrued but unpaid interest, if any, shall be capitalized at the end of the first year after the Effective Date.

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

The maturity date shall be May 11, 2014, at which time the entire outstanding principal balance, with all accrued but unpaid interest, shall be due and payable. The term may be extended at the Debtors' option for up to two additional one-year periods upon 30 days' notice prior to the maturity date. If the Debtors elect to exercise either option to extend, they shall pay to the Secured Lender a fee of 0.25 percent of the then-outstanding principal, with such payment due and payable when the option is exercised. The exercise of one or more of the options to extend shall not extend the term of any prepayment fee or yield maintenance fee (if any) and any pre-payment by the Debtors during any extension period shall not be subject to any pre-payment fee or yield maintenance fee.

b. Treatment of liens

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

c. Sale or refinance of properties

At any time, the Debtors may obtain the release of all of the Secured Lender's liens as to a particular parcel upon the sale of such parcel as provided in this subsection c.

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

due under this Plan as a result of any such refinancing transaction. In any event, upon payment in full of the full amount of the allowed secured claim plus accrued interest (or the placement of such amount into escrow), all liens shall be released.

d. Prepayment

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

e. Modification of loan documents

All of the documents entered into between the Debtors and the Secured Lender (“Loan Documents”) are modified to the extent necessary to effectuate this Plan. These modifications include, without limitation:

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

iii. Upon an event of any default (other than under subsection (iii) or (viii) above), the Secured Lender may, upon ten (10) days written notice to the Debtors, accelerate the unpaid balance of the claim payable under the Plan and exercise its remedies under the Loan Documents without further notice unless such default is cured before the expiration of the notice period. Upon an event of any default under subsection (iii) or (viii) above, and, to the extent such failure or default is susceptible of being cured, the continuance of such failure or default for 30 days after written notice thereof from Secured Lender to Debtors; provided, however, that if such default is susceptible to cure but such cure cannot be accomplished with reasonable diligence within said period of time, and if Debtors commence to cure such default promptly after receipt of notice thereof from Secured Lender, and thereafter prosecutes the curing of such default with reasonable diligence, such period of time shall be extended for such period time as may be necessary to cure such default with reasonable diligence, but not to exceed an additional 60 days, the Secured Lender may accelerate the unpaid balance of the claim payable under the Plan and exercise its remedies under the Loan Documents without further notice unless such default is cured before the expiration of the cure period.

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

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

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

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

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

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

3.2.2 Class 1-B – Steven B. Hoyt

This class consists of the secured claim of Steven B. Hoyt. The basis for the claim is a loan secured by a second position mortgage on the Pool D Properties in the amount of \$1,319,712. On the Effective Date, the liens shall be released and discharged with no further action required by the Debtors. Mr. Hoyt shall receive an allowed Class 2-A claim in the amount of \$1,319,712.

3.3 Unsecured Claims

3.3.1 Class 2-A – General Unsecured Claims

This class consists of all allowed unsecured claims against the Debtors that are not entitled to priority and are not classified elsewhere in this Plan. Debtors estimate that allowed claims in this class total approximately \$2,376,864 (which amount includes the amount from Class 1-B). Holders of allowed claims shall receive up to 100% of their allowed claims, with no interest, by receiving their pro rata share of four annual distributions from the Excess Cash Fund.

3.4 Equity Interests

On the Effective Date, interest holders shall retain their equity interests in the Debtors, but shall not receive any distributions from the Debtors unless holders of allowed claims in Class 2-A receive payment in full.

ARTICLE IV MEANS OF EXECUTION OF PLAN

4.1 Vesting of Property in the Debtors

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

4.2 Ongoing Operations

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

4.3 Sale of Properties or Refinancing

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

4.4 Settlement of Litigation

Confirmation of the Plan shall constitute approval of a settlement of pending litigation in Hennepin County District Court, case no. 27-cv-08-598, between the Debtors and Tim Mulcahy. The settlement involves rejection of the executory contract by Debtors, the withdrawal of claims by Mr. Mulcahy, and the division of an escrow in the principal amount of \$50,000 with 70% to Mr. Mulcahy and 30% to the Debtors. The terms are described more fully in a motion on file in these chapter 11 cases. Upon confirmation of the Plan the executory contract with Mr. Mulcahy shall be rejected without the need for other or further court order.

4.5 Treatment of Proceeds of Litigation

To the extent the Secured Lender has a security interest in proceeds of any Causes of Action, one half of such proceeds shall be applied to principal and one half of such proceeds shall be used for leasing commissions, tenant improvements, or otherwise for the benefit of the Secured Lender's collateral.

4.6 Management of the Reorganized Debtors

On the Effective Date, the Chief Manager of Fenton Sub Parcel D, LLC shall continue to be Steven B. Hoyt. On the Effective Date, the Chief Manager of Bowles Sub Parcel D, LLC shall continue to be Steven B. Hoyt. Mr. Hoyt shall receive no salary for serving in these positions.

4.7 Corporate Action

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

ARTICLE V DISTRIBUTIONS AND CLAIMS ADMINISTRATION

5.1 Method of Payment

Payments under this Plan will be made by check, mailed with first class postage pre-paid, to the holder of each claim at the address listed on its proof of claim as of the Confirmation Date, or if no proof of claim has been filed by the date of the hearing on confirmation, to the address listed on the Schedules as of the Confirmation Date. Holders of claims as of the Confirmation Date may contact the Debtors to amend their addresses at:

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

5.2 Timing of Distributions from the Excess Cash Fund to Holders of Class 2-A Claims

On the anniversary of the Effective Date, and annually on such date for an additional three (3) years, the holders of Class 2-A claims shall receive distributions from the Excess Cash Fund to the extent (i) the Class 1-A claim and the administrative expense claims are paid in full and (ii) the Excess Cash Fund exceeds \$200,000 on the date of distribution, unless the Reorganized Debtors have sold all of the Pool D Properties, in which case all remaining funds in the Excess Cash Fund shall be distributed, up to the amount of the Class 2-A claims.

5.3 Claims Administration

5.3.1 Reservation of Rights to Object to Claims

Unless a claim is specifically allowed under this Plan, or otherwise allowed prior to or after the Effective Date, the Debtors reserve any and all objections to any and all claims and motions or requests for the payment of claims, whether administrative expense, secured or unsecured, including without limitation any and all objections to the validity or amount of any and all alleged administrative expense claims, priority tax claims, liens and security interests, whether under the Bankruptcy Code, other applicable law or contract.

5.3.2 Filing of Objections

Unless otherwise extended by the Bankruptcy Court, any objections to claims other than administrative expense claims will be filed within thirty (30) days after the Effective Date (unless such day is not a business day, in which case such deadline will be the next business day thereafter). An objection to a claim will be deemed properly served on the claimholder if the Debtors effect service by any of the following methods: (A) in accordance with Federal Rule of Civil Procedure 4, as allowed and made applicable by Bankruptcy Rule 7004; (B) to the extent counsel for a claimholder is unknown, by first class mail, postage prepaid, on the signatory on the proof of claim or other representative identified on the proof of claim or interest or any attachment thereto or (C) by first class mail, postage prepaid, on any counsel that has appeared on the behalf of the claimholder in the Chapter 11 Cases.

5.3.3 Determination of Claims

Except as otherwise agreed by the Debtors, any claim as to which a proof of claim or motion or request for payment was timely filed in the Chapter 11 Cases may be determined and liquidated pursuant to (A) an order of the Bankruptcy Court or (B) applicable non-bankruptcy law (which determination has not been stayed, reversed or amended and to which determination (or any revision, modification or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending), and will be deemed in such liquidated amount and satisfied in accordance with this Plan. Nothing contained in this Plan, the Disclosure Statement, or the Confirmation Order will constitute or be deemed a waiver of any claim, right, interest, or Cause of Action that the Debtors or the Debtors' estates may have against any person in connection with or arising out of any claim or claims, including without limitation any rights under section 157(b) of title 28 of the United States Code.

5.3.4 Procedures for Treating and Resolving Contested Claims

a. No Distributions Pending Allowance

No payments or distributions will be made with respect to all or any portion of a Contested Claim unless and until all objections to such Contested Claim have been settled or withdrawn or have been determined by a Final Order, and the Contested Claim has become an allowed claim.

b. Claim Estimation

The Debtors may request estimation or limitation of any Contested Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code; provided, however, that the Bankruptcy Court will determine (A) whether such disputed claims are subject to estimation pursuant to section 502(c) of the Bankruptcy Code and (B) the timing and procedures for such estimation proceedings, if any.

c. No Distribution if Cause of Action Asserted

No payment or distribution will be made with respect to all or any portion of a claim or allowed claim held by a claimant against whom a Cause of Action is asserted unless and until such Cause of Action has been settled or withdrawn or has been determined by Final Order.

5.3.5 Unclaimed Payments

In the event a payment is returned to Debtors unclaimed, with no indication of the payee's forwarding address, Debtors will hold such payment for a period of six months from the date of return. If not claimed by the payee by the end of that period, the payment will become Debtors' property.

5.3.6 Proofs of Claim Not Timely Filed

If proof of a claim is required under Bankruptcy Rule 3003 and is not timely filed according to the provisions of the Bankruptcy Code or applicable Final Order in the Chapter 11 Cases, the holder of such claim will not be treated as a creditor for purposes of distribution under this Plan and will receive no distribution under this plan on account of such claim.

ARTICLE VI RETENTION AND ENFORCEMENT OF CLAIMS OR INTERESTS BELONGING TO DEBTORS OR ESTATES

On the Effective Date, Debtors shall be vested with, shall retain and may, at their option, contest any claim or interest belonging to the estate, including all Causes of Action, to the extent not expressly released under this Plan or by any Final Order of the Bankruptcy Court. The Causes of Action include, but are not limited to, those items identified on Exhibit B. No person may rely on the absence of a specific reference in the Plan, the Disclosure Statement, or Exhibit B to any Cause of Action as any indication that the Debtors will not pursue any and all available Causes of Action. The Debtors expressly reserve all Causes of Action for later adjudication and, therefore, no

preclusion doctrine shall apply to a Cause of Action upon, after, or as a consequence of the Confirmation Order. All recoveries on any Causes of Action, including Avoidance Claims, shall be retained by Debtors for use in making payments under this Plan or for general working capital purposes, at Debtors' option.

**ARTICLE VII
ASSUMPTION AND REJECTION OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES**

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

**ARTICLE VIII
GENERAL PROVISIONS**

8.1 Retiree Benefits

Debtors have no retiree benefits, as that term is defined in Code § 1114.

8.2 Debtors' Organizational Documents

The Articles of Organization of Debtors and related documents will be amended to the extent necessary as required by section 1123(a)(6) of the Bankruptcy Code and as may otherwise be required by this Plan.

8.3 Governmental Approval

This Plan affects no rates subject to approval by any governmental regulatory commission.

**ARTICLE IX
CONFIRMATION OF THE PLAN**

9.1 Conditions Precedent to Confirmation

The following are conditions to the entry of the Confirmation Order unless such conditions, or any of them, have been satisfied or duly waived pursuant to [Section 9.3] of this Plan:

(a) The Confirmation Order shall be acceptable to the Debtors in form and substance.

(b) This Plan shall not have been materially amended, altered or modified from the version as filed on January 6, 2012, unless such material amendment, alteration or modification has been made in accordance with Section 11.1 of this Plan.

9.2 Conditions Precedent to the Effective Date

The Effective Date shall not occur, and this Plan shall not be consummated, unless and until each of the following conditions have been satisfied or duly waived pursuant to Section 9.3 of this Plan:

(a) The Bankruptcy Court shall have entered the Confirmation Order, the Confirmation Order shall be a Final Order, and no stay of the Confirmation Order shall then be in effect.

(b) The Debtors shall have sufficient cash on hand to pay obligations required to be paid on the Effective Date of this Plan.

(c) This Plan shall not have been materially amended, altered or modified from this Plan as confirmed by the Confirmation Order, unless such material amendment, alteration or modification has been made in accordance with Section 11.1 of this Plan.

9.3 Waiver of Conditions to Confirmation or Effective Date

The conditions to Confirmation and the conditions to the Effective Date may be waived in whole or in part at any time by the Debtors without an order of the Bankruptcy Court.

9.4 Cramdown

The Debtors request Confirmation under section 1129(b) of the Bankruptcy Code with respect to any impaired Class that has not accepted or is deemed not to have accepted this Plan pursuant to section 1126 of the Bankruptcy Code.

9.5 Effect of Nonoccurrence of Conditions to the Effective Date

If each of the conditions to the Effective Date is not satisfied or duly waived in accordance with Section 9.3 of this Plan, then upon the successful adjudication of an adversary proceeding by the Debtors upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order shall be vacated by the Bankruptcy Court; provided, however, that, notwithstanding the filing of such adversary proceeding, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is satisfied or waived before the Bankruptcy Court enters an order vacating the Confirmation Order. If the Confirmation Order is vacated pursuant to this Section 9.5: (1) this Plan shall be null and void in all respects, including with respect to the releases described in Section 9.6.3 of this Plan; and (2) nothing contained in this Plan shall (a) constitute a waiver or release of any claims by or against the Debtors or (b) prejudice in any manner the rights of the Debtors or any other party in interest.

9.6 Effect of Confirmation of the Plan

9.6.1 Discharge

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

9.6.2 Injunction Related to Discharge

Except as provided in this Plan, as of the Effective Date and subject to its occurrence, all persons that have held, currently hold or may have asserted a claim, a Cause of Action or other debt, liability, interest or other right of a holder of an equity interest that is discharged, released or terminated pursuant to the Plan, are hereby permanently enjoined from commencing or continuing against the Debtors, in any manner or in any place, any action or other proceeding, enforcing, collecting or recovering in any manner any judgment, award, decree or order, creating, perfecting or enforcing any lien or encumbrance, asserting a set-off, right or subrogation or recoupment of any kind against any debt, liability or obligation. Nothing contained in this Paragraph is intended to release, discharge or enjoin any claims against any party other than the Debtors.

9.6.3 Releases

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

herein, including claims and Causes of Action contained in any adversary complaint filed during the pendency of the Chapter 11 Cases that have not been withdrawn or dismissed prior to the Confirmation Date.

**ARTICLE X
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases after the Effective Date as is legally permissible, including jurisdiction to:

- A. Allow, disallow, determine, liquidate, reduce, classify, re-classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the amount, allowance, priority or classification of Claims;
- B. Resolve any issues arising under asset purchase agreements entered into during the case or their respective or sale orders to the extent required for the implementation or execution of the Plan;
- C. Determine of all questions and disputes regarding title to the assets of the estates to the extent required for the implementation or execution of the Plan;
- D. Either grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan for periods ending on or before the Effective Date;
- E. Resolve any matters related to the assumption, assumption and assignment or rejection of any executory contract or unexpired lease to which any Debtor is a party or with respect to which any Debtor may be liable and to hear, determine and, if necessary, liquidate any claims arising therefrom, including any cure amount claims;
- F. Ensure that distributions to holders of allowed claims are accomplished pursuant to the provisions of this Plan;
- G. Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and either grant or deny any applications involving any Debtor that may be pending on the Effective Date or brought thereafter;
- H. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with this Plan, the Disclosure Statement, or the Confirmation Order;
- I. Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of this Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to this

Plan, or any entity's rights arising from or obligations incurred in connection with this Plan or such documents;

- J. Modify this Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code; modify the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with this Plan, the Disclosure Statement or the Confirmation Order; or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, this Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into, delivered or created in connection with this Plan, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate this Plan;
- K. Issue injunctions, enforce the injunctions contained in this Plan and the Confirmation Order, and enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation or enforcement of this Plan or the Confirmation Order;
- L. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or distributions pursuant to this Plan are enjoined or stayed;
- M. Determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with this Plan, the Disclosure Statement or the Confirmation Order;
- N. Enforce or clarify any orders previously entered by the Court in the Chapter 11 Cases;
- O. Enter a final decree or decrees closing the Chapter 11 Cases;
- P. Determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code, including any disputed claims for taxes;
- Q. Recover all assets of the Debtors and their estates, wherever located; and
- R. Hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XI MISCELLANEOUS PROVISIONS

11.1 Modification of the Plan

Subject to the restrictions on alteration, amendment and modification set forth in section 1127 of the Bankruptcy Code, the Debtors reserve the right to alter, amend or modify this Plan before the Effective Date, including at any hearings on confirmation as are necessary to permit this Plan to be confirmed under Code § 1129(b).

11.2 Revocation of the Plan

The Debtors reserve the right to revoke or withdraw this Plan prior to the Confirmation Date. If the Debtors revoke or withdraw this Plan, or if Confirmation does not occur, then this Plan shall be null and void in all respects, and nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims by or against any Debtor; (b) prejudice in any manner the rights of the Debtors (or any of them), any Debtor or any other party in interest; or (c) constitute an admission of any sort by the Debtors (or any of them), any Debtor or any other party in interest.

11.3 Severability of Plan Provisions

If, prior to Confirmation, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

11.4 Default

Unless otherwise provided elsewhere in the Plan, default with respect to Debtors' obligations to any creditor or holder of allowed claim under the Plan will not occur unless and until such creditor or holder has delivered written notice of such default to Debtors and Debtors have failed to cure such default within 30 days after receipt of such written notice. Unless otherwise provided elsewhere in the Plan, if Debtors fail to cure a default, the sole remedy is a claim for breach of contract.

11.5 Successors and Assigns

The rights, benefits and obligations of any entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

11.6 Section 1125(e) Good Faith Compliance

The Debtors and their respective Representatives, shall be deemed to have acted in "good faith" under section 1125(e) of the Bankruptcy Code.

IN WITNESS WHEREOF, the undersigned has executed this Joint Plan of Reorganization of Fenton Sub Parcel D, LLC and Bowles Sub Parcel D, LLC, as of the date and year set forth above.

Fenton Sub Parcel D, LLC

By: /s/ Steven B. Hoyt
Steven B. Hoyt
Chief Manager

Bowles Sub Parcel D, LLC

By: /s/ Steven B. Hoyt
Steven B. Hoyt
Chief Manager

/s/ James C. Brand

James L. Baillie (#3980)

Cynthia A. Moyer (#211229)

James C. Brand (#387362)

FREDRIKSON & BYRON, P.A.

200 South Sixth Street, #4000

Minneapolis, MN 55402

Telephone: (612) 492-7408/Facsimile: (612) 492-7070

ATTORNEYS FOR DEBTORS

Exhibit A:

Assumed Leases and Executory Contracts

Party	Description	Cure Amount
'nMotion Dance Center, LLC	University Center II, Lease of Suite 7950 (through 9/14/14)	0
ABRA, Inc.	University Center 1, Lease of Suite 7976 (through 10/31/14)	0
B&H Tax & Accounting LLC	University Center 1, Lease of Suite 7970 (through 11/30/13)	0
Berkness Swiss, LLC	Larc Industrial Park III, Lease of Suite 1320 (through 11/30/14)	0
Cable Net	University Center II, Lease of Suite 7934 (through 12/31/99)	0
Connolly Consulting Associates	University Center II, Lease of Suite 7920 (through 11/30/12)	0
Dianne's Custom Candles	Larc Industrial Park VII, Lease of entire building (through 1/31/12)	0
Fastenal Company	Bass Lake Business Center, Lease of Suite 5719 (through 5/31/14)	0
GAB Robins North America	Cahill Business Center, Lease of Suite 250 (through 5/31/12)	0
Hoffman Weber Constructions Inc	University Center II, Lease of Suite 7932 (through 4/30/13)	0
It's Hard Times, Inc.	University Center 1, Lease of Suite 7968 (through 10/31/11)	0
Kidney Specialists of MN	University Center 1, Lease of Suite 7990 (through 1/31/16)	0
L-1 Identity Secure Credential	University Center II, Lease of Suite 7936 (through 1/31/12)	0
Lee Carlson Center for Mental Health	University Center II, Lease of Suite 7954 (through 8/30/18)	0
Lee Manufacturing LLC	University Center II, Lease of Suite 7942 (through 10/31/11)	0
Masterson Personnel, Inc.	University Center II, Lease of Suite 7924 (through 7/31/16)	0

Minnesota Computers, Inc.	Bass Lake Business Center, Lease of Suite 5703 AND Bass Lake Business Center, Lease of Suite 5733 (through 11/30/13)	0
Packaging Specialists, Inc.	Bass Lake Business Center, Lease of Suite 5725 (through 8/31/11)	0
Patriot Insurance Agency	University Center 1, Lease of Suite 7964 (through 4/30/13)	0
Red-D-Arc, Inc.	Larc Industrial Park III, Lease of Suite 1300 (through 12/31/12)	0
STS Temps, Inc.	University Center 1, Lease of Suite 7986 (through 8/31/15 AND University Center 1, Lease of Suite 7988A (through 8/31/15)	0
Travelers Property & Casualty	Blanket Insurance Policy (Policy No. 630867K1087) (covers additional properties, not owned by Debtor)	0
World Taekwondo Academy	Bass Lake Business Center, Lease of Suite 5749 (through 11/30/14)	0
Zycko USA, LLC	Cahill Business Center, Suites 350-400 (through 7/31/17)	0
Patrick Flanagan	University Center I, Lease of Suite 7984 (through 12/31/13)	0

Exhibit B:

Causes of Action

The causes of action, potential causes of action, defendants and potential defendants listed on this exhibit are not exhaustive, but are reflective of current knowledge. To the extent not specifically released under the Plan, the Reorganized Debtors reserve all rights to bring any causes of action against any defendant. These specifically include:

1. Causes of Action against any and all parties related to transfers of assets listed on Sections 3(b), 3(c), and 10(a) of the Statement of Financial Affairs filed in the Chapter 11 Cases.
2. A claim against Hoyt Properties, Inc. arising out of the preparation and enforcement of the terms of the Cahill Purchase Agreement.
3. Any claim to recovery any refunds.
4. Claims under insurance policies or against insurance contracts.
5. Claims for setoff or recoupment.
6. Claims for turnover of property of the Debtors' estates.
7. Collection of accounts receivable.

Exhibit C:

Cash Flow Projections

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Total	15,667	15,667	15,667	15,667	15,667	78,335
Operating Expenses	(5,068)	(1,868)	(29,306)	(1,868)	1,868	(36,242)
Ownership Expenses	(100)	(100)	(100)	(100)	(400)	(800)
Capital Expendiures	-	-	-	-	-	-
Leasing Commissions	-	-	-	-	-	-
Cash Flow	<u>10,499</u>	<u>13,699</u>	<u>(13,739)</u>	<u>13,699</u>	<u>17,135</u>	<u>41,293</u>

UNIVERSITY I

Base Rent	11,144	11,144	11,144	11,144	13,145	57,721
Operating Expenses	4,526	4,526	4,526	4,526	5,894	23,998
RE Taxes	3,116	3,116	3,116	3,116	4,058	16,522
Total	18,786	18,786	18,786	18,786	23,097	98,241
Operating Expenses	(6,045)	(4,309)	(30,079)	(6,664)	(6,620)	(53,717)
Ownership Expenses	(342)	(342)	(529)	(528)	(529)	(2,270)
Capital Expendiures	-	-	-	-	(17,150)	(17,150)
Leasing Commissions	-	-	-	-	(7,000)	(7,000)
Cash Flow	<u>12,399</u>	<u>14,135</u>	<u>(11,822)</u>	<u>11,594</u>	<u>(8,202)</u>	<u>18,104</u>

UNIVERSITY II

Base Rent	10,102	10,102	10,102	10,102	9,729	50,137
Operating Expenses	4,176	4,176	4,176	4,176	3,943	20,647
RE Taxes	2,863	2,863	2,863	2,863	2,703	14,155
Total	17,141	17,141	17,141	17,141	16,375	84,939
Operating Expenses	(5,741)	(3,629)	(29,895)	(5,879)	(5,879)	(51,023)
Ownership Expenses	(508)	(508)	(1,023)	(1,023)	(1,323)	(4,385)
Capital Expendiures	-	-	-	-	-	-
Leasing Commissions	-	-	-	-	(2,757)	(2,757)
Cash Flow	<u>10,892</u>	<u>13,004</u>	<u>(13,777)</u>	<u>10,239</u>	<u>6,416</u>	<u>26,774</u>

PENN CORPORATE

Base Rent	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-
RE Taxes	-	-	-	-	-	-
Total	-	-	-	-	-	-
Operating Expenses	(4,550)	(2,050)	(45,248)	(4,548)	(4,548)	(60,944)
Ownership Expenses	(1,800)	(1,300)	(1,500)	(1,600)	-	(6,200)
Capital Expendiures	-	-	-	-	-	-
Leasing Commissions	-	-	-	-	-	-
Cash Flow	<u>(6,350)</u>	<u>(3,350)</u>	<u>(46,748)</u>	<u>(6,148)</u>	<u>(4,548)</u>	<u>(67,144)</u>

Total	23,097	23,097	23,097	23,097	23,097	23,097	23,097	23,097	184,776
Operating Expenses	(6,620)	(6,620)	(6,620)	(6,620)	(31,195)	(6,620)	(6,620)	(6,620)	(77,535)
Ownership Expenses	(528)	(528)	(528)	(528)	(528)	(528)	(528)	(528)	(4,220)
Capital Expenditures	-	-	-	-	-	-	-	-	-
Leasing Commissions	-	-	-	-	-	-	-	-	-
Cash Flow	<u>15,950</u>	<u>15,950</u>	<u>15,950</u>	<u>15,950</u>	<u>(8,626)</u>	<u>15,950</u>	<u>15,950</u>	<u>15,950</u>	<u>103,021</u>

UNIVERSITY II

Base Rent	10,998	10,998	10,998	10,998	10,998	10,998	10,998	10,998	87,984
Operating Expenses	4,317	4,317	4,317	4,317	4,317	4,317	4,317	4,317	34,536
RE Taxes	2,910	2,910	2,910	2,910	2,910	2,910	2,910	2,910	23,280
Total	18,225	18,225	18,225	18,225	18,225	18,225	18,225	18,225	145,800
Operating Expenses	(7,835)	(6,183)	(6,183)	(7,964)	(32,777)	(3,621)	(5,239)	(5,741)	(75,543)
Ownership Expenses	(1,023)	(1,023)	(1,023)	(1,023)	(1,023)	(1,023)	(1,023)	(1,023)	(8,184)
Capital Expenditures	-	-	-	-	-	-	-	-	-
Leasing Commissions	-	-	-	-	-	-	-	-	-
Cash Flow	<u>9,367</u>	<u>11,019</u>	<u>11,019</u>	<u>9,238</u>	<u>(15,575)</u>	<u>13,581</u>	<u>11,963</u>	<u>11,461</u>	<u>62,073</u>

PENN CORPORATE

Base Rent	16,678	16,678	16,678	16,678	16,678	16,678	16,678	16,678	133,424
Operating Expenses	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	27,864
RE Taxes	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	54,528
Total	26,977	26,977	26,977	26,977	26,977	26,977	26,977	26,977	215,816
Operating Expenses	(4,200)	(4,200)	(4,200)	(4,200)	(45,096)	(4,200)	(4,200)	(4,200)	(74,496)
Ownership Expenses	-	-	-	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	-	-	-	-
Leasing Commissions	-	-	-	-	-	-	-	-	-
Cash Flow	<u>22,777</u>	<u>22,777</u>	<u>22,777</u>	<u>22,777</u>	<u>(18,119)</u>	<u>22,777</u>	<u>22,777</u>	<u>22,777</u>	<u>141,320</u>

TOTAL CASH FLOW

Payments to CW Capital									
Tenant Improvements, Capex & Leasing									
Cumulative Cash	\$ 335,870	384,409	436,313	488,216	538,339	355,240	409,706	462,553	514,899
CW Secured Claim Principal	\$ 10,605,579	10,605,579	10,590,751	10,575,862	10,560,909	10,545,894	10,530,816	10,515,674	10,500,469
Interest @ 5.04%		44,543	44,481	44,419	44,356	44,293	44,229	44,166	44,102
Credits		(59,371)	(59,371)	(59,371)	(59,371)	(59,371)	(59,371)	(59,371)	(59,371)
Secured Claim Principal		10,590,751	10,575,862	10,560,909	10,545,894	10,530,816	10,515,674	10,500,469	10,485,200

Cash assuming sales

Sales Proceeds	\$ 11,638,344	\$ 11,638,344	\$ 11,638,344	\$ 11,638,344	\$ 11,638,344	\$ 11,638,344	\$ 11,638,344	\$ 11,638,344	\$ 11,638,344
Less Deed Tax & Recording	\$ (58,192)	\$ (58,192)	\$ (58,192)	\$ (58,192)	\$ (58,192)	\$ (58,192)	\$ (58,192)	\$ (58,192)	\$ (58,192)
Secured Claim	(10,590,751)	(10,575,862)	(10,560,909)	(10,545,894)	(10,530,816)	(10,515,674)	(10,500,469)	(10,485,200)	
Plus Cash	384,409	436,313	488,216	538,339	355,240	409,706	462,553	514,899	
Available for Admin & Unsecured Claims	<u>\$ 1,373,810</u>	<u>\$ 1,440,603</u>	<u>\$ 1,507,459</u>	<u>\$ 1,572,597</u>	<u>\$ 1,404,577</u>	<u>\$ 1,474,184</u>	<u>\$ 1,542,236</u>	<u>\$ 1,609,851</u>	

Total Capex, TI & LC 2016

\$ 200,000